INTRODUCTION

3 V.S.A. § 5003(f) requires that “[o]n or before January 15, 2020, and annually thereafter, the [Executive Director of Racial Equity] shall report to the House and Senate Committees on Government Operations demonstrating the State's progress in identifying and remediating systemic racial bias within State government.”

ADMINISTRATIVE MATTERS

Equity Impact Assessments
In 2022, the Office of Racial Equity worked with the Chief Performance Office and the Secretary of Administration’s office to update and expand the existing Equity Impact Assessment tool. Specifically, the new Impact Assessment (IA) tool incorporates the state’s principles of continuous improvement and strategic planning alongside the equity-focused provisions of the assessment tool. The result is a more comprehensive process that leads to better, more efficient, and more equitable policy proposals. The form continues to be a requirement for new budget or policy proposals generated from executive agencies. As discussed in the Director’s 2021 and 2022 legislative reports, the Office of Racial Equity strongly encourages and looks forward to the General Assembly’s implementation of an equity impact assessment process for use in the development and drafting of legislation.

Division of Racial Justice Statistics
In 2022, the State created the Division of Racial Justice Statistics in the Office of Racial Equity through H.546 (Act 142 of 2022). As described in the enabling legislation,

“[t]he mission of the Division is to collect and analyze data relating to racial disparities with the intent to center racial equity throughout these efforts. The purpose of the Division is to create, promote, and advance a system and structure that provides access to appropriate data and information, ensuring that privacy interests are protected and principles of transparency and accountability are clearly expressed. The data are to be used to inform policy decisions that work toward the amelioration of racial disparities across various systems of State government.”

As predicted throughout the legislative record surrounding the creation of the Division, the initial year startup of the Division would be largely administrative, and would focus on recruitment of staff, establishment of data sharing agreements and memoranda of understanding, and setting up technological infrastructure for the internal and the public-facing data reporting responsibilities. The Office is actively engaged in recruiting Division staff, and looks forward to moving swiftly to the substantive work of beginning to collect and report on data, specifically in ways that call upon policymakers to make impactful changes in “upstream” sectors that will create more equitable criminal justice outcomes.
Workforce Equity
According to the State of Vermont FY’22 Workforce Report:

- The percentage of classified state employees who identified as people of color (5.3%) was higher than the percentage of workers in the civilian workforce who were identified as people of color (4.8%). It is important to note here that this comparison only includes state employees who are part of the “classified” workforce, not the “exempt” workforce into which most supervisory and managerial positions fall. State employees of color are still underrepresented in supervisory and managerial positions, representing only 1.7% of employees considered Managers.

<table>
<thead>
<tr>
<th></th>
<th>Num.</th>
<th>Percent</th>
<th>Average Salary</th>
<th>Average Age</th>
<th>Average YOS</th>
<th>Percent Female</th>
<th>Percent Male</th>
<th>UREG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>410</td>
<td>5.5%</td>
<td>$99,835</td>
<td>50.1</td>
<td>15.7</td>
<td>50.2%</td>
<td>49.8%</td>
<td>1.7%</td>
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<tr>
<td>Supervisor</td>
<td>1,118</td>
<td>15.1%</td>
<td>$80,450</td>
<td>47.7</td>
<td>14.4</td>
<td>53.1%</td>
<td>46.9%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Non-Management</td>
<td>5,879</td>
<td>79.4%</td>
<td>$61,766</td>
<td>44.3</td>
<td>9.3</td>
<td>52.2%</td>
<td>47.8%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Total</td>
<td>7,407</td>
<td>100.0%</td>
<td>$66,717</td>
<td>45.1</td>
<td>10.5</td>
<td>52.2%</td>
<td>47.8%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Source: The State’s Human Resource Information System (VTHIR). Data include only classified employees of the Executive Branch for Fiscal Year 2021. Average Salary is annual base salary of full-time employees and does not include benefits or overtime. Average YOS is average length (years) of service. UREG is underrepresented racial and ethnic groups. See Appendix E for the definition of UREG as used in this report.

- Applicants for state service who identified as people of color were 16.3% of total applicants. People hired into state service who identified as people of color were 10.6% of total hires. By contrast, applicants for state service who identified as White were 83.7% of total applicants, but were 89.4% of total hires.

- Among the people whose state service ended in FY’22, there were marked racial and ethnic disparities. White employees who left state service were only fired in 5.3% of cases. Nearly a third of them (29.7%) left state service through retirement. By contrast, state employees of color who left state service in FY’22 were fired nearly twice as often as their White
counterparts were, at a rate of 9.1%. The remaining 90.9% of employees of color who left state service quit—none made it to retirement.

The State continued to pay staff of color less on average ($59,807 for state employees of color, $67,089 for White employees). The average age of employees of color is lower than the average age of White employees, so it is possible that a portion of this pay difference may be attributable to the distribution of entry-level positions among younger employees.

The gap in turnover rates remains disparate, but has narrowed since FY’20 (22.1% turnover rate for state employees of color, 14.7% turnover rate for White employees).¹

WORKGROUPS

The list of equity-related working groups created or led by the state has grown in the last year. The Director continues to rely on the work product and the expertise of these working groups and their members, and encourages the legislative and executive branches to continue supporting their important work.

However, the Director notes that the ever-expanding list of workgroups that focus on equity issues is growing at a pace that is not commensurate with the actual need for more workgroups. For example, at least 8 of the workgroups listed below are focused specifically on criminal justice matters. At least 4 are focused specifically on education and early childhood development (with another dozen community coalitions and organizations also prominently involved in this topic area at the state level). It is the Director’s recommendation that all branches of State government reassess the landscape of equity-focused workgroups to determine

- whether new workgroups are needed for a particular task/topic,
- whether existing workgroups can take on any new duties needed,
- whether any new workgroups need to exist in perpetuity or can serve as “task-and-finish” groups that will dissolve after a certain milestone is met,

• whether new workgroups will call upon the same set of community members who already sit on multiple workgroups,
• whether the compensation for the work is appropriate given the amount of work required by the members of the prospective new workgroup, and
• what work product or deliverable is expected of a new workgroup and how it will be effectively utilized or advanced by the State.

This recommendation does not suggest that the Office of Racial Equity should not be present in all of these discussions—while the staff of 3 stretches itself thin by trying to manage involvement in these 30+ workgroups, it is of paramount importance that equity, inclusion, belonging, and diversity be a foundational part of the work of every State-created or State-supported workgroup, because equity is everyone’s job and inequities reveal themselves in nearly all aspects of life and governance. Notwithstanding, embedding equity into all government activities does not require new entities or the tokenistic inclusion of certain predictable ones. Rather, building equitable and inclusive practices into government work requires that existing entities carry out their duties in inclusive ways.

Further, the siloing of work through creation of duplicative or parallel workgroups requires thoughtful planning about the practical ways in which these various groups are intersecting or collaborating, and the adequacy of the per diem compensation structure that is offered to some of the members of these workgroups.

Related to workgroup number is workgroup composition. In January and February 2023, the Office will administer a comprehensive survey of State-created boards and commissions to establish baseline demographic data. This process will help appointing authorities around the state better understand the demographic distribution of their hundreds of appointees.

<table>
<thead>
<tr>
<th>GROUP²</th>
<th>FORMAL TITLE³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act 186</td>
<td>Act 186 Population-Level Outcomes Working Group [L]</td>
</tr>
<tr>
<td>AIAC</td>
<td>Artificial Intelligence Advisory Council</td>
</tr>
<tr>
<td>BTF</td>
<td>Buprenorphine Task Force [M]</td>
</tr>
<tr>
<td>CCB</td>
<td>Cannabis Control Board [L]</td>
</tr>
<tr>
<td>CJC</td>
<td>Vermont Criminal Justice Council [VC]</td>
</tr>
<tr>
<td>CYFAAC</td>
<td>Child Youth Family Advocate Advisory Council [M]</td>
</tr>
<tr>
<td>DEW/NESSC</td>
<td>Diversifying the Educator Workforce (Vermont delegates to NESSC) [M]</td>
</tr>
<tr>
<td>EJAC</td>
<td>Environmental Justice Advisory Council [M]</td>
</tr>
<tr>
<td>EJIAC</td>
<td>Environmental Justice Inter-Agency Committee [M]</td>
</tr>
<tr>
<td>ELs</td>
<td>Equity Liaisons [C]</td>
</tr>
</tbody>
</table>

² This list does not include the many coalitions and workgroups performing equity work in Vermont’s communities. It includes state-created or state-led groups, which have the distinct characteristic of being legally mandated to serve their specified function and meet defined expectations.
³ [M]—Director is a member of this workgroup. [L]—Director serves as liaison or advisor to this workgroup. [C]/[VC]—Director is a chairperson or vice chairperson of this group.
In addition to this non-exhaustive list, Vermont is also home to numerous community-based organizations performing important and impactful equity work across the state. It is equally important that the state actively engage with and support these organizations, given their deep contacts in communities and their contributions to the state’s advancements in equity.

**Racial Equity Advisory Panel**
The Racial Equity Advisory Panel has submitted a companion report pursuant to 3 V.S.A. § 5003 (b)(3).

**Secondary Enforcement of Minor Traffic Offenses**
Act 106 of 2022 established a working group whose purpose is to assess which traffic violations under the state traffic laws can be reduced to “secondary offenses.” The legislative history of the bill demonstrates that the express purpose of its introduction was to reduce inequity in traffic stops and justice outcomes, especially among drivers of color, who are disproportionately more likely to be pulled over while driving, searched during a traffic stop, pulled over for pretextual stops, and experience physical harm or other negative outcomes compared to their White counterparts. As noted in the table above, the Office of Racial Equity is a member of this working group and values the expertise and analytical contributions of the other members involved. Still, it is important that members of the community participate in this process, and an appropriate next step for the State to take is to include a modest budget for the working group to conduct focused community outreach.
over the Spring and Summer 2023 so that the working group’s findings can be truly community informed when submitted in its October 2023 report.

“BIPOC” Business Convenings
The Request for Proposals issued last Session pursuant to Act 74 of 2021 has been concluded, with the final report having been submitted by the selected vendor, Vermont Partnership for Fairness and Diversity in October 2022. The Office of Racial Equity has met several times with the Agency of Commerce and Community Development to review the findings and recommendations and to consider next steps. It is the Director’s assessment that the majority of the recommendations in the vendor’s report are actions that do not require legislation and that require minimal budget. Therefore, it is the Director’s recommendation that they be implemented as early as possible. The convenings process illuminates several larger themes surrounding State government operations, including how wedded to “traditional” contracting practices the State should remain if those practices do not advance equity, and how the State can improve its procurement procedures to be more inclusive and more reflective not only of the current resident and business owner population, but also the population of prospective residents and business owners we want to grow. Other notable findings from the report include

- Of the 3,172 active contracts managed by State of Vermont 2021, only 14, or 0.4%, were with Global Majority 4 businesses domiciled in Vermont.
- Global Majority businesses domiciled in Vermont had contracts in 2021 valued at $642,366, or 0.00021%, of the $3,039,706,311 in State contracts.
- 39 entries in the State of Vermont Contractors 2021 database were also found in the M/WBE directory maintained by Building and General Services. However, of those 39, only 8 were Global Majority owned businesses; the remaining 30 were owned by White women.

CURRENT PROJECTS AND AREAS REQUIRING CONTINUED ATTENTION

Upholding Our Values on Equity
The Office of Racial Equity has articulated a set of values that include

- Process equity,
- Systemic solutions for systemic problems, and
- Transformative change over transactional change.

The Director has seen noticeable and valuable progress in the culture shift that it takes to advance equity in government systems. Still, there are some parts of state government that remain committed to upholding the status quo at the expense of greater inclusion. This is true in all organizations who attempt to make meaningful change in their equity and inclusion practices, but the implications and the stakes are much greater where government is concerned. We have witnessed firsthand at the local and federal levels how a loud few can derail a movement towards justice, and so state government should not consider itself immune to this risk.

4 The term “Global Majority” is drawn from the vendor report, and is defined in the report as “A collective term that refers to people who are Indigenous, Black, Asian, Brown, dual-heritage, and or have been racialized as 'ethnic minorities'.”
Overall, there are far more examples of positive collaboration and sincere effort than there are of obstruction, but a more useful measure is not the number of hurdles, but rather, the height of them. For example, in a recent conversation with a colleague who hold significant positional power in the state, the Director’s suggestion to include community members in a review panel and compensate them for their time was met with responses including

- “That’s not how we do things in state government.”
- “The legislation didn’t require that and there’s no budget for that, so why would we do it?”
- “I get that equity was the original intent of the bill, but I’m just looking at the words on the page of what was ultimately passed.”
- “Why would we give up our authority like that?”
- “Why is the state being treated as outsiders? If we were put in charge of this process by the legislature, then let us run it. If not, then why don’t you take over if we’re not going to be allowed to manage this.”

Comments like these are a predictable and understandable stance for leaders in a system that has for decades operated from fixed processes. Yet, they are the product of a zero-sum mentality that treats power as finite and competitive. Further, they contradict the values of process equity and transformative change. By empowering and taking direction from communities, government is made stronger, not weaker. Examples like these highlight the risk that without buy-in from leaders across the state, equity efforts will be hampered and a false dichotomy between “State official” and “activist” or “community member” will continue to be perpetuated.

By contrast, the Office has also drawn from positive examples of community engagement and commitment to equity from agencies and departments around state government. This includes holding candidate interviews for public-facing roles with community members present in group settings, or listening sessions to design the core elements of a new policy (such as the Language Access Plan, detailed in a separate report).

The examples shared above are included in this report because identifying and understanding key individual and interpersonal biases is key to assessing the State’s institutional and systemic success in advancing equity.

**IDEAL Vermont**

In October 2022, the Office of Racial Equity launched the IDEAL Vermont initiative. To date, the initiative has 14 member municipalities, with several more currently under consideration for membership. Most of these municipalities are also adopters of the Declaration of Inclusion, a municipal-level pledge affirming the community’s commitment to equity and inclusion. The initiative is funded through a one-time, two-year appropriation that will carry through FY’24.
Language Justice
The Office of Racial Equity engaged in a months-long process of community outreach and research to develop a language access report and recommendations. The report will be shared with the Legislature in a separate document and posted to the website of the Office of Racial Equity no later than February 1st. The recommendations in the report are numerous, and will affect every state agency, branch, and region. As such, several of them carry significant fiscal implications. The Office estimates it will cost approximately $3.5 million to translate the State’s existing vital documents into the languages most likely to meet the needs of Vermonters in various language groups. Further, changes to the state’s websites and technology platforms could assist with making government services more accessible for people in more language groups and for people living with disabilities. These actions are also necessary to ensure the State is in compliance with federal civil rights laws, including Title VI of the Civil Rights Act and Presidential Executive Order 13166. Additionally, implementing a language access plan will be a very large undertaking, requiring support from all State agencies and departments and a central office to oversee the work, monitor its outcomes, and plan for its long-term success.

Selected External Research
The Office of Racial Equity thanks its community and research partners for their diligent work to gather, analyze, and report on data that help to identify and address inequities. A large amount of research on varied topics has taken place this past year. A small set of them are listed below:
- Vermont State Police traffic stop data 2022, showing disaggregated data on rates of stops and other metrics.
- Agency of Education data dashboards, containing disaggregated data showing several areas of disparity.
- Justice Reinvestment – Domestic Violence Response project, showing disaggregated data about parties involved in domestic violence and the systemic supports that are available to them.
- Crime Research Group report on Black victims of crime, containing disaggregated data showing disparities between racial groups in the treatment and support of cases.