

1 H.406

2 Introduced by Representatives Cina of Burlington, Christie of Hartford,
3 Cordes of Lincoln, Mulvaney-Stanak of Burlington, Vyhovsky
4 of Essex, White of Bethel, and Yantachka of Charlotte

5 Referred to Committee on

6 Date:

7 Subject: Commerce and trade; economic development

8 Statement of purpose of bill as introduced: This bill proposes to promote racial
9 and social equity in economic opportunity and cultural empowerment.

10 An act relating to promoting racial and social equity in economic
11 opportunity and cultural empowerment

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. LEGISLATIVE INTENT

14 (a) Equal opportunity is a fundamental principle of American democracy.

15 (b) Equal access to economic opportunity and to cultural empowerment are
16 priorities of the State of Vermont.

17 (c)(1) Structural racism, defined as the laws, policies, institutional
18 practices, cultural representations, and other societal norms that often work
19 together to deny equal opportunity, has resulted in wealth disparities and
20 cultural disempowerment among Vermonters.

1 (2) Great social costs arise from these inequities, including threats to
2 economic development, democracy, and the social health and wellness of the
3 State of Vermont.

4 (d)(1) Wealth disparities are a function of not only access to income, but
5 also the ability to have access to the land, to property ownership, and to
6 cultural preservation and empowerment, which has been impacted by race,
7 ethnicity, sex, geography, language preference, immigrant or citizen status,
8 sexual orientation, gender identity, socioeconomic status, and disability status.

9 (2) Wealth disparities and cultural disempowerment directly and
10 indirectly affect the health and wellness of individuals and communities.

11 (e)(1) The foundation of our current economic system was built on land
12 that was taken from Abenaki and other Indigenous persons, and the structures
13 of our economic system were constructed with the labor of enslaved persons.

14 (2) The legacy of settler colonialism and chattel slavery has been
15 systemic racism and discrimination embedded into many aspects of our
16 modern way of life on this land.

17 (3) The relationship between all persons and the land has been used to
18 oppress persons over the past several centuries.

19 (4) The laws and policies of our State and nation severed Indigenous
20 persons from their land while denying them, Black persons, and other Persons
21 of Color from having the opportunity to access and to own land.

1 (5) These actions of the State led to systemic racism that has impacted
2 all Vermonters who have historically suffered from discrimination and who
3 have not had equal access to public or private economic benefits due to race,
4 ethnicity, sex, geography, language preference, immigrant or citizen status,
5 sexual orientation, gender identity, socioeconomic status, or disability status.

6 (6) The actions of the State have led to the erasure or appropriation of
7 culture for the descendants of slaves and indigenous persons.

8 (f)(1) In order to offer repair for the systemic discrimination faced by many
9 persons throughout the State over the past four centuries, the State of Vermont
10 must engage in a just transition to an economic system that systemically
11 undoes racism instead of reinforcing it.

12 (2) Efforts to remedy wealth disparity in the United States have
13 traditionally looked to the free market, extractive economy for solutions to the
14 very problem that it has created.

15 (3) However, there has been increased recognition that improving access
16 to economic opportunity and cultural empowerment will require broader
17 approaches.

18 (4) In order to rectify this history of inequity, we must create economic
19 opportunity and cultural empowerment, using new systems that empower and
20 center Vermonters who have historically suffered from discrimination and who
21 have not had equal access to public or private economic benefits due to race,

1 ethnicity, sex, geography, language preference, immigrant or citizen status,
2 sexual orientation, gender identity, socioeconomic status, or disability status.

3 (g) It is therefore the intent of the General Assembly to acknowledge and
4 address wealth disparity and cultural disempowerment by creating economic
5 opportunity and cultural empowerment for Vermonters who have historically
6 suffered from discrimination and who have not had equal access to public or
7 private economic benefits due to race, ethnicity, sex, geography, language
8 preference, immigrant or citizen status, sexual orientation, gender identity,
9 socioeconomic status, or disability status by ensuring equal access to economic
10 advancement and cultural reconstruction in the State of Vermont.

11 (h) In addition to the actions taken by this act, the State must engage in a
12 deep process of truth and reconciliation, guided by the persons who have been
13 most impacted, to address the underlying wounds of colonization and slavery.

14 Sec. 2. FINDINGS

15 (a) Definitions. As used in this section:

16 (1) “Non-White” means Black, Indigenous, and other Persons of Color
17 (BIPOC). The term is not intended to reflect self-identity but rather how
18 persons are categorized in the racial caste system on which discrimination has
19 been historically based in the United States. This term is used in this act
20 because currently Vermont typically disaggregates data solely by White and
21 non-White.

1 (2) “Race and ethnicity” means the categories for classifying individuals
2 that have been created by prevailing social perceptions, historical policies, and
3 practices. The term includes how individuals perceive themselves and how
4 individuals are perceived by others.

5 (b) Wealth Disparity in Vermont. Concerning the history of wealth
6 disparity in Vermont, the General Assembly finds:

7 (1) History, research, and experience demonstrate that Vermont
8 residents experience barriers to the equal enjoyment and benefit of economic
9 opportunity and cultural empowerment based on race and ethnicity.

10 (2) The United States was founded as a country on a triangular
11 relationship between settlers, native persons, and slaves.

12 (3) This structure created an inequity for wealth, economic resources,
13 cultural empowerment, homeownership, and land access through systemic
14 oppression and systematic racism for those who were defined as native or
15 slave.

16 (4) Prior to Vermont self-declaring its occupation of the land in 1777, it
17 is estimated that at least 10,000 Indigenous persons were living in the region,
18 specifically upwards of 4,000 Abenaki living in the Champlain Valley.

19 (5) Centuries of genocide, eugenics, broken treaties, displacement, and
20 land dispossession placed persons of the Abenaki Nations and other
21 Indigenous persons living in Vermont at a great social disadvantage.

1 (6) Although the original Vermont Constitution abolished slavery in this
2 State, with two exception clauses, it took until 1854 for African Americans to
3 be considered legally free and not being considered as property in the State and
4 not until 1863 were African Americans federally recognized as free from
5 enslavement.

6 (7) During and since these early days of colonization and slavery, due to
7 local, State, and federal policies that were intentionally developed to
8 economically, socially, and racially discriminate against members of the
9 BIPOC community, multi-generational poverty has created a disturbing
10 disproportionate wealth gap for land and home ownership in what we now
11 know as Vermont and the United States.

12 (8) Federal land policies and programs denied members of the BIPOC
13 community farmland ownership opportunities that were available to their
14 White counterparts.

15 (9) The federal government's creation of early land use policies, such as
16 those adopted under President Andrew Johnson, who overturned the infamous
17 "40 acres and a mule" and implemented "states' rights" based reconstruction
18 policies, resulted in sharecropping.

19 (10) Sharecropping was the federal government prohibiting Black
20 farmers from owning property and as a result they were forced to rent land
21 from White landlords. Reconstruction policies resulted in sharecropping and

1 prohibiting Black farmers from owning property, and as a result they were
2 forced to rent land from White landlords. Many Black farmers at this time
3 experienced unfair terms and agreements.

4 (11) The U.S. Department of Agriculture (USDA) and Farm Service
5 Agency (FSA) Loan Distribution Program has made it difficult for Black and
6 other persons of color to own farmland.

7 (12) In 1910, it was reported that 14 percent of all farm owner operators
8 in the United States were Black or African American. By 2012, they
9 comprised only 1.5 percent of farm owners across the country.

10 (13) Redlining was the practice of denying bank loans for mortgages to
11 Black and other persons of color, and it was used to segregate Black and other
12 communities of color into inner city neighborhoods. Redlining drastically has
13 impacted on members of the BIPOC community for generations and has
14 further withheld generational wealth from the Black communities.

15 (14) The Housing and Urban Development's Home Owners' Loan
16 Corporation (HOLC) program denied Black and brown residents' equal access
17 to home mortgages, often offering subprime loans that came with unusually
18 severe terms.

19 (15) Funds from the GI Bill, intended to insure private mortgages,
20 reduce down payments, and cover tuition were only made available to White
21 veterans, denying BIPOC veterans access to wealth, land, and home

1 ownership; thus denying them access to the economic opportunity of
2 generational wealth.

3 (16) Despite amendments to the U.S. Constitution and the 1866 Civil
4 Rights Act, systemic racism, within both Vermont’s Housing and Agricultural
5 sectors, remains prevalent today.

6 (17) On July 16, 2020, Burlington, Vermont took the bold move to
7 declare racism as a public health emergency, citing that only four percent of
8 the homes owned in Burlington were owned by persons of color while making
9 up 18 percent of the population and that they were four and a half times as
10 likely to be denied for a home loan compared to applicants who are White.

11 (18) Housing disparity and land access may increase with COVID-19,
12 advancing the triple threats of oppression—racism, classism, and sexism—in
13 the State.

14 (19) Without adequate access to land and home ownership, BIPOC are
15 forced to live in multigenerational housing, placing them at higher risk to
16 COVID-19 exposure.

17 (20) Nearly a quarter of Black Vermonters live in poverty, compared
18 with 11 percent of Vermonters overall. However, poverty rates for the BIPOC
19 community exceeded the State average in 2018. Poverty rates were also
20 greater among persons who include themselves in two or more racial groups or
21 identified as American Indian or of Hispanic or Latino origin.

1 (c) Concerning the connection among health, wealth, and property
2 ownership, the General Assembly finds:

3 (1) Food insecurity rates are higher for members of the BIPOC
4 community who reside in the State of Vermont than their White neighbors.

5 (2) During the COVID-19 pandemic, it was estimated by the University
6 of Vermont that 49 percent of BIPOC households in the State experienced food
7 insecurity compared to 25.2 percent of White households. Food insecurity has
8 been linked to and known to cause mental health problems and depression,
9 hypertension and hyperlipidemia, worse outcomes on health exams, being in
10 poor or fair health, poor sleep, and obesity.

11 (3) According to the 2018 Vermont Department of Health’s Behavioral
12 Risk Factor Surveillance System report, non-White Vermonters are:

13 (A) statistically less likely to have a personal doctor;

14 (B) statistically more likely to report poor mental health;

15 (C) more than twice as likely to report rarely or never getting the
16 emotional and social support they need;

17 (D) significantly more likely to have depression;

18 (E) significantly more likely to have been worried about having
19 enough food in the past year; and

20 (F) significantly more likely to report no leisure time physical
21 activity.

1 (4) The average age is 33 for BIPOC Vermonters, versus 46 for
2 Vermonters who are White.

3 (5) BIPOC Vermonters are at a higher risk for more serious health
4 outcomes, such as hospitalization.

5 (6) Although there are not statistically significant differences in the rates
6 of pre-existing conditions, including diabetes, lung disease, and cardiovascular
7 disease, among all Vermonters, there are disparities in rates of pre-existing
8 conditions among COVID-19 cases. The pre-existing conditions rate among
9 COVID-19 cases is 19.4 for BIPOC Vermonters.

10 (7)(A) Property ownership rates for the BIPOC community in the State
11 continue to remain stagnant.

12 (B) In a 2019 equity report, Burlington city officials found that
13 BIPOC own only four percent of the homes there, though they make up
14 18 percent of the city's population.

15 (C) Furthermore, Black Burlingtonians are four times as likely to be
16 denied for a home loan as a White counterpart.

17 (D) This is a direct result of the wealth gap between the BIPOC
18 community and their White counterparts.

19 (8) The median household income for a Black Vermonter is \$41,533.00
20 compared to \$58,244.00 for their White counterparts.

1 (9) Nearly 24 percent of Black Vermonters live in poverty compared to
2 nearly 11 percent of White Vermonters.

3 Sec. 3. PURPOSE

4 The purpose of this act is to invest in systems of economic advancement
5 and cultural empowerment as a way to move towards greater racial and social
6 equity in wealth distribution, health, resilience, and economic and cultural
7 prosperity.

8 Sec. 4. 10 V.S.A. § 3 is amended to read:

9 § 3. ECONOMIC DEVELOPMENT; PRINCIPLES; REVIEW AND
10 ASSESSMENT

11 (a) For purposes of the Vermont Statutes Annotated and State economic
12 development programs and assistance, “economic development” means the
13 process of generating economic wealth and vitality, security, and opportunity
14 for all Vermonters.

15 (b) There are established the following ~~four~~ five interrelated principles for
16 future economic development in Vermont:

17 (1) Vermont’s businesses, educators, nongovernmental organizations,
18 and government form a collaborative partnership that results in a highly skilled
19 multigenerational workforce to support and enhance business vitality and
20 individual prosperity.

1 (2) Vermont invests in its digital, physical, and human infrastructure as
2 the foundation for all economic development.

3 (3) Vermont State government takes advantage of its small scale to
4 create nimble, efficient, and effective policies and regulations that support
5 business growth and the economic prosperity of all Vermonters.

6 (4) Vermont leverages its brand and scale to encourage a diverse
7 economy that reflects and capitalizes on our rural character, entrepreneurial
8 people, and reputation for environmental quality.

9 (5) Vermont embraces its responsibility to course correct the historical
10 impact of economic exploitation and exclusion from opportunity due to race
11 and ethnicity for American descendants of slavery and the broader Black,
12 Indigenous, and other Persons of Color community.

13 (c) The ~~four~~ five principles shall be used to guide the design and
14 implementation of each economic development program, policy, or initiative
15 that is sponsored or financially supported by the State, its subdivisions,
16 agencies, authorities, or private partners.

17 Sec. 5. 3 V.S.A. § 3902 is amended to read:

18 § 3902. OFFICE OF ECONOMIC OPPORTUNITY

19 (a) The Director of the Office of Economic Opportunity is hereby
20 authorized to allocate available financial assistance for community services

1 agencies and programs in accordance with State and federal law and
2 regulation.

3 (b) The Director may provide financial assistance to community services
4 agencies for the planning, conduct, administration and evaluation of
5 community service programs to provide a range of services and activities
6 having a measurable and potentially major impact on causes of poverty in the
7 community or in areas of the community where poverty is a particularly acute
8 problem. Components of those services and activities may involve, without
9 limitation of other activities and supporting facilities designed to assist low
10 income participants:

11 (1) to secure and retain meaningful employment;

12 (2) to obtain adequate education;

13 (3) to make better use of available income;

14 (4) to provide and maintain adequate housing and a suitable living
15 environment;

16 (5) to obtain services for the prevention of narcotics addiction,
17 alcoholism, and for the rehabilitation of narcotic addicts and alcoholics;

18 (6) to obtain emergency assistance through loans and grants to meet
19 immediate and urgent individual and family needs, including the need for
20 health services, nutritious food, housing, and unemployment-related assistance;

- 1 (7) to remove obstacles and solve personal and family problems which
2 block achievement of self-sufficiency;
- 3 (8) to achieve greater participation in the affairs of the community;
- 4 (9) to make more frequent and effective use of other programs related to
5 the purposes of this chapter;
- 6 (10) to coordinate and establish linkages between governmental and
7 other social service programs to assure the effective delivery of such services
8 to low-income persons; and to encourage the use of entities in the private
9 sector of the community in efforts to ameliorate poverty in the community; and
- 10 (11) to correct the historical impact of economic exploitation and
11 exclusion from opportunity due to race and ethnicity of American descendants
12 of slavery and the broader Black, Indigenous, and other Persons of Color
13 community.

14 (c) The Director is authorized to adopt rules pursuant to chapter 25 of this
15 title appropriate to the carrying out of this chapter and the purposes thereof.

16 Sec. 6. 3 V.S.A. § 2471e is added to read:

17 § 2471e. DEPARTMENT OF CULTURAL EMPOWERMENT AND

18 ECONOMIC ADVANCEMENT

19 (a) The Vermont Department of Cultural Empowerment and Economic
20 Advancement is created within the Agency of Commerce and Community
21 Development.

1 (b) The Department shall work to ensure programing implementation
2 through a statewide Cultural Empowerment and Economic Advancement
3 Network, which shall consist of four Community Empowerment Centers
4 located in different geographic regions of the State.

5 (c) There is created a special fund in the State Treasury named the Vermont
6 Department of Cultural Empowerment and Economic Advancement Grant
7 Fund.

8 (d) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7,
9 subchapter 5:

10 (1) The Department shall administer the Fund.

11 (2) The Fund shall comprise monies appropriated to it by the General
12 Assembly and other public or private monies the Board accepts.

13 (3) Unexpended balances and any earnings shall remain in the Fund
14 from year to year.

15 (e) The Department shall use monies in the Fund to design and implement
16 a grant program for qualified organizations and collaboratives led by Black,
17 Indigenous, and other Persons of Color (BIPOC) that provides grants to
18 support programming throughout the CEEA Network.

19 (f) The Department shall provide grants to:

20 (1) provide cultural empowerment programming to:

1 (A) educate on the true history, contributions, and resilience of
2 American Descendants of Slavery (ADOS) and other Black, Indigenous, and
3 other Persons of Color;

4 (B) serve as a resource, facilitate, and assist in the implementation of
5 ADOS cultural commemorations and celebrations;

6 (C) facilitate various additional cultural activities; and

7 (D) serve as a central hub for access, cultivation, creation, and
8 curation of cultural arts;

9 (2) establish the Business Cultivation and Support Program, including:

10 (A) small business technical assistance;

11 (B) small business grants and loans;

12 (C) small business-to-business mentorship program;

13 (D) technical assistance; and

14 (E) small business procurement contract assistance;

15 (3) coordinate personal and professional development, including:

16 (A) adult basic education;

17 (B) career development; and

18 (C) personal and career coaching; and

19 (4) deliver wealth development and management planning, consisting

20 of:

21 (A) financial management;

1 (B) home and land ownership; and

2 (C) investment management.

3 Sec. 7. APPROPRIATION

4 In fiscal year 2022, the amount of \$10,000,000.00 is appropriated from the
5 General Fund to the Vermont Department of Cultural Empowerment and
6 Economic Advancement Grant Fund for grants and other expenditures
7 approved by the Department of Cultural Empowerment and Economic
8 Advancement.

9 Sec. 8. 10 V.S.A. § 2 is added to read:

10 § 2. RACIAL AND SOCIAL EQUITY IN BUSINESS DEVELOPMENT

11 The Department of Economic Development, in collaboration with the
12 Vermont Economic Development Authority, the Vermont Center for Emerging
13 Technologies, the Vermont Small Business Development Center, and other
14 relevant stakeholders, shall design and implement the BIPOC Business
15 Development Program, the purposes of which are to:

16 (1) increase the number of, and provide support to, BIPOC business
17 start-ups; and

18 (2) provide BIPOC-owned businesses with broader access to capital;
19 and

20 (3) provide BIPOC-owned businesses with technical assistance.

1 Sec. 9. 3 V.S.A. § 2222e is added to read:

2 § 2222e. RACIAL AND SOCIAL EQUITY IN BUSINESS

3 PROCUREMENT PROGRAM

4 The Secretary of Administration shall design and implement the BIPOC
5 Business Procurement Program for all agencies and departments within State
6 government, the purposes of which are to:

7 (1) increase State government outreach to BIPOC-owned businesses for
8 participation in bidding for government procurement contracts;

9 (2) provide technical and other assistance to BIPOC-owned businesses
10 that seek to participate in the government procurement process; and

11 (3) establish a minimum percentage of State procurement contracts or
12 funding that is awarded to BIPOC-owned businesses.

13 Sec. 10. 3. V.S.A. § 2222(g) is added to read:

14 (g) The Secretary of Administration, in consultation with the Racial Equity
15 Director, shall adopt rules that require each Agency and Department in this
16 State to implement policies and procedures designed to create pathways for
17 career advancement for current and future employees who are members of
18 BIPOC communities in this State.

1 Sec. 11. 10 V.S.A. § 547 is added to read:

2 § 547. RACIAL AND SOCIAL EQUITY IN CONTINUING EDUCATION

3 AND APPRENTICESHIP

4 The Department of Labor, in collaboration with the Vermont State Colleges
5 and the Vermont Training Program within the Agency of Commerce and
6 Community Development, shall design and implement five continuing
7 education and apprenticeship programs for members of BIPOC communities in
8 this State.

9 Sec. 12. EFFECTIVE DATE

10 This act shall take effect on July 1, 2021.