FINANCIAL SERVICES INNOVATION COALITION'S LEGISLATIVE AGENDA

RECOMMENDATIONS ON HOW CONGRESS CAN HELP WORKING FAMILIES: A FOCUS ON LEGISLATION SUPPORTING THE MIDDLE-CLASS

PREPARED BY :

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Financial Services Innovation Coalition

JUNE 2025

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SOUTHERN CHRISTIAN LEADERSHIP GPI GLOBAL POLICY INITIATIVE

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AMERICAN INNNOVATION AND OPPORTUNITY FUND

"2025 Minority Policy Priorities Summit Legislative Agenda"

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Section 1

All American Tax Reform Bill

Sponsor: Rep. Sheila McCormick (FL)

Introduction:

America's middle class, long heralded as the backbone of our economy, now finds itself burdened by soaring living costs, stagnant wages, and rising debt. For many, financial security and the chance to build wealth feel increasingly out of reach, with estimates suggesting that a single individual needs around
$120,000 per year to live comfortably, while a family of four requires about $250,000. In light of these challenges, FSIC's Consumer Debt and Financial Wellness Task Force has created a proposal to bring the needs of middle-class Americans to the forefront of the national conversation.

This proposal includes targeted tax relief measures, offering substantial benefits to single filers earning $120,000 or less and joint filers earning $250,000 or less. With policies like full deductibility of commuting costs, professional services, tutoring, and more, FSIC aims to alleviate everyday expenses and empower American households to manage financial pressures and thrive. By increasing middle-class spending power, these initiatives promise to stimulate the broader economy, provide a sense of financial stability, and restore confidence among millions of Americans who are disenchanted with their current economic reality.

Goals

- Improve the economy
- Provide financial relief to the 95%
- Decrease the Income and Wealth Gaps

Introduction - Why is this Important to Study?

The evolution of tax policy in the U.S. has had profound impacts on income distribution, economic behavior, and the nation's fiscal health. By examining the history of taxation, particularly the significant reforms over the past 50 years, we can understand how these changes have contributed to current disparities in wealth and income. Studying these shifts also allows us to evaluate potential reforms to create a fairer tax system that benefits all segments of society, especially the middle and lower classes.

Tax Situation for People 50 Years Ago

Fifty years ago, the U.S. tax system was characterized by much higher personal tax rates, particularly for wealthy individuals. In the 1970s, marginal tax rates for the highest earners could reach as high as 70%. At the same time, the tax code provided a plethora of deductions, exemptions, and tax shelters, allowing individuals and businesses to lower their taxable income significantly.

Effect of Very High Personal Tax Rates

The high marginal tax rates for the wealthy had several notable effects:

- **Income Retention in Companies**: High-income individuals would often retain earnings in their companies rather than pay themselves a large salary to avoid high personal tax rates. By deferring income or reinvesting it back into the company, they could avoid triggering these higher rates.
- **Tax Avoidance Strategies**: Wealthy individuals and corporations developed complex tax avoidance strategies. This included investing in tax shelters like real estate, oil and gas partnerships, and other investments that offered large depreciation or tax loss benefits.
- **Use of Deductions**: The tax code allowed for generous deductions, especially for interest payments, charitable contributions, and personal loans. As a result, high earners were able to significantly reduce their taxable income through legal loopholes.

What Led to the Change? Why Was it Important to Change the Tax Laws?

By the 1980s, the complexity of the tax code, combined with the extensive use of tax shelters and loopholes, made the system inefficient and inequitable. Critics argued that the tax code unfairly benefited the wealthy, who had the resources to exploit loopholes, while regular taxpayers bore a disproportionate burden. Additionally, high tax rates were seen as a disincentive to investment and economic growth.

The need for reform was driven by a desire to simplify the tax code, broaden the tax base, and reduce the reliance on tax shelters, while also lowering marginal tax rates to incentivize economic activity.

Reagan Tax Reform Act of 1986

- **Why They Wrote the Law**: The Tax Reform Act of 1986 was intended to simplify the tax code, eliminate tax shelters, and promote fairness. The aim was to create a tax system that would lower rates but increase revenues by closing loopholes and broadening the tax base.
- **How They Wrote the Law**: The law was a bipartisan effort, with President Reagan and Congressional leaders from both parties working to draft legislation that could achieve these goals. Economists, policymakers, and tax experts were consulted in an extensive process.
- **What They Said They Wanted the Law to Do**: The primary goal was to lower personal and corporate tax rates while eliminating deductions and shelters that disproportionately benefited the wealthy. It aimed to stimulate economic growth, make the system more efficient, and reduce tax avoidance.
- **What the Law Actually Did**: The act lowered the top personal tax rate from 50% to 28% and reduced corporate tax rates. It eliminated many deductions, including those for personal interest
  and passive losses. While it broadened the tax base and simplified the tax code, it also led to greater disparities in income distribution by shifting the burden of taxes away from wealthier individuals and corporations.

Other Tax Changes Between the Act of 1986 and Present Day

Since 1986, there have been numerous tax changes, including:

- **Clinton-era tax increases**: In the 1990s, taxes on the wealthy were raised to address budget deficits.
- **Bush-era tax cuts**: In the early 2000s, the Bush administration reduced tax rates across the board, particularly benefiting higher-income earners.
- **Obama's tax policies**: While the Bush tax cuts were extended, the Obama administration implemented tax hikes on higher earners to support healthcare reform and reduce deficits.
- **Trump's Tax Cuts and Jobs Act (2017)**: This further reduced corporate tax rates from 35% to 21%, while also providing tax cuts for individuals, especially the wealthy, but many provisions affecting individuals were temporary.

Tax Landscape Present Day

- **Regular People**: The current tax system provides some benefits for middle- and lower-income households, such as the Earned Income Tax Credit (EITC), but many feel squeezed by rising costs of living and stagnant wages.
- **Wealthy People**: The wealthy continue to benefit from lower personal income taxes and have access to sophisticated tax strategies that enable them to avoid paying significant amounts of tax.
- **Small Businesses**: Small businesses often struggle under a tax system that, while offering some deductions, does not provide the same level of flexibility and benefits as large corporations.
- **Corporations**: Corporate taxes have been significantly reduced, and many large corporations are able to exploit international tax loopholes to minimize their tax burdens.

How Have These Changes Contributed to Income and Wealth Inequality?

The cumulative effect of tax changes, especially those benefiting the wealthy and large corporations, has contributed significantly to rising income and wealth inequality. Lower tax rates for the highest earners, combined with opportunities for tax avoidance, have allowed wealth to accumulate at the top, while middle- and lower-income families have seen fewer benefits.

Tax Reforms That Would Benefit the Middle and Lower Classes

- **Expanding the Earned Income Tax Credit (EITC)**: This could provide more support to working-class families.
- **Child Tax Credits**: Expanding child tax credits and making them refundable can directly help low-income families.
- **Reducing Payroll Taxes**: Since payroll taxes disproportionately impact lower earners, reducing or restructuring them could alleviate the tax burden on middle- and lower-income workers.

Creative Ways to Tax the Wealthy to Improve the Economy and Decrease Wealth Gaps

- **Wealth Tax**: Implementing a tax on extreme wealth (assets over a certain threshold) could address disparities.
- **Financial Transaction Tax**: A small tax on stock trades and financial transactions could generate significant revenue and reduce speculative trading.
- **Capital Gains Reform**: Increasing the capital gains tax, especially for the wealthiest

individuals, would reduce the preferential treatment of investment income over wage income.

Conclusions

The evolution of U.S. tax policy has played a critical role in shaping today's economic landscape. While the Reagan Tax Reform Act of 1986 was designed to simplify the tax system and promote fairness, subsequent changes have shifted more benefits toward the wealthy, exacerbating income and wealth inequality. Today, tax reform remains a pressing issue, and there are many potential ways to create a more equitable system that benefits the middle class and all Americans.

CONGRESSWOMAN
SHEILA
CHERFILUS-MCCORMICK

All-Americans Tax Relief Act of 2025

With the Tax Cuts and Jobs Act (TCJA) set to expire at the end of 2025, working- and middle-class families are in desperate need of bold tax relief that improves their quality of life, lowers costs, and boosts economic mobility. The *All-Americans Tax Relief Act of 2025* achieves this by:

- Significantly expanding the Earned Income Tax Credit (EITC)
  - Single taxpayers would see an average $1,418.75 increase in their maximum EITC benefit
  - Married Couples would see an average $1,656.25 increase in their maximum EITC benefit
- Increasing the child tax credit and making the tax credit fully refundable
  - Taxpayers would receive $2,000 each for up to three qualifying children plus an additional $500 for each additional qualifying child
- Allowing medical expenses to be fully deductible and available to taxpayers claiming the standard deduction
- Allowing daycare expenses to be fully deductible and available to taxpayers claiming the standard deduction
- Allowing commuting expenses to be fully deductible and available to certain taxpayers claiming the standard deduction
  - Single taxpayers earning less than $125,000 annually and married couples filing jointly earning less than $250,000 annually would be eligible to claim this deduction

- Closing the achievement gap by creating a $2,500 deduction for tutoring costs
    - Available to taxpayers with dependents enrolled in a Title I-eligible public school or public charter school
- Establishing a $2,500 tax deduction for credit card debt interest payments
- Fully excluding forgiven secured and unsecured debts from an individual's taxable income
- Providing relief to renters by making rental payments fully deductible and available to taxpayers claiming the standard deduction
- Making the wealthy pay their fair share by increasing the top capital gains rate from 20% to 25%

For additional information or questions about the *All-Americans Tax Relief Act of 2025* please contact Josh Joffe, Legislative Assistant for Congresswoman Cherfilus- McCormick at **josh.joffe@mail.house.gov**

FSIC Supporting Materials

Case Study #1: How Tax Reforms Benefit Middle- and Lower-Income Families

(Higher Income Bracket Example)

Prepared by: Stephanie Fauntleroy, CPA

Background:

While tax reforms often focus on low-income families, middle-income earners **face significant tax burdens** due to payroll taxes and limited deductions. Implementing reforms such as **expanding the Earned Income Tax Credit (EITC), increasing the Child Tax Credit (CTC), and reducing payroll taxes** can also provide financial relief for families earning higher incomes while still being considered middle class.

Case Study: The Thompson Family
A Middle-Income Household

Household Details:

- **Taxpayer:** David Thompson
- **Filing Status:** Head of Household
- **Occupation:** IT Consultant
- **Annual Income:** $120,000
- **Dependents:** Two children, ages 10 and 12
- **Current Deductions & Credits:**
  - **Standard Deduction (2024 for HoH):** $21,900
  - **Current Earned Income Tax Credit (EITC):** Not eligible due to income phase- out
  - **Current Child Tax Credit (CTC):** $2,000 per child (partially refundable)
  - **Payroll Taxes (Social Security & Medicare):** 7.65% of wages

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Scenario 1: Current Tax Law (2024)

Income & Tax Calculation:

- **Gross Income:** $120,000
- **Standard Deduction:** $(21,900)
- **Taxable Income:** $98,100

Tax Bracket Breakdown (2024 Head of Household):

Tax Bracket	Tax Rate	Taxable Amount ($)	Tax Owed ($)
$0 - $15,700	10%	$15,700	$1,570
$15,701 - $59,850	12%	$44,150	$5,298
$59,851 - $98,100	22%	$38,249	$8,415

Total Tax Owed Before Credits	-	-	**$15,283**

Credits Applied:

- **Earned Income Tax Credit (EITC): Not eligible** (income exceeds threshold)
- **Child Tax Credit (CTC - Partially Refundable):** $(3,000)
- **Payroll Taxes Paid (7.65% of Wages):** $9,180

Net Tax Outcome (Before Reform)

- **Total Tax Owed:** $15,283
- **Total Refundable Credits Applied:** $(3,000)
- **Final Tax Due: $12,283**

Scenario 2: Implementing Tax Reforms

Key Reforms Implemented:

1. **Expanded Earned Income Tax Credit (EITC)**
   - Increase phase-out threshold to **$125,000 for single parents**.
   - **New EITC Credit Amount for David: $2,000** (Previously $0).
2. **Enhanced Child Tax Credit (CTC) – Fully Refundable**
   - Increase per-child credit from **$2,000 to $3,600**.
   - **Fully refundable** (instead of partially).
   - **New CTC Amount for David: $7,200** (Up from $3,000).
3. **Reduced Payroll Taxes**
   - Reduce the **Social Security tax from 6.2% to 5%** for incomes under $150,000.
   - David's new payroll tax rate: **5% + 1.45% (Medicare) = 6.45%**.
   - **New Payroll Tax Paid: $7,740** (Down from $9,180).

Scenario 2: Tax Calculation After Reform

Income & Tax Calculation:

- **Gross Income:** $120,000
- **Standard Deduction:** $(21,900)
- **Taxable Income:** $98,100

Tax Bracket	Tax Rate	Taxable Amount ($)	Tax Owed ($)
$0 - $15,700	10%	$15,700	$1,570
$15,701 - $59,850	12%	$44,150	$5,298
$59,851 - $98,100	22%	$38,249	$8,415
Total Tax Owed Before Credits	-	-	**$15,283**

Credits Applied (After Reform):

- **Expanded Earned Income Tax Credit (EITC):** $(2,000)
- **Expanded Child Tax Credit (CTC - Fully Refundable):** $(7,200)
- **New Payroll Taxes Paid (6.45% of Wages):** $7,740

Net Tax Outcome (After Reform)

- **Total Tax Owed:** $15,283
- **Total Refundable Credits Applied:** $(9,200)
- **Final Tax Due: $6,083**

Impact of Tax Reforms on David's Household

Tax Scenario	Total Tax Owed ($)	Refundable Credits ($)	Final Tax Due ($)
Current Law (2024)	$15,283	$3,000	$12,283
Proposed Reform	$15,283	$9,200	$6,083
Tax Savings	-	**+$6,200**	**+$6,200**

Key Takeaways: How the Tax Reforms Benefit Middle-Class Families

1. **Inclusion of Middle-Income Earners in EITC**
   - Expanding the **EITC** to higher incomes provides an additional **$2,000** for David.
2. **Child Tax Credit Expansion Provides Direct Relief**
   - The **fully refundable CTC ($3,600 per child)** increases David's credit by $4,200.
3. **Payroll Tax Reduction Benefits Middle-Class Earners**
   - A **1.2% reduction in Social Security taxes** saves David **$1,440 per year**.
4. **Greater Financial Flexibility**
   - Under the **new tax system**, David's **final tax due decreases by $6,200**, giving his family more disposable income.

Conclusion: Why These Reforms Matter

- Middle-income families are **often excluded from critical tax credits** due to phase-out rules.
- Expanding **EITC and CTC** allows these families to receive **substantial tax relief**.
- Reducing payroll taxes **ensures workers keep more of their earnings**.
- **For David Thompson, these reforms mean:**
  - **A $6,200 decrease in final tax due**
  - **Higher take-home pay**

- **Increased tax fairness for middle-income households**

Final Thought:

Implementing these tax reforms would provide tangible financial benefits to middle-income households while supporting economic growth and reducing the tax burden on working- class families.

Case Study #2: The Impact of Proposed Tax Changes on a Middle-Class Taxpayer (Lower Income Bracket Example)

Taxpayer Profile

- **Name:** Jane Doe
- **Filing Status:** Single
- **Annual Salary:** $85,000
- **Deductions & Expenses:**
  - **Commuting Costs:** $5,000
  - **Professional Services (Career Coaching, Resume Services, etc.):** $2,000
  - **Tutoring for Professional Certification:** $3,000
  - **Consumer Interest (Credit Card or Personal Loan Interest):** $1,500
  - **Medical Bills Paid Out-of-Pocket:** $5,000
  - **Standard Deduction (2024 Law):** $14,600

Scenario 1: Tax Calculation Under Current Law

Under the current U.S. tax code, Jane is only eligible for the **standard deduction** of $14,600. Other personal expenses, such as commuting, professional services, tutoring, consumer interest, and medical bills, are **not deductible**.

Tax Calculation Under Current Law

Category	Amount ($)
Gross Income	85,000
Standard Deduction	(14,600)
Taxable Income	**70,400**
Total Tax Owed (Using 2024 Tax Brackets)	**$10,540.66**

Scenario 2: Tax Calculation Under Recommended Tax Changes

Under the proposed tax changes, Jane can now **fully deduct** commuting costs, professional services, tutoring expenses, consumer interest, and medical bills. This significantly lowers her taxable income.

Tax Calculation Under Recommended Tax Changes

Category	Amount ($)
Gross Income	85,000
Standard Deduction	(14,600)
Commuting Deduction	(5,000)
Professional Services Deduction	(2,000)
Tutoring Deduction	(3,000)
Consumer Interest Deduction	(1,500)
Medical Bills Deduction	(5,000)
New Taxable Income	**53,900**
Total Tax Owed (Using 2024 Tax Brackets)	**$6,910.66**

Tax Savings & Impact

Scenario	Taxable Income ($)	Total Tax Owed ($)	Tax Savings ($)
Current Tax Law	70,400	10,540.66	-
Recommended Tax Changes	53,900	6,910.66	**3,630**

Key Takeaways

1. **Taxable Income Reduction**
   - Under the current law, Jane's taxable income is **$70,400**.
   - Under the recommended changes, her taxable income is **$53,900** due to newly deductible expenses.
2. **Tax Liability Reduction**
   - Under the current tax system, Jane pays **$10,540.66** in federal income tax.
   - Under the proposed system, her tax burden drops to **$6,910.66**, saving her **$3,630**.
3. **Greater Financial Flexibility**
   - With an extra **$3,630** in tax savings, Jane has more money to **pay off debts, invest in professional development, or save for future expenses**.

Conclusion

This case study demonstrates how **targeted tax relief for middle-class taxpayers** can significantly reduce financial strain. The proposed changes **expand deductions for everyday expenses**, which helps increase disposable income and reduce economic burdens for individuals like Jane. By allowing deductions for commuting costs, professional services, tutoring, consumer interest, and medical expenses, this tax reform proposal **creates a fairer system** that supports working "regular" Americans.

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MANAGEMENT ADVISORY SERVICES

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CEO

Tax Deductible Work Expenses: Employees vs. Independent Contractors (excerpt)

Contents

Disparities in Costs: Employees vs. Contractors After Tax Reform

The changes under the 2018 TCJA have created a clear disparity in how work expenses affect employees versus independent contractors. In summary:

- **Employees now absorb 100% of unreimbursed work expenses**, as those expenses provide no tax deduction or offset. Every dollar an employee spends on job-related costs is a dollar out of their after-tax income. This effectively makes working as an employee more expensive when significant out-of-pocket requirements are part of the job. As one tax analysis noted, *"without a deduction, the after-tax cost of unreimbursed employee business expenses is increased."* (tax.thomsonreuters.com)

In other words, employees end up paying more because they can no longer recoup any portion of those costs through tax savings.

- **Independent contractors continue to deduct work expenses**, meaning a portion of every dollar spent on business costs is subsidized through tax savings. A contractor's $1 of business expense might effectively cost only $0.70 out-of-pocket after taxes (depending on their tax bracket), because it reduces taxable income. The contractor is taxed only on **profit (income minus expenses)**, whereas the employee is taxed on **all their wages** and then must pay expenses from those after-tax wages. This fundamental difference often means that an employee needs a higher gross salary to end up with the same net income after work expenses, compared to a contractor who can deduct those expenses.

- **Example disparity:** Suppose an employee and an independent contractor each incur $5,000 of job-related expenses in a year (mileage, tools, etc.). The employee's taxable income is unchanged by those expenses (they pay tax on their full salary), so if they're in the 22% federal bracket, they pay about $1,100 in tax on the $5,000 that ultimately went to work costs – and then still have to cover the $5,000 cost itself. The contractor, on the other hand, subtracts the $5,000 from income; if they were in the 22% bracket, their tax is reduced by roughly $1,100. In effect, the contractor's $5,000 expense might only cost them $3,900 after tax, while it costs the employee the full $5,000. Prior to 2018, the employee might have itemized and saved some amount (say $500–$1,000) in taxes from that $5,000, but now they save $0. This gap means employees bear **higher effective costs** to do their jobs than similarly situated contractors in many cases.

- **Employers vs. Contractors:** It's important to consider that independent contractors face other costs that employees do not, such as self-employment tax (covering the full Social Security/Medicare contributions) and typically no employer-provided benefits. The **tax savings on expenses help offset some of those extra costs**. Meanwhile, employees get half of their payroll taxes covered by the employer and often receive benefits, but now they cannot offset any unreimbursed expenses. The

> TCJA effectively put pressure on employers to consider reimbursement policies – as some experts suggested, without the deduction, companies might want to **"reconsider their reimbursement policies"** to cover expenses that employees were previously deducting. (tax.thomsonreuters.com)

Otherwise, employees might be disincentivized to spend money on things that benefit the employer (like training, tools, travel) if they bear the full after-tax cost.
In short, the tax reform created a disparity where **employees shoulder more financial burden for work expenses, whereas independent contractors maintain a tax-advantaged status for those same costs**.
Next, we'll look at concrete examples to illustrate the financial impact on individuals in both categories.

Related Article

Is $120K a Good Salary for a Single Person?

By Alene Laney. July 29, 2024 · 8 minute read
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Rising prices and inflation are driving worries that money doesn't go as far as it used to. But rest assured that $120,000 is considered a good salary, especially if you're single and have no dependents. And by developing sound money habits now, you can help make the most of your income, no matter what it is.

Here's a closer look at an annual salary of $120,000.

Is $120K a Good Salary?

A salary of $120,000 is nearly double the national average salary in the U.S. of $63,795, per the latest data available from the Social Security Administration. But how comfortably you're able to live on that money depends on a number of factors, including how much debt you have, your family

size, and how much your lifestyle costs in the area where you live.

A money tracker can help you with budgeting, monitoring spending, and keeping tabs of your credit score.

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Average Median Income in the US by State in 2024

The average pay for a worker in the U.S. varies by state, though no state comes close to $120,000. For reference, here's a chart of the median household income in each state, according to the U.S. Census Bureau.

State	Median Household Income
Alabama	$59,609
Alaska	$86,370
Arizona	$72,581
Arkansas	$56,335
California	$91,905
Colorado	$87,598
Connecticut	$90,213
Delaware	$79,325
Florida	$67,917
Georgia	$71,355
Hawaii	$94,814
Idaho	$70,214
Illinois	$78,433
Indiana	$67,173
Iowa	$70,571
Kansas	$69,747
Kentucky	$60,183
Louisiana	$57,852
Maine	$68,251
Maryland	$98,461
Massachusetts	$96,505
Michigan	$68,505
Minnesota	$84,313
Mississippi	$52,985
Missouri	$65,920
Montana	$66,341
Nebraska	$71,772
Nevada	$71,646
New Hampshire	$90,845
New Jersey	$97,126
New Mexico	$58,722

New York	$81,386
North Carolina	$66,186
North Dakota	$73,959
Ohio	$66,990
Oklahoma	$61,364
Oregon	$76,362
Pennsylvania	$73,170
Rhode Island	$81,370
South Carolina	$63,623
South Dakota	$69,457
Tennessee	$64,035
Texas	$73,035
Utah	$86,833
Vermont	$74,014
Virginia	$87,249
Washington	$90,325
West Virginia	$55,217
Wisconsin	$72,458
Wyoming	$72,495

Related: ***Highest Paying Jobs by State***

Average Cost of Living in the US by State in 2024

The average cost of living in the U.S. will affect how you feel about your $120,000 salary. And, like salary, it varies by state. Here's a look at what a typical resident in each state spends on basic necessities, such as housing, food, and transportation.

State	Personal Consumption Expenditure
Alabama	$42,391
Alaska	$59,179
Arizona	$50,123
Arkansas	$42,245
California	$60,272
Colorado	$59,371
Connecticut	$60,413
Delaware	$54,532
Florida	$55,516
Georgia	$47,406
Hawaii	$54,655
Idaho	$43,508
Illinois	$54,341
Indiana	$46,579
Iowa	$45,455
Kansas	$46,069

Kentucky	$44,193
Louisiana	$45,178
Maine	$55,789
Maryland	$52,651
Massachusetts	$64,214
Michigan	$49,482
Minnesota	$52,849
Mississippi	$39,678
Missouri	$48,613
Montana	$51,913
Nebraska	$37,519
Nevada	$49,522
New Hampshire	$60,828
New Jersey	$60,082
New Mexico	$43,336
New York	$58,571
North Carolina	$47,834
North Dakota	$52,631
Ohio	$47,768
Oklahoma	$42,046
Oregon	$52,159
Pennsylvania	$53,703
Rhode Island	$52,820
South Carolina	$46,220
South Dakota	$48,997
Tennessee	$46,280
Texas	$49,082
Utah	$48,189
Vermont	$55,743
Virginia	$52,057
Washington	$56,567
West Virginia	$44,460
Wisconsin	$49,284
Wyoming	$52,403

Source: U.S. Bureau of Economic Analysis

How to Live on a $120K Salary

Chances are, $120,000 can easily cover an individual's basic expenses with some money left over for entertainment and saving. But if you live in a pricey area or are trying to pay down debt, you may need to be more mindful about how you're managing your money. The following tips can help.

Live below your means

You've heard it before, but the most important part of living well at your salary is to make sure your expenses are less than your salary. Try to find housing and transportation that fits within your budget, use a budget to plan for expenses, and manage lifestyle creep as much as you can.

Have a contingency fund

Be sure you're planning for the unexpected. Building an emergency fund can go a long way toward preserving your finances when tough times come.

Make a plan for your money

Making a budget — yes, even on a $120,000 annual salary — can help you use your money more effectively and make progress toward financial goals.

How to Budget for a $120K Salary

There are a number of budgeting methods you may want to try.

- **50/30/20 method:** With a 50/30/20 budget, 50% of your money should go toward needs (housing, transportation, food, etc.); 30% to wants (spending money, self-care, eating out, and vacations); and 20% to savings and debt payments.

- **Zero-based budgeting:** In this type of budgeting, you give a job to every dollar you earn so that your income minus your expenses ends at zero.

- **Envelope method:** You specify how much money is allotted to a specific category; say, $300 for gas for the month. You can spend the designated funds until they're gone. If you're really disciplined, you won't spend in that category again until the next month, when the money in the envelope is refreshed.

Of course, the best budget is the one you will follow. A budget planner app can help you stay on track and reach your goals.

Maximizing a $120K Salary

Making the most of a $120,000 salary depends on what your financial goals are and your stage of life. Do you want to:

- Save more money?
- Grow your net worth?
- Provide for a family?
- Enjoy eating out and/or nightlife?
- Afford a nice car and house?

To maximize a $120,000 salary, invest in the areas of your life that are important to you. Make a plan to spend money according to your values and be more frugal in the areas that are not as important to you.

Quality of Life with a $120K Salary

According to the World Health Organization, quality of life is about a person's perception of their culture and value systems in relation to their goals, concerns, expectations, or standards. Translation: Your quality of life on a $120,000 salary may depend, in large part, on your perception of how good it is. If you're able to feel optimistic with the amount of money you have, you'll likely have a good quality of life.

Is $120,000 a Year Considered Rich?

Yes, $120,000 is a six-figure salary — and a good one for a single person — but is it enough to qualify you as "rich"? The truth is, rich is a relative term. Living well depends on how satisfied you are with your lifestyle and how much you're able to save for a future self.

Is $120K a Year Considered Middle Class?

Middle class is determined by incomes that range from two-thirds to double the median income. It is also adjusted for family size. In the U.S., the median income is $74,580, which puts the range for the middle class between $49,745 and $149,160.

However, when adjusting for family size, a $120,000 salary for a single person puts you squarely in the upper class in every metro area in the United States.

Example Jobs that Make About $120,000 a Year Salary

According to data from the U.S. Bureau of Labor Statistics (BLS), there are a number of occupations whose salaries sit at or above $120,000 — some which could be a good fit for introverts.

Some examples include:

- **Software Developer:** $132,270
- **Physician Assistant:** $130,020
- **Nurse Practitioner:** $126,260
- **Information Security Analyst:** $120,360
- **Actuary:** $120,000

Related Article

Returning to the office is costing you $51 per day, study finds

BY[Chris Morris](#) and [Jane Thier](#)
October 11, 2023 at 1:26 PM EDT
Fortune

Returning to the office carries additional expenses.
Getty Images

Returning to the office won't just cost you more time. It could add another $51 (or more) per day to your expenses, according to a new survey.

The annual State of Work report from videoconferencing company Owl Labs, first provided to *Fortune*, finds the average spend of returning workers is $51 per day when they work in person. And workers with pets, the company says, average $71 per day in spending.

The total, says Owl Labs, breaks down as follows:

$16 – Lunch
$14 – Commuting costs
$13 – Breakfast/coffee
$8 – Parking
($20 – pet care)

Employees who work a hybrid schedule, the company says, spend just $36 per day.

Last year's Owl Labs data looked mostly identical—hybrid workers spent the same additional amount, $51, on in-person days in 2022, showing that a full year of new norms have done little to make an office return more convincing for most workers. "Companies that want to bring workers back to the office this fall might try providing a stipend, free lunch, or pre-tax commuter benefits to help offset these in-office costs," Frank Weishaupt, Owl Labs' CEO, told *Fortune* last year.

The new data can be shocking, but it might not be a bad idea to take these numbers with a grain of salt. Owl Labs, given its focus, has a likely bias towards workers embracing the hybrid or telecommuting lifestyle. Workers can save a considerable amount off those totals by bringing lunch

from home or bypassing Starbucks on the way to work. And many office workers do not have to pay to park at work.

Still, the survey does underscore the additional costs of returning to the office in a time where the economy is uncertain and fears of a recession loom. The survey of 2,000 workers found that 94% of workers are willing to come back to the office *if* their bosses shore up the financial difference. They'd mainly expect support covering commuting costs and subsidized meals, snacks, and coffee—all of which, clearly, adds up fast.

While return-to-office mandates have been announced by several companies, worker compliance has been mixed. And a growing number of U.S. executives believe remote work and hybrid options will continue to grow over the next five years, according to a separate study from researchers at Stanford University.

That study found executives expect 72.6% of full-time employees will be fully in-person/on-site in 2028, compared to nearly 92% in 2018.

Related Article

Rich people are 'powering' America's economy

The income gap sets a new record

The wealthy have increased their spending faster than the rate of inflation
(Image credit: Illustration by Julia Wytrazek / Getty Images)

By Joel Mathis, The Week US
published 2 weeks ago

Rich people buy more stuff. That has always been the case. But something's changing: America's

wealthy are not just purchasing more than everybody else — they are increasingly propping up the entire U.S. economy with their spending.

The economy "depends more than ever on rich people," said The Wall Street Journal. Households making more than $250,000 represent just the top 10% of all earners, but a new report from Moody's Analytics reveals they now account for nearly half of all consumer spending. That's a "record in data going back to 1989," when that same cohort was responsible for a mere 36% of spending. The wealthy have increased their spending faster than the rate of inflation, said the Journal, but "everyone else hasn't." The result is that rich folks are "powering America's economy," said Quartz.

Credit card delinquencies are rising

The American economy would appear to be "humming along" with low unemployment, said NBC News. But the economic picture looks worse "under the hood" as a "stark" wealth divide grows ever wider, and the Americans who are not at the top of the food chain are "facing increasing financial difficulties." For those folks, taking on debt is one of the prime ways of keeping up: Lower- and lower-middle-income families have used credit cards to "maintain purchasing power." They can't always keep up. Missed payments on credit card debt have "grown to the point that they are now higher than pre-pandemic levels," said FICO's Can Arkali in an October blog post.

Consumer spending is the "beating heart" of the American economy, said Marketplace. People buying stuff accounts for 70% of the gross domestic product. But there is a distorting effect when that spending is weighted so heavily toward the rich. "Maybe we'd have fewer people working in really high-end hotels and resorts and a lot more people working in elder care and child care," said Josh Bivens of the Economic Policy Institute. And it's not clear that wealthy households can keep the economy going on their own. If their spending is "being driven by record stock prices, I wouldn't count on that for sustaining long-term economic growth," said Moody's Mark Zandi.

Inequality is 'unifying but divisive'

Widening income inequality could have political ramifications. The gap was a "major driver behind Americans' votes in the 2024 election for both Democrats and Republicans," said Ipsos. About a third of 2024 voters said Donald Trump was best equipped to tackle the gap, while 39% gave the nod to Kamala Harris. Voters "haven't yet unified behind a single party or candidate" to solve the issue, making the topic "unifying but divisive."

There is a link between "economic inequality and the erosion of democratic norms and institutions," researchers Eli G. Raua and Susan Stokes said in the Proceedings of the National Academy of Sciences. Even "wealthy and longstanding democracies" are vulnerable to democratic erosion as the income gap widens. The bigger the disparity in a democratic country, the "more at risk it is of electing a power-aggrandizing and norm-shredding head of government."

Related Article

Americans' credit card debt reaches new record high: New York Federal Reserve

Credit card balances now stand at a record-high $1.21 trillion.

By: Elizabeth Schulze
February 13, 2025, 12:07 PM
ABC News

By The Numbers: Spiraling credit card debt

By The Numbers: Spiraling credit card debt. A look at the numbers behind Americans charging more on their credit cards, and what paying down their balances means for managing credit card debt overall.

Americans' household debt -- including credit cards, mortgages, auto loans and student loans -- is at a new all-time high of $18.04 trillion, according to a report released Thursday by the Federal Reserve Bank of New York.

Overall debt grew by $93 billion in the last three months of 2024 -- and about half of that increase was new credit card debt, according to the report.

Americans' total credit card balances now stand at a record-high $1.21 trillion, the report said.

On a call with reporters Thursday, New York Federal Reserve researchers said credit card debt typically goes up at the end of the year when consumers do their holiday shopping. Researchers said they expect balances will decline at the start of this year as shoppers start to pay down that debt.

High interest rates are another factor behind elevated credit card debt levels, the researchers said. They added that income levels have been going up as debt is increasing, a positive sign for the health of the economy.

Visa credit cards are displayed in Washington, Oct. 27, 2009.
Jason Reed/Reuters, FILE

Delinquencies -- reflecting missed payments on credit card bills -- also ticked up in the fourth quarter.

The report highlighted higher delinquency rates for auto loans, too. Americans hold nearly $1.7 trillion in auto loan debt.

New York Federal Reserve researchers said higher new and used car prices in the wake of the pandemic are a key reason why some Americans are behind on their auto payments.

"While mortgage delinquency rates are similar to pre-pandemic levels, auto loan delinquency transition rates remain elevated," said Wilbert van der Klaauw, economic research adviser at the New York Federal Reserve. "High auto loan delinquency rates are broad-based across credit scores and income levels."

Section 2

Access to Reliable Community Healthcare Act (ARCH Act)

To improve access to healthcare by promoting equity in healthcare facility ownership, preventing anti-competitive practices, and enhancing healthcare access in underserved communities.

SUMMARY

The Healthcare Equity and Competition Act is all about making healthcare fairer and more accessible, especially for minority communities. Too many areas in the U.S. lack hospitals, clinics, and affordable medical care, leaving millions of people without proper treatment. Minority-owned healthcare facilities are crucial to fixing this problem, but they face serious obstacles, from lack of funding to unfair competition from big hospital systems and private equity groups trying to push them out.

This bill provides funding to support minority-owned healthcare businesses through grants, low-interest loans, and expanded programs like the 340B Drug Pricing Program and Rural Development funds. It also creates training and financial support programs to help minority medical professionals start and maintain independent practices, ensuring more providers are available in underserved areas.

The bill establishes a Healthcare Competition Task Force within the Department of Justice and the Federal Trade Commission to tackle anti-competitive behavior. This task force will crack down on monopolies, unfair business tactics, and any efforts to shut out minority-owned healthcare providers. The bill also protects these providers from legal harassment, excessive regulations, and other unfair practices that make it harder for them to succeed.

Transparency is key, so the bill requires hospitals and insurers to report on healthcare disparities, ensuring that the public and policymakers can track who is being left behind. A bipartisan oversight committee will monitor these efforts and ensure that the law is being followed.

There are real consequences for those who break the rules. The bill enforces heavy financial penalties, forces monopolistic companies to break up, and holds executives personally accountable if they engage in anti-competitive practices. Government agencies that discriminate against minority-owned providers will also face investigations and consequences.

The Department of Health and Human Services, working with the FTC and DOJ, will implement this plan within six months of the bill passing. Once in place, this law will start

improving healthcare access, ensuring more communities get the quality medical care they deserve.

SECTION 1. SHORT TITLE

This Act may be cited as the **"Access to Reliable Community Healthcare Act"**

SECTION 2. FINDINGS"

Congress finds that:

1. More than 80% of U.S. counties lack adequate healthcare infrastructure, disproportionately affecting minority and low-income communities and weakening local economies by reducing workforce participation and increasing medical-related financial hardship (source).
2. African Americans and Hispanics suffer from cardiovascular disease and related risk factors at disproportionately high rates, leading to greater medical expenses, lost workdays, and decreased economic productivity (source).
3. Studies show that increasing minority-owned healthcare facilities and practitioners improves health outcomes, job creation, and economic stability in communities historically excluded from healthcare access (source).
4. Minority-owned healthcare providers face significant barriers, including predatory anti-competitive practices from large hospital systems, discriminatory funding allocations, and aggressive regulatory enforcement, all weakening local economies and restricting economic mobility (source).
5. Healthcare monopolization by large hospital systems, private equity firms, and university health networks limits patient choice, drives up costs, and displaces independent providers who serve underserved communities, further contributing to economic disparity (source).
6. Ensuring equitable healthcare access leads to a healthier workforce, stronger small businesses, increased local and national economic activity, and greater financial stability for individuals and families (source).

SECTION 3. DEFINITIONS

For purposes of this Act:

1. "Healthcare deserts" refer to counties with inadequate access to primary care providers, hospitals, trauma centers, and pharmacies, limiting economic opportunity and growth.
2. "Minority-owned healthcare facility" refers to a healthcare provider or institution where at least 51% ownership is held by individuals from racial or ethnic minority groups, helping to ensure economic investment in historically underserved areas.
3. "Anti-competitive practices" include collusion, exclusionary contracting, restrictive licensing, predatory pricing, and fraudulent regulatory complaints designed to undermine competition, stifle job creation, and weaken community-based economic resilience.

4. "Regulatory discrimination" refers to the unfair targeting of minority-owned healthcare facilities through excessive audits, investigations, and licensing restrictions that create economic barriers for independent providers.

SECTION 4. PROMOTING MINORITY HEALTHCARE OWNERSHIP

(a) **Financial Support and Grants:**

1. The Department of Health and Human Services (HHS) shall allocate $5 billion in grants and $5 billion in low-interest loans annually to support the development and sustainability of minority-owned healthcare facilities in designated healthcare deserts, creating jobs and strengthening local economies.
2. The federal 340B Drug Pricing Program shall be reformed to require subsidies for minority-owned healthcare facilities, ensuring the affordability of critical medications, reducing healthcare costs, and improving patient financial stability. The reform shall include assigning an oversight entity to enforce civil and criminal penalties when 340B Program rules are broken.
3. The Department of Agriculture's Rural Development funds shall prioritize investment in minority-owned healthcare facilities in rural areas, expanding economic opportunities and ensuring essential services that enable businesses to thrive.

(b) **Training and Workforce Development:**

1. The Health Resources and Services Administration (HRSA) shall develop a pipeline program to support minority medical professionals in establishing independent practices, expanding job opportunities and healthcare accessibility.
2. Federal loan forgiveness and scholarships shall be provided to healthcare professionals who commit to practicing in minority-owned facilities in underserved areas for at least five years, ensuring community access to medical care while strengthening economic growth through job creation.
3. Rural and urban community workforce programs shall be established to assist residents from affected communities in getting the necessary training and education to pursue careers in the healthcare industry.

SECTION 5. PREVENTING ANTI-COMPETITIVE BEHAVIOR

(a) **Antitrust Enforcement:**

1. The Department of Justice (DOJ) and the Federal Trade Commission (FTC) shall establish a Healthcare Competition Task Force to investigate and prosecute anti-competitive behavior by large hospital systems, private equity firms, and insurance companies that drive up costs and limit healthcare access, weakening both local and national economies.
2. The FTC shall prohibit exclusive contracts between insurers and large healthcare conglomerates that restrict patient access to independent providers, increasing competition, reducing costs, and ensuring financial stability for small medical practices.

3. Any hospital system or healthcare network found guilty of monopolistic practices shall be required to divest assets or facilities to restore competition and ensure greater economic opportunities in local markets. Oversight shall be established to

(b) **Protection from Retaliatory Actions:**

1. Federal protections shall be granted to minority-owned healthcare providers facing slander, targeted regulatory actions, or discriminatory licensing practices that harm local economies and reduce small business success.
2. Any healthcare provider subjected to frivolous lawsuits, excessive audits, or exclusionary referral practices shall have access to a federal legal defense fund to ensure fair competition and economic sustainability.

SECTION 6. ENHANCING ACCOUNTABILITY AND TRANSPARENCY

(a) **Healthcare Equity Oversight Committee:**

1. A bipartisan Congressional oversight committee shall be established to monitor healthcare equity initiatives and report on anti-competitive behaviors annually, ensuring a fair and competitive healthcare market that supports economic stability.
2. The committee shall include minority healthcare providers to ensure representation and input from impacted communities, promoting economic investment and reducing healthcare disparities.

(b) **Mandatory Reporting of Healthcare Disparities:**

1. Hospitals and insurance companies shall be required to submit annual reports on racial disparities in patient outcomes, referrals, and financial assistance provided, increasing accountability and driving economic improvements in healthcare access.
2. The Department of Health and Human Services shall publish these reports publicly to increase transparency and accountability and encourage economic growth through informed policymaking.

SECTION 7. ENFORCEMENT AND PENALTIES

(a) Any entity found in violation of federal antitrust laws as outlined in this Act shall be subject to:

1. Civil penalties of up to $100 million per violation, ensuring corporate accountability and reinvestment in local economies.
2. Mandatory divestiture of assets or facilities to restore competition and allow fair economic participation by minority-owned healthcare providers.
3. Individual executives responsible for anti-competitive behavior may be subject to criminal prosecution, including fines and imprisonment, reinforcing ethical business practices that benefit national economic growth.

(b) Any government agency found engaging in discriminatory regulatory practices against minority-owned healthcare facilities shall be subject to:

1. Federal civil rights investigations and financial penalties, ensuring fair treatment and economic equity.
2. Financial restructuring mandates that require investment in underserved areas, fostering economic expansion and job creation.

SECTION 8. RULEMAKING AUTHORITY

The Department of Health and Human Services, in coordination with the Federal Trade Commission and the Department of Justice, shall issue regulations necessary to carry out this Act within 180 days of enactment, ensuring rapid economic and healthcare improvements.

SECTION 9. EFFECTIVE DATE

This Act shall take effect immediately upon passage, setting in motion critical reforms that will drive economic growth, healthcare accessibility, and financial stability for all Americans.

FSIC Supporting Activity

FSIC letter to U.S. Department of Justice Healthcare Monopolies and Collusion Task Force

June 4, 2024 (Updated July 2024)

Katrina Rouse
Director
Healthcare Monopolies and Collusion Task Force
U.S. Department of Justice

Dear Ms. Rouse,

We are writing to congratulate you on the creation of the Healthcare Antitrust Task Force. There is much conversation around healthcare equity and disparity as it relates to patients, but the equity challenges facing minority-owned and/or minority-serving healthcare institutions are most often unknown and overlooked.

As minorities in the healthcare industries who own and operate facilities in various cities across the country, many of us have faced very aggressive anticompetitive actions from the larger Private Equity and Venture Capital backed healthcare facilities in our communities. We have been attacked by the large university hospital systems as well as the large for-profit systems that have worked tirelessly to destroy our businesses. Tactics include false accusations from dark money-funded publications and intra-industry propaganda, as well as unfair treatment and neglect within the healthcare industry, aggressive regulatory enforcement that often results in threats against our medical licenses, facility and equipment credentialing, frivolous lawsuits, higher malpractice insurance rates and even physical threats.

In other cases, collaborations between larger hospital systems, insurance companies, and private equity firms have forced our patients to receive services from their systems by denying us referrals and reimbursements, aggressively recruiting our key personnel, ghosting patients, spying, and even slandering our facilities and service providers.

These attacks weaken our businesses leaving them vulnerable and the community fodder for monopoly and manipulation. Not only that, but we then are also left with patients who have been untreated, misdiagnosed, and neglected because they are in the advanced stages of their disease process and are not ideal “customers” for these profit-centered institutions. Our elected officials and administrative agencies have worked to help close down our facilities with bogus and aggressive reviews and investigations.

Health inequity will not be overcome without adequate minority healthcare ownership. Our rural and urban communities cannot access any of the benefits of improved health innovation if they cannot access health facilities at all. As healthcare facility owners, we know that ownership diversity is critical to any attempt to address the large number of healthcare deserts. According to the GoodRx Research Team, in their 2021 report entitled, “Mapping Healthcare Deserts,“ More than 80% of counties across the U.S. lack adequate healthcare infrastructure in some shape or form. That means that over a third of the U.S. population lives in a county where there is less than

adequate access to pharmacies, primary care providers, hospitals, trauma centers, and/or low-cost health centers. Healthcare deserts are more likely to affect those who face additional barriers to access, such as lower income, limited internet access, and lack of insurance. Together, these barriers can further widen disparities in health outcomes."

We request the opportunity to be included in this task force and wish to express some concern that we were not included in its creation nor asked to participate in any of its meetings. Our unique experiences will offer additional valuable data as you seek to address this corrosive denigration of our healthcare infrastructure and work to stop the healthcare devastation that is rampant in our country. Should you wish to discuss these issues, please contact us at 202-696-0138.

Sincerely,

Kevin B. Kimble, Esq.
CEO
Financial Services Innovation Coalition

Dr. Charles Steele, Jr.
President
Southern Christian Leadership Conference

Brady J. Buckner
President
Partnership for Innovation and Empowerment (PIE)

Sajdah Wendy Muhammad
International Business and RE Developer
Chair
FSIC Healthcare Equity and Inclusion Task Force

Pamela WarnerDr.
Founder and CEO
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Dr. Lucenia Dunn
President and CEO
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Dr. Doriann Thomas, MD
Board Certified Radiologist
Laurel Radiology

Dr. Innocent Ubunama, DO
Board Certified General Surgeon
Midwest Vascular and Varicose Vein Center

Dr. James McGucken
Interventional Radiologist
Pennsylvania Vascular Institute

Dr. Ayana Seibles, DO
Quadruple Board-Certified in Emergency Medicine, Internal Medicine, Vascular & Endovascular Medicine

Dr. Steven A. Price, DDS
Washington Smile Center

Vannie L. Taylor, IV, D.D.S.,
Largo Bright Smiles

Dr. Augustus Hill Jr, MD
General Surgery, Gastroenterology

Larry McKinney
Capital Radiology

Dr. Jeffery J. Dormu, D.O., FACOS
Board Certified Vascular and General Surgeon
Founder,
Minimally Invasive Vascular Center

Dr. Meigan Fields, Ph.D.
Advisor
FSIC Minority Policy Priorities Task Force

Ifeoma C. Udoh, Ph.D
EVP Policy Advocacy and Science
Black Women's Health Imperative (BWHI)

cc: Jonathan Kanter, Assistant Attorney, U.S. Department of Justice

Letter to President Biden re: the administration's Health Equity Program

March 27, 2024

President Joeseph Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden,

As a group of minority-owned and/or minority-serving healthcare institutions, we are writing to you regarding your health equity program. We respectfully request a meeting with you and/or your staff around this very important and complicated issue. There is much conversation around healthcare equity and disparity as it relates to patients, but the equity challenges facing minority-owned and/or minority-serving healthcare institutions are most often unknown and overlooked.

As healthcare facility owners, we know that ownership diversity is critical to any attempt to address a large number of healthcare deserts in our country. According to the GoodRx Research Team, in their 2021 report entitled, Mapping Healthcare Deserts, "More than 80% of counties across the U.S. lack adequate healthcare infrastructure in some shape or form. That means that over a third of the U.S. population lives in a county with less than adequate access to pharmacies, primary care providers, hospitals, trauma centers, and/or low-cost health centers. Healthcare deserts are more likely to affect those who face additional barriers to access, such as lower income, limited internet access, and lack of insurance. Together, these barriers can further widen disparities in health outcomes."

Additionally, we know that African Americans and Hispanics fall victim to cardiovascular disease and related risk factors such as diabetes at alarming rates. For example, according to the American Heart Association, "Based on 2015 to 2018 data, among non-Hispanic Black adults 20 years of age and older, 60.1% of males and 58.8% of females had cardiovascular disease." And, treatments for the underlying risk factors, such as Insulin, are not readily accessible in approximately 800+ counties in the US.

Based upon our experience, we believe that increasing the number of minority owned healthcare facilities will help to address healthcare equity. A study of county-level health data led by the Health Resources and Services Administration concluded that, on average, every 10% increase in the representation of Black primary care physicians was associated with 30.6 days of greater life expectancy among Black people in that county. "Can we say that if a Black patient has a Black doctor, they will have better health outcomes? Yes, we can, because the evidence shows Black doctors provide better care for Black patients," says Karey Sutton, PhD, scientific director of health equity research at the MedStar Health Research Institute in Maryland. Previously, as director of the health equity research workforce at the AAMC, Karey oversaw a systematic literature review (not yet published) of 3,000 studies on the impact of physician and patient race.

There are two major stumbling blocks to increasing the number of minority-owned health

facilities: 1. Funding and 2. Anti-competitive behavior by industry and government actors.

1. Funding for Minority-owned health facilities – Given the relatively low income and wealth levels in many of the health deserts, it is reasonable to look at sources such as 340B allocations to help finance facility developments in these areas. The same can be said for rural development funds.
2. Unfair, discriminatory, and Anti-competitive practices – Many of us in this letter have been targeted for unfair, discriminatory, and anti-competitive treatment in our businesses. Large hospital systems, including university health systems, have worked to destroy our businesses. Many of us face false accusations from dark money-funded publications and intra-industry slander, as well as unfair treatment and neglect within the healthcare industry, aggressive regulatory enforcement that often results in threats against our medical licenses, facility and equipment credentialing, frivolous lawsuits, higher malpractice insurance rates, and even physical threats.

We believe the Departments of Health and Human Services and Justice should investigate many of these actions, and we are willing to provide detailed information on our experiences and how these practices have negatively impacted our businesses.

Please contact Brady J. Buckner, President, FSIC, at bbuckner@fsicoalition.org or 202-680-4749 to discuss possible times for a meeting. Thank you in advance for your consideration.

Sincerely,

Kevin B. Kimble, Esq.
CEO and Founder
FSIC

Wendy Muhammad
Business Developer
Chairperson, FSIC Health Equity Task Force

Dr. Doriann Thomas, MD
Board Certified Radiologist
Laurel Radiology
Laurel, Maryland

Dr. Innocent Ubunama, DO
Board Certified General Surgeon
Midwest Vascular and Varicose Vein Center
Holland, Ohio

Dr. James McGucken
Interventional Radiologist
Pennsylvania Vascular Institute
Philadelphia, Pennsylvania

Dr. Ayana Seibles, DO
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Board Certified Vascular
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Minimally Invasive Vascular Center
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Related Article

‘Pharmacy Deserts’ Disproportionately Affect Black and Latino Residents in Largest U.S. Cities

By USC Schaeffer Center
May 3, 2021
Press contact:**Jason Millman**(213)-821-0099

Black and Latino neighborhoods in the 30 most populous U.S. cities had fewer pharmacies than white or diverse neighborhoods between 2007-2015, USC research shows, suggesting that ‘pharmacy deserts’ — like so-called food deserts — may be an overlooked contributor to persistent racial and ethnic health disparities.

Pharmacies are increasingly vital points of care for essential health services. In addition to filling prescriptions to treat chronic health conditions, pharmacists dispense emergency doses of naloxone to reverse opioid overdoses, contraceptives to prevent unplanned pregnancy and COVID-19 testing and vaccinations.

But many neighborhoods in major cities such as Los Angeles, Chicago, Houston and Memphis lack convenient access to a pharmacy, according to research published today in the May issue of Health Affairs.

“We focused on cities because of racial/ethnic residential segregation and the fact that more than 80% of the Black and Latino population in the U.S. live in cities,” said senior author Dima Mazen Qato, Hygeia Centennial Chair and associate professor of pharmacy at the USC School of Pharmacy and senior fellow at the USC Schaeffer Center for Health Policy & Economics. “Our findings suggest that addressing disparities in geographic access to pharmacies — including pharmacy closures — is imperative to improving access to essential medications and other health care services in segregated minority neighborhoods.”

One in three neighborhoods pharmacy deserts

“One in three neighborhoods throughout these cities were pharmacy deserts, affecting nearly 15 million people,” said Jenny S. Guadamuz, the study’s first author and postdoctoral fellow at the USC Schaeffer Center and the Program on Medicines and Public Health at the School of Pharmacy. “However, limited access to pharmacies disproportionately impacts racial/ethnic minorities — 8.3 million Black and Latino residents of these cities live in deserts.”

Researchers focused on census tracts/neighborhoods in cities with populations of 500,000 or more. Census tracts, smaller than ZIP code areas, generally have a population size between 1,200 and 8,000 people. Data from the U.S. Census Bureau's American Community Survey established neighborhood characteristics including total population, percentage of the population by race/ethnicity, low-income status and vehicle ownership. Pharmacy locations and types of pharmacies came from the National Council for Prescription Drug Programs.

Researchers overlaid census tract maps with pharmacy locations. Neighborhoods where the average distance to the nearest pharmacy was 1.0 mile or more were classified as pharmacy deserts. In neighborhoods that were low income and had at least 100 households with no vehicle, the qualifying distance dropped to 0.5 miles or more to account for transportation barriers.

"Traveling a mile to get your prescription medications may be convenient for people that own a car. Traveling a mile, or even half a mile, may be difficult for people who live in low-income neighborhoods and don't drive, particularly older adults who rely on walking or public transportation," Qato said.

Stark disparities in Los Angeles

Prevalence of pharmacy deserts varied widely across cities. In New York and Philadelphia, for example, fewer than 10% of neighborhoods met the definition of pharmacy deserts. On the other hand, more than 60% of neighborhoods in Indianapolis, San Antonio and Charlotte were pharmacy deserts.

In all cities, segregated Black or Latino neighborhoods, or both, were more likely to be pharmacy deserts than white or diverse neighborhoods. These disparities were most pronounced in Los Angeles, Chicago, Albuquerque, Dallas, Memphis, Boston, Milwaukee, Baltimore and Philadelphia.

"We observed stark disparities in Los Angeles, where one-third of all Black and Latino neighborhoods were pharmacy deserts, particularly neighborhoods in South Central L.A., including Florence, Broadway-Manchester and Watts," Guadamuz said.

Among all the cities examined, the most pronounced disparities were in Chicago, where 1% of white neighborhoods were pharmacy deserts in comparison to 33% of Black neighborhoods in the South Side neighborhoods of Chatham, West Pullman and Greater Grand Crossing, Guadamuz added.

The researchers said policies could help address the situation. For example, federal, state and local governments could deploy targeted grants and tax benefits to encourage pharmacies to locate in pharmacy deserts. Other incentives could motivate pharmacies to offer services such as home delivery to improve access.

"Increasing Medicaid and Medicare pharmacy reimbursement rates for prescription medications might encourage pharmacies to open in areas of need," Guadamuz said. "To ensure existing pharmacies don't close, policymakers need to make sure that stores serving Black and Latino areas are not excluded from pharmacy networks."

About the study

In addition to Qato and Guadamuz, study authors include Jocelyn R. Wilder of the University of Illinois at Chicago; Morgane C. Mouslim of the University of Baltimore; Shannon N. Zenk of the National Institute of

Nursing Research; and G. Caleb Alexander of the Johns Hopkins Bloomberg School of Public Health.

Funding for this study was provided by the National Institute on Aging (Qato, Grant No. R21AG049283) and the Robert Wood Johnson Foundation (Qato, Guadamuz and Zenk).

Related Article

The profit-obsessed monster destroying American emergency rooms

Private equity decimated emergency care in the United States — without you even noticing.

by Keren Landman, MD

Oct 3, 2024, 6:00 AM EDT

- 

Xinmei Liu for Vox

by Keren Landman, MD
Oct 3, 2024, 6:00 AM EDT
Vox

Keren Landman, MD was a senior reporter covering public health, consumer health, and health misinformation at Vox. Keren is trained as a physician, researcher, and epidemiologist and has served as a disease detective at the US Centers for Disease Control and Prevention.

John didn’t start his career mad.

He trained as an emergency medicine doctor in a tidily run Midwestern emergency room about a decade ago. He loved the place, especially the way its management was so responsive to the doctors’ needs, offering extra staffing when things got busy and paid administrative time for teaching other trainees. Doctors provided most of the care, occasionally overseeing the work of nurse practitioners and physician associates. He signed on to start there full-time shortly after

finishing his residency.

A month before his start date, a private equity firm bought the practice. “I can’t even tell you how quickly it changed,” John says. The ratio of doctors to other clinicians flipped, shrinking doctor hours to a minimum as the firm moved to save on salaries.

John — who is being referred to by a pseudonym due to concerns over professional repercussions — quit and found a job at another emergency room in a different state. It too soon sold out to the same private equity firm. Then it happened again, and then again. Small emergency rooms “kept getting gobbled up by these gigantic corporations so fast,” he said. By the time doctors tried to jump ship to another ER, “they were already sold out.”

At all of the private equity-acquired ERs where John worked, things changed almost overnight: In addition to having their hours cut, doctors were docked pay if they didn’t evaluate new arrivals within 25 minutes of them walking through the door, leading to hasty orders for “kitchen sink” workups geared mostly toward productivity — not toward real cost-effectiveness or diagnostic precision. Amid all of this, cuts to their hours when ER volumes were low meant John and his colleagues’ pay was all over the place.

Patient care was suffering “from the toe sprains all the way up to the gunshot wounds and heart attacks,” says John. His experience wasn’t an anomaly — it was happening in emergency rooms across the country. “All of my colleagues were experiencing the same thing.”

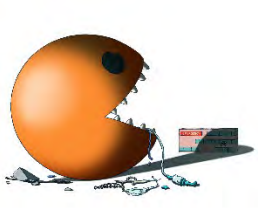
“Were they going to die anyway? Maybe. But that’s not how I sleep at night. That was four years ago. I think about that guy every day.”

At times, the short staffing combined with the pressure to churn patients led to deadly shortcuts. John remembers rushing to evaluate one patient and missing his extensive history of alcohol abuse. The patient spent hours getting tests directed at the wrong diagnosis.

John could have put together a more appropriate plan if he’d had a few more minutes to sit down and get a better history, but by the time he realized what was going on, the patient was too severely ill. He died in the intensive care unit two days later.

“Is that 100 percent because of that staffing? Probably not,” says John. “But if I wasn’t so stressed about jumping into that patient room, making sure my door-to-provider time was less than 25 minutes …” The hypothetical hangs in the air.

“Were they going to die anyway? Maybe. But that’s not how I sleep at night. That was four years ago. I think about that guy every day.”



Xinmei Liu for Vox

The story of how private equity has been able to so thoroughly debilitate emergency care is one of the more dramatic examples of how corporate interests are corrosive to America's health care system — and how powerless they leave individual consumers. Today, private equity continues to operate a shocking quarter of ERs nationwide, as of March 2024.

Still, there's some hope: Academics, patient advocates, and doctors say you can make defensive moves to protect your finances and care before, during, and after you or a loved one visits an ER.

Understanding private equity's transformation of America's emergency rooms is the first step.

How private equity sunk its claws into emergency care

Modern private equity got its start in the early 1980s, when a free-market acolyte — and former member of the Nixon administration — completed the first major "leveraged buyout." Using mostly borrowed money, William Simon and his partner bought a greeting card company, extracted huge fees, and then sold it for a massive profit less than two years later.

Over the next few decades, what was then called the leveraged buyout industry moved into other sectors. Firms flipped businesses to yield spectacular profits, often cutting corners on the products and services they offered, eliminating jobs, and reducing employee benefits.

It was only a matter of time until the industry, now rebranded as private equity, turned its gaze on the US's $4 trillion health care sector, which was already becoming increasingly commercialized as nonprofit health systems consolidated, paid their executives ever more extravagant salaries, and otherwise played business hardball. Private equity takeovers in health care started around 2000 and have steadily increased since; when several big banks crumbled in the wake of the 2008 financial crisis, private equity's growth only accelerated.

Emergency medicine wasn't always an appealing target for private equity. Physician staffing in many emergency rooms around the country was traditionally handled by co-op-like groups, run by working doctors, that contracted with hospitals. In the 1990s, ex-physicians and businesspeople began taking ownership of these so-called contract management groups (CMGs). As they did, they started acting more like for-profit businesses, centralizing decision-making and earnings.

The easier it was to make decisions that prioritized profits, the more money CMGs made — and the

more attractive they became to private equity.

Through the mid- to late-2010s, private equity firms swallowed up a shocking number of American emergency rooms, leaving in their wake a generationally hollowed-out system for providing emergency care to people across the country. Private equity firms and other corporate interests owned nearly 9 percent of ER doctor groups in 2009; by 2019, they owned 22 percent. The wave of takeovers and consolidations peaked in 2021 but carries on all over the US, especially in Florida, Texas, and other parts of the South and West where the firms have been most aggressive.

Doctors trying to practice medicine the way they'd been trained to — with a priority on patient care, not profits — found they couldn't outrun the monster. Private equity's dominance persisted even after the federal No Surprises Act, enacted in 2022, made many of their most profitable practices illegal.

Lots of for-profit models are a bad fit for health care, but of all of them, private equity is perhaps the worst, says Eileen O'Grady, director of programs at the Private Equity Stakeholder Project, a nonprofit watchdog group: "It basically takes the for-profit model and makes it so much more extractive and so much more harmful and risky."

Private equity puts profit above all else

To understand what makes private equity such a malignant force in health care, you have to understand its uniquely craven and purposefully opaque corporate structure.

Imagine you own a lemonade stand, and you want it to make more money. You have a few options: You can plow all your profits back into the business until it grows — what business school types call organic growth. Alternatively, you can get a bank loan. If you're really ambitious, you can sell shares of your lemonade stand to the general public by promising them a good return on their investment.

There's another option here, one that will make you richer quicker: You can sell all or most of the stand to the rich kid at the end of the street. He's offering you a lot of money for it — more than you'd get over the short term from the other options. That's because he's taken out a huge loan to pay for the deal.

But there are a couple of catches: First, if he runs into financial trouble (which he very well might, since he's been buying up lemonade stands all over town), he'll sell it off for parts, leaving the neighborhood lemonade-less. This will cost him nothing personally because he used the lemonade stand as collateral for that big loan.

The second and perhaps more important catch is that this kid is buying your lemonade stand in order to sell it. He doesn't care about lemonade or the people who like it. His strategy is to make the stand's balance sheet look so attractive that a few years later, another investor will buy it at a premium — or if that fails, then yes, to sell it off for parts. A year down the road, odds are high your precious lemonade stand will be a sad shadow of what it once was, or it might not exist at all.

That kid is private equity.

Xinmei Liu for Vox

When private equity comes for a lemonade stand (or for Toys "R" Us, Samsonite, Mitchell Gold + Bob Williams, or for any of the thousands of businesses these firms have taken over since they rose to prominence in the late 1980s), the result is often a sad story about the decline of a legacy brand — shoddy products and lost jobs. Depressing, but not a life-and-death issue. When private equity comes for health care, though, the result is human suffering: Elderly and intellectually disabled people sitting in puddles of their own waste, sick patients not getting the care they need, worse outcomes for patients. It's not just lemonade. People's lives are at stake.

The way private equity gets into emergency care is by buying out the CMGs that manage physician staffing — that is to say, the firms only buy the clinicians themselves.

It's a different model than when private equity invests in other areas of health care. When firms buy hospitals, nursing homes, medical practices, rehabilitation facilities, and group homes, they acquire not only staff, but also buildings, land, and medical equipment.

In the case of emergency care, "private equity doesn't pay the hospital rent, they don't hire the nurses, they don't pay the electric bills, they don't provide any of the equipment," says Robert McNamara, chair of the emergency medicine department at Temple University in Philadelphia. The hospital still handles those finances. "They're just working the labor force. … The highest-cost thing on their expense side is the board-certified emergency physician."

When emergency rooms first caught the eye of private equity firms, the prospective investors offered the physician owners of CMGs huge payouts.

Leon Adelman, an emergency medicine doctor who leads the staffing firm Ivy Clinicians and writes a workforce-focused newsletter, says the owners faced a tough choice: "'Do I do what is ethical and feels right … and I get a nice going-away party and maybe a watch or something — or do I get $10 million?'"

"What they were buying was the ability to charge patients who were consuming a non-shoppable service," Adelman says — one for which patients are unable to compare prices. If you're having a heart attack, you're not going to call around to hospitals to find out who is going to give you the best deal.

Hospitals that increasingly have profit on the brain often found private equity a more attractive partner than doctor-owned CMGs. The firms are flush with cash, which means they don't look to the hospitals to shore up their finances. "They won't ask you for a penny," Adelman explains. "They're making plenty of money."

Once a private equity firm bought an emergency room, there were two levers it could pull to make a profit: It could maximize what it reaped from patients who'd received services, and it could cut what it spent paying the clinicians who provided those services.

Doing both at the same time has made emergency medicine practically unrecognizable.

Burned-out doctors, screwed-over patients

Under new private equity ownership, ERs adopted an assortment of unsavory practices. Firms not only pressured clinicians to see patients faster, as illustrated by John's experience, but to recommend hospital admission for more patients. They also dramatically raised the price tags for a range of emergency services, resulting in back-breakingly large bills for patients nationwide, like ones charging thousands of dollars for glue applied to a half-inch wound.

To avoid having to negotiate those astronomical bills with the expert hagglers at insurance companies, firms kept their ERs from participating in many insurance networks. It was easier to collect on a so-called balance bill — the portion of a medical bill not paid for by a patient's insurer — if the care a patient had received wasn't covered by their insurance at all.

In a study of two of the largest emergency medicine staffing firms in the US, health economist Zack Cooper found costs to patients went up more than 80 percent after a corporate interest took ownership.

Xinmei Liu for Vox

Meanwhile, to minimize costs, private equity-owned staffing firms often replaced more expensive physicians with nurse practitioners and physician associates. It was a move likely to worsen patient care: While these professionals do highly skilled work in a variety of clinical settings, the emergency department is one place where care outcomes are more likely to suffer if a doctor isn't involved.

In a demonstration of how deeply invested private equity was in emergency care, these firms set in

motion a system to generate cheap labor, trained to private equity's productivity maximizing specifications. For-profit health care companies, including private equity-invested ones, founded a glut of residency training programs in the late 2010s. A 2021 study projected the move would lead to an oversupply of more than 7,800 emergency medicine doctors by 2030. According to reporting by Lever, the private equity-funded staffing firm American Physician Partners told investors they expected the surplus to eventually save them an expected $20 million in annual payroll costs.

There are good reasons to believe that private equity's soup-to-nuts transformation of emergency care has had a devastating effect on physician morale and patient care — and many emergency doctors say both are true. In lemonade-stand terms, private equity is "diluting the lemonade, but charging six times as much," Adelman says, and their customers are "dying of thirst."

Emergency medicine has long been among the most stressful physician specialties. However, in recent years, the burnout rate has climbed to 63 percent, according to a 2024 Medscape survey, and the specialty is losing popularity among medical students. Doctors' decision-making authority is their currency; "To have that taken away because of leadership and ownership models that negate that authority is really disheartening, and leads to burnout and, really, moral injury," says Aisha Terry, a Washington, DC, emergency room doctor and president of the American College of Emergency Physicians, an advocacy and education nonprofit.

In lemonade-stand terms, private equity is "diluting the lemonade, but charging six times as much," Adelman says, and their customers are "dying of thirst"

Meanwhile, finding concrete data proving patient harms is difficult. Yashaswini Singh, a health care economist who studies changes in physician practices acquired by private equity funds, says linking patient outcomes with private equity involvement is "a Herculean task." Still, researchers are on the case, and so are legislators — earlier this year, Sen. Gary Peters (D-MI) initiated an investigation into private equity's effects on the quality of emergency care.

Private equity can only do what it does because so many other parts of American health care are so dysfunctional. "Just to be really clear, private equity is not the main harm of health care in the US," says O'Grady. "I think it's a symptom of a much bigger problem."

In the US health care ecosystem, private equity is a bottom-feeder, an entity that can only exist because of the bad behavior and misaligned incentives of the bigger players in the marketplace. Private equity's deep pockets, its willingness to extort patients, its heavy-handedness with telling doctors how to practice wouldn't be possible — much less an advantage — in the absence of these larger upstream problems.

Maybe there wouldn't be as many opportunities for private equity to make money in health care if hospital budgets were stable; if insurance companies didn't play hardball with both providers and patients; if pharmaceutical industry players didn't artificially and unevenly inflate drug prices; if elected officials weren't so susceptible to powerful lobbies that block comprehensive, loophole-closing health care reform.

That's not the world we live in, however; and because the American health care system is broken in these and so many other ways, private equity thrives within it, often invisibly.

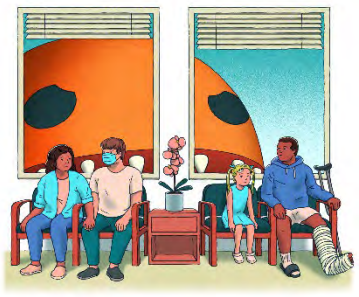
Congress tried to fix the problem — but fell short

In 2020, Congress threw a huge wrench in the private equity game plan when it passed the No Surprises Act, aimed at saving patients from receiving shocking bills after getting emergency care.

When the law took effect in January 2022, it meant that patients who receive emergency care can't get billed for out-of-network care, even if the care is from an out-of-network facility or doctor. (They do still have to pay whatever deductibles, copays, or coinsurance their insurance plan would require related to an in-network visit.) It also protects people from higher bills if they get routine, non-emergency care at an in-network facility from an out-of-network doctor without their knowledge or consent.

Billers — including private equity owners of emergency medicine practices — now have to ask insurance companies to pay the balance of their out-of-network bills. It turns out it's a lot harder to extract unreasonable fees from insurance companies than from individuals.

The act served as the death (or near-death) blow for several emergency medicine groups backed by private equity, which at their peak staffed nearly one-fifth of American emergency departments. That really only means some of these firms are now being run with oversight from courts and creditors, not that all of them are out of business: They're largely still standing, and many have since only expanded their footprint in emergency care.



Xinmei Liu for Vox

The No Surprises Act did some good for people, but it's far from perfect. Many people simply are unaware when they've been incorrectly billed. Clinicians and the facilities they work for occasionally don't follow the legislation's rules, or inappropriately ask patients to waive their protections. Insurance companies don't automatically absolve patients of responsibility for a surprise out-of-network bill, and the appeals process is complicated and time-consuming. And there are loopholes: Out-of-network ambulances and urgent care facilities aren't covered, and neither is the follow-up care people get after an emergency room visit.

The emergency medicine profession, meanwhile, will take a while to recover from private equity's onslaught. John's colleagues are the kinds of doctors who will drive a patient home if they don't have a ride, he says. Many of the people who seek care in American emergency rooms live on the poorest and most marginalized fringes of society; emergency medicine doctors know this, and for some of them, it's an important reason they chose the work.

"This is not about pay for us," he says. "This is just about being fair and letting us practice how we want to practice. And that's gone."

What to do when you need emergency care

It has to be said: Patients shouldn't have to be shrewd when navigating a system that's supposed to care for them at their most vulnerable, or risk both their life and their finances. And yet, that's the health care system the US has.

It's hard for people to tell when a private equity firm has taken over a local emergency room. It's not like the firm slaps its logo on the side of the building. Patients usually don't even know until they get a bill that an investment company had a hand in determining who saw them in the emergency room and what kind of workup they ordered, says McNamara**.**

Given that reality, anyone who may one day visit an emergency room in the middle of a crisis — that is to say, nearly everyone — should know how to protect themselves, says Patricia Kelmar, who directs health care campaigns for the Public Interest Research Group (PIRG). There are things you can do to ensure you don't end up with an astronomical bill.

Know where to go and who is treating you

Some situations don't permit much decision-making about which emergency room you'll go to or how you'll get there. Still, it's worth making an advance plan for where you'll go if you have the option.

Cooper, the health economist, says an emergency room's ownership isn't the only thing that matters in deciding whether to go there in an emergency. If a private equity-owned ER sees a higher patient volume than others and is affiliated with an academic institution, it may still be the best option.

Even with the No Surprises Act in place, care from in-network doctors at in-network hospitals is far less likely to result in unpleasant bills. So before you need an emergency room, check with your insurance company to see which ones are in network and nearest to you. Once you're at an emergency room, Cooper suggests asking to see an in-network physician.

Make a plan for how to get there

Ambulance transport is unlikely to be cost-free for most Americans, so if you need to get to an emergency room and you're in stable condition, it's worth trying to get there in other ways.

Air ambulances are covered by the No Surprises Act, but ground ambulances are not, and are unfortunately often out-of-network for many people. The ones owned by private equity are especially likely to be wildly expensive. Nevertheless, many states have laws to protect consumers from outrageous ambulance bills — but only if their plan is state-regulated, which means about 60 percent of insured people are still unprotected. You can figure out if yours is one of them by contacting your state's insurance department.

You can also work with your insurance company and the ambulance company to negotiate big bills; legal aid organizations can also provide assistance.

Understand what you're signing

Non-emergency hospital departments (for example, the ones that would take care of you if you had to stay in the hospital for more care after an ER visit) are allowed to ask you to sign away your No Surprises Act protections. The form they use to do this is, totally unironically, called a Surprise Billing Protection Form.

Emergency rooms, however, aren't allowed to ask you to sign this waiver. If they do, say no and report the violation to the No Surprises Help Desk by calling 1-800-985-3059. Almost every US hospital still has to provide care for you under US law.

If you get a wonky bill, file a complaint

If you do still end up with a nonsensically large bill, you can push back and appeal decisions — again, by reaching out to the No Surprises Help Desk.

Additional guidance on your medical billing rights is available on the PIRG website, and legal and other help may be available from organizations like Dollar For and local legal aid groups.

Demand better from community leaders and elected officials

There are better approaches to solving emergency medicine's problems than by doing hand-to-hand combat with private equity's worst practices. Reducing the overall harm requires change on a systemic level.

Zirui Song, a Harvard health economist and internist who studies private equity in health care, says those changes include better enforcement of the laws we have aimed at preventing consolidation, fraud, and abuse; closing tax loopholes and other laws that allow private equity firms to conduct business while taking on minimal financial risk; and requiring transparency around private equity health care acquisitions and health care prices. These are all subjects you can contact your elected officials about.

You can also ask to join the board of your local hospital, says McNamara. At nonprofit health systems in particular, these groups are required to include people from the community. As a member, you could learn more about how private equity works and say, "We don't want private

equity in our community."

This story is supported by a grant from the National Institute for Health Care Management. Vox Media had full discretion over the content of this reporting.

Section 3

Owner Controlled Insurance Program (OCIP)
Letter to POTUS with OCIP proposal

February 29, 2024

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Subject: Strategic Implementation of the Disadvantaged Business Enterprise (DBE) Owner Controlled Insurance Program (DBEOCIP) within the Inflation Reduction Act, Bipartisan Infrastructure Investment Law, and American Rescue Plan Projects (Infrastructure Investments).

Dear President Biden,

With profound respect and commitment to national progress, we present a comprehensive proposal advocating the integration of the Disadvantaged Business Enterprise (DBE) Owner Controlled Insurance Program (DBEOCIP) into the Infrastructure Investments implementation agenda. This initiative is predicated on the insightful analyses of reports and guidelines from the U.S. Government Accountability Office, National Cooperative Highway Research Program, and Federal Highway Administration. It is further inspired by the leadership of key members of the Congressional Black Caucus, who are champions of economic inclusion, social justice, and criminal justice reform (see attached letters from members of the Congressional Black Caucus).

Our Proposal: Building a Sustainable and Inclusive Future

Under the visionary guidance of the late Congressman John Lewis, a team of experts created an economic justice program which is now called the DBEOCIP a program conceptualized as a transformative approach for the U.S. Department of Transportation (USDOT). This initiative is tailored to significantly alleviate the cost burden of insurance in major Infrastructure Investments, thereby unlocking substantial financial resources. These redirected funds are envisioned to support the On-the-Job Training Supportive Services Programs (OJT/SS) initiative, profoundly impacting disenfranchised contractors and communities through comprehensive workforce development, training, educational programs, and bolstering of the OJT/SS.

The DBEOCIP is not merely an insurance program but a paradigm shift in risk management for construction projects. By centralizing insurance coverages, it dramatically diminishes the insurance costs for DBE contractors, fostering an equitable and competitive environment, particularly benefiting small, disadvantaged, minority-owned, and women-owned enterprises. The potential reallocation of $10 to $20 million from a billion-dollar construction budget into crucial initiatives like OJT/SS, workforce development, and educational programs can markedly enhance the socio-economic landscape of our communities.

In this light, we advocate for an Executive Order establishing the integration of the DBEOCIP into the Infrastructure Investments to implement the DBEOCIP, realizing the objectives of the Justice40

Initiative and Congressman Lewis's foresight and capitalizing on redirected funding to reinforce OJT/SS.

OCIP Background: A Legacy of Efficiency and Equity
FHWA defines an OCIP as an asset protection option designed for major construction projects that allows coverages for multiple insured entities to be "wrapped up" into a single consolidated insurance program. OCIPs have been used for more than 30 years on private and public projects that include every type of construction - rail systems, airports, highways, stadiums, convention centers, prisons, bridges, schools, and hospitals.

One of the first types of wrap-up programs was the Defense Rating Plan (DRP). The DRP was developed for use in Department of Defense DOD projects (and later adopted by the Department of Energy DOE), representing hazards that contractors' insurance companies were unable to respond to. The DRP used insurance carriers to issue workers' compensation and general liability policies with one significant difference - no insurance (or risk transfer was provided). The "project" concept was adopted by the private sector in the 1970s in an effort to control the insurance costs associated with major projects, which ranged from 5 percent to 10 percent of the total project cost.

Under an OCIP or "wrap-up" program, a single insurance program provides insurance for the owner and all eligible (on-site) project contractors and subcontractors. Wrap-ups can be owner-sponsored (OCIP) or sponsored by the prime or general contractor (Contractor Controlled Insurance Program - CCIP). The total premium to cover the owner and contractors under a wrap-up tends to be significantly less than the total premium charged if each contractor buys its own insurance and includes that cost - plus any markup — in its bid to the owner. The program facilitates the inclusion of small and minority businesses by eliminating insurance barriers. The wrap-up provides a single point of focus for safety and claims management, offering a coordinated approach specifically tailored to the project. This eliminates disputes among contractors and their insurers, reduces the disruption at the work site, and can minimize potential delays attributed to accident investigation.

Our conviction in the OCIP's potential is fortified by affirmative Congressional responses (see letters attached) and the comprehensive Guide to FHWA Funded Wrap-Up Projects from USDOT, attesting to the feasibility, effectiveness, and federal-aid compatibility of OCIPs. These endorsements highlight the transformative capability of DBEOCIPs in reshaping the economic dynamics of substantial Infrastructure Investments. The collective advantages of DBEOCIPs, encompassing cost reduction, workplace safety enhancement, and the creation of a level playing field for small and disadvantaged enterprises, illustrate a future where federal Infrastructure Investments are not only economically efficient but also bastions of community development and social equity.

Embracing the robust coalition framework set forth by experts and the explicit endorsements from USDOT, we are convinced of the DBEOCIP's potential to serve as a beacon of innovation, justice, and sustainability in infrastructure development. This initiative pays homage to the legacy of Congressman John Lewis and paves the path for a future where economic growth and social equity are intrinsically linked.

Call to Action: Realizing a Vision of Progressive Infrastructure

In anticipation of your supportive stance, we stand ready to engage in meticulous discussions and collaborative endeavors to bring this initiative to fruition. We firmly believe that the DBEOCIP transcends the conventional scope of a program; it embodies a transformative force poised to redefine our nation's infrastructure landscape and the lives of countless Americans.

Enclosed is a detailed dossier comprising supporting documents that further elucidate the foundational principles, anticipated benefits, and strategic implications of the DBEOCIP.

We sincerely thank you for considering this matter of paramount national importance. We are enthusiastic about collaborating closely to realize an economically prudent, socially responsible, and fundamentally just vision of infrastructural development.

Yours faithfully,

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Founder
10,000 Black Appraisers

Rev. Peter J. Spann , JD, M.Div.
Pastor, Carron Baptist Church
Co-chair, FSIC Minority Policy Priorities Task Force

Earl Peek, CPA
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Urban Impact, Inc.

Gustavo Paredes
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The Hispanic Institute

Gwen Sledge
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Homeless Coalition of Dallas

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Dr. Paul Campbell
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Founder and Executive Director
Target Evolution, Inc.

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Smartech Management Solutions

Wesley Hodges
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The Hodges Foundation

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Malika Stephenson
Co-Founder and CEO
Rapid Runs Transportation

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Mike Johns
Founder, Digital Mind State Tuskegee
Chair, FSIC Hip-Hop, Sports, and
Entertainment Task Force

Martin Mason
Director of Bus. Development
Rapid Runs Transportation

Dr. David Marion
President and Chair, Board of Directors
Omega Network for Action

Related Report – Table of Contents and Executive Summary

U.S. Department of Transportation
Federal Railroad Administration

Report to Congress Concerning Minority- and Women-Owned Small Businesses in Industries Related to the Rail Transportation Sector

Table of Contents

Executive Summary

This report, concerning small businesses owned and controlled by racial minorities and women, is presented to Congress by the Secretary of Transportation through the Federal Railroad Administration (FRA).

The Secretary of Transportation, through FRA, is providing information to Congress on the availability and use of small business concerns owned and controlled by socially and economically disadvantaged individuals in the general market, with a focus on industries relevant to FRA grant funding. The purpose of this report is to provide Congress with factual data available at the time of publication along with additional evidence for Congressional consideration.

This report is not a disparity study such as those prepared by individual recipients of Federal funds, but rather presents factual information about FRA's grant activity; a review of the current state of the law for race-conscious disadvantaged business programs; personal stories from minority business owners with the potential to participate in publicly funded rail projects; and a narrative detailing FRA's past, current, and planned small business participation and promotion efforts.

The two appendices to the Report include: 1) a paper that FRA commissioned that offers insights that might be drawn regarding availability, utilization, and disparity from existing disparity studies and analysis of both the Census Bureau's Annual Business Survey Program and the American Community Survey 5-year Public Use Microdata Sample to examine disparities in aggregate data across the U.S. economy and specific industry categories relevant to the rail sector; and 2) the Congressional hearing transcript for the November 9, 2021, committee hearing entitled "Does Discrimination Exist in Federal Passenger Rail Contracting." [1]

REPORT TO THE U.S. CONGRESS ON MINORITY SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT

Fiscal Year 2023

Download full report here.

Section 4

MKC | MAKEE COMPANY

State Contracting Disparity Studies Bill Outline
State of Minnesota

Prepared by: Lynn Pingol, CEO, MaKay Company

1. Tax Incentives for Partnering with Small and Micro-Businesses

Section 199 (Domestic Production Activities Deduction)

Bill Summary: Amend Section 199 to introduce a tiered deduction structure for larger corporations and government contractors that partner with small and micro-businesses.
Specifically, increase the deduction percentage for qualifying activities that involve partnerships with businesses earning less than $10 million in revenue, with a higher percentage for those partnering with micro-businesses earning less than $3 million in revenue.

Objective: The objective of this amendment is to incentivize larger corporations and government contractors to support the growth and development of small and micro-businesses by providing them with greater tax benefits for such partnerships.

Purpose:

- Encourage collaboration between large corporations/government contractors and small/micro-businesses.
- Foster economic growth and job creation in smaller enterprises.
- Strengthen the overall business ecosystem by promoting symbiotic relationships.

Section 45D (New Markets Tax Credit)

Bill Summary: Amend Section 45D to provide additional tax credits for investments in partnerships with micro-businesses earning less than $3 million in revenue. The credit
percentage will be higher for investments specifically targeting micro-businesses, enhancing support for these smaller enterprises.

Objective: The objective is to increase investment in micro-businesses by providing larger tax credits to businesses that direct their investments toward these smaller entities.

Purpose:

- Boost investment in micro-businesses.
- Support the financial stability and growth of micro-businesses.
- Encourage larger entities to contribute to the economic development of smaller, underserved communities.

2. Tax Incentives for Scaling Businesses

Section 1397E (Qualified Zone Academy Bonds)

Bill Summary: Amend Section 1397E to include tax credits for businesses in the process of scaling and hiring new employees. The tax credit will be based on the number of new employees hired and the expansion of operations.

Objective: The objective of this amendment is to provide financial support to businesses that are scaling their operations and creating new jobs, particularly in underserved or economically disadvantaged areas.

Purpose:

- Encourage business growth and expansion.
- Promote job creation and reduce unemployment.
- Support the revitalization of economically disadvantaged areas.

Section 48 (Investment Credit)

Bill Summary: Amend Section 48 to provide an additional investment credit for businesses that are scaling their operations. This will include tax credits for investments in new equipment, technology, and facilities necessary for business expansion. The credit will be tiered based on the size of the business and the extent of scaling activities.

Objective: The objective is to incentivize businesses to invest in new technologies, equipment, and facilities, thereby supporting their expansion and growth.

Purpose:

- Encourage technological advancement and modernization.
- Support business expansion and increased productivity.
- Promote economic growth by incentivizing capital investment.

Disparity Studies in Minnesota and New Jersey

New Jersey Disparity Study - https://www.nj.gov/treasury/diversity/pdf/New%20Jersey%20Study%20on%20Disparity%20in%20State%20Procurement%20January%202024.pdf

The New Jersey Disparity Study results, released January 2024, revealed that Black-owned businesses received 1% or less of state contracts in all industries between fiscal years 2015-2020. For construction, Black-owned businesses received approximately $3.3 million compared to White-male-owned businesses $10.8 billion. Further, Black-owned businesses received $13.7 million for professional services, compared to White-male-owned businesses $3.4 billion. – Credit African American Chamber of Commerce of New Jersey

Minnesota Disparity Study - Currently ongoinghttps://mn.gov/admin/disparity-study/

Section 5

Opportunity Zone Reform Bill
Bill Language

I

116TH CONGRESS
1ST SESSION

H. R. 4999

To amend the Internal Revenue Code of 1986 to require fairness and diversity in opportunity zone investment.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2019

Mr. JOHNSON of Georgia (for himself and Mr. RUSH) introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To amend the Internal Revenue Code of 1986 to require fairness and diversity in opportunity zone investment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OPPORTUNITY ZONE FAIRNESS AND INCLUSION.

(a) IN GENERAL.—Section 1400Z–2(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

8 "(4) OPPORTUNITY FUND FAIRNESS AND IN-
9 CLUSION.—

"(A) IN GENERAL.—A fund shall not be treated as a qualified opportunity fund for purposes of this section unless such fund—

"(i) meets the investment advisory board requirements of subparagraph (B),

"(ii) meets the investment diversity requirements of subparagraph (C),

"(iii) meets the affordable housing investment requirements of subparagraph (D), and

"(iv) with respect to each investment in an opportunity zone, assesses, and prepares a written report detailing, how such investment will affect different racial and ethnic groups within the zone and submits such report to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation.

"(B) INVESTMENT ADVISORY BOARD.—The requirements of this subparagraph shall not be treated as met with respect to any fund unless such fund has, for each qualified opportunity zone within which the fund invests in

qualified opportunity zone property, an investment advisory board which—

"(i) is appointed by the local government of the jurisdiction within which the zone to which such advisory board relates is located, and

"(ii) advises the fund in directing investments in the zone for the benefit of the zone.

"(C) INVESTMENT DIVERSITY REQUIREMENTS.—The requirements of this subparagraph shall not be treated as met with respect to any fund unless—

"(i) at least 30 percent of the fund's qualified opportunity zone property is qualified opportunity zone property with respect to an opportunity zone within a county, or local jurisdiction, the population of which is 200,000 or less,

"(ii) at least 50 percent of the fund's qualified opportunity zone property consists of interests in partnerships, and stock of corporations, which are—

"(I) small business concerns owned and controlled by women (with-

in the meaning of section 3(n) of the Small Business Act (15 U.S.C. 632(n)), or

''(II) small business concerns owned and controlled by socially and economically disadvantaged individuals under section 8(d)(3)(C) of such Act (15 U.S.C. 637(d)(3)(C)), and

''(iii) at least 40 percent of the fund's qualified opportunity zone property consists of—

''(I) stock in corporations, interests in a partnerships, or other property, the value of each of which does not exceed $20 million, and

''(II) stock in corporations, or interests in partnerships, the price-earnings ratio of each of which is under 5.

''(D) AFFORDABLE HOUSING INVESTMENT REQUIREMENTS.—The requirements of this subparagraph shall not be treated as met with respect to any fund unless in the case of any investment in qualified opportunity zone property which consists of a residential property project, at least 20 percent of the units in the

project are occupied by individuals whose income is—

"(i) not more than 30 percent of area median gross income, or

"(ii) not more than 200 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902)) for a family of the size involved.

"(E) INVESTMENT MEASUREMENT.—For purposes of this paragraph, percentages of qualified opportunity zone property held by a qualified opportunity fund shall be determined under rules similar to the rules of paragraph (1).

"(F) FAILURE TO MEET REQUIREMENT.—In the case of a qualified opportunity fund which fails to meet any of the requirements of this paragraph, subsection (b) shall be applied by substituting the date of such failure for 'December 31, 2026' in paragraph (1)(B) thereof.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

OPPORTUNITY ZONES WON'T HAVE A POSITIVE IMPACT ON UNDERSERVED COMMUNITIES

U.S. Department of Treasury
Internal Revenue Service
26 CFR Part I
[REG-115420-18]
RIN 1545-BP03
Investing in Qualified Opportunity Funds
AGENCY: Internal Revenue Service (IRS), Treasury
ACTION: Notice of Proposed Rulemaking and Notice of Public Hearing

Presented by:
Kevin B. Kimble, Esq. – Founder and Board Chair
Financial Services Innovation Coalition (FSIC)

INTRODUCTION

We are writing to express our opposition to implementation of the Opportunity Zone provisions of the recent tax cut law. We are a coalition of researchers, advocates and entrepreneurs committed to supporting policies that promote economic inclusion. As you will see from the attached letters, we believe as a practical matter, Opportunity Zones will only benefit the largest and wealthiest developers at all other stakeholder's expense and will be particularly disastrous for communities of color, rural communities and in fact the nation as a whole.

OPPORTUNITY ZONES WILL WORSEN THE ALREADY INEQUITABLE DISTRIBUTION OF WEALTH

As currently constructed, this policy will increase gentrification and exacerbate the income disparity and the wealth gap. This program will by its very nature exclude minorities, women and those who do business in rural areas from the capital that will flood into the market as a result of these new tax incentives.

As you are aware, the facts are not promising for the ability of private investors to be inclusive when it comes to business and economic development.

- 80% of Venture Capital investments go to 4 states[1]
- Less than 1% of Venture Capital investments go to women and minorities[2]
- By 2040, half of the US population will live in 8 states[3];

[1] U.S. News and World Report: 4 States Control 80 Percent of Venture Capital Dollars
[2] Forbes: Founders And Venture Capital: Racism Is Costing Us Billions
[3] The Washington Post: In about 20 years, half the population will live in eight states

- There is currently, several trillion dollars of capital sitting on the sidelines even though businesses and communities are starving for capital investments[4];
- Anecdotally, it has been reported that entrepreneurs are being told that deals as large as $40 million are too small for the types of the investments that will be made under this program.

From the historical prospective, wealth has consistently been dropping for all but the top 1% of Americans for the last 30 plus years. Black wealth for instance is roughly the same as it was in 1968 and is on a path to be zero by 2053[5].

After 4 decades of tax cuts and reliance on private sector innovation to spur growth and economic opportunity, all that has been accomplished is the accumulation of a $20 trillion national debt[6] just so the wealthy can keep more than their fair share of the national economic gains and hoard more wealth and capital.

Additionally, this has resulted in Walmart being the largest employer in 21 states and the largest employer in the remaining states are either state university systems or health care companies[7]. Clearly, a better approach is required to improve the economic efficiency of the US economy and we are sure Opportunity Zones as they currently exist are not it.

OTHER TAX CREDIT PROGRAMS HAVE NOT INCREASED ECONOMIC GROWTH OR OPPORTUNITY

One need only look at the New Markets Tax Credit to see the inefficacy of using private investment to promote economic inclusion and renewal. Under the NMTC program, large amounts (millions of dollars) are returned unused, while many deserving projects go completely unfunded because they are judged to be too small to fund by the massive financial institutions that control virtually all the investment capital. Additionally, many black and community banks are excluded from participating in the program again because their projects are judged to be too small to fund. We believe the Opportunity Zone program will be just as exclusive.

SIGNIFICANT CHANGES MUST BE MADE FOR OPPORTUNITY ZONES TO HAVE A POSITIVE IMPACT ON UNDERSERVED COMMUNITIES

Just like the New Markets Tax Credit program, the Opportunity Zones program will likely favor the largest developers and investors who rarely fund "smaller" projects because they don't consider them profitable enough to approve. This creates a bias against local, minority

[4] The New York Times Magazine: Why Are Corporations Hoarding Trillions?
[5] The Guardian: Median wealth of black Americans 'will fall to zero by 2053', warns new report
[6] MarketWatch: The U.S. is now over $20 trillion in debt — here's how it got there
[7] Business Insider: The biggest employer in every US state

and women owned firms. These firms may have sound ideas for a development plan in an Opportunity Zone but aren't large enough to meet the investment gatekeepers minimum standards for profitability to get funding and launch the project.

We know that to truly help underserved areas and their residents, smaller deals are needed. There must be measurable and enforceable requirements that portfolios include deals in the $1 million to $10 million range to qualify for the credits. And, there should be a requirement that portions of the portfolios be placed with minority and women owned firms.

We know that investors will object to these types of requirements, which is exactly the reason this program should be improved to ensure all Americans can participate not just the largest developers, investors and contractors. The idea that investors will usually act in the common good has been proven to be false. While we respect the right of investors to invest where they choose, we should not be subsidizing their wealth with taxpayer dollars when most of the investment decisions they make result in a system biased against women and minorities.

Respectfully submitted,

Kevin B. Kimble, Esq.
Founder and Board Chair
Financial Services Innovation Coalition (FSIC)

Czarina Harris
President
The Note Firm

Dr. Charles Steele, Jr.
President and CEO
Southern Christian Leadership Conference

G. Michael Flores
CEO
Bretton Woods, Inc.

Brady J. Buckner
Co-Founder and Director
Partnership for Innovation and Empowerment

David Rixter
Founder & CEO
HCR Consulting, LLC

Richard Venegar
CEO
Second Wind Advisors, LLC

Hycall Brooks
Managing Partner
Faith Works Legal, Inc.

Steve Lenkart
President
Government Executives International

Letters of Support

Bretton Woods, Inc.

G. MICHAEL FLORES
CEO

February 3, 2019

Mr. Kevin Kimble, Esq.
Via: Email

Kevin,

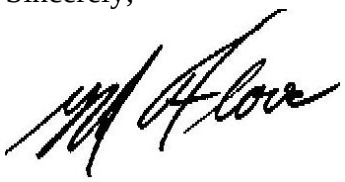
I believe the New Opportunity Zone Program is a boon for investors and developers but does not guarantee investment in areas most in need. That is, dollars will flow to zones that show the highest profit potential.

For example, New York's Empire State Development chose sites where little or no investment has taken place, such as the Brooklyn Navy Yards and South Bronx. Which do you think will get the most investment, waterfront land overlooking Manhattan or the South Bronx? This begs the question, why are there tax breaks for an area that is naturally drawing investments?

According to an article[1] quoting Bloomberg News, "At present, a host of projects in various stages of development are transforming the Yard. These include the manufacturing hub Building 77, the futuristic office tower Dock 72, the Green Manufacturing Center, Steiner's Admirals Row development (future home of New York's first Wegmans), and the expansion of its film and television studio empire.

> This new expansion will add 5 million square feet of development to the Brooklyn Navy Yard, and will be spread out over three sites on Kent Avenue, Flushing Avenue, and Navy Street, respectively. Details on the expansion remain a bit scarce, but instead of getting outside developers to build these new structures, the BNYDC[2] is planning to fundraise and build them itself, according to Bloomberg."
>
> The Opportunity Zone concept needs more thought in order to fulfil the promise to aid underserved groups.

Sincerely,



[1] https://ny.curbed.com/2018/1/31/16956704/brooklyn-navy-yard-expansion
[2] Brooklyn Navy Yard Development Corporation (BNYDC), the non-profit real estate developer that manages and operates the Yard on behalf of the city

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The Note Firm

Kevin B. Kimble, Esq.
Chairman of the Board
Financial Services Innovation Coalition
1310 Eastern Ave NE
Washington, DC 20019

Kevin,

As you are well aware due to recent conversations we have had, I have some concerns over the long-term consequences that will result from Opportunity Zones in low-income neighborhoods. I've listed some of my main concerns for you below:

- **Elephant in the Room:** The government has never addressed or acknowledged their role in creating "slums" in every major city through redlining, zoning and other Federal entities like the FHA. Thus, unless policies are enacted to undo the damage from a federal level, we are simply "shoving the dirt around" in terms of cleaning up these poor areas.
- **Major Displacement:** The main strategy with investors into these low-income areas are to provide newly renovated rental properties for residents to lease from them. However, in most cases the newly renovated property is listed for prices out of range for the local residents of the neighborhood, forcing most to move to an area closer to their affordability.
  Also, landlords (seeing the area is improving) begin raising rent on existing residents without having done any improvements to the property. This allows the landlord to leverage the sales price of their home when a Real Estate Investor expresses interest in purchasing it for their own portfolio.
  A recent conversation I had with a colleague informed me that in certain areas of Nashville residents are moving as far as 45 minutes from their place of residence to find affordable housing.
- **Financial Discrimination Exasperated:** One major cause of the formation of a "slum/ghetto" is the lack of financing provided to the residents. It is no secret that the financial markets have a long history of racial discrimination that started with the FHA in the 1930s, however, most are unaware of it's continued practice today.
  When revitalization begins in a particular area, drastically improving property values and creating a more stable real estate market, the lack of financing to existing residents is exasperated. Existing homeowners are turned down for improvement loans and local residents are turned down for financing because the new home prices are out of range of their affordability.
- **Pressure from local Municipalities:** Higher taxes and code violations are usually the final blow to residents in a gentrified area to move residents to new areas. Owners looking to stay and benefit from rising property values often see "new violations" filed against them, that if not corrected, result in the city condemning their property altogether.
  Not only is their house in violation of the city, they cannot obtain financing to fix the issue!
- **No Wealth Building:** Some have suggested placing "Rent Controls" on properties, apartments, etc. as a way to abate major displacement of residents. This is a temporary fix at best. A permanent solution is to provide homeownership to residents that they might begin building wealth and benefit from a market they were deliberately left out of for decades. Renting property takes what wealth would have been made over time for the resident and places it in the pockets of their landlord.

Without serious intervention and measures to provide permanent solutions for residents, I'm afraid Opportunity Zones are just a tool for weaponized gentrification nationwide.

Czarina Harris
The Note Firm
(513) 445-2879

SECOND WIND ADVISORS

February 1, 2019

Kevin:

The New Opportunity Zone tax credit program is one of the worse forms of "Trickle-Down" Economics. The only winners will be Rich Real Estate Developers, not the small underserved businesses or the communities that the program falsely claims will be the beneficiaries of this program.

This program, like the New Markets Tax Credit Program and the EB5 program, is structured in a manner where the designated zones that will see most of the investment activity are really areas that are not underserved and under-developed but have been designated as such. Several investors, such as Jared Kushner and Anthony Scaramucci, are setting up Opportunity Zone Funds to invest in areas that are not underserved but are designated at such.

Long Island City, New York, where Amazon plans to build its second headquarters, and Ybor City, where the Tampa Bay Rays, is building its new stadium, are designated Opportunity Zones that are neither underserved nor underdeveloped. Moreover, the jobs created by these businesses will mostly go to outsides, who are mostly upper middle class.

What is likely to happen is that there will be a land-grab, buying up properties from slum lords and building high priced housing that low income residents won't be able to afford. This also will drive up rents in the area, forcing residents and small businesses to flee to less attractive and vibrant areas far from city centers.

The way this program is being set up will be a disaster for residents and businesses in underserved communities. There are better ways to design this program where it's a win-win for all parties involved.

Richard Venegar
CEO
Second Wind Advisors, LLC

Supporting Article

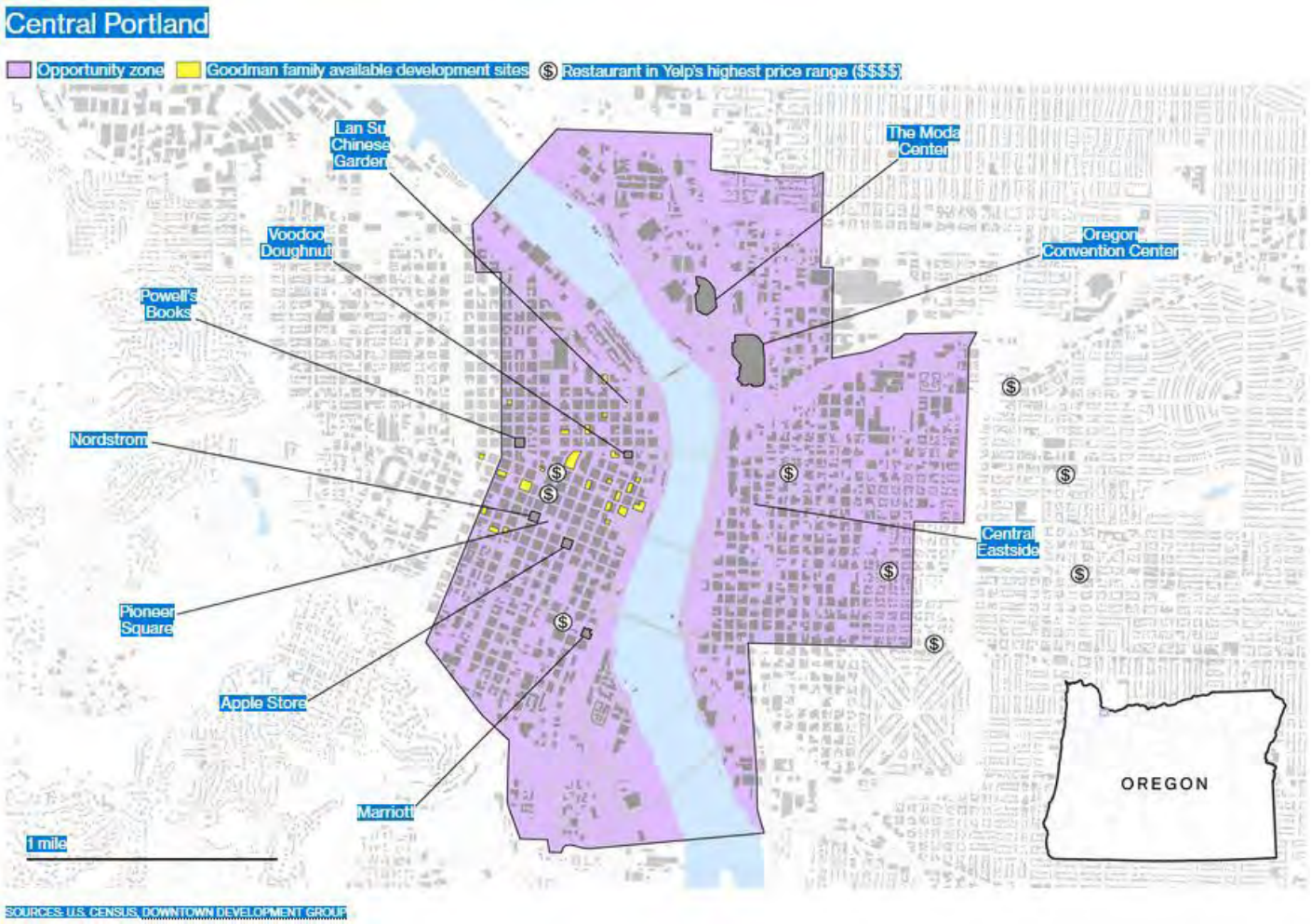
Welcome to Tax Breaklandia

Bloomberg Business Week
By Noah Buhayar and Lauren Leatherby

▲ A view of Portland's downtown, much of which has been designated as opportunity zones. PHOTOGRAPHER: CLAYTON COTTERELL FOR BLOOMBERG BUSINESSWEEK

On a wet December evening, Mark Goodman steers a black Mercedes SUV into an open-air parking lot, one of dozens of development sites his family owns across downtown Portland, Ore. This one, he says, will be a $206 million tower with ground-floor retail, six floors of offices, and more than 200 luxury apartments. Amenities will include a yoga studio and roof deck. But the centerpiece will be a swimming pool that cantilevers out of the eighth floor. “The one thing I can say absolutely with certainty—it’ll be the finest for-rent product in the city,” Goodman says. It’s also eligible for a U.S. tax break meant to help the poor.

Portland is about to see a flurry of construction because of a provision in the 2017 tax overhaul that led to the creation of more than 8,700 “opportunity zones” across the country—areas that, in theory, have been ignored by investors and need generous tax breaks to catch up. But Oregon did an audacious thing: It selected the entire downtown of its largest city to be eligible for the law’s suite of benefits, as well as neighborhoods such as the Pearl District, where new high-rises loom over old industrial spaces converted into “creative” offices and boutique furniture stores sit near juice bars serving açai bowls. The Central Eastside, an area that Portland’s alt weekly crowned the city’s “best food neighborhood,” is also included.



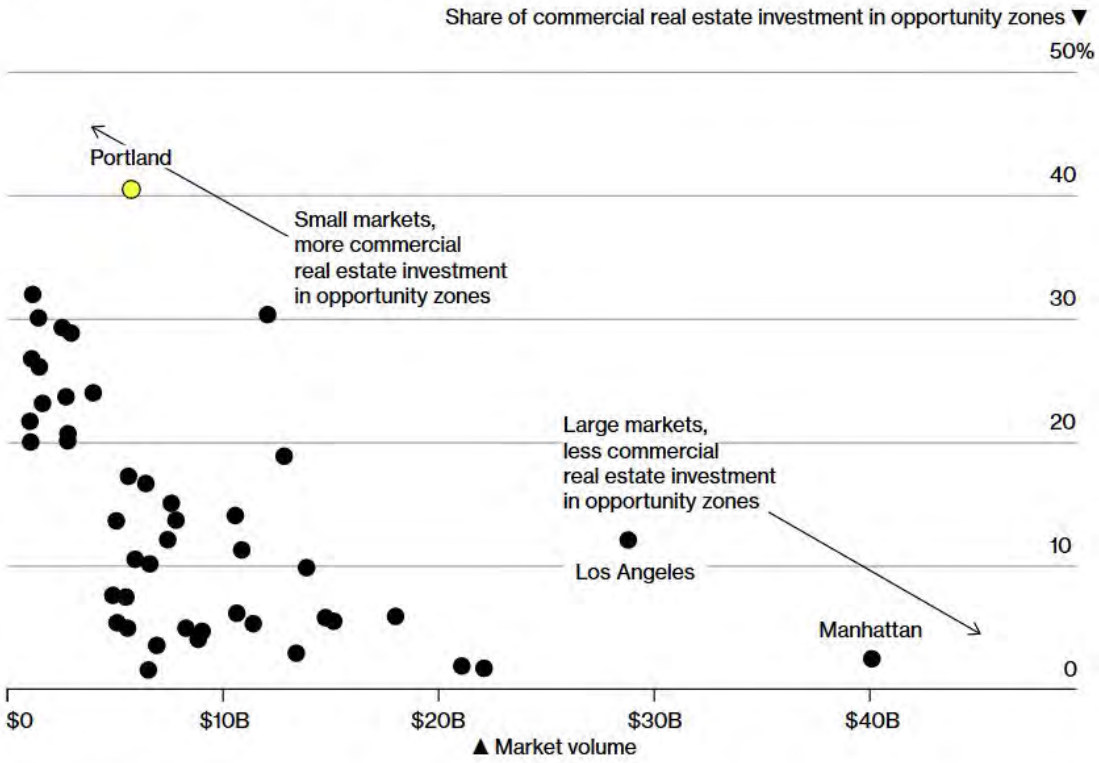
That's turning this city of about 650,000 into a microcosm of what critics see as one of the biggest problems with opportunity zones: Among a nationwide patchwork of struggling areas, there are a small number of thriving communities that may draw an outsize share of investors' cash. In some cases, the law may boost returns on investments that would've happened anyway. Some projects "could get more money than entire states," says Brett Theodos, a senior researcher at the Urban Institute who has studied the policy.

Goodman and his brother Greg are canny investors. But this time they just got lucky. Their grandfather started a parking lot business in Portland in the 1950s that they and their dad expanded over the years to include roughly 200 sites around the area. Portland's famed street-food scene owes much to their decision some years back to turn over a few lots to the carts. In 2013 the family sold the business but kept the land. Their Downtown Development Group now has more than two dozen properties in the city that they hope to build on themselves or with partners.

At first the Goodmans didn't know about the incentives, which allow investors to defer and reduce taxes on capital gains they've already earned if they reinvest the money in the zones. (New investments in these low-income areas are exempt from capital-gains taxes if held for more than a decade.) Once the maps were set, though, the brothers realized their windfall: All but one of their development sites were in areas eligible for the breaks. They'd been thinking about bringing in a financial partner on the luxury tower and decided to market it to investment funds hoping to claim the benefits. "We're getting fantastic interest," says Goodman.

To qualify for inclusion, almost all opportunity zones had to have poverty rates above 20 percent or family incomes that are no more than 80 percent of the area median. A handful—such as swaths of Oakland, Calif., and New York City—are generating buzz because they're already in the path of development. Yet even among these sought-after areas, Portland stands out. More than 40 percent of commercial real estate investment there during the past three years fell within areas now zoned for the tax breaks, a far higher percentage than in any other major U.S. city, according to a recent analysis by Real Capital Analytics Inc.

Zoned for investment



SOURCE: REAL CAPITAL ANALYTICS
THE SHARE OF COMMERCIAL REAL ESTATE INVESTMENT ACTIVITY IN WHAT ARE NOW OPPORTUNITY ZONES IS CALCULATED BETWEEN 2015 AND Q3 2018.

Portland's zones are so atypical that Barry Sternlicht, the real estate investor and founder of the Starwood hotel chain, used the city as a punchline when he criticized Congress for passing the tax breaks. "That's not a blighted district," he scoffed on a recent conference call. "Only in Washington would they say this helps the poor."

Portland is in many ways a study in contrasts. The city long ago became a magnet for new-economy workers drawn to its indie music and food scenes, as well as a cheaper cost of living than in New York and San Francisco. As the former lumber town grew, real estate developers rushed to sand over its grittier edges for these new arrivals, who've pushed up rents by 43 percent since 2010. Nevertheless, the poverty rate remains stubbornly high—a product of the fact that downtown, with its Nordstrom and Apple Store, also includes low-income housing. In neighborhoods such as Old Town Chinatown, it's not uncommon to see homeless sleeping in tents near a new food hall.

That such areas were picked for the incentives has something to do with the rushed and imperfect process for designating zones. After the tax law passed in the final days of 2017, governors were given 90 days to select the areas they wanted to nominate from a list of low-income census tracts in their states. Officials in Oregon pulled employment data for each eligible zone to figure out where growth was strongest, on the theory that the best predictor of future investment was past economic activity. They also sought input from local leaders, American Indian tribes, housing advocates, businesses, philanthropies, and community organizations.

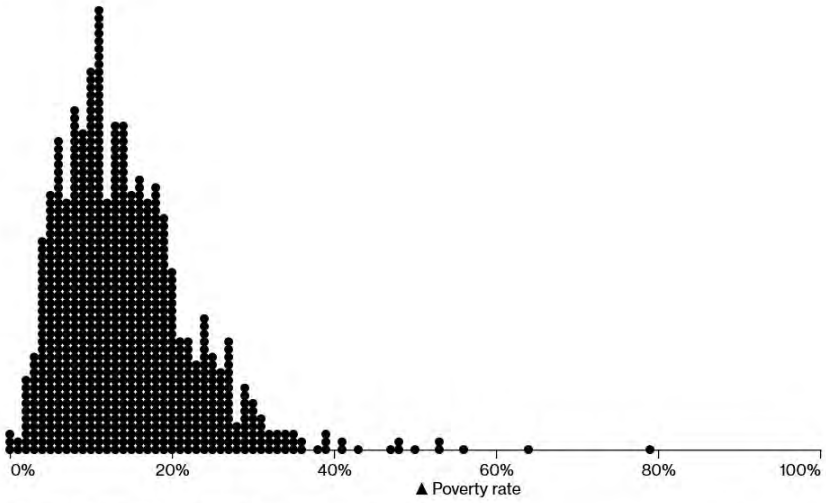
“We were looking for zones that had some kind of a mix between a real ability to attract investment as well as a real need,” Jason Lewis-Berry, an economic adviser to Oregon Governor Kate Brown, told state legislators in May. Surprisingly, some of the people most likely to benefit from the incentives barely took notice of the process. Early on, officials invited real estate developers to one of their meetings, says Nick Batz, government affairs and policy manager for Business Oregon, the state’s economic development agency. “I don’t think many came,” he says. “If I recall, it was one or two.”

The level of interest shot up when the selections were made. Like the Goodmans, Todd Gooding, the president of Portland developer ScanlanKemperBard, recognized the potential. “I said, ‘Holy crap, we’ve got to put some time and energy into this,’ ” he says. About a dozen blocks on either side of the Willamette River, which bisects the city, would be eligible for the breaks. “That’s probably the best set of options on the entire West Coast,” he says. “Now everybody’s running around like a chicken with their head cut off trying to tie up real estate.”

The central Portland tracts had among the state's highest investment flows, according to the Urban Institute

Oregon is home to 834 census tracts

1 2 3 4

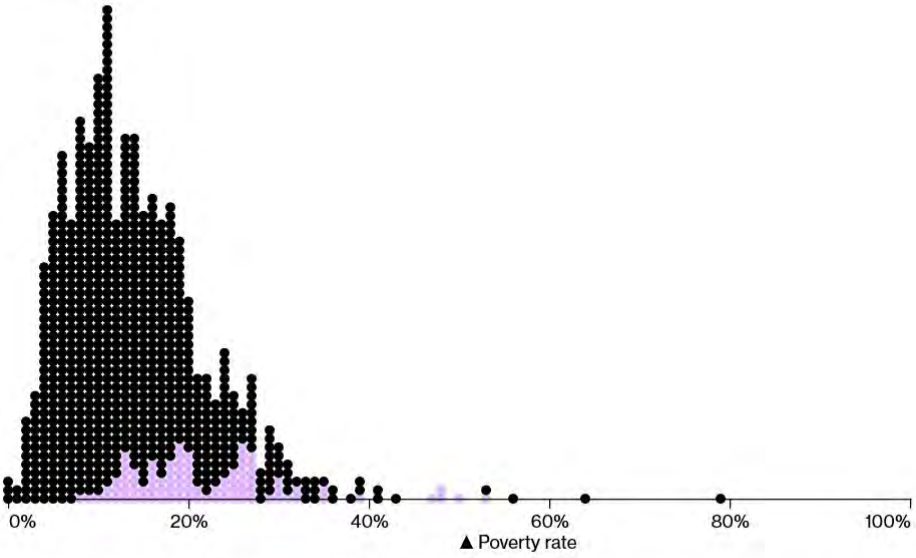


SOURCES: URBAN INSTITUTE, U.S. CENSUS BUREAU 2016 ACS 5-YEAR ESTIMATES
THE URBAN INSTITUTE DEVELOPED AN INVESTMENT FLOWS SCORE FOR OPPORTUNITY ZONES FROM ONE (LOW) TO 10 (HIGH) BASED ON COMMERCIAL LENDING, MULTI-FAMILY LENDING, SINGLE-FAMILY LENDING AND SMALL BUSINESS LENDING BETWEEN 2011 AND 2015.

Of those, 86 were chosen to be opportunity zones

1 2 3 4

Opportunity zones



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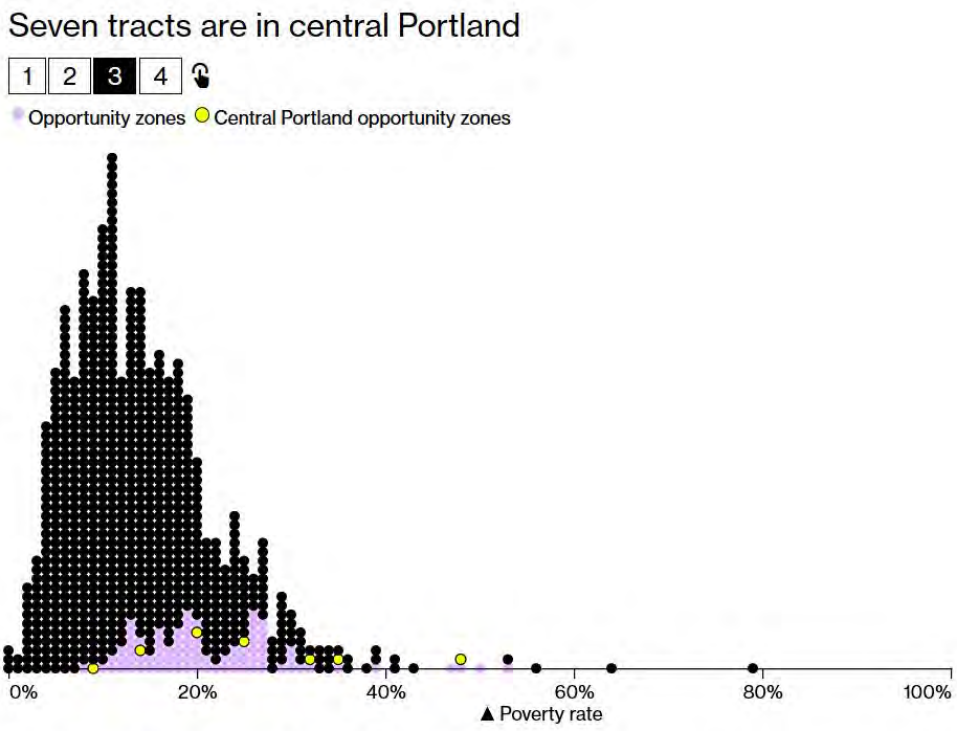

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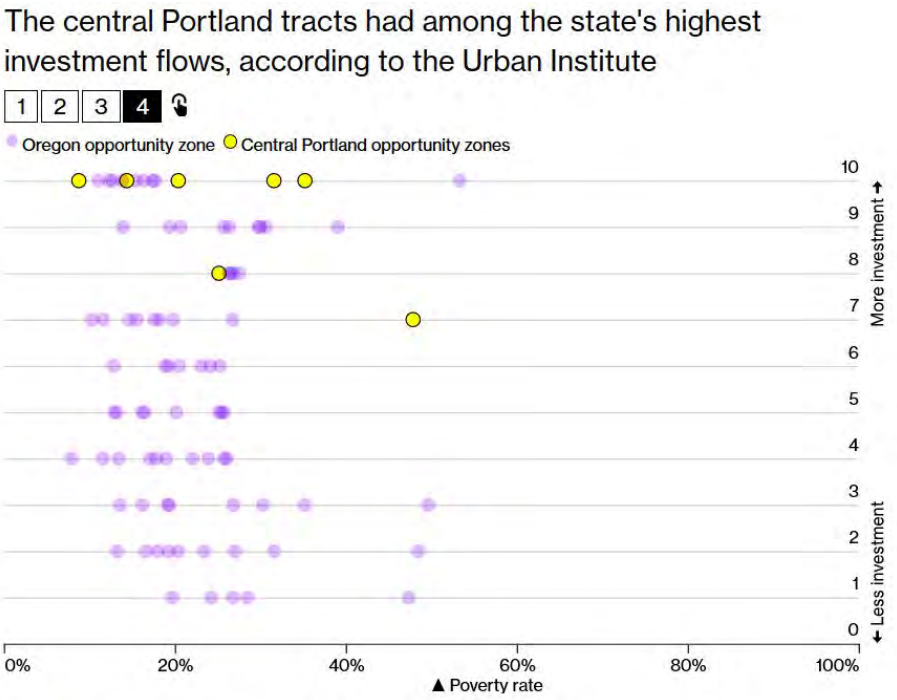

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THE URBAN INSTITUTE DEVELOPED AN INVESTMENT FLOWS SCORE FOR OPPORTUNITY ZONES FROM ONE (LOW) TO 10 (HIGH) BASED ON COMMERCIAL LENDING, MULTI-FAMILY LENDING, SINGLE-FAMILY LENDING AND SMALL BUSINESS LENDING BETWEEN 2011 AND 2015.

Graham Taylor, a commercial broker at CBRE Group Inc., says about 50 investors signed confidentiality agreements to look at a property with development potential during the first week he had it listed in December. “Our interest is double what I would have expected a year ago,” he says. The kinds of investors are also different. In the past, private real estate companies would have been the main bidders. Now, he says, big

institutions such as banks and insurance companies have raised money to spend in opportunity zones. “It’s really creating a lot of buzz in this market.”

Whether this flurry of activity ultimately benefits low-income residents is uncertain. “Take out your crystal ball,” says Justin Douglas, a policy, research, and compliance manager at Prosper Portland, the city’s economic and urban development agency. “It could have extremely positive results. It could have really negative ones.” Efforts are underway to ensure some of the gains go to the needy. Tad Savinar, a former member of Portland’s design commission, says he’s encouraged city officials to expedite permits for “community-oriented” projects, such as low-income housing and job-training centers.

Portland, like several other U.S. cities, has tried to address climbing rents by forcing developers of larger apartment buildings to include affordable units. But the policy, which went into effect in February 2017, is largely seen to have backfired. A surge of projects was proposed before then to avoid the requirement, and now the pipeline of new developments has slowed to a trickle because there’s a glut of supply and builders say the requirements don’t make sense economically.

Some local developers say opportunity-zone tax breaks could make the math work again. “We’re going to have some affordable housing” because of this, says Vanessa Sturgeon, whose Sturgeon Development Partners is raising money to construct a new tower in one of Portland’s zones. “There is really no fail-safe way to implement a policy like this. But I do see it doing a lot more good than harm.”

The Goodmans’ luxury development won’t be required to have any affordable units, because it was proposed before the city requirement went into effect. But other apartment buildings the family is constructing nearby will. Mark Goodman says he understands the criticism of some of Portland’s opportunity zones, especially the one that includes the Pearl, “our toniest district of all.” But there are other areas in the city that were languishing and could use a boost, he says.

On the bright side, the incentives have spurred interest among investors who want to own properties for the long haul, because the biggest potential tax benefits come for investments held for more than a decade. For a family that sees its legacy in finding a higher and better use for parking lots, that sort of patience is important. “We want a multigenerational community feel here, something our kids can be proud of,” Goodman says. “The opportunity zones codified what we wanted to do all along.”

At the end of the day, the blame for projects that don’t fit the spirit of the law rests with Congress for enacting such a flexible set of incentives, says the Urban Institute’s Theodos. “Don’t hate the player, hate the game.” — Noah Buhayar

Editors: David Scheer and Mira Rojanasakul

The False Promise of Opportunity Zones – *Timothy Weaver, Boston Review*

Tax breaks for investors don't help poor communities. Rather than court venture capital, cities must build new institutions to grow neighborhood wealth.

In "The False Promise of Opportunity Zones," Timothy Weaver critiques the federal Opportunity Zone program, arguing that it has failed to deliver meaningful benefits to the low-income communities it was meant to help. Instead of spurring inclusive economic development, the program has attracted private investment geared toward high-end real estate projects—such as luxury apartments and boutique hotels—that primarily serve wealthy outsiders. With few regulatory safeguards or community input, these investments often accelerate gentrification and displacement, leaving long-term residents behind.

Weaver contends that the program reflects a flawed belief that market-driven solutions can solve deep structural inequalities. By prioritizing investor returns over community well-being, Opportunity Zones have become a vehicle for capital extraction rather than community uplift. He advocates for alternative approaches rooted in democratic control and community ownership—like land trusts and cooperatives—that would ensure development genuinely benefits those who live in the neighborhoods targeted for revitalization.

Full article - https://www.bostonreview.net/articles/the-false-promise-of-opportunity-zones/

Section 6

Antitrust Bill Outline

A Comprehensive Analysis of Private Equity in Mergers in Essential Industries and Their Effects on Underserved Communities

Background / Scope

(1) Certain industries are critical for the people. All people. These industries deliver basic human needs and ensure all people's rights to fundamental necessities.
(2) These industries include, but are not limited to, healthcare, food supply chains, utilities and water, housing, and telecommunications networks (because "access" is a basic need). All Americans rely on these industry infrastructures.
(3) In a healthy competitive environment underpinned by US antitrust laws and the consumer welfare standard, industry participants are invested and economically incentivized to serve the communities in which they operate.
(4) The size of a market naturally hinges on a community's ability to efficiently access the good or service in question.
(5) In the absence of robust competition and the prioritization of consumer/community welfare, we see risks of desertification in terms of lack of access to commensurate services and goods, both on an equitable/relative and absolute basis.
(6) Such market failures (i.e. disconnect between needs of community served and control of supplier) often occur from involvement of Private Equity and other money that is discrete from the target industry, which raises specific concerns about who is operating and controlling, and what is the nature of their investment to the community in the form of supply of goods/services
(7) For example, Private Equity is primarily incentivized to seek short-term corporate profit to fund further rent-seeking behaviors. In other words, aggressive cost cutting followed by replaced investment in high-margin, high-elasticity goods/services (i.e. catering to the rich).
    a. Data shows that the only time this does not happen is when regulators (merger enforcers) catch the risk and force concessions like divestiture or mandating keeping supply channels open.
    b. Ironically, the replaced investment skews towards online access, underscoring why telecommunications is a basic need.
(8) PE is secondarily incentivized to fund buy-outs of horizontal competitors or vertical supply chains to neutralize competitive threat of companies that continue to prioritize service to the communities.
(9) Two primary economic effects of such conduct includes: (1) serial roll-up mergers/acquisitions, and (2) low-income and traditionally disadvantaged communities are particularly harmed.
(10) There is a lack of knowledge and granular research into the prevalence and influence of private equity in industry consolidation, and of the impacts on critical sectors, and particularly on low income and traditionally disadvantaged communities.

Bill Components

(1) Empower the FTC to commission an initial study and report on merger activity over the past ten years involving private equity (settle on threshold); study should encompass and not exclude serial acquisitions for the purposes of determining threshold.
(2) At least yearly study to update the above
(3) Study should include impacts by specific groups of people, income, local geography, and critical industry/sector

(4) Study should include assessment of whether such trends are expected to be negative, and efficacy of current antitrust measures specific to the industry

(5) Initial study should include specific recommendations to ensure continuity of quality goods/services to all people within the community and avoid desertification (either by blocking more private equity mergers, more divestitures, or forcing specific affirmative requirements to supply). Recommendation should include whether to follow-up on specific cases.

(6) Reform the Merger Guidelines to account for the above and to develop

Addendums

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(1) Competition and Antitrust Law Enforcement Reform Act

a. Comprehensive bill reintroduced by Klobuchar to strengthen merger review,

b. Strengthening whistleblowers – can have anonymous tip-line that involvement of money is not being correctly disclosed

c. Study past mergers

d. "The legislation would establish a new FTC division to conduct market studies and merger retrospectives."

(2) Merger Fee Modernization Act – funding mechanism

House GOP Proposes Eliminating Key Antitrust Law – *by: Matt Stoller*
https://www.thebignewsletter.com/p/house-gop-proposes-eliminating-key?utm_source=post-email-title&publication_id=11524&post_id=162355837&utm_campaign=email-post-title&isFreemail=true&r=2at4jg&triedRedirect=true

The article discusses a proposal from the House GOP to eliminate a key antitrust law, which is aimed at curbing monopolistic behavior, particularly within Big Tech companies. This move has sparked criticism, with opponents arguing that it undermines competition and weakens consumer protections. Some critics believe the GOP's focus on this issue is part of a broader agenda to benefit corporate interests, especially since it doesn't address other controversial topics like campaign finance reform. There's also a suggestion that the GOP could gain more public support by focusing on policies that directly impact everyday citizens, rather than advocating for corporate-friendly changes.

The proposal has raised concerns about the growing influence of large corporations in politics and the potential for a more unequal marketplace. Critics warn that by eliminating these antitrust protections, the GOP would further tilt the scales in favor of big businesses, which could harm smaller competitors and limit consumer choice. The article notes that this policy shift might not have the broad backing needed to succeed, as it could alienate voters in swing districts who are more concerned with consumer rights and fair market practices than with the interests of big corporations.

Out With a Bang: Enforcers Go After John Deere, Private Equity Billionaires – *by: Matt Stoller* *https://www.thebignewsletter.com/p/house-gop-proposes-eliminating-key?utm_source=post-email-title&publication_id=11524&post_id=162355837&utm_campaign=email-post-title&isFreemail=true&r=2at4jg&triedRedirect=true*

The article highlights a proposal from the House GOP to eliminate an important antitrust law aimed at regulating monopolistic behavior, especially in the tech industry. Critics argue that this move would favor large corporations at the expense of consumers and competition. They suggest the GOP could gain more public support by focusing on issues like campaign finance reform, rather than dismantling regulations that protect fair market practices. The proposal is seen as potentially controversial and could face opposition from voters who prioritize consumer protection and competition.

Section 7

Protecting Government Data from Political Interference: Best Practices and Legislative Roadmap

Introduction: The Risk of Politically Motivated Data Loss

Government-collected data is increasingly at risk of manipulation or erasure for political reasons. Recent events underscore the threat: in the U.S., thousands of climate and environmental datasets vanished from federal websites during administrative transitions[1], prompting warnings that "we're losing our environmental history"[2]. In extreme cases, entire agency websites were wiped or redirected for political messaging, raising alarms about the integrity and continuity of public information[3]. Such politically driven alterations or deletions undermine evidence-based policymaking and public trust. This report examines how legislation can safeguard critical data, drawing on successful models in other jurisdictions, legal frameworks treating data as infrastructure, enforcement mechanisms, and real-world case studies of data instability. It concludes with key recommendations and a roadmap for state and local governments to adopt and advocate strong data preservation protections.

Models from Other Jurisdictions with Strong Data Preservation Policies

Estonia's "Data Embassy" Model: One pioneering approach comes from Estonia, which treats government data as a strategic asset to be protected like territory. Estonia created a **Data Embassy** – a secure data center in Luxembourg under Estonian control – to back up critical government databases outside its borders[4]. This ensures that even if domestic systems are compromised (by cyberattack, disaster, or political upheaval), the state's essential data and digital services remain intact. Monaco and other small nations have followed suit, redundantly hosting citizen information in foreign data embassies while maintaining legal jurisdiction over it[5]. The goal is to provide *geographic and political redundancy* for critical data, treating it with the same seriousness as a physical embassy or piece of infrastructure. This model highlights the value of legally designating backups of vital data to guard against any single point of failure – whether technical or political.

United Kingdom – Independent Statistics Authority: The U.K. has strengthened data integrity by insulating official statistics from political manipulation. The **UK Statistics Authority**, established by law, operates independently of ministers to oversee the Office for National Statistics. It enforces a strict Code of Practice emphasizing honesty, impartiality, and equal access to data releases[6][7]. By law, certain datasets (e.g. census results, economic indicators) must be produced and released free from political interference. This framework treats key data as a public good, not subject to the whims of changing governments. The Authority even publicly rebukes misuses of data, helping ensure that critical numbers cannot be quietly altered or withheld for political convenience. This model of an independent data/statistics oversight body offers a precedent for treating data as an objective infrastructure of democracy.

Open Data Laws in U.S. Cities/States: Several U.S. jurisdictions have enacted "open data" legislation that indirectly guards against data suppression by mandating proactive disclosure. For example, **New York City's Open Data Law**(Local Law 11 of 2012) requires every city agency to publish all of its public datasets online by a fixed deadline and keep them updated[8]. By making open publication a legal duty, the law creates a structural barrier to data being hidden or deleted—any dataset defined as public must remain accessible unless explicitly exempted. Other cities (like Los Angeles, Chicago, Philadelphia) and states (like California and New Jersey through executive orders

or statutes) have similar open data policies. These frameworks provide transparency by default; an incoming administration cannot simply take down an embarrassing dataset without violating the law. In effect, open data mandates preserve *continuity* of data availability across political transitions.

Canada's Preservation of Scientific Records: In response to controversies over muzzled science and tossed archives in the 2010s, Canada has placed greater emphasis on preserving research data. The closure of federal science libraries under a previous government was widely criticized for causing loss of unique historical data (for instance, century-old fisheries and climate records)[9][10]. Since then, Canadian officials have worked to digitize collections and improve archival safeguards. While Canada's example serves as a cautionary tale of how easily data can be lost for ideological reasons, it also spurred reforms and awareness. The lesson learned was that *official policy should require preservation of research and data records*, with proper funding for national archives and libraries to prevent ad-hoc destruction. Any state crafting legislation can look to Canada's experience to mandate that critical datasets (environmental, health, etc.) be archived in multiple forms (digital and physical) and managed by non-partisan institutions (such as a National Archives or Libraries system) to shield them from political winds.

Defining and Classifying Critical Data as Infrastructure

A key strategy is to legally define certain government data as **critical infrastructure**. Just as roads and bridges are infrastructure essential to society, so too are datasets that government and the public rely on for daily operations, accountability, and safety. Viewing data through this lens is gaining traction globally. Thought leaders argue that *"data is infrastructure"* and should be maintained and protected accordingly[11]. For example, during the COVID-19 pandemic, governments saw how vital data systems (for health, supply chains, etc.) were to national resilience[12]. This has led to calls for framing data as the foundation of a "resilient and responsible global society"[13] rather than as a disposable by-product of governance.

Legal Frameworks for Critical Data: Some countries have already codified protections for critical data. China's **Data Security Law (2021)**, for instance, categorizes certain information as "core data of national significance" and imposes strict requirements and penalties for its unauthorized alteration, destruction, or export. Similarly, many nations' cybersecurity laws on **Critical Information Infrastructure** include government databases in sectors like finance, healthcare, energy, and elections as protected assets[14]. These laws typically mandate robust security and continuity plans for data systems and criminalize sabotage or tampering. While such frameworks often focus on external threats, the same concept can be applied to internal political threats – by declaring vital datasets (e.g. public health stats, environmental monitoring data, budget records) as critical infrastructure, a state can justify heightened legal protections and oversight.

Treating Data Like a Public Utility: Another approach is to treat certain datasets as a kind of public utility or commons. For example, some jurisdictions have proposed data trusts or charters that hold data "in trust" for the public. By law, the stewards of these data trusts must manage the information for long-term public benefit, insulating it from short-term political agendas. In practice this could mean requiring that any decision to significantly modify or delete a critical dataset must go through a transparent process and be approved by an independent commission (much as utility rate changes often require approval by a public utilities commission). Legally classifying data as infrastructure can also unlock funding for maintenance (e.g. regular backups, modernization of storage technology) under infrastructure budgets, ensuring the data's stability. It sends a strong signal that tampering with data is akin to vandalizing a power grid or water supply – an act against the public interest.

Enforcement Mechanisms and Oversight Structures

Identifying critical data and mandating its preservation is not enough without enforcement. Best practices in legislation include clear penalties for violators and independent oversight to ensure compliance.

Penalties for Unauthorized Destruction or Alteration: Most jurisdictions already criminalize the willful destruction of official records. For instance, under Pennsylvania law, anyone who "intentionally and unlawfully destroys, conceals, removes or otherwise impairs the **availability or verity** of a public record" can be prosecuted – generally as a misdemeanor, or as a felony if done to defraud[15]. Many states have similar statutes, and federally in the U.S., 18 U.S.C. §2071 imposes fines and imprisonment for destroying government records, even disqualifying offenders from office. However, these laws may need updating to explicitly cover *digital data sets* and to strengthen penalties when the motive is to improperly influence policy or public perception. New legislation could elevate deliberate data tampering/deletion by public officials to a higher-degree offense. For example, a state could make the politicized deletion of a dataset (such as police bodycam footage archives or public health databases) a felony with substantial fines and potential jail time, on par with other forms of evidence tampering.

Audit Trails and Tamper-Proof Repositories: Enforcement can be aided by technology. Mandating robust **audit trails** for government databases (i.e. every edit or deletion is logged, with user ID and timestamp) creates accountability and a deterrent against quiet manipulation. Some cutting-edge approaches include using blockchain or immutable logs to secure data integrity. Estonia's system, for instance, uses KSI Blockchain to ensure that any alteration of a record in government databases is evident and traceable[16]. A state law could require that all critical datasets implement version control or write-once storage that prevents outright deletion (instead, changes create a new version while preserving the old). This means even if someone tries to alter or remove data, the original remains in the record, and the act is visible – supporting after-the-fact enforcement or reversal.

Independent Oversight Bodies: Perhaps most important is creating an **independent oversight structure** to manage and protect data. One model is empowering State Archives or Records Offices with greater autonomy and legal authority. These bodies (or a new "Data Preservation Commission") could be tasked with reviewing any proposal to remove or significantly modify public datasets, ensuring that archival copies will remain available. They should report to the legislature or operate with statutory independence (similar to an Inspector General) rather than to the executive alone. Another model is a **Chief Data Officer (CDO)** or **Chief Records Officer** embedded in government but with a degree of insulation from political pressure – potentially having a fixed term that does not coincide with the governor's term. This official's mandate would be to uphold data integrity standards and whistleblower protections for data scientists. For scientific data, institutionalizing **scientific integrity policies** is key. At the federal level, agencies now have policies to "limit censorship, intimidation and other forms of political interference in research," helping ensure science data isn't suppressed or distorted[17][18]. States can adopt similar scientific integrity acts or executive orders, creating an ombudsman to whom agency scientists can report political interference in data. Independent watchdog NGOs and the press also play a role – legislation can empower them by guaranteeing access (via FOIA/open records laws) to archived data, so any disappearance is quickly noticed and legally challengeable.

Regular Audits and Reports: To enforce compliance, the law should mandate periodic audits of data retention. For example, an annual "data preservation report" to the state legislature could detail the status of all critical datasets, note any that were removed or altered, and certify that archival backups exist. If an agency fails to properly preserve data or if data was improperly altered, the oversight body can investigate and recommend sanctions. Penalties might include not just criminal law but administrative consequences: officials responsible could face demotion or firing, agencies could lose budget funds, and affected data must be restored. By coupling clear consequences with independent auditing, the legislation creates a strong check against politically motivated meddling.

Local Data Repositories as Safeguards

Another defensive measure is for state and local governments to maintain their **own repositories or mirror copies** of important data, especially if they rely on federal information that could be subject to change. There are precedents for this kind of *federated data backup* as a form of insurance.

State-Level Data Portals: Many states have developed open data portals that consolidate datasets from state agencies (e.g. open data hubs for health, transportation, environment). These can be expanded to include copies of federally collected data that are crucial for state policy. For instance, a state environmental agency might routinely download and store EPA datasets on air and water quality for its region. By law, states could require that whenever they use federal data for regulatory or planning purposes, a local copy must be kept. Some forward-looking states did this during times of federal retrenchment on climate science. In 2017, alliances of states formed to preserve climate data and commitments abandoned at the federal level. California even announced plans to launch its own climate-monitoring satellite when faced with potential loss of federal climate data – a bold step to generate and control the data it needs[19]. While not a repository per se, it exemplifies a state ensuring data availability independent of federal politics.

Municipal Initiatives: At the city level, open data laws (like NYC's noted above) effectively create a local repository of all city data. Some cities have also volunteered in data preservation efforts. For example, Philadelphia's civic tech community and city open data team supported the **Data Refuge** project in 2017, which aimed to save federal climate datasets at risk[20]. Although driven by universities and nonprofits, these efforts often partnered with local governments, which provided infrastructure and publicity for "data rescue" events. The result was that cities and academic institutions hosted copies of datasets from NASA, NOAA, EPA, etc. In the absence of a formalized state-run repository, these community-driven archives acted as an interim safeguard. Now, cities and states can formalize such practices: legislation could authorize state universities or libraries to serve as **official data repositories** for government information. For instance, a state could designate its flagship university to regularly harvest and store snapshots of federal open data portals (like Data.gov or agency websites) relevant to the state's interests. This creates an independent, decentralized backup. Notably, the **End of Term Web Archive**, a consortium effort with libraries and the Internet Archive, has done this for U.S. federal websites at each administration change[21]. A state joining or supporting such initiatives – and then leveraging its copy if data is removed – is a concrete way to protect the public's access.

Data Partnerships and Trusts: States and localities can also band together. A multi-state "data trust" could be established where each member deposits critical datasets, and all have access to a pooled backup. This could be especially useful for regional environmental data (rivers, air basins that cross state lines) or public health statistics. If one state's leadership diminishes data transparency, others in the consortium could still provide the data. Such inter-governmental agreements, backed by legislation, ensure no single actor can completely purge the record.

Crucially, implementing local repositories goes hand-in-hand with open data: simply storing the data isn't enough; it must remain accessible. Thus, many governments host open portals not just as transparency measures but as **redundant publication channels**. Once data is widely distributed to the public domain, it becomes much harder for anyone to erase all copies. Local laws can encourage this by mandating that data releases be in downloadable formats and encouraging public or third-party mirrors.

Case Studies: Impacts of Data Instability and Loss

Real-world incidents highlight why these protections are necessary by showing the damage caused when data integrity is compromised:

- **Environmental Data Removal (United States):** During the first Trump administration (2017-2021), references to “climate change” were systematically scrubbed from government websites, and entire data tools were taken offline. A watchdog analysis found climate-related terms dropped by **26%** on federal sites, often replaced with euphemisms[22]. In the early weeks of the second Trump term, the purging accelerated – *thousands of datasets were removed* from agencies like EPA, NOAA, NASA, and others[23]. Researchers and the public suddenly lost easy access to information on pollution, emissions, and climate impacts. The **consequence** was a chilling effect on research and local planning: scientists had to scramble to find or reconstruct data, and communities faced uncertainty in environmental decision-making. This instability also bred public distrust – when data appears and disappears based on politics, it undermines confidence in any government information. The outcry from academia and states (who rely on federal data) was significant, and it spurred the archiving movements mentioned above. The lesson is clear: vital environmental and health data needs legal guardrails so that it remains available **no matter who is in power**, avoiding disruption to research, policy, and public knowledge[24].

- **COVID-19 Data Manipulation (Florida, US):** In 2020, amid the pandemic, Florida’s state government was accused of pressuring officials to tweak COVID statistics. **Rebekah Jones**, a geographer managing Florida’s COVID-19 dashboard, was fired after refusing to “manually change data to drum up support” for reopening the economy[25]. She later alleged that she was directed to *delete records* showing early positive cases (which contradicted the governor’s narrative) and to alter metrics so counties would appear to meet reopening criteria[26]. This case shows a stark example of politically motivated data alteration in real time, with potential impact on public health decisions. The immediate fallout was that Jones launched an independent COVID dashboard to present what she claimed was the unvarnished data, and many Floridians turned to it, unsure if the official data was trustworthy[27]. **Impact:** When citizens and experts lose trust in official data, they may seek alternative sources or be left in the dark. Public health responses can falter if data is skewed. The Florida case underscores the need for whistleblower protections and independent auditing of critical health data – if there were an empowered oversight body, perhaps issues could have been caught or prevented before a whistleblower felt the need to go public. It also illustrates how a lack of legal consequences for data manipulation can embolden such behavior; stronger laws could deter officials from even attempting to fudge pandemic data.

- **Deforestation Data Suppression (Brazil):** The Brazilian Amazon provides another cautionary tale. Brazil’s National Space Research Institute (INPE) has long monitored Amazon deforestation via satellite, publishing monthly data. Under President Jair Bolsonaro, deforestation rates spiked to their highest levels since recordkeeping began[28]. Instead of addressing the environmental issue, the administration reacted by firing the messengers: the INPE director was dismissed after releasing data showing the surge, and later the top deforestation researcher was sacked just days after new data revealed even worse clearing rates[29] [30]. This overt political retaliation had a chilling effect – it raised fears that data might be censored or methodologies changed to downplay deforestation. **Impact:** International investors and governments grew wary, as reliable data is crucial for environmental accountability; some accused Brazil of trying to mask the problem rather than fix it[31]. Within Brazil, scientists worried that decades of credibility for their monitoring programs were being eroded. This case demonstrates how political interference in data (even without literally deleting it, the act of punishing those who report it accurately) can lead to self-censorship or loss of expertise. The broader implication is the need for legal independence for scientific agencies and protections for data transparency – for example, a law that INPE’s data must be published regardless of political convenience, and that its leadership can only be removed for cause, might have mitigated the situation. It also shows the global ripple effect: unstable data

in one country (especially on climate-critical information) affects international policy and trust.

- **Loss of Historical Data (Canada):** As noted, Canada experienced a significant loss of environmental and fisheries data around 2013 when libraries and research centers were closed for budget/political reasons. Scientists described the closure of the Freshwater Institute library – which held **unique water quality data dating back to 1880** – as a "national tragedy" [32]. Materials ended up in dumpsters in what observers likened to a form of book-burning[33]. Although the government claimed much would be digitized, researchers noted that only a fraction was, and irreplaceable longitudinal data sets (essential for understanding long-term climate trends and fish populations) were at risk[34]. **Impact:** The loss or disorganization of this data hindered scientific studies that rely on long time-series. It also galvanized the scientific community to push for policies to never allow such purges again. In the aftermath, Canada's approach to open science shifted – more emphasis on proper archiving and open access to government research data emerged. For state and local governments, this story is a lesson that data preservation needs formal protocols; decisions on data retention should not be left to ad-hoc political or budgetary whims. Once data is lost, it may be gone forever, to the detriment of future policy making.

These case studies reinforce that the instability or loss of data – whether through active interference or neglect – has real consequences: it can distort policy decisions, damage public trust, erase historical knowledge, and even endanger lives (in the case of health data). They make the case for why robust legal safeguards and best practices are not just bureaucratic ideals but essential features of good governance.

Key Recommendations for Protecting Data Integrity

Drawing on the above models and lessons, here are the **key recommendations** for state and local governments aiming to fortify their data against politically motivated alterations or deletions:

- **Enact Data Preservation Laws:** Pass state or local legislation that explicitly requires the preservation of government data. This should define *critical data assets* (e.g. budget data, public health stats, environmental monitoring, public safety records, etc.) and mandate their ongoing maintenance and public availability. For example, a "Public Data Preservation Act" could declare all datasets used in official reports or informing public policy to be public records that must be retained and cannot be removed from public access without a valid, transparent reason (such as privacy or national security, subject to independent approval). These laws will create a legal obligation that transcends electoral cycles.

- **Classify Critical Data as Infrastructure:** Formally recognize key datasets as part of the state's critical infrastructure or essential information assets. This might involve amending state homeland security or IT laws to list "critical government data repositories" alongside roads, utilities, and communications systems as infrastructure that merits protection. Doing so provides a basis for investing in resiliency (backups, cybersecurity) and for imposing stiff penalties on anyone who sabotages this "data infrastructure." It also symbolically elevates the importance of data stewardship within government operations.

- **Independent Oversight and Governance:** Establish independent structures to oversee data integrity. Options include creating a **State Data Integrity Board** or empowering the State Archivist/Records Agency with investigative and enforcement powers. Ensure this body has representation from multiple stakeholders (executive, legislature, judiciary, maybe academia)

to dilute political influence. The body should review any proposals to remove or substantially alter published data, verify that archiving is done first, and publish an annual "State of Data" report. At the agency level, implement or strengthen **scientific integrity policies** that give career scientists and data managers avenues to report political interference. Whistleblower protections must extend to data manipulation cases – employees who refuse orders to doctor or delete data should be shielded and heard, not punished, as illustrated by Florida's case[35].

- **Robust Enforcement Mechanisms:** Back the policies with clear penalties. For instance, introduce criminal provisions (or bolster existing ones) specifically targeting the unlawful deletion of public data. Willfully destroying or falsifying government data outside of established procedures should carry consequences comparable to destroying physical public property. Some states may choose to make it a felony to destroy critical records (as Pennsylvania considered[36] [37]), which can serve as a strong deterrent. Additionally, administrative penalties (fines, firing, civil liability) can be outlined for officials who knowingly violate data retention rules. The law should leave little ambiguity that *altering data for non-legitimate reasons is illegal*. Just as importantly, enforce the enforcement – empower attorneys general or independent prosecutors to pursue these cases when they arise.

- **Mandatory Archival and Redundancy:** Require that all public-facing data systems have a backup and archiving protocol. Before any dataset or web page is changed or removed, an **archive copy** must be created and deposited in a secure repository (for example, with the State Archives or a trusted third party). Encourage the use of distributed backups – perhaps partnering with university libraries or other states (an interstate compact) to hold each other's data in escrow. This builds resilience; even if data is taken down in one place, it survives in another. In practice, this could mean something like: *"Each state agency shall quarterly transmit an export of new or updated datasets to the State Digital Archives. No dataset shall be deleted from an agency server without written certification from the State Archivist that an archival copy has been received and verified."* Such procedures ensure that even if a website is wiped, the data is not truly lost and can be recovered.

- **Open Data by Default:** Expand open data statutes so that they not only mandate publishing datasets but also stipulate that once published, data should remain available. If an update or correction is needed, it should be appended rather than replacing or erasing the original. This versioning principle maintains historical data integrity. Open data portals can serve as the **accessible face of data preservation**, providing transparency that helps catch any improper deletions (the public and journalists will notice if a dataset disappears). Where possible, enshrine these portals in law (as NYC did[38]) so that sustaining them is not optional. In addition, consider requiring agencies to catalog and report all datasets they generate – including those not yet public – to prevent "secret" data from being quietly dumped. A comprehensive inventory makes it harder to completely purge data without anyone knowing.

- **Collaboration with External Archivists:** Form alliances with libraries, universities, nonprofits, and consortia like the Internet Archive. Many have missions to preserve knowledge and can act as partners. A state could, for example, sign an MOU with a university's data repository to automatically receive copies of certain data. During federal data purges, academic and civic groups proved invaluable in saving information[39]; incorporating their assistance in a formal way can bolster state efforts. These partners can also provide independent verification (a university can compare the current version of a dataset to last year's archive to flag suspicious changes). Such oversight by civil society creates an additional check on political tampering.

- **Education and Culture of Integrity:** While not a direct legal measure, a recommendation is to foster a culture that values data integrity. Regular training for public officials on records laws, the importance of data preservation, and the ethical handling of information can prevent problems. Making it clear from the top that *data should drive policy, not the other way around* sets expectations. Some jurisdictions might convene annual data integrity workshops or establish awards for agencies that demonstrate excellence in transparency and preservation. When drafting legislation, include a findings section that affirms the role of data in democratic governance – this sends a message that the state commits to truth in data. Over time, a strong norm against meddling can be as powerful as the laws themselves.

Roadmap for Adoption and Advocacy

For local governments ready to act, the following roadmap can guide the adoption of these protections:

1. Assess and Identify Critical Data: Begin with an audit of the data your government collects. Identify which datasets are most vital for operations, public welfare, and historical value. For a city, this might be crime statistics, budget and spending data, public health records, infrastructure maintenance data, etc. For a state, add things like environmental monitoring results, education statistics, economic indicators, and so on. Engage stakeholders (agency heads, data users, external experts) to prioritize what "critical data" means in your context.

2. Draft the Legislative Framework: With priorities in mind, draft a law or ordinance that addresses:

- **Scope:** which data and agencies it covers (ideally, a broad scope with flexibility to add more datasets over time).
- **Preservation Requirements:** setting the rules for retention, format (use non-proprietary, durable formats), frequency of backups, and required archival deposits.
- **Access Requirements:** ensuring that critical data is not only preserved but made available to the public or at least to oversight bodies. For truly sensitive data that can't be public, ensure it's still preserved internally with oversight.
- **Prohibitions:** explicitly prohibit deletion or alteration except through defined procedures.
- **Enforcement:** outline penalties and designate who enforces them (e.g. state Attorney General, local prosecutor, inspector general).
- **Oversight Structure:** create or assign the independent body to monitor compliance, as discussed.
- **Emergency Clauses:** perhaps include what happens in a crisis (e.g. if systems are down, how data will be protected) – borrowing from disaster recovery planning.

Consult legal precedents while drafting. Look at existing **public records laws**, **open data laws**, and **archives statutes** for language. For instance, many states have general record retention schedules – this new law might build on those by adding that digital datasets are records too and must be retained perpetually if of permanent value. Use federal examples like the OPEN Government Data Act (which mandates open data) and the Federal Records Act as templates, adapting them to shield data from improper political control at the state/local level.

3. Secure Buy-In from Leadership and Public: Advocacy is critical. Champions in government (a governor, mayor, or influential legislators) should be enlisted early. Emphasize that this is a non-partisan good-government reform – it protects data for *all* future leaders, regardless of party. Highlight how businesses, researchers, and the public rely on stable data (for example, urban planners need consistent census data, health officials need disease stats, etc.)[40]. Real anecdotes like those in the case studies can be powerful in hearings – e.g., *"We don't want what happened in X to happen here."* If possible, gather support from local universities, press outlets, and civic tech groups; they can testify to the importance of data stability. An aware and supportive public can help push the legislation and hold officials accountable to implement it.

4. Implement Technical Solutions: Once legal mandates are in place, focus on execution. Invest in the infrastructure needed: robust servers for backup, perhaps cloud storage arrangements (with careful control to maintain government ownership of data), and archiving software. Set up the public-facing open data portal if not already in place. Ensure each agency has a data officer or records manager responsible for compliance. Develop standard operating procedures so that, for example, if a new administration wants to redesign a website, they know to coordinate with the Archives to archive the old content first. The technical aspect might also include subscribing to the Internet Archive's services or using tools like the Dataverse network for storing research data. The implementation phase is where independent oversight can guide agencies and catch issues early.

5. Monitor, Audit, and Iterate: After adoption, treat this as an evolving program. The oversight body should conduct audits (annually or semi-annually) and issue public reports on how well agencies are meeting the preservation and transparency requirements. Any gaps or violations found should be addressed immediately – if an agency "accidentally" pulled data down without archiving, require restoration from backups and perhaps impose a small sanction to reinforce the rule. Use these audits to improve the system: maybe the law needs amendment to cover a new type of data, or agencies need more resources to comply. Staying adaptive is important, especially as technology and data usage evolve.

6. Advocate at Higher Levels: Finally, local governments can use their experience to advocate for similar protections at the federal level or in other states. Joining coalitions like the multi-state **Climate Alliance** (which, among other things, has worked to preserve climate data and keep reporting it despite federal rollbacks) can amplify the message[41]. Pushing for a federal Scientific Integrity Act or enhancements to the Federal Records Act to include stronger digital data mandates would create a more stable environment for everyone. Local leaders can share success stories – for instance, if your state's independent data board prevented a major data loss incident, letting others know can build momentum for broader change. In essence, treat data protection as a shared goal across jurisdictions; today one state's data might be threatened, tomorrow another's might be, so a united front helps.

By following this roadmap, state and local governments can significantly reduce the risk of politically driven data erasure. They will build systems where data – much like critical infrastructure – remains reliable through political storms. The payoff is long-term: future policymakers will inherit rich, intact datasets to inform decisions, citizens will have consistent access to information, and the overall governance will be more transparent and accountable.

Conclusion

In an era where "alternative facts" and information control can tempt those in power, ensuring the integrity of government-collected data is a democratic imperative. Strong state-level legislation can fill gaps and set examples, treating public data as the non-partisan asset that it is. Successful models from abroad show that treating data as critical infrastructure with redundant safeguards is not only feasible but effective[42][43]. Legal frameworks that establish independent oversight and clear penalties

create a protective shield around the truth encoded in our databases[44]. And as case studies painfully illustrate, the cost of inaction is high – lost data can mean lost history, lost trust, or even lost lives.

The recommendations in this report chart a path forward: by codifying preservation practices, investing in open and secure data systems, and fostering a culture of integrity, local governments can ensure that facts outlast factions. Lawmakers should move swiftly to adopt these best practices. In doing so, they affirm a simple principle: **public data belongs to the public**, not to the temporary stewards of government, and its fate should not sway with the political winds. With smart legislation and vigilant oversight in place, we can safeguard our society's digital knowledge for generations to come, insulating it from partisan manipulation and guaranteeing that decision-makers and citizens alike have the stable information they need.

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Policy Brief: Protecting Government Data Integrity

Overview of the Issue

State and local governments collect vast amounts of data – from public health and environmental statistics to economic and civic information – that inform policy decisions and public services. Ensuring the integrity of this data is critical. In recent years, there have been instances of politically motivated alterations or deletions of government data, undermining public access to accurate information. For example, in 2017 the U.S. Environmental Protection Agency removed its climate change websites to "reflect [new] priorities," leading to the deletion of climate data pages and resources[1][2]. Similarly, a Florida data scientist alleged she was pressured to delete or change COVID-19 data to support reopening plans[3]. Such incidents erode public trust and impede evidence-based governance. Protecting government-collected data from improper alteration or deletion is therefore vital for transparency, accountability, and informed decision-making.

The importance of stable, reliable data extends to emerging technologies as well. Government datasets are often used in research and artificial intelligence (AI) development. If these data are compromised for political reasons, it not only misleads policymakers and citizens in the short term, but can also "train" AI systems on flawed information, leading to biased or inaccurate outcomes. As one state technology report warned, the damage done by bad or manipulated data is amplified by AI – *if systems are trained on bad information, bad outcomes are a foregone conclusion*[4]. In summary, safeguarding data integrity is essential for maintaining public trust, enabling effective governance, and supporting innovation.

Key Provisions of the Proposed Legislation

1. Classification of Critical Datasets as Protected Public Assets: The legislation will establish a process to identify and classify "critical datasets" as protected public assets. These are datasets of high importance to public welfare, governance, or historical record (for example, public health statistics, environmental data, economic indicators, election data, etc.). Once designated, a dataset is legally considered a public asset that must be preserved and kept accessible. This concept builds on the idea that government data is a public resource – many jurisdictions now treat non-sensitive data as a public asset that should be open and reliable[5]. By formally classifying key datasets as protected, the law recognizes their value akin to public records that require special care. Agencies would be required to maintain an inventory of such critical data assets and publish that list, similar to how the federal Open Government Data Act mandates agencies inventory and publish their data assets[6]. The designation as "protected" means these datasets cannot be removed, hidden, or substantially altered without adherence to strict protocols defined in law.

2. Data Preservation Mandates & Public Notice Before Alterations: The legislation will impose clear data preservation requirements. All government agencies must adhere to record retention schedules for protected datasets, ensuring data is not destroyed prematurely. (Notably, many states already have public records laws forbidding unauthorized destruction; for instance, Florida law stipulates that *"a public record may be destroyed or disposed of only in accordance with retention schedules"* [7].) Under the new bill, any modification to or deletion of a protected dataset must be preceded by public notice and a comment period, except in emergency scenarios. This means if an agency needs to update a dataset (for example, to correct errors, or to change data collection methodology), it must announce the intended change in advance and explain the reason. The goal is to prevent quiet, behind-the-scenes alterations that could mask politically inconvenient facts. Public

notice creates transparency and allows stakeholders (other agencies, researchers, citizens) to flag concerns if a change might compromise data integrity or historical continuity. Best practices from abroad reinforce this approach: the U.K. Statistics Authority, for example, requires that data providers consult with it before making changes to data systems, specifically to *"protect the continuity of data supply"* and maintain accuracy[8]. In line with such principles, the state legislation ensures any removal or substantial alteration of public data is transparent, justified, and retains archived copies. Historical versions of each protected dataset should be archived and remain accessible to the public (e.g. via state digital archives or libraries) so that nothing is truly lost or irrevocably hidden from public view.

3. Independent Oversight and Third-Party Audits: To enforce these protections, the bill creates independent oversight mechanisms. This could include establishing a **State Data Integrity Board** or assigning an existing independent office (such as the State Auditor, Inspector General, or an Ombudsperson) to oversee government data integrity. The oversight body's responsibilities would include reviewing proposed dataset alterations, monitoring compliance with preservation rules, and investigating any allegations of data tampering. In addition, the law would mandate periodic third-party audits of critical datasets and the systems housing them. These audits, conducted by independent experts or certified auditors, would verify that no unauthorized changes have been made and that proper backups and archives are in place. The goal is to catch any discrepancies – whether due to internal manipulation or external hacking – and to deter would-be tamperers. This draws inspiration from the realm of financial auditing and cybersecurity: just as financial records are audited to assure no fraud, data assets can be audited to assure integrity. An independent oversight layer also mirrors steps taken in other contexts to shield data from politics. For instance, Canada recently amended its Statistics Act to entrench the professional independence of Statistics Canada by law, ensuring that decisions on data collection and publication are based on professional criteria, not political interference[9][10]. The Canadian reform also created a Statistics Advisory Council to reinforce transparency and public trust[11]. Similarly, a state Data Integrity Board can serve as a non-partisan guardian of key datasets. It can include experts from academia, the tech community, and public archives to bring diverse, apolitical perspectives. This board could issue annual reports on the "state of data integrity" in the government, further increasing accountability.

4. Penalties for Unauthorized Data Alteration or Deletion: A strong deterrent is critical. The legislation will outline clear penalties for any public official or employee who knowingly and willfully deletes, destroys, falsifies, or otherwise compromises a protected dataset without proper authorization. Such actions would be made a specific offense. Many jurisdictions already criminalize willful destruction of public records – for example, Nevada law provides that any officer who *"mutilates, destroys, conceals, or falsifies"* public records is guilty of a felony[12]. The proposed state bill would similarly treat egregious data tampering as a serious crime (e.g. a felony or high-degree misdemeanor, depending on state law norms), subject to fines, loss of employment, and even imprisonment in severe cases. Lesser violations (such as failing to comply with notice requirements) might incur civil penalties or disciplinary action. By codifying penalties, the law sends a clear message that data manipulation is not a trivial matter but an offense against the public interest. Importantly, the bill should also include **whistleblower protections** for employees who refuse orders to alter or delete data unlawfully or who report such attempts. Protecting whistleblowers encourages the internal reporting of attempted data meddling. This is informed by real events – for instance, the Florida COVID-19 data manager was fired after refusing to "manually change" data to fit a political narrative[13]. A legal safeguard could empower officials to stand by data integrity without fear of retaliation. Overall, the combination of oversight and penalties creates both preventive and punitive measures to guard data integrity.

Examples of Best Practices and Precedents

Several precedents at the federal, state, and international level highlight the importance of data stability and offer models for this legislation:

- **Federal Records and Open Data Laws:** At the federal level, the *Federal Records Act* requires preservation of government records and prohibits their removal or destruction except as authorized. Indeed, when climate information was purged from agency websites in 2017, members of Congress warned that such removals could *"violate the intent of the Federal Records Act"*[14]. Additionally, the *OPEN Government Data Act of 2018* treats government data as a strategic public asset, requiring agencies to inventory and publish public datasets[15]. Our proposed state bill builds on these principles by ensuring critical data remain available and trustworthy by law, not just by policy or tradition.

- **State Public Records Laws:** Many states already have public records laws that implicitly protect against data destruction. For example, Florida's public records statute mandates that no record be destroyed except in accordance with an approved retention schedule[16]. Nevada explicitly criminalizes officials' intentional destruction or falsification of records (a category C felony)[17]. Pennsylvania has even considered legislation to make destroying a public record that has been requested by the public a third-degree felony[18]. These laws underscore a consensus that public data must be preserved and that deliberate violations are a serious offense. However, existing laws may not specifically address *alterations* of data or the need for proactive integrity measures. The proposed legislation would fill those gaps by not only penalizing deletions after the fact, but also creating upfront safeguards (like oversight and notice) to prevent wrongful alterations *before* they happen.

- **Independent Statistical Agencies:** International best practices show the value of independent oversight for data integrity. In the United Kingdom, the Statistics and Registration Service Act established the UK Statistics Authority as an independent body to oversee official statistics. One of its roles is to ensure continuity and reliability of data – data providers must consult the Authority on changes to data collection systems to *"maintain the integrity, accuracy and reliability"* of resulting statistics[19]. Canada's 2017 amendments to the Statistics Act similarly entrenched the independence of Statistics Canada, explicitly aiming to *"reinforce [the agency's] credibility and increase Canadians' trust"* in the integrity of the data it produces[20][21]. These examples show how structural independence and clear mandates can guard data against political whims. While our context is state government data (not just official statistics), the underlying principle is the same – insulation from political pressure and adherence to professional standards.

- **Open Data Portals and Policies:** Dozens of U.S. states and cities have open data portals, and some have enacted open data laws to ensure ongoing public access to datasets[22][23]. New York City's Open Data Law, for instance, requires all qualifying city datasets to be published online and kept up to date. It also establishes processes for managing those datasets. If an agency seeks to remove a dataset from the portal, it must go through a defined procedure involving the city's open data team and Records Officer[24]. This helps prevent unilateral takedowns of data. Such policies treat data as a public asset to be managed transparently. Our proposed legislation aligns with the spirit of open data laws but goes further by adding legal teeth against improper manipulation, and by focusing on *integrity* (accuracy and completeness) in addition to access.

- **Civil Society Initiatives:** The need for robust data protection has also been highlighted by civil society. During transitions of power, volunteer groups like the Environmental Data & Governance Initiative (EDGI) and university libraries launched projects to archive federal data (e.g., climate and environmental databases) out of fear that data might be deleted or altered for political reasons[25]. EDGI's ongoing monitoring has documented numerous instances of data

and information being taken down from government websites under political directives[26]. These grassroots efforts underscore the vulnerability of government data in the absence of formal protections. By instituting statutory protections at the state level, we reduce the reliance on ad-hoc external backups and instead make data integrity a matter of official policy backed by law.

In summary, the trend across jurisdictions is toward recognizing data as a valuable public good that requires protection similar to other public assets. Our legislation draws on these lessons: making data integrity an enforceable mandate, ensuring independent stewardship, and fostering a culture where factual information outlives political cycles.

Expected Impacts on Governance, AI Development, and Public Trust

Short-Term Impacts: In the short run, the legislation will introduce new compliance requirements for government agencies. Agencies will need to catalog their critical datasets, implement or update retention schedules, and possibly invest in better data management systems (for example, version control or backup infrastructure). There may be an adjustment period as officials get accustomed to providing public notice for data changes and coordinating with the oversight board. Some resistance could arise if officials perceive these rules as limiting their control over information. However, these changes are largely procedural and transparency-oriented, so any administrative burden is expected to be modest. On the positive side, from day one the law will serve as a deterrent against rash decisions to hide or doctor data. The existence of clear rules and penalties means agency leaders must think twice before, say, deleting an embarrassing statistic. This will foster a more accountable decision-making environment. The public is also likely to see immediate transparency benefits: important datasets will be less likely to suddenly disappear from websites or reports without explanation. In cases where data must change, citizens will be informed ahead of time. This openness can build trust incrementally. Researchers, journalists, and businesses that rely on state data will have greater confidence that the data will remain stable and accessible. In the realm of AI and data-driven innovation, developers will have more assurance that open government datasets (often used for training models or analysis) won't unpredictably vanish or be compromised. While the technical impact on AI in the short term is subtle, the policy sets a foundation for reliability – a key concern when selecting training data for algorithms.

Long-Term Impacts: Over the long term, the legislation is expected to significantly strengthen governance and public trust.

Governance and Decision-Making: With protected datasets remaining intact over time, policymakers can conduct longitudinal analysis and make comparisons across administrations without fear that data was scrubbed or skewed along the way. This stability leads to more consistent, evidence-based policymaking. Agencies might also become more data-driven culturally, knowing that the data they produce will be scrutinized and preserved. In essence, the state builds an institutional memory through its data, allowing lessons from the past (good or bad) to inform the future.

Public Trust: By visibly prioritizing data integrity, state and local governments send a message that facts, not politics, guide their actions. In an era of misinformation and "post-truth" skepticism, such commitments are essential. Independent oversight and transparency will, over time, reassure the public that the statistics and information coming from government sources can be believed. When controversies do arise, the public will have mechanisms (audit trails, notices, independent reports) to verify what happened, which can prevent misinformation from taking root. This trust is crucial not just for citizen confidence, but also for compliance with government directives (people are more likely to follow public health guidance, for example, if they trust the data behind it).

Impact on AI and Innovation: In the long term, stable and rich troves of government data can fuel innovation in AI and beyond. Businesses and researchers often incorporate government datasets (like transportation stats, weather data, socioeconomic data) into new technologies, from machine learning models to data-driven applications. If these datasets are reliably maintained, updated, and historically archived, AI developers can train models on years or decades of high-integrity data, leading to more robust and accurate AI systems. Conversely, if data were frequently censored or altered, AI systems could pick up biases or errors – a scenario our policy helps avoid. As noted earlier, data integrity is considered the "new Holy Grail" for data managers because without it, neither data quality nor useful AI outcomes can be assured[27]. Over time, we anticipate a positive feedback loop: as public trust increases, so does the willingness to invest in open data and innovation, which in turn can produce better services and insights, reinforcing trust in government.

There might also be political culture changes in the long run. Future officials may be less inclined to attempt manipulations if they know the legal and reputational risks. The norm could shift toward respecting data as a nonpartisan foundation for debate – much as democratic societies treat independent central banks or judiciaries. In other words, factual data could become more of a "shared commons" that isn't up for partisan warfare. This cultural shift is hard to quantify, but it is one of the most important long-term outcomes we seek.

Recommendations for State and Local Governments

Implementing data integrity protections requires commitment at multiple levels of government. Here are key recommendations for ensuring the success of these protections:

- **Enact Clear Legislation and Policies:** State legislatures should pass comprehensive bills (such as the sample provided below) that codify data integrity measures. This legislation should explicitly define protected datasets, required procedures, oversight bodies, and penalties. Local governments (cities, counties) are encouraged to adopt parallel ordinances or policies consistent with the state law, especially for local datasets they manage. In absence of local law, local agencies should, at minimum, comply with the state standards for any critical data they handle.

- **Appoint Chief Data Officers and Stewards:** Agencies should designate a Chief Data Officer or data steward responsible for compliance with the new rules. This official will maintain the inventory of protected datasets, liaise with the oversight board on any planned changes, and ensure retention and archiving protocols are followed. Nearly half of U.S. states already have Chief Data Officers to promote data best practices[28]– those roles can be empowered to take on the data integrity mandate. Adequate staff training should be provided so that employees understand the importance of data preservation and the proper channels for reporting any concerns.

- **Leverage Technology for Preservation and Transparency:** Governments should invest in technical solutions that facilitate compliance. For example, implement version control systems or tamper-evident logs for databases so that any change to data is recorded and auditable. Regular backups, ideally with copies stored in a secure, write-protected environment (such as with the state archives or an independent cloud environment), will ensure that even if data is altered or lost on a live system, the original can be recovered. Some jurisdictions are exploring blockchain or similar technologies to create immutable records of public data changes, which could be a useful tool. At minimum, maintain **publicly accessible archives** or datasets – for instance, a public data portal where previous annual data files remain downloadable even as new data is added.

- **Independent Oversight and Collaboration:** Establish the independent oversight board or empower an existing neutral entity to monitor data integrity. Ensure this body has a clear

mandate, sufficient funding, and access to agency information. The board should include non-partisan experts and perhaps community stakeholders. Encourage this body to publish annual public reports on data integrity (listing any incidents of unauthorized alteration, summarizing audit findings, etc.). Transparency about the program's own enforcement builds trust. Additionally, collaboration with external watchdogs and academia can enhance integrity – e.g., inviting universities to conduct third-party audits or validate key datasets can provide extra assurance.

- **Enforce and Educate:** Once rules are in place, enforcement is key. States should not shy away from applying penalties in egregious cases to set precedents. However, enforcement is not just punitive; it's also about education. Conduct regular workshops or issue guidance reminding agencies of their obligations (similar to how ethics trainings are given). Share case studies of what *not* to do – for example, use past incidents (like the deletion of climate data or manipulation of COVID stats) as learning examples of why the law exists and how the new processes could prevent such issues. Make it clear that integrity is a top leadership priority; governors and mayors should communicate that they expect data-driven honesty above political convenience.

- **Protect Whistleblowers and Encourage Reporting:** Create safe channels for public employees to report any attempted interference with data. This can be a hotline managed by the oversight board or an ombudsman. Ensure that state whistleblower laws explicitly cover retaliation against those who refuse to falsify or destroy data. Publicize these protections so employees at all levels know they have recourse if pressured to act against the law or their professional ethics. Often it is frontline data managers or scientists who first notice improper directives – they need empowerment to uphold the integrity rules.

- **Continuous Improvement:** Finally, treat data governance as an evolving field. The legislation should require periodic review of its implementation (for instance, a legislative committee review after 5 years) to update the list of protected datasets or adjust procedures as technology and needs change. State and local governments should stay informed on best practices (for example, guidance from organizations like the National Association of State Chief Information Officers on data management[29], or standards from NIST on data integrity[30]). By keeping policies up-to-date, governments can respond to new challenges – such as deepfake data or cyber-attacks aimed at data manipulation – thereby continuously safeguarding the public's information assets.

In conclusion, protecting government-collected data from politically motivated alterations or deletions is not just a technical issue, but a governance imperative. The above legislation and recommendations provide a framework for states and localities to treat critical data as the enduring public assets they are, ensuring that facts and evidence remain the bedrock of public policy and civic life.

Sample Bill Text: Data Integrity in Government Act

Section 1. Short Title.
This Act shall be known as the "Government Data Integrity and Public Trust Act."

Section 2. Legislative Findings and Purpose.
(a) **Findings:** The Legislature finds and declares that:

1. Government-collected data is a vital public asset that underpins decision-making, economic growth, and public trust. Residents, businesses, and policymakers rely on accurate and stable data to make informed decisions[1].

2. There have been instances where public datasets were altered or removed for reasons unrelated to data accuracy – including to align with changing political narratives – thereby undermining transparency and eroding trust[2][3]. Preserving the integrity of official data is essential to prevent misinformation and maintain accountability.

3. Stable and reliable datasets are crucial for scientific research and the development of emerging technologies like artificial intelligence. Data integrity issues (such as unauthorized deletions or falsifications) can lead to faulty research conclusions and biased AI systems, whereas strong integrity measures will support innovation and evidence-based policy[4].

4. Other jurisdictions have established successful models to protect data from interference: for example, independent statistical authorities and strict penalties for tampering have improved public confidence in official information[5][6]. It is in the public interest for this state to implement similar protections.

(b) **Purpose:** The purpose of this Act is to safeguard critical government data against unauthorized alteration or destruction, ensure that such data remains accessible to the public, and thereby enhance transparency, support sound decision-making, and strengthen public trust in government. This Act establishes a legal framework to treat certain datasets as protected public assets, to require proper preservation and disclosure practices, to create oversight mechanisms, and to impose penalties for violations.

Section 3. Definitions.
For the purposes of this Act, the following terms shall have the meanings indicated:

1. **“Public Data Asset”** means any data set or database collected or maintained by a government agency that is intended for public use or required by law to be made available to the public. This includes any data that would be subject to disclosure under the state’s public records laws.

2. **“Critical Dataset” or “Protected Dataset”** means a public data asset designated under this Act as fundamental to public interest and thus subject to enhanced protection. Critical Datasets include, but are not limited to: datasets containing official statistics (e.g., economic, health, education, criminal justice, environmental indicators), geospatial or environmental data collected over time, election and voting statistics, public health and safety data, and any other dataset so designated by the Data Integrity Board (established below) or by statute.

3. **“Government Agency” or “Agency”** means any department, office, division, board, commission, or other entity of the state or of a local government within the state (including counties, municipalities, and special districts) that collects or maintains public data assets.

4. **“Alteration”** of data means any edit, revision, or modification of a dataset’s content or structure, including adding, updating, or removing records or data fields. Routine updates in the normal course of data collection (such as adding new entries) are not considered an “alteration” for purposes of this Act, **except** when such updates fundamentally change the data’s meaning, methodology, or when done with the intent to mislead.

5. **“Deletion”** of data means the removal, destruction, or rendering irretrievable of any part of a dataset. This includes removing a dataset from public access (e.g., taking it off a public website or database) even if an internal copy is retained, and also includes deletion of records within a larger dataset.

6. **“Public Notice”** means a public announcement made on the official website of the relevant agency and through the Secretary of State’s public notice website (or equivalent state-wide platform for announcements), and delivered to the Data Integrity Board, describing in clear terms the proposed action (alteration or deletion) regarding a protected dataset, with an explanation and an opportunity for public comment.

7. **“Data Integrity Board” or “Board”** means the oversight entity established by Section 5 of this Act, which is responsible for monitoring and enforcing data integrity standards.

8. **“Unauthorized”** when referring to an alteration or deletion, means not carried out in compliance with the procedures and approvals required by this Act or other applicable law (including records retention schedules). In other words, an action is “unauthorized” if it violates the requirements of Sections 4, 5, or 6 of this Act.

Section 4. Designation of Critical Datasets as Protected Public Assets.

(a) **Initial Identification by Agencies:** Within 180 days of the effective date of this Act, every government agency shall review the data assets it maintains and compile a list of datasets that it considers critical and thus should be protected under this Act. In determining criticality, agencies shall include datasets that meet any of the following criteria: (1) the dataset is required by law or regulation to be published or reported; (2) the dataset is frequently requested by the public or under freedom of information requests; (3) the dataset is used to make or justify major policy decisions or allocations of resources; (4) loss or manipulation of the dataset would significantly impact public health, safety, welfare, or the state’s economy; or (5) the dataset provides historical records of government performance or conditions (e.g., longitudinal data tracking societal outcomes). Agencies shall submit their list of candidate critical datasets to the Data Integrity Board.

(b) **Review and Designation by Board:** The Data Integrity Board shall review each agency’s submission within 90 days. The Board may consult with subject-matter experts and seek public input during this review. The Board shall then publish a comprehensive **“Protected Dataset Register”**, listing all datasets designated as **Critical Datasets** under this Act. This register shall be made public and kept up to date. The Board has authority to add datasets to the register (including those not initially identified by an agency) if it determines a dataset meets the criteria of importance. Conversely, the Board may decline to designate a dataset if it finds it not critical, but it must provide a written rationale to the originating agency. Once on the Protected Dataset Register, a dataset is subject to all requirements of this Act.

(c) **Ongoing Updates:** After the initial designation process, any new dataset created or collected by an agency that falls within the criteria of subsection (a) must be reported to the Board and added to the Protected Dataset Register before or at the time it is first released to the public. Likewise, the Board shall periodically (at least once every two years) review and update the Register. A dataset may be removed from the Register only if the Board finds that it no longer meets the criteria (for example, if the data is no longer collected or has been superseded by another dataset), and only after providing public notice and obtaining concurrence from the agency and an opportunity for public comment.

(d) **Status as Public Asset:** All Critical Datasets on the Register are hereby declared to be public assets of the state. They shall be maintained in trust for the people and future generations, similar to how physical public records are preserved. No such dataset shall be sold, transferred, or made inaccessible to the public except in accordance with this Act. The data content shall not be treated as the exclusive property of any individual agency or office-holder, but rather as part of the public domain (subject to any privacy or confidentiality laws that require certain data to be redacted or aggregated before public release).

Section 5. Data Preservation and Alteration Protocols.

(a) **Retention and Archiving:** Each government agency must preserve Critical Datasets in accordance with applicable records retention schedules, which shall, at minimum, require permanent or long-term retention for any dataset on the Protected Dataset Register. The State Archivist (or responsible records management authority) shall work with agencies to ensure that proper archiving methods are used for these datasets (including maintaining backup copies in secure, off-site or cloud archives). No Critical Dataset shall be destroyed, deleted, or rendered unusable by any agency without explicit written approval from the State Archivist *and* the Data Integrity Board, and only for extraordinary reasons (such as to redact legally protected personal information, or if a dataset has been replaced by a more accurate dataset, etc.). Even in such cases, the original data should ideally be preserved in a restricted archive rather than outright destroyed, if possible. Any disposition of a protected dataset must also comply with [reference state records law], which generally forbids unauthorized destruction of public records[7].

(b) **Public Notice of Significant Alterations:** If any agency proposes to make a **Significant Alteration** to a Critical Dataset, it must provide Public Notice at least 30 days prior to implementing the change. A “Significant Alteration” is defined as any change that could affect the interpretation of the data, including changes in data collection methodology, reclassification or removal of data fields, retroactive revisions of previously published figures (other than routine error corrections), or any update that might break continuity of the data over time. The Public Notice shall describe the intended change, the rationale (e.g., adopting a new statistical standard, correcting an identified error, etc.), and the anticipated impact on the data’s comparability or content. During the notice period, the agency shall accept public comments and respond to any substantive concerns raised. The Data Integrity Board shall also review the proposed change; the Board may provide recommendations or require modifications if it believes the change would unduly hinder data integrity or public understanding. After the notice period, the agency may proceed with the change, but it must also publish a summary of comments received and its responses, as well as the Board’s recommendations (if any).

(c) **Versioning and Documentation:** Whenever a Critical Dataset is updated or altered (whether a Significant Alteration or a routine update), the agency must maintain versioned archives. This means previous versions or snapshots of the dataset (as of each significant publication date) should be saved and accessible. For example, if a dataset is updated monthly or annually, each published iteration should be preserved. If a dataset is altered retroactively (e.g., a back-calculation with new methodology), both the old and new versions should be stored. Along with the data, the agency must publish documentation (metadata) noting what changed. This practice ensures continuity and enables the public or auditors to trace changes over time[8]. Such documentation might include methodological notes, change logs, or revision notices akin to how official statistics agencies operate. All metadata and documentation shall be linked or appended to the dataset on any public platform (such as the state open data portal or agency website).

(d) **Emergency Exceptions:** If an agency determines that an immediate alteration or removal of a dataset is necessary to prevent significant harm or comply with a court order or other law (for example, a sudden discovery that data accidentally published contains private personal information, or a critical error that could mislead the public during an ongoing emergency), the agency may bypass the 30-day notice requirement. However, the agency must: (1) obtain concurrence from the Data

Integrity Board Chair (or a delegated Board member if the Chair is unavailable) and the State Archivist that an emergency exception is warranted; (2) provide Public Notice as soon as possible, and no later than 5 days after the action, explaining the nature of the emergency and the actions taken; and (3) still preserve an unaltered archive of the data (if feasible) for record-keeping. The Board shall review any emergency actions ex post and include the incident in its annual report.

(e) **Removal from Public Access:** In the rare case that an entire Critical Dataset must be removed from public access (for instance, if the dataset is found to be fundamentally flawed or merges into a different dataset), the same notice and approval rules apply. Additionally, the dataset should where possible be kept available in a read-only archived form, or redirected, rather than simply deleted. For example, if an old dataset is succeeded by a new system, the public interface should explain the change and link to the new source, rather than just yielding a "not found" error[9]. Under no circumstances shall an agency simply take down a protected dataset from a public website without the required notice and approvals. Any takedown must be accompanied by a notice page explaining why the data is unavailable and providing information on how to obtain archived data or when it will return.

Section 6. Independent Oversight – Data Integrity Board.

(a) **Establishment:** There is hereby established an independent **Data Integrity Board** ("Board") to oversee the implementation of this Act and to ensure the integrity of Critical Datasets. The Board shall be administratively housed within [an appropriate state independent agency, e.g., the State Auditor's Office or a newly created independent commission], but in performing its duties under this Act it shall be independent of direction from any single agency whose data is under review.

(b) **Composition:** The Board shall consist of [7] members. Members shall include: (1) the State Chief Data Officer (or equivalent title), or if none, a representative from the state's technology or information department; (2) the State Archivist (or head of the state records management program); (3) one representative from a state academic institution with expertise in data science or public policy research (appointed by the Governor from a list provided by the state's research universities); (4) one member representing local governments (such as a city or county chief data officer or records officer, appointed by the Governor from a list provided by an association of municipalities/counties); (5) one member from the public with expertise in transparency, open data, or civil society oversight (appointed by the Legislature); (6) one statistician or subject-matter expert from a major data-using state agency (appointed by the Governor, but not from the same agency more than one member already represents); and (7) one member representing the public interest or a non-partisan watchdog organization (appointed by the Legislature). Board members shall serve staggered terms of [4] years and be insulated from political pressure – they may only be removed for cause (such as misconduct or neglect of duty) and not for policy disagreements.

(c) **Duties and Powers:** The Data Integrity Board shall have the following duties and powers:

1. **Oversight of Designation (Register):** As noted in Section 4, the Board will manage the Protected Dataset Register, reviewing nominations and determining final designations.

2. **Review of Notices and Changes:** The Board shall receive copies of all Public Notices of Significant Alterations from agencies. It may issue advisory opinions or recommendations on proposed changes. The Board has the authority to delay a proposed alteration (for up to an additional 30 days beyond the notice period) if it finds that more time is needed to evaluate the potential impact or to consult experts. While the Board's recommendations are advisory, any agency that chooses not to follow a recommendation must provide a written explanation to the Board and include it in the public documentation of the change.

3. **Audits and Monitoring:** The Board shall conduct or commission **Data Integrity Audits** at least annually. In these audits, a sample of Critical Datasets will be examined to verify that (i) no unauthorized alterations or deletions occurred, (ii) proper archives exist, and (iii) the data

presented to the public matches the official records. The Board may enlist independent third-party auditors (e.g., an academic partner or certified auditing firm) to perform technical reviews [10]. All agencies must cooperate with audit requests, providing access to systems and logs as needed (subject to security protocols). The Board can also monitor public websites and publications for any unexplained data changes – for example, comparing current data to archived data to detect anomalies (a practice akin to external watchdog efforts that have identified politically driven website changes in the past).

4. **Investigation of Alleged Violations:** If there is an allegation or evidence that an agency or official has altered or removed a protected dataset in violation of this Act, the Board is empowered to investigate. It can hold hearings, request documents, and interview relevant personnel. Upon finding a likely violation, the Board shall refer the matter to the appropriate enforcement authority (such as the state Attorney General or an Inspector General) for potential civil or criminal action, as well as recommend internal disciplinary action for any involved employees. The Board may also issue public reports on its findings.

5. **Guidance and Training:** The Board shall develop guidelines, best practices, and training materials to help agencies comply with this Act. This may include templates for public notices, technical standards for versioning data, and workshops for agency data officers. The Board will also serve as a resource to advise agencies in ambiguous situations (e.g., whether a change constitutes a "Significant Alteration" requiring notice).

6. **Annual Report:** The Board shall publish an annual report to the Governor and Legislature (and publicly online) summarizing its activities and the state of data integrity. This report will include statistics such as the number of Critical Datasets, a summary of any alterations with public notice that occurred, any incidents or violations investigated, results of audits, and recommendations for improving data integrity practices. This transparency will allow elected officials and the public to gauge how well agencies are upholding the standards.

(d) **Independence:** In performing its duties, the Board and its staff shall be independent. Board members (especially those from agencies) must act in the public interest and recuse themselves on matters where they have a direct conflict (for instance, if a Board member is from Agency X and Agency X is under investigation for a violation, that member should not influence the Board's deliberation on that matter). Board proceedings and decisions should be immune from political interference; to that end, the Board's budget shall be protected within the state budget to ensure it has the resources to carry out oversight effectively.

(e) **Whistleblower Liaison:** The Board shall also function as a channel for whistleblowers. It shall establish a secure, confidential process for any government employee to report concerns about potential data tampering or pressure. These reports can be investigated by the Board with anonymity preserved. Retaliation against individuals who report to the Board is strictly prohibited (and existing state whistleblower protections [reference law, if applicable] shall apply). The Board may coordinate with the state's whistleblower protection office or ombudsman to ensure complaints are handled properly.

Section 7. Enforcement and Penalties.

(a) **Agency Compliance and Sanctions:** Each government agency is expected to comply fully with the requirements of this Act. If an agency or any responsible official willfully violates the provisions of this Act – for example, by failing to give required notice, by intentionally deleting or altering data in secret, or by refusing to cooperate with the Data Integrity Board – the Board (or any affected member of the public) may file a petition for injunctive or declaratory relief in [appropriate court]. The court shall have jurisdiction to order immediate compliance, restoration of any deleted data if possible, or other appropriate remedy to enforce the Act.

(b) **Administrative Penalties:** The Board may recommend administrative penalties for agencies that show negligence or repeated non-compliance. For instance, the Legislature may consider reductions in discretionary funding for an agency that habitually disregards data integrity protocols, or the Governor may consider such factors in performance evaluations of agency heads. While this Act emphasizes prevention, accountability measures are important to ensure it is taken seriously in the bureaucratic hierarchy.

(c) **Criminal Penalties for Willful Tampering:** Any person who knowingly and willfully alters, falsifies, conceals, or destroys a Critical Dataset (or directs someone else to do so) in violation of this Act, and without lawful authorization, commits the offense of **Tampering with Public Data**. This offense is classified as a [felony/misdemeanor] as follows: If the data tampering significantly impairs the integrity or availability of the data (for example, deletion of an entire database or falsification of key figures), it shall be a [felony of the X degree] punishable by a fine of up to [$$$] and imprisonment of up to [Y years]. Lesser offenses (such as minor alterations that do not substantially change the dataset's meaning) may be charged as a misdemeanor, punishable by up to [Z] in fines and/or [W months] imprisonment. Each act of tampering, and each dataset affected, may be charged as a separate offense. In determining the sentence, courts may consider the motive (e.g., political gain, covering up mismanagement, etc.) and the impact of the violation on public trust and policy. These penalties align with or exceed those for destruction of public records in existing law, reflecting the seriousness of undermining public data (for reference, under current law, willful destruction of certain public records can be a felony[11]).

(d) **Dismissal and Disqualification:** In addition to any criminal penalties, any government employee or official found (through either judicial or administrative process) to have willfully violated this Act shall be subject to disciplinary action, including termination of employment. If the violator is an appointed official or a member of a board or commission, they may be removed from their position for cause. If the violator is an elected official, such a violation may be deemed malfeasance in office, which constitutes grounds for impeachment or recall under relevant laws. The Act thus provides that no person who has egregiously violated public trust by tampering with data should be allowed to remain in a position of custodianship over public information.

(e) **Civil Liability:** The Act also creates a civil cause of action such that any person who suffers a specific harm due to the unauthorized alteration or deletion of a public dataset (for instance, a researcher or business that incurred losses relying on falsified data) may bring suit against the responsible party. Governmental immunity is waived for this purpose to the extent of allowing suits for injunctive relief or declaratory relief, and against individuals for willful actions outside the scope of their lawful duty. Courts may award attorney's fees and court costs to a prevailing plaintiff in such cases to encourage private enforcement, similar to provisions in open records laws[12] (e.g., Nebraska and Nevada statutes).

(f) **Statute of Limitations:** Recognizing that data tampering might not be immediately discovered, any criminal or civil action under this section must be commenced within [X years] of the date the violation was discovered or reasonably should have been discovered, but no later than [Y] years after the actual violation.

Section 8. Implementation and Effective Date.

(a) **Implementation Timeline:** The provisions of this Act shall take effect [six months] after becoming law, except that the establishment of the Data Integrity Board (Section 6) and the initial agency identification of datasets (Section 4(a)) shall begin immediately upon enactment so that the Board and initial Protected Dataset Register are in place by the time of full effect. The criminal penalty provisions (Section 7(c)) shall apply only to actions taken after the effective date (no retroactive criminal liability).

(b) **Guidance and Rulemaking:** The Data Integrity Board (once constituted) and the [State Department of Administration/IT] are authorized to promulgate guidelines, policies, or rules to facilitate the implementation of this Act. This may include specifying formats for data archiving, detailed criteria for dataset designation, and procedures for inter-agency coordination. All such guidelines should be consistent with the intent of this Act and, to the extent possible, developed in consultation with stakeholders and made public.

(c) **Severability:** If any provision of this Act or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the remainder of the Act, or the application of the provision to other persons or circumstances, shall not be affected. The provisions of this Act are declared to be severable.

(d) **No Supersession of Stronger Protections:** Nothing in this Act shall be construed to limit or repeal any existing law that provides greater protections against the destruction or falsification of public records. This Act is intended to supplement and strengthen such laws. In case of any conflict, the provision that offers the greater data integrity protection or penalty shall prevail.

(e) **Reporting to Legislature:** Eighteen months after the effective date, the Data Integrity Board shall submit a report to the Legislature detailing the progress of implementation. The report should include the number of datasets designated, compliance by agencies, any challenges encountered, and any recommended amendments to improve the law's effectiveness.

Section 9. [Optional] Local Government Inclusion.
[(Note: This section is optional and depends on state jurisdiction over local records. Include if the state intends to mandate these standards for local governments.)] All provisions of this Act shall apply to counties, municipalities, and other political subdivisions of the state. Critical Datasets at the local level shall be similarly identified and protected, either under the auspices of the state Data Integrity Board or via analogous local boards established in coordination with the state Board. The state Data Integrity Board is authorized to enter into cooperative agreements with local governments to extend the protections of this Act to important local datasets (for example, city policing data or county health data), and to provide technical assistance. Local governments may not opt out of the core requirements related to any dataset that is on the state's Protected Dataset Register or that involves state funding or oversight. They are however encouraged to enact their own ordinances consistent with this Act to bolster local ownership and enforcement of data integrity principles.

Section 10. Effective Date.
This Act shall take effect as provided in Section 8(a) and shall be enforced henceforth to ensure that critical government data remains accurate, accessible, and free from improper political interference, thereby upholding the public trust in our state's information and governance.

Data Edits and Deletions by DOGE and the Trump Administration (Jan 2025 – Present)

Overview of Recent Data Removals

In early 2025, the Trump administration – bolstered by the new **Department of Government Efficiency (DOGE)** – ordered sweeping changes to federal information resources. Beginning in late

January, numerous public datasets and web pages were taken down or altered across multiple agencies, causing what one researcher described as *"a mad scramble"*among data users[1]. These actions were ostensibly to comply with President Trump's executive orders on **"gender ideology"** and related topics, but they have raised serious concerns about transparency and data integrity. Below, we examine which datasets were affected, what justifications were given, the broader impact on trust and policy (including AI development), and how the proposed **Data Integrity Act** could have changed the outcome.

Specific Datasets and Pages Altered or Deleted

Several high-value datasets and informational pages were removed or changed, spanning health, demographic, and other domains. Key examples include:

- **Centers for Disease Control and Prevention (CDC):** The CDC's main data portal (data.cdc.gov) was **taken offline** on Jan. 31 and later restored with a banner stating the site was being modified to comply with Trump's orders[2]. Critical public health databases temporarily vanished. For example:
    - *Youth Risk Behavior Survey (YRBS):* This long-running survey of teen health behaviors went down; when it reappeared, **at least one gender-related data column was missing and its codebook was removed**[3]. The YRBS's questions on sexual orientation and gender identity, which had been used to highlight LGBTQ+ youth health disparities, were partly impacted by these changes[4].
    - *Behavioral Risk Factor Surveillance System (BRFSS):* The nation's largest ongoing health survey (40 years running) was **unavailable** for a time; all its yearly data files were pulled from public access[5]. While data files were eventually reposted, the **survey questionnaires and codebooks remained offline**, hampering researchers' ability to use the data. (Notably, BRFSS includes an optional module on sexual orientation/gender identity; those questions and data were under scrutiny.)
    - **HIV/AIDS and Disease Data:** The CDC's **AtlasPlus** tool (15 years of HIV, STD, hepatitis, and TB surveillance data) was removed[6]. Historical **HIV surveillance reports** dating back to the 1980s were taken down. A CDC fact sheet about HIV in transgender people and resources like National Transgender HIV Testing Day info were also deleted[7].
    - **Health Guidance Pages:** Various public health guidance pages vanished – e.g. contraception guidance and lessons on supporting transgender and nonbinary youth were removed from CDC websites[8][9]. These pages, while not "datasets" per se, contained data-driven health information for the public.
- **U.S. Census Bureau:** The Census Bureau experienced both data and page removals:
    - The **Census.gov homepage** itself went down temporarily, displaying an error message during the purge[10][11].
    - A topic page on *"Sexual Orientation & Gender Identity"* – which had presented census findings on LGBTQ demographics – was **removed**, yielding a *"page not found"* error by Jan. 31[12][13]. An archived copy showed it had been live just days prior[14].
    - Another Census analysis page titled *"Mental Health Struggles Higher Among LGBT Adults…"* also went dark[15]. Links to reports on gender identity, sexual orientation, and related population characteristics all returned errors on that Friday. (By the next day, some of the Census site functionality was back up.)

    - **American Community Survey Data:** Portions of the ACS (the "most comprehensive survey of American life") became inaccessible. Users querying certain data got messages that the area was "unavailable due to maintenance," coinciding with the broader takedowns[16]. This hinted that the **ACS data involving gender/SOGI variables** might have been under review or temporarily pulled.

- **State Department:** The State Dept. removed or edited data related to gender on official platforms. Notably, it **eliminated the "X" nonbinary gender marker** option on U.S. passport application forms and replaced references to "gender" with "sex"[17][18]. A public-facing travel guidance page for LGBTQ+ individuals was retitled – originally "LGBTQIA+ Travelers," it was cut down to "LGB Travelers," effectively erasing transgender and intersex categories[19]. These edits removed data points and terminology that recognized gender diversity.

- **Bureau of Prisons (Justice Dept.):** The BOP's online statistics page for inmates was altered. A page formerly called "Inmate Gender" was **renamed "Inmate Sex,"** and it **no longer included the breakdown of transgender inmates in federal prisons**[20][21]. This meant the government effectively concealed previously published data about the number of transgender people in custody.

- **National Park Service (Interior Dept.):** Even historical and educational pages were affected. NPS web pages for certain historic sites – for example, those on Japanese American internment, the Tuskegee Airmen, and the Stonewall Uprising – were found **inaccessible or "gone dark"** during the purge[22]. (These sites often discuss civil rights and minority history, which may have been flagged under the new directives.) Some pages reappeared later, but others remained offline as of that weekend[23].

- **USAID and Foreign Assistance Data:** The administration's actions extended to global programs. The **entire USAID website was taken down** temporarily, wiping out countless reports and datasets on development programs[24]. In addition, the government's open data portal for international aid, **ForeignAssistance.gov**, went offline. This portal contained over two decades of data on U.S. aid budgets and expenditures by country – crucial for transparency in foreign aid. Its removal signaled a pause or rollback in U.S. global development initiatives as ordered by a separate Trump directive.

These examples show the breadth of data affected – from health surveys and dashboards to demographic reports, educational pages, and even contract/grant info. **Agencies across the government (CDC, Census, State, Interior/NPS, Justice/BOP, USAID, etc.) were involved in taking content down.** In many cases entire webpages went blank or returned errors, and some data was restored later with sensitive fields or terms removed.

Justification Provided by the Administration

The Trump administration framed these data edits and deletions as necessary steps to implement the President's new policies:

- **Executive Orders on Sex/Gender and DEI:** On January 20, 2025 (Trump's first day back in office), he issued executive orders redefining government policy on sex and gender (to *"recognize only two genders"*) and rolling back diversity, equity, and inclusion programs[25]. To execute these orders, the **Office of Personnel Management (OPM)** sent a memo directing agencies to *"take down all outward facing media that inculcate or promote gender ideology"*[26]. In other words, any publicly available content seen as advancing concepts of gender identity beyond the male/female binary was to be removed. This included removing the word "gender" from forms (replacing it with "sex"), disbanding workplace diversity groups, and purging mentions of transgender or nonbinary topics from websites and documents[27]. Agencies were

given a hard deadline (5 p.m. Friday, Jan 31) to comply. The widespread scrubbing of web pages that day was a direct response to this mandate.

- **"Gender Ideology" as a Target:** The administration's stated goal was to eliminate what it called "gender ideology" – a term it used to encompass transgender identities, nonbinary gender markers, and related inclusion efforts. Trump officials argued that prior protections for transgender people and collection of related data were forms of *"ideological"* agenda not grounded in their view of biological sex. By *"rolling back protections for transgender people,"* they meant reversing policies of the previous administration and deleting associated content[28]. For example, guidance on transgender health or data highlighting transgender disparities were seen as contrary to the new directives and thus were excised. President Trump himself, when asked about the website takedowns, signaled approval, saying *"that doesn't sound like a bad idea to me"* and reminding that he had campaigned on ending such initiatives[29].

- **Anti-DEI and Cost-Cutting Measures:** In tandem with the gender-related order, another Trump order aimed to abolish many diversity, equity, and inclusion (DEI) programs across the government[30]. This broad effort led agencies to remove content on racial equity, civil rights history, or other inclusion-related topics. The *Department of Government Efficiency (DOGE)*, led by Elon Musk, was charged with **cutting government "waste" and modernizing operations**, which the administration intertwined with rooting out "woke" or DEI-related initiatives. The purge of data can be seen as part of this DOGE agenda – a drastic form of "modernizing" by stripping away data portals and pages deemed politically undesirable. Officials justified it as eliminating unnecessary or biased information. For instance, the **Pentagon (DOD)** defended removing references to "identity months" (like Black History or Women's History Month) by claiming such recognition *"erodes camaraderie and threatens mission execution,"* aligning with Trump's view that DEI programs were divisive[31] [32].

- **Security and Administrative Pretexts:** In some cases, agencies gave technical-sounding reasons like "site maintenance" for the takedowns[33]. The Census Bureau's error message about "maintenance" and the CDC's banner about "resuming operations once in compliance" suggested these were temporary administrative adjustments. However, it was clear to observers that this "maintenance" was to scrub content per the new policy. There was **little detailed explanation** beyond citing the executive orders. The administration did not enumerate which datasets were removed or modified; that had to be uncovered by external researchers and reporters after the fact [34]. Internally, gag orders were reportedly in effect – for example, USAID staff were warned not to speak about these changes, under fear of reprisal[35]. Thus, the official justification boiled down to *"we're following orders from the top,"* with an implication that the data being removed was invalid or inappropriate under the new policy direction.

In summary, the Trump administration's public rationale was that these deletions and edits were **mandated by the President's policy shifts** – primarily to remove content related to transgender people or progressive "DEI" causes. They portrayed it as a correction to what they saw as politically biased data collection. However, they did not address the substantive value of the data being erased, nor provide specific, case-by-case reasoning for each deletion. This lack of granular justification is part of what alarmed researchers and lawmakers.

Impact on Public Trust and Policymaking (and AI Development)

Erosion of Public Trust: The abrupt removal of public data undermined confidence in the government's commitment to transparency. Researchers, journalists, and citizens suddenly found that trusted sources of information had vanished overnight. *"You go looking for something and it's just not*

there," said one data user, describing the disorientation caused by the purge[36]. The U.S. federal statistical system is widely considered one of the world's best; these actions put its reputation at risk[37]. Observers warned that *"this sets a really dangerous precedent that any administration can come in and delete whatever they don't like,"* regardless of scientific merit[38]. Knowing that publicly funded data could be subject to political deletion shakes the public's trust – people begin to question whether the data they see is complete or has been censored. This distrust can spread beyond the specific datasets in question, casting doubt on government information as a whole.

Consequences for Policymaking and Research: Sound policy relies on sound data. By deleting or altering datasets, the administration hampered the ability of policymakers at all levels to make informed decisions. For example, health officials and state governments depend on surveys like BRFSS and YRBS to track issues from obesity rates to teen mental health[39]. If those data are missing or have gaps (such as missing gender breakdowns), it becomes harder to identify where interventions are needed. The removal of the **Social Vulnerability Index and Environmental Justice Index** (used in disaster planning and environmental health) is another case – without those tools, emergency responders and planners lose insights into which communities are most at risk[40]. Similarly, deleting Census reports on LGBTQ populations or prison statistics on transgender inmates means **lawmakers and advocates lose visibility** into those groups' needs. Overall, policy decisions – from public health to education to civil rights – could be skewed or stalled due to lack of data that had been available just days before. Researchers noted that years, even decades, of data-driven progress (like tracking HIV in transgender communities or evaluating DEI program outcomes) were imperiled by the sudden data loss[41][42].

Furthermore, the **uncertainty** created by these edits forced experts into reactive mode. Instead of analyzing data and advising policy, they scrambled to figure out what was removed and how to fill the gaps. One Georgetown researcher likened it to a "five-alarm fire" for the social science community[43]. Such disruptions waste time and resources, and they inject a new caution into researchers' approach to federal data: a fear that what's available today might be gone tomorrow.

Impacts on AI Development: In the modern era, government datasets don't just inform policymakers – they also fuel **artificial intelligence and data-driven innovation**. Many AI models, including large language models and analytic tools, ingest vast amounts of federal data (economic statistics, health data, environmental readings, etc.) as part of their training[44]. By purging datasets or web content, the administration risked starving these AI systems of reliable information. For instance, if NOAA climate data by locality or CDC health datasets are removed, AI models tasked with predicting weather risks or public health trends may perform worse due to less training data[45]. In addition, sudden changes or biases introduced in data (e.g. removing a "gender" category) can ripple into AI outputs – a model might no longer recognize or address certain groups if the data on those groups was deleted.

The private sector heavily relies on open government data for everything from **investment decisions to product development**[46]. A chaotic data environment – where data appear and disappear based on political winds – makes it difficult for companies and researchers to trust using that data in their AI models and analytics. They may need to invest in alternative data sources or delay projects, dampening innovation. In the long run, if public datasets can't be counted on, the **development of AI** that benefits society (like health diagnostics, economic forecasting, disaster response tools) is hindered. As one analysis noted, *"large-language artificial intelligence models are being fed all of it"* – all the government facts and figures – and disruptions to this steady flow of data are a cause for broad concern[47].

Overall Societal Impact: Public outcry and professional backlash to these deletions were swift, indicating how crucial these datasets are. The presidents of two major population research associations called the takedowns *"unacceptable"* and implored that the data be restored[48]. Medical experts warned that **removing information endangers public health**, as it creates "dangerous gaps" in knowledge needed to fight epidemics[49]. The trust that underpins cooperation between government

and citizens – for example, people's willingness to respond to surveys or heed public health advice – can be undermined if citizens feel data is being politicized or hidden. In essence, these actions shook confidence in the **integrity of public data**, which is a cornerstone of evidence-based governance, economic planning, and technological progress.

How the Proposed *Data Integrity Act* Would Apply

In response to episodes like these, lawmakers have floated a "**Data Integrity Act**" – a bill aimed at safeguarding public data from improper alteration or deletion. This proposed Act contains several key provisions: **public notice** requirements, independent **oversight** of data changes, **penalties** for non-compliance, and **archival mandates** for any removed information. Below, we explore how each provision would have applied to the Jan–Feb 2025 data purges, and whether the Act's mechanisms might have prevented or mitigated the damage.

Public Notice Requirements

One cornerstone of the Data Integrity Act is that agencies must provide **advance public notice** before removing or significantly modifying any publicly accessible dataset. Had this law been in effect, the agencies involved would have been legally obliged to **announce their intended data edits/deletions ahead of time** – likely through a public bulletin or Federal Register notice – rather than simply making the changes in near-secret.

- **Application to 2025 Cases:** In reality, researchers and the public had zero warning; many only discovered the deletions when they went to access a familiar page and got an error [50] [51]. Under the Act, for example, the CDC would have had to issue a notice that "On Jan 31, the Youth Risk Behavior Survey data portal will be temporarily taken down to remove certain fields," **explaining the rationale**. The Census Bureau would similarly need to announce that "the Sexual Orientation & Gender Identity report page is slated for removal." This transparency allows stakeholders – from state health departments to academic researchers – to brace for the change, query it, or object. It could have turned the "mad scramble" into an organized response: researchers might have **downloaded data proactively** or mobilized feedback through official channels once the notice came out, rather than scrambling after-the-fact[52].

- **Sunlight as Deterrent:** Public notice doesn't just inform; it deters questionable actions. If agency officials knew they had to publicly justify why a dataset is being pulled, they would need a sound, defensible reason. In the 2025 scenario, the true motivation – deleting "gender ideology" content – would be exposed to public scrutiny. Faced with likely backlash and pointed questions about why, say, **HIV surveillance data or Japanese internment history pages** were being removed, the administration might have reconsidered the breadth of the purge. In other words, the requirement to explain in public could have **narrowed the scope** of deletions to only those absolutely mandated by the new policy, rather than overreaching. It's possible some pages (like historical NPS content or entire survey takedowns) would not even be attempted once notice was required, because the optics would be so poor.

- **Example – CDC Data:** If the CDC had posted notice that it intended to remove the "gender" column from YRBS data and pull down related documentation, the outcry from the health research community might have convinced them to preserve more than they did. At the very least, everyone from the **CDC advisory panel** to school districts using that data would have had a chance to weigh in. Instead, in reality the CDC's advisory committee only learned of the deletions after the fact and had to demand an explanation post-hoc[53]. The Act's notice requirement flips that timing – explanation *first*, action *later*.

In summary, the public notice provision would have forced a **transparent dialogue before data vanished**, likely preventing stealth deletions and giving the public time to react or prepare. This fosters accountability and could have slowed or stopped the most controversial edits in January 2025.

Independent Oversight Mechanisms

The Data Integrity Act would establish independent oversight for significant data alterations. This could take the form of a review board (potentially housed in an agency like the Government Accountability Office or an Inspector General's office) or mandatory reporting to Congress before execution. The idea is to ensure a neutral party evaluates the justification and impact of any data removal.

- **Application to 2025 Cases:** In the actual events, oversight came only informally and reactively – for instance, **79 members of Congress signed a letter on Feb 12** pressing the White House for answers and demanding data be restored[54]. By then, the damage was done. Had the Act been in place, the **House Oversight Committee or a designated Data Integrity Council** might have been alerted *in advance* of the intended removals. Each agency's DOGE team or CIO could be required to submit a report detailing: *which datasets are targeted, why this is necessary, and what the plan for restoration or archiving is*. Oversight officials would review these plans against the law's standards (ensuring they aren't arbitrary or harmful).

- **Preventive Oversight:** Such an oversight body could have pushed back on overreach. For example, they might have concluded that **OPM's memo did not actually require deleting statistical datasets**, only changing policy documents – thus removing entire health surveys or decades of HIV data was an over-interpretation. Oversight could then instruct agencies to limit their actions (e.g., *"you may remove the word 'gender' from forms as directed, but you cannot take offline data that Congress explicitly funded and mandated for public use"*). It's worth noting that in 2025, even absent a law, the **Oversight Committee Democrats were concerned enough to call for an investigation into DOGE's activities and data access**[55]. That indicates there would likely be support for robust oversight review of data removals. The Act would formalize that power.

- **Real-Time Checks:** An oversight mechanism might also involve a "pause" function – i.e., any proposed removal gets a waiting period during which oversight can approve or disapprove. In a case like the CDC's data.cdc.gov takedown, oversight reviewers could demand a clearer justification: *Why does compliance with the order necessitate shutting the whole data portal?* If the agency couldn't provide one, the oversight body could delay or deny the action. This kind of check and balance was missing in January 2025, when agency staff felt they had to obey the executive directive immediately, without question. Oversight via the Act empowers officials to say, "We must vet this through proper channels first."

- **Independence Matters:** The Act's emphasis on independent oversight means the review isn't done by the political appointees driving the purge, but by entities focused on data stewardship. For instance, Inspectors General or data officers could have flagged that **removing ForeignAssistance.gov** would undermine federal transparency laws, or that scrubbing Inspector General reports (as was done on the ODNI site) could violate records-keeping rules [56]. With the law in place, such flags could carry legal weight to halt actions until resolved.

In effect, the oversight provision injects a layer of **due diligence**. It is very likely many of the more extreme deletions would have been toned down or outright refused under independent review. The presence of Elon Musk's DOGE complicates matters – as a quasi-government entity, DOGE's push to cut costs might conflict with data integrity. But notably, by February 2025, even courts were stepping in (a judge blocked DOGE from accessing certain data systems due to legal challenges)[57]. An

oversight board enabled by the Act would strengthen these checks, ensuring data changes are lawful, justified, and minimal in impact.

Penalties and Accountability

The proposed law isn't just procedural; it carries **teeth** in the form of penalties for officials or agencies that violate its provisions. This could include administrative sanctions, fines, or other consequences if data is deleted without following the proper notice and oversight steps. The goal is to hold leaders accountable for the stewardship of public data, much as they are for financial mismanagement or other misconduct.

- **Deterrent Effect:** If agency heads and DOGE officials knew that improperly removing data could lead to penalties (for example, being in contempt of Congress, facing Inspector General investigation, or even personal liability in some cases), they would be far less likely to carry out a rash purge. In the real 2025 events, it appears agencies erred on the side of **over-compliance** with Trump's orders – likely out of fear of reprisal from their superiors if they didn't move fast enough. The Data Integrity Act flips that incentive: agency leaders would equally fear reprisal for *violating the law by deleting data without process*. This balancing could have made officials pause and find a more legalistically cautious approach. For instance, rather than instantly wiping pages by Friday 5 p.m., a CDC official might say, "We need to follow the Data Integrity procedures, or I could get in trouble." This internal resistance, backed by law, might have slowed the train.

- **Accountability for Reversals:** Penalties also provide a route for corrective action. Suppose an agency did remove data improperly; under the Act, they could be compelled to restore it or face consequences. In the actual scenario, **data users considered lawsuits and FOIA requests** to retrieve missing datasets[88]. If the Act existed, those affected could formally complain that an agency violated the law, triggering an investigation. Knowing this, agencies would be loath to act in ways that blatantly breach the Act's requirements. In short, penalties create a strong **disincentive for politicized data tampering**.

- **Example – DOGE and DOL Data:** A concrete example of how penalties might play out is the attempted DOGE access to Labor Department systems. The AFL-CIO union sued to stop it, concerned Musk's team would misuse sensitive data[89]. If the Data Integrity Act covered not only deletions but unauthorized **access or alterations**, Musk or any DOGE staff accessing data without clearance could face legal penalties. That threat alone might prevent, say, *unvetted data mining or removal by an external actor* under the guise of "efficiency." In our case, if DOGE pressured an agency to delete datasets en masse and it wasn't properly vetted, both the agency head and DOGE officials could be held accountable under the law. This creates a check on powerful figures trying to override data protocols for expediency or personal agendas.

- **Cultural Change:** Over time, the existence of penalties would promote a culture of compliance and respect for data integrity within government. It signals that public datasets are a public trust, not to be toyed with for political theater. By making examples of any violations, the Act would reinforce to future administrations (regardless of party) that **data isn't a disposable asset** – there are real repercussions for mishandling it.

In the 2025 deletions, no one was immediately "punished" for pulling down the data (though political backlash was significant). The Act would change that equation, introducing **personal and institutional risk** for doing what was done. This likely would have prevented at least the *manner* in which things happened – maybe agencies would still have altered some terminology, but wholesale removals without following steps would not occur if officials feared penalties.

Archival and Preservation Requirements

Crucially, the Data Integrity Act emphasizes **archival preservation** of any data or content slated for removal. This means before an agency hides or deletes a dataset from public view, it must ensure a copy is saved in an official archive (for example, the National Archives or a designated public data repository). The goal is to never truly lose the information, even if it's no longer prominently displayed, so that researchers and historians can access it and the government retains continuity of records.

- **Application to 2025 Cases:** If archival had been mandatory, the narrative of "data disappearing" would have been very different. For every webpage or dataset the administration wanted gone, an **unaltered copy would need to be catalogued**. In practice, the agencies might have been required to hand those files over to the National Archives *or* post them on a special archive section of their website. For instance, before CDC removed the STI/HIV data from AtlasPlus, they would deposit the dataset and documentation into an archive where it could still be retrieved. In the actual timeline, it was left to private groups to step in – e.g., the American STD Association hastily downloaded and mirrored STD trend data that CDC had taken down[80]. Under the Act, CDC would have done this itself in an official capacity, ensuring continuity of access (even if via a less prominent channel). Researchers wouldn't have had to panic about losing the data forever; they'd know an archive has their back.

- **Transparency of Changes:** Archival copies also allow the public to **see what changed**. Suppose an agency is allowed to modify a dataset (like removing a column). The Act could require that the *original version be preserved* and made available upon request. That way, anyone can compare the "before" and "after." In our scenario, if someone suspected that the Youth Risk Behavior Survey data had been altered, they could obtain the archived original and confirm that, say, a "gender identity" field was present before but missing now. This is vital for accountability – it prevents quiet, undocumented alterations. The Act's archival rule would have documented every deletion/modification. So even if the administration went through with changes, they could not cover their tracks or pretend the data never existed. This, again, might have discouraged extreme edits. Knowing that an archive would essentially "publish the deletion" (by preserving the very content you want hidden) has a chilling effect on bad-faith removals.

- **Public Access to Archives:** Ideally, the Act would require that these archives be accessible to the public (perhaps with a slight delay or via FOIA requests). For removed information that is not sensitive, a public archive site could list all recently removed datasets and offer downloads. In 2025, that would mean a researcher looking for the Census SOGI page or the DEI-related NPS pages could find them in an archive repository even after they vanished from the main sites. **Public trust is maintained**, because the data isn't lost – it's only moved. Compare that to what happened: people were "left in the dark" about why data was gone and whether it would return[81]. Archival requirements replace darkness with a safety net of information.

- **Historical Record:** From a governance perspective, archiving ensures the historical record can't be selectively erased. Future administrations, journalists, and scholars can see exactly what the Trump administration removed and possibly analyze the impacts. This is akin to financial audits – you keep records even of transactions you voided. For example, if foreignassistance.gov data was archived, development economists in the future could still assess U.S. aid flows during that period despite the site being offline for some time. Without archiving, an entire generation of data could be permanently missing if not restored. The Act treats public data as part of the national heritage that must be preserved.

In sum, the archival provision would **mitigate harm** even if deletions occur. It guarantees that "deleted" doesn't mean "destroyed." In the context of January 2025, the public and policymakers alike would have had recourse to an archive for the missing information, blunting the impact of the purge.

The knowledge that nothing could be fully expunged might have made the purge less attractive to begin with.

Would the Law Have Prevented or Mitigated the Deletions?

Looking at the January–February 2025 data wipe through the lens of the Data Integrity Act, it's clear that **many of the worst outcomes could have been prevented or at least significantly mitigated**:

- **Prevention through Process:** The combination of required notice and oversight means such deletions could not have happened suddenly or unilaterally. The law would have imposed a **cooling-off and review period**. This likely would have prevented the wholesale scrubbing that occurred. It's doubtful that an independent review, for instance, would green-light disabling the CDC's entire data portal or removing broad swaths of health survey data – especially when the executive orders themselves never specifically demanded erasing data[62]. The Act's process could have yielded a more modest compliance plan (e.g., maybe editing a few web pages to say "sex" instead of "gender," but **leaving datasets intact**). By forcing deliberation, the law could have steered the administration away from an impulsive purge to a more reasoned approach.

- **Transparency and Backlash:** If somehow the administration still wanted to push the limits, the Act's transparency provisions (public notice + archive) mean the public would be **immediately aware** of what was slated to happen and what did happen. This in itself is a powerful mitigator. Public awareness brings public pressure. In a real-world sense, had there been a legal requirement to list out every dataset being removed, one can imagine the uproar (on Capitol Hill, among scientists, on social media) might have stopped the purge in its tracks. Even if not, the fact that archives would preserve the data means the public trust could recover – people would see that data isn't truly lost, just moved due to political winds. That's less damaging than the current scenario where people feared data was lost forever or adulterated beyond recovery. **Congressional leaders might not have had to scramble to write letters** to OMB begging for restoration[63], because the law itself would ensure restoration plans and archiving.

- **Penalties as Guardrails:** The threat of penalties is a strong preventive mechanism. We likely wouldn't have seen such aggressive action from agencies if violating data integrity carried legal risk. In practice, the January 2025 purge might not have occurred at all in its known form – officials would have pushed back or at least insisted on following the law's slower process, even if the White House was impatient. It's possible the administration would have tested smaller changes to gauge reactions, rather than ordering a blanket removal, had the law been looming over them. So while we can't say every single deletion would never happen (administrations could still attempt to remove what they consider problematic data), the **Data Integrity Act's guardrails ensure it cannot happen quietly or without justification**. It becomes far easier to challenge and halt.

- **Mitigation (if not full prevention):** Even in a scenario where, say, certain changes did go through (perhaps because the oversight body found they complied with the letter of the executive order), the outcomes under the Act are far less dire. All original data would be archived and accessible, so researchers could still get what they need. Public notices would detail exactly what changed, preserving **trust through transparency**. Compare that to the confusion in 2025 where analysts were *"stumbling on what was taken down or changed"* only by chance[64]. The Act would replace that confusion with clarity – a registry of changes. Thus, even when data must change, the integrity and availability of information is largely maintained.

In essence, the Data Integrity Act would act as a **safety net and a floodgate**: a safety net by archiving and documenting all changes (so we don't lose knowledge), and a floodgate by slowing and

scrutinizing the rush to remove data. The events of Jan–Feb 2025 illustrate a worst-case scenario of uncoordinated data suppression. The Act directly targets each failure point observed: lack of transparency, no external oversight, no accountability, and no formal preservation. Had it been law, it is highly unlikely we'd have seen "scores of government webpages" vanish overnight as they did [65]. And if some did, we would at least know exactly what and why, and have recourse to retrieve the content.

Real-World Implications Going Forward

The clash between the Trump administration's data deletions and the proposed Data Integrity Act underscores a fundamental tension in governance: the balance between political directives and the non-partisan stewardship of information. Enacting the Data Integrity Act would signal that **certain pillars of knowledge are off-limits to capricious political meddling**. This could help restore faith among scientists, economists, and the public that federal data – from health stats to economic indicators – will remain reliable even across administrations. It would also reassure international observers and markets; for example, Reuters noted concern in the business community that Trump's "chaotic purge" of data could cloud economic outlooks and disrupt industries reliant on federal stats[66]. A law ensuring data integrity would allay such fears by preventing sudden data voids.

Policymaking would benefit from stability – officials could plan programs without fearing that critical evidence might disappear due to politics. The development of AI and other innovations would proceed with a stable foundation of open government data, allowing the U.S. to continue leading in data-driven tech (rather than AI developers having to second-guess or rebuild datasets).

On the flip side, the Act could face criticism for potentially slowing down an administration's ability to enact rapid changes. Agencies might need to jump through more hoops before implementing new policies that involve data, which some political leaders could view as bureaucratic impediment. However, the **long-term gains in public trust and data quality likely outweigh short-term convenience**. The 2025 experience showed that doing things fast, in the dark, led to legal battles, public outrage, and confusion – outcomes far more disruptive than a transparent review process would have been.

In conclusion, the data edits and deletions carried out by DOGE and the Trump team since January 2025 provide a stark case study of why a Data Integrity Act is being considered. The specific datasets altered – from CDC health surveys to Census demographic pages and beyond – were proven to be essential public assets, and their removal elicited immediate negative effects on trust and policy work[67][68]. The proposed law's provisions (public notice, oversight, penalties, archival) map almost one-to-one to the failures observed in this incident. Had those provisions been in force, it is likely that most of the datasets would have remained accessible (if slightly modified with explanation), rather than abruptly yanked from view. The public would have been informed, Congress and oversight bodies involved, and permanent erasure prevented. In the real world, implementing such legal protections for data integrity stands to strengthen the resilience of our democracy's fact-based decision making. It ensures that even as administrations change and policies shift, the underlying **public data – "funded by American taxpayers" and belonging to the people – remains robust and trustworthy [69][70].**