

Testimony on Governor's Economic Stimulus Equity Proposal

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In conjunction with the Racial Equity Advisory Panel
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**Note: Written testimony offered by REA Panel Chair, Andrea Brett*

Madam Chair and Members of the House Committee on Appropriations-

Thank you for this opportunity to testify here today. I speak on behalf of all the members of the Racial Equity Advisory Panel. In that role, we represent the interests and concerns of communities of color throughout the State, and support and advise Vermont's first Executive Director for Racial Equity.

I speak here on behalf of the Panel to express support for the Economic Stimulus Equity proposal that serves as a vehicle to create parity for all Vermonters; economic support offered to families in light of the devastating economic effect of the COVID-19 pandemic.

We understand that this bill, as currently proposed, will provide approximately 1,200 adults and 1,000 children with \$1,200 and \$500 per child, respectively. We respectfully propose, however, that this amount be increased. The number of Vermont eligible adults who were excluded from the CARES Act totals between 3,500 and 4,000. The cost, if all eligible adults were included, would rise to \$5.3 million dollars, an amount we believe is fully justified.

This proposal is necessary due to the exclusion of Vermonters who are undocumented, their spouses, and children from economic support of the CARES Act. The CARES Act, in this regard, is an example of policy-induced inequality, similar in nature to earlier national legislation that excluded people of color from eligibility for minimum wage payments, social security, the GI Bill, and FHA loan guarantees, to name a few. Its impact, if left unaddressed, is to widen economic disparities in our state in the context of the COVID-19 epidemic.

We make three arguments to you as to why this proposal should be approved and approved at the higher level of \$5.3 million. First, it is the fair and right thing to do. Second, covering all eligible Vermonters is affordable and is moreover an investment in people that will generate long term benefits to communities around the state. Third, it is a modest step to make good on the state government's commitment to ending systematic racism.

With regard to fairness, this proposal, if passed, would put all Vermonters on equal footing as regards the support received to weather the economic crisis induced by COVID. The CARES Act, in denying support to undocumented workers who pay taxes, those married to undocumented workers, their children, and immigrants who are lawfully present but who do not have Social Security Numbers, operated as a mechanism to create two classes of people. At its core, this is inconsistent with Vermont values of equity and fairness. Undocumented workers and their spouses contribute to the tax coffers through their payroll taxes. They should not be economically excluded or punished for an immigration system

that is deeply flawed. We should in fact see these funds as allowing undocumented workers to draw, to a very small extent, on funds they have contributed to fund government activities. That is, this is not a “hand out” but rather, it is a means to allow this group to tap into funds they have contributed through their labor.

Second, children should not be punished and economically deprived as a result of their parents’ immigration status. It is a longstanding principle here and in other states that children should be held harmless and allowed access to medical care and free education. This proposal is consistent with that principle. The benefits of economic support to children in hard economic times are long lasting. Research shows that economic deprivation has negative effects on brain development that lasts into adulthood. Our ability to limit the negative economic effects of COVID on children is not only the right thing to do. It also supports children’s wellbeing and ability to function as healthy adults. While \$500 per child is a small amount of money in the context of the long-term effects of COVID-19 on the economy, the additional support afforded to their parents can limit the negative socio-emotional and economic effect of this current crisis. Hence, the need to cover all eligible adults, and not limit funding to just 1,200 adults.

With regard to affordability, the state of Vermont has more than \$350 million dollars in rainy day funds, to be used precisely in this type of crisis. Were this proposal to be funded at the level of \$5.3 million dollars, this would consume 1.5% of that budget. Many undocumented workers and their families live below the poverty line—already a very low and unsustainable economic threshold. Among Vermonters of color, the poverty rate among Black families is 24%, and among Hispanic families is 17%. These poverty rates are almost double those of white families in Vermont. This means that the Economic Stimulus Equity funds would be targeted at those most in need who were not covered by the CARES Act and at the same time, address racial economic inequality in our state.

Further, those who are the intended beneficiaries of this proposal are economic contributors to our state; in the agricultural sector, growing and preparing the food we eat, caring for our loved ones, and engaged in other essential worker tasks. Some may argue that providing economic support encourages illegal immigration. There is no evidence for this assumption. Moreover, these families are now here, among us, working hard to provide for themselves and at the same time providing critical labor to our economy.

Finally, we argue that this proposal should be funded to cover its entire cost of \$5.3 million dollars for reasons of racial equity and fairness. The overwhelming majority of those who would be beneficiaries of this proposal (and thus those who were excluded from the CARES Act) are people of color. Our task as a panel is to support and advise the Executive Director for Racial Equity and you, as legislators, in addressing and eliminating systemic racism from state government. Were the state to fail to act to mitigate and redress a federal policy that was racially discriminatory, Vermont would be failing to address precisely the problems of racial inequality that have been identified and to which the state has committed itself to addressing.

We know from research, the long-term effects of racial economic inequality. It contributes to health inequality, lower educational outcomes for children of color, and thus produces intergenerational inequality. We as Vermonters have an opportunity in this proposal to make good on our stated commitment to addressing racial inequality in our state. We urge you to do so by passing this proposal, but at a higher level of funding.