H.406

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

Referred to Committee on

Date:

Subject: Commerce and trade; economic development

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

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

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

Sec. 1. LEGISLATIVE INTENT

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

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

(c)(1) Structural racism, defined as the laws, policies, institutional practices, cultural representations, and other societal norms that often work together to deny equal opportunity, has resulted in wealth disparities and cultural disempowerment among Vermonters.
(2) Great social costs arise from these inequities, including threats to economic development, democracy, and the social health and wellness of the State of Vermont.

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

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

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

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

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

(4) The laws and policies of our State and nation severed Indigenous persons from their land while denying them, Black persons, and other Persons of Color from having the opportunity to access and to own land.
(5) These actions of the State led to systemic racism that has impacted all Vermonters who have historically suffered from discrimination and who have not had equal access to public or private economic benefits due to race, ethnicity, sex, geography, language preference, immigrant or citizen status, sexual orientation, gender identity, socioeconomic status, or disability status.

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

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

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

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

(4) In order to rectify this history of inequity, we must create economic opportunity and cultural empowerment, using new systems that empower and center Vermonters who have historically suffered from discrimination and who have not had equal access to public or private economic benefits due to race.
ethnicty, sex, geography, language preference, immigrant or citizen status,
sexual orientation, gender identity, socioeconomic status, or disability status.

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

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

Sec. 2. FINDINGS

(a) Definitions. As used in this section:

(1) “Non-White” means Black, Indigenous, and other Persons of Color
(BIPOC). The term is not intended to reflect self-identity but rather how
persons are categorized in the racial caste system on which discrimination has
been historically based in the United States. This term is used in this act
because currently Vermont typically disaggregates data solely by White and
non-White.
(2) “Race and ethnicity” means the categories for classifying individuals that have been created by prevailing social perceptions, historical policies, and practices. The term includes how individuals perceive themselves and how individuals are perceived by others.

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

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

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

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

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

(5) Centuries of genocide, eugenics, broken treaties, displacement, and land dispossession placed persons of the Abenaki Nations and other Indigenous persons living in Vermont at a great social disadvantage.
(6) Although the original Vermont Constitution abolished slavery in this State, with two exception clauses, it took until 1854 for African Americans to be considered legally free and not being considered as property in the State and not until 1863 were African Americans federally recognized as free from enslavement.

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

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

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

(10) Sharecropping was the federal government prohibiting Black farmers from owning property and as a result they were forced to rent land from White landlords. Reconstruction policies resulted in sharecropping and
prohibiting Black farmers from owning property, and as a result they were
forced to rent land from White landlords. Many Black farmers at this time
experienced unfair terms and agreements.

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

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

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

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

(15) Funds from the GI Bill, intended to insure private mortgages,
reduce down payments, and cover tuition were only made available to White
veterans, denying BIPOC veterans access to wealth, land, and home
ownership; thus denying them access to the economic opportunity of

generational wealth.

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

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

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

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

(20) Nearly a quarter of Black Vermonters live in poverty, compared with 11 percent of Vermonters overall. However, poverty rates for the BIPOC community exceeded the State average in 2018. Poverty rates were also greater among persons who include themselves in two or more racial groups or identified as American Indian or of Hispanic or Latino origin.
(c) Concerning the connection among health, wealth, and property ownership, the General Assembly finds:

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

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

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

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

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

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

(D) significantly more likely to have depression;

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

(F) significantly more likely to report no leisure time physical activity.
(4) The average age is 33 for BIPOC Vermonters, versus 46 for Vermonters who are White.

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

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

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

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

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

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

(8) The median household income for a Black Vermonter is $41,533.00 compared to $58,244.00 for their White counterparts.
Nearly 24 percent of Black Vermonters live in poverty compared to nearly 11 percent of White Vermonters.

Sec. 3. PURPOSE

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

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

§ 3. ECONOMIC DEVELOPMENT; PRINCIPLES; REVIEW AND ASSESSMENT

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

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

(1) Vermont’s businesses, educators, nongovernmental organizations, and government form a collaborative partnership that results in a highly skilled multigenerational workforce to support and enhance business vitality and individual prosperity.
2

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

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

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

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

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

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

§ 3902. OFFICE OF ECONOMIC OPPORTUNITY

(a) The Director of the Office of Economic Opportunity is hereby
authorized to allocate available financial assistance for community services
agencies and programs in accordance with State and federal law and
regulation.

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

(1) to secure and retain meaningful employment;

(2) to obtain adequate education;

(3) to make better use of available income;

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

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

(6) to obtain emergency assistance through loans and grants to meet
immediate and urgent individual and family needs, including the need for
health services, nutritious food, housing, and unemployment-related assistance;
(7) to remove obstacles and solve personal and family problems which block achievement of self-sufficiency;

(8) to achieve greater participation in the affairs of the community;

(9) to make more frequent and effective use of other programs related to the purposes of this chapter;

(10) to coordinate and establish linkages between governmental and other social service programs to assure the effective delivery of such services to low-income persons; and to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community; and

(11) to correct the historical impact of economic exploitation and exclusion from opportunity due to race and ethnicity of American descendants of slavery and the broader Black, Indigenous, and other Persons of Color community.

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

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

§ 2471e. DEPARTMENT OF CULTURAL EMPOWERMENT AND ECONOMIC ADVANCEMENT

(a) The Vermont Department of Cultural Empowerment and Economic Advancement is created within the Agency of Commerce and Community Development.
(b) The Department shall work to ensure programing implementation through a statewide Cultural Empowerment and Economic Advancement Network, which shall consist of four Community Empowerment Centers located in different geographic regions of the State.

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

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

1. The Department shall administer the Fund.
2. The Fund shall comprise monies appropriated to it by the General Assembly and other public or private monies the Board accepts.
3. Unexpended balances and any earnings shall remain in the Fund from year to year.

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

(f) The Department shall provide grants to:

1. provide cultural empowerment programming to:
(A) educate on the true history, contributions, and resilience of American Descendants of Slavery (ADOS) and other Black, Indigenous, and other Persons of Color;

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

(C) facilitate various additional cultural activities; and

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

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

(A) small business technical assistance;

(B) small business grants and loans;

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

(D) technical assistance; and

(E) small business procurement contract assistance;

(3) coordinate personal and professional development, including:

(A) adult basic education;

(B) career development; and

(C) personal and career coaching; and

(4) deliver wealth development and management planning, consisting of:

(A) financial management;
(B) home and land ownership; and

(C) investment management.

Sec. 7. APPROPRIATION

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

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

§ 2. RACIAL AND SOCIAL EQUITY IN BUSINESS DEVELOPMENT

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

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

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

and

(3) provide BIPOC-owned businesses with technical assistance.
Sec. 9. 3 V.S.A. § 2222e is added to read:

§ 2222e. RACIAL AND SOCIAL EQUITY IN BUSINESS PROCUREMENT PROGRAM

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

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

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

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

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

(g) The Secretary of Administration, in consultation with the Racial Equity Director, shall adopt rules that require each Agency and Department in this State to implement policies and procedures designed to create pathways for career advancement for current and future employees who are members of BIPOC communities in this State.
Sec. 11. 10 V.S.A. § 547 is added to read:

§ 547. RACIAL AND SOCIAL EQUITY IN CONTINUING EDUCATION AND APPRENTICESHIP

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

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2021.