

**DEPARTMENT OF THE TREASURY
OFFICE OF DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY (ODEIA)
TREASURY ADVISORY COMMITTEE ON RACIAL EQUITY (TACRE)**

MINUTES – December 5, 2022

The Treasury Advisory Committee on Racial Equity (TACRE) convened at 10:00 AM on 5 December 2022 in the Cash Room, Department of the Treasury, with Michael Nutter, Chair, presiding.

Committee Members Present

MICHAEL NUTTER, David N. Dinkins Professor of Professional Practice in Urban and Public Affairs, Columbia University and former Mayor of Philadelphia, Chair

FELICIA WONG, President and Chief Executive Officer, The Roosevelt Institute, Vice Chair

NICOLE ANAND, Deputy Director, Inclusive Action for the City

JANIE BARRERA, President and CEO, LiftFund, Inc.

NICOLE BORROMEO, Executive Vice President & General Counsel, Alaska Federation of Natives

DOROTHY BROWN, Martin D. Ginsburg Chair in Taxation and Professor of Law, Georgetown University

WILLIAM BYNUM, Chief Executive Officer, Hope Enterprise Corporation, Hope Federal Credit Union, Hope Policy Institute

DAVID CLUNIE, Executive Director, Black Economic Alliance

GARY CUNNINGHAM, President & CEO of Prosperity Now

NICOLE ELAM, President and Chief Executive Officer, National Bankers Association (NBA)

JOHN FRIEDMAN, PDBF Distinguished Professor of Economics and International and Public Affairs, Brown University

GILBERT GARCIA, Managing Partner, Portfolio Manager, Garcia Hamilton & Associates, L.P.

BULBUL GUPTA, President & CEO, Pacific Community Ventures

DARRICK HAMILTON, University Professor and Henry Cohen Professor of Economics and Urban Policy, The New School

MICHAEL MCAFEE, President and CEO, PolicyLink

GINA NISBETH, Founder and President, 9th & Clinton Advisory

LORELLA PRAELI, Co-President, Community Change & Community Change Action

JOSE QUINONEZ, Founding CEO, Mission Asset Fund

CARLOS RANGEL, Chief Investment Officer, W.K. Kellogg Foundation (WKKF)

VALERIE RED-HORSE MOHL, Co-Founder, Kown Holdings & CFO, East Bay Community Foundation

AMANDA RENTERIA, Chief Executive Officer, Code for America

JOHN ROGERS, Founder, Chairman & Co-CEO, Ariel Investments

CHILING TON, President and Chief Executive Officer, National Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)

BARIKA WILLIAMS, Executive Director, The Association for Neighborhood Housing & Development (ANHD)

Department of Treasury Staff Present

JANET YELLEN, Secretary

WALLY ADEYEMO, Deputy Secretary

JANIS BOWDLER, Counselor for Racial Equity
LILY BATCHELDER, Assistant Secretary, Tax Policy
NATASHA SARIN, Counselor for Tax Policy & Implementation
SNIDER PAGE, Designated Federal Official (DFO)
DAVID ROSENKRANCE, Assistant DFO
ANISHA STEEPHEN, Assistant DFO
ANA ESPARZA, Assistant DFO
ADITI SOMANI, Assistant DFO

At 10:01 a.m., Ms. Bowdler called the meeting to order and thanked the inaugural members of the Treasury Advisory Committee on Racial Equity (TACRE).

Secretary Yellen's Remarks

Secretary Yellen welcomed everyone to Treasury and to the first TACRE meeting. The Secretary provided an overview of the administration's efforts to be inclusive and equitable and Treasury's development of the modern supply-side agenda. Treasury plays a significant role in the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act (IRA).

Secretary Yellen's full remarks are available [here](#).

Questions for the Secretary

The Secretary fielded questions from members on pressing action items, interagency coordination, and measures of success. She reiterated the importance of working collaboratively with agency partners and identified implementation of the Inflation Reduction Act, modernization of the IRS, and creation of the new Treasury Office of Diversity, Equity, Inclusion, and Accessibility as three significant projects Treasury is spearheading that would benefit from input from the Committee. The Secretary also discussed the "modern supply-side" agenda to create investments in underserved communities.

Chair and Vice Chair Remarks

Chair Nutter and Vice Chair Wong acknowledged that Treasury will be central to the project of making the modern supply-side agenda a reality.

Ms. Bowdler's Remarks

Ms. Bowdler discussed Treasury's racial equity priorities:

1. Understanding the implications of racial equity on the national economy and the implications of economic disparities.
2. Fortifying the capital delivery systems that build community assets.
3. Protecting and growing assets to improve financial stability and advance economic mobility.
4. Promoting economic mobility through a fairer tax system.
5. Developing a Treasury Department that reflects the full diversity of our nation.

Inflation Reduction Act (IRA)

- Ms. Batchelder, the Assistant Secretary for Tax Policy discussed her department's research on the equity implications of tax, as well as its work on implementation of the Inflation Reduction Act (IRA), and the equity components in the bill. She highlighted how the IRA provides targeted incentives to drive investment and create opportunity in communities across the country; how it encourages clean energy project developers to meet strong labor standards, so the benefits of the transition to a low-carbon economy are felt by the workers making it happen; and how it allows state, local, and Tribal governments, as well as non-profits and other tax-exempt entities, to receive many of the tax credits as payments, which will expand the range of actors that will have a direct incentive to invest in these communities.

Member Brown pushed back on the framing of the issue as a class issue when it is really a race and class issue, and Member Cunningham asked whether the remedy is going to meet the problem.

Member Red-Horse Mohl asked how the Treasury defines the phrase underserved communities and whether there is a government definition being referenced. Mr. Snider Page, the Designated Federal Official, responded that the term "underserved communities" is defined in Executive Order 13985.

Internal Revenue Service (IRS)

Ms. Sarin, Counselor for Tax Policy & Implementation, discussed Treasury's efforts to modernize the IRS to create a 21st century agency that serves taxpayers efficiently, collects the taxes that are owed, and delivers credits and benefits to those who are entitled them.

Questions and Answers

Member Brown asked how Treasury is going to ensure audits resulting from the \$80 billion are equitable. Ms. Sarin summarized efforts to ensuring that the additional resources are deployed equitably during the Strategic Planning stage, as well as focused effort on benefit delivery, and making sure that those who are eligible for benefits are getting them.

Member Quinonez commented on the public's distrust of the government overall and asked about the ability to be proactive with public opinion.

Deputy Secretary Adeyemo summarized the success of the Child Tax Credit when there was direct involvement and engagement with the communities served.

Member Garcia asked whether it is beneficial to get a team ready to address results. Ms. Batchelder identified the process as iterative and noted that there are very concrete provisions they are implementing right now that they want to discuss with the Committee.

Member Hamilton commented on the benefit of tax provisions being fully refundable and on capital gains being reevaluated. Ms. Batchelder acknowledged that IRS is deep in the budget process, but in addition to the research and work on implementing laws every year, there are several tax proposals.

Member Gupta asked how Treasury and IRS can build trust with the public. Ms. Sarin acknowledged the benefit of honest feedback and the ability to fundamentally rethink how the tax system functions.

Member Red-Horse Mohl commented that big and bold thinking is needed to address the racial wealth gap and create economic opportunity and access to capital in underserved communities, and Member Barrera commented on the abundance of CDFIs and the ability to utilize them to rebrand the IRS.

Member McAfee encouraged the Committee to develop processes that would transcend the administration.

Member Clunie recommended shifting the narrative around the IRS tax implementation to improving service delivery for the IRS, improving the tax code, and closing the racial wealth gap, which benefits the entire economy.

Member Tong referenced a survey on trust and capital access, where it was identified that the community does not know about CDFI and the federal resources.

Member Williams commented on the challenge of receiving investment, and holding investment, to ensure it is not redirected to unintended purposes.

Deputy Secretary Adeyemo's Remarks

Deputy Secretary Adeyemo commented on the reality that the conversation is focused on tax policy, because tax policy is critically one of the ways that benefits are provided to the country. The Deputy Secretary remarked on the critical execution of ensuring that resources are distributed in an equitable way, which not only requires the advice of the Committee but requires help.

Federal Advisory Committee Act (FACA) Requirements and Official Roles

Mr. Page, as the Designated Federal Official, identified the three official roles for the Committee: the Designated Federal Official (DFO), the Chair and Vice Chair, and Assistant Designated Federal Officials. Mr. Page summarized the requirements of the Committee as outlined in the Federal Advisory Committee Act (FACA).

Multiple questions about how to respond to calls from the public or reporters were discussed.

Subcommittee Proposals

Chair Nutter identified the four proposed subcommittees and responded to various questions about the structure and context of the subcommittees. The four proposed subcommittees are:

1. Financial Health, Inclusion, Access to Capital
2. Internal Staffing and Culture
3. Research and Data Equity
4. IRA Implementation

Vice Chair Wong asked the Committee Members to take a vote on the formation of the four subcommittees as described. There was a motion to second, and the motion passed unanimously.

Ms. Bowdler adjourned the meeting. The meeting concluded at 1:01 p.m.