



# COMMONWEALTH of VIRGINIA

Office of the Governor

## Commission to Examine Racial Inequity in the Law

### AGENDA

Wednesday, April 7, 2021

1:30-3:30pm

Via [Webex](#)

1. Call to Order & Roll Call
2. Public Comment
3. Administrative Items
  - a. Approval of the Meeting Minutes – Nov. 5 meeting
4. Review of Report and Release Process
5. General Assembly Session 2021 Debrief
6. Review of Initial Proposals: Economic Inequalities
7. Topics for Consideration in Phase III of Commission Work
8. Student-Researcher Engagement
9. Community Engagement
10. Adjournment
  - a. Future Commission Meeting Dates

# 2021 Legislation

Topic	Bill Number	Patron	Description
Agricultural Equity	HB2165	Del. Hope	Heirs Property
Racial Equity	HB1990	Del. Aird	Criminal justice legislation; racial and ethnic impact statements
Education/ Criminal Justice	HB2312	Del. Herring	Marijuana; legalization of simple possession
Education/ Criminal Justice	SB1406	Sen. Ebbin	Marijuana; legalization of simple possession
Education	HB2105	Del. Bulova	Early childhood education; quality rating and improvement system participation; School Readiness Committee
Criminal Justice	HJ555	Del. Herring	Constitutional amendment; qualifications of voters and the right to vote (first reference)
Criminal Justice	HB2110	Del. Herring	Pretrial data collection; VCSC to collect and disseminate on an annual basis
Criminal Justice	SB1391	Sen. Lucas	Pretrial data collection; VCSC to collect and disseminate on an annual basis
Criminal Justice	HB2263	Del. Mullin	Death penalty; abolition of current penalty
Criminal Justice	SB1156	Sen. Surovell	Death penalty; abolition of current penalty

# Budget Amendment

Topic	Budget Language
Agricultural Equity	\$1.5 million for the cooperative extension at Virginia State University
Agricultural Equity	\$6.2 million for VSU's Virginia College Affordability Network, an expansion of an intrusive advising early warning
Education	\$16 million for expanding and improving early childhood education system in FY2022
Education	\$300,000 to expand the Virginia Kindergarten Readiness Program (VKRP) to all publicly funded Pre-K classrooms;
Education	\$161,000 to create a Deputy Superintendent of Early Childhood at the Department of Education to oversee the newly unified system
Education	\$30 million in previously un-allotted investments in tuition assistance at Virginia's public institutions of higher education
Education	\$8.4 million for investments at Norfolk State University and \$6.1 million at Virginia State University, as well as \$5 million for George Mason University and \$5 million for Old Dominion University.
Education	\$500 million to prevent reductions to school division funding due to COVID-19
Education/ Health Equity	\$27 million in school counselors
Education/ Health Equity	\$80 million for a two-percent bonus for teachers and support positions
Criminal Justice	\$13.1 million for the one-time and ongoing costs of implementing and operating an automatic expungement process for certain offenses

# Presentation to the Governor's Commission to Examine Racial Inequity in Virginia Law

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Professor Andy Block (Commission Vice-Chair)

Juliet Buesing (3L) & Lukus Freeman (3L),  
with Catherine Ward (2L) & Chris Yarrell (2L)



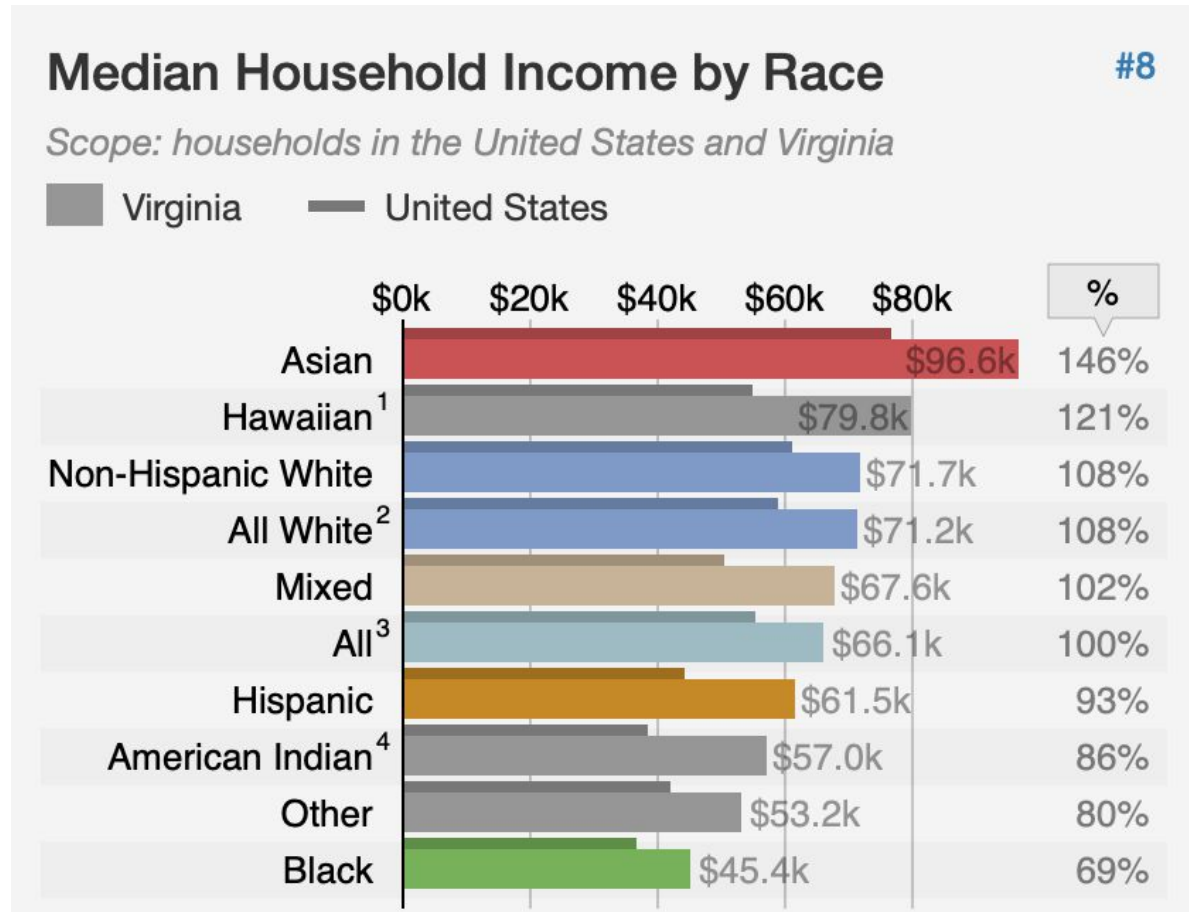
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# DISCLAIMER

The ideas and recommendations expressed in this presentation are not those of the University of Virginia, or the University of Virginia School of Law. They are those of the authors of this presentation alone.

# An Introduction to Economic Disparities



- Wide racial disparities appear in everything from income to wages to unemployment and wealth
- Historically, state-level policies intentionally created these disparities, and many current policies end up maintaining the disparities
- Recent legislative effort has focused on discrimination protections in the workplace, but work remains to be done.

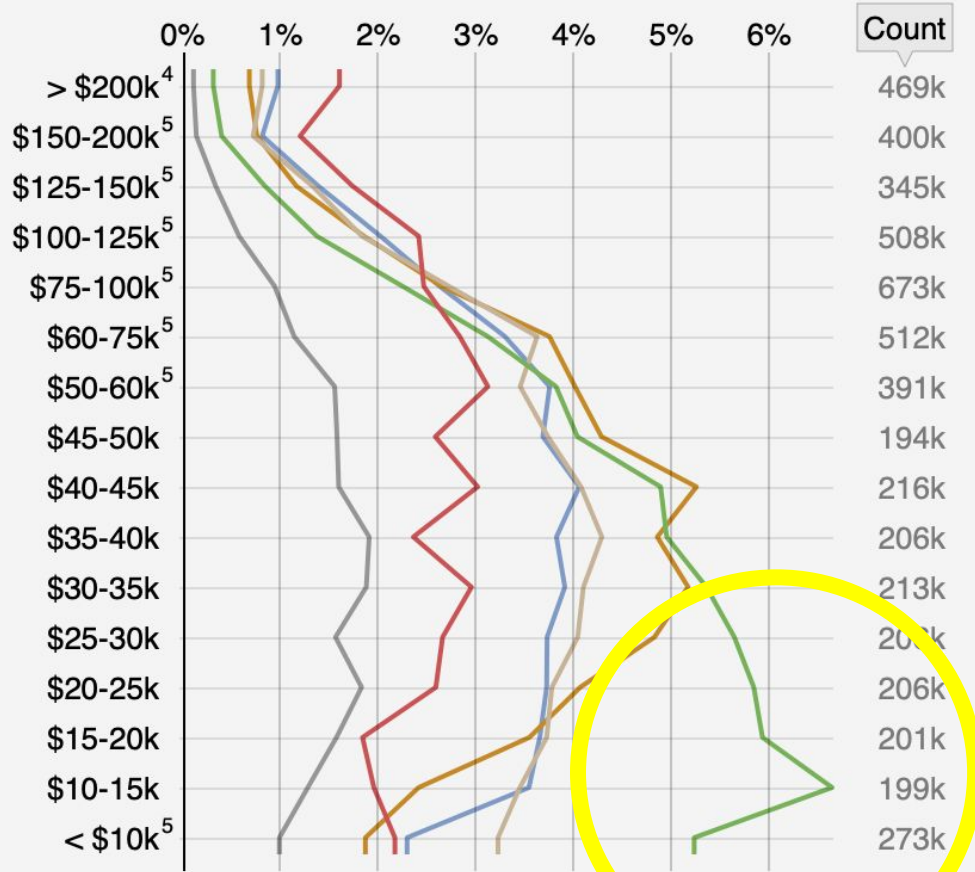
# Household Income Distribution by Race

#9

Independent household income distributions of the given ethno-racial groups, normalized with respect to a standard interval of \$5k.

Scope: households in Virginia

- White<sup>1</sup>    — Hispanic<sup>2</sup>    — Mixed<sup>3</sup>
- Black<sup>3</sup>    — Asian<sup>3</sup>    — Other<sup>3</sup>



Count number of people in interval  
<sup>1</sup> non-Hispanic white    <sup>2</sup> white Hispanic    <sup>3</sup> including Hispanic  
<sup>4</sup> normalized assuming interval of \$50k    <sup>5</sup> normalized

# INCOME

Notice the disproportionate rate of extreme poverty faced by Black Virginians, as compared to other racial groups.

This means that minimum wage and unemployment protections are particularly important for the commission's work on racial disparities.

Graphics by Statistical Atlas. Data from ACS and the U.S. Census Bureau.



1. Introduction
2. Summary of Proposed Topics for Economic Injustice
  - a) Minimum Wage and Unemployment
  - b) Paid Leave and Childcare
  - c) Tax Code Reform
  - d) Access to Capital
  - e) Consumer Protection Policies



# Wages and Unemployment

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# Minimum Wage

- Of all states, Virginia has the largest gap between its minimum wage and the bare minimum needed to support a family of four.
- The proposed minimum wage increase to \$15 in 2024 would benefit 1.2 million Virginians, including 39% of Black workers and 45% of Hispanic workers.
- Currently, minimum wage laws exclude farmworkers, landscaping, construction, and H2B Visa holders.

# Wage Theft

## What is wage theft?

### *Examples:*

- non-payment of overtime
- not giving workers their last paycheck after a worker leaves a job
- not paying for all the hours worked
- not paying minimum wage
- not paying a worker at all

- In 2020, HB 336 created a private right of action for wage theft and assigned investigations to the Department of Labor and Industry.
- However, many victims of wage theft lack the means to pursue a private cause of action, and the Department of Labor and Industry lacks the resources to adequately investigate claims.

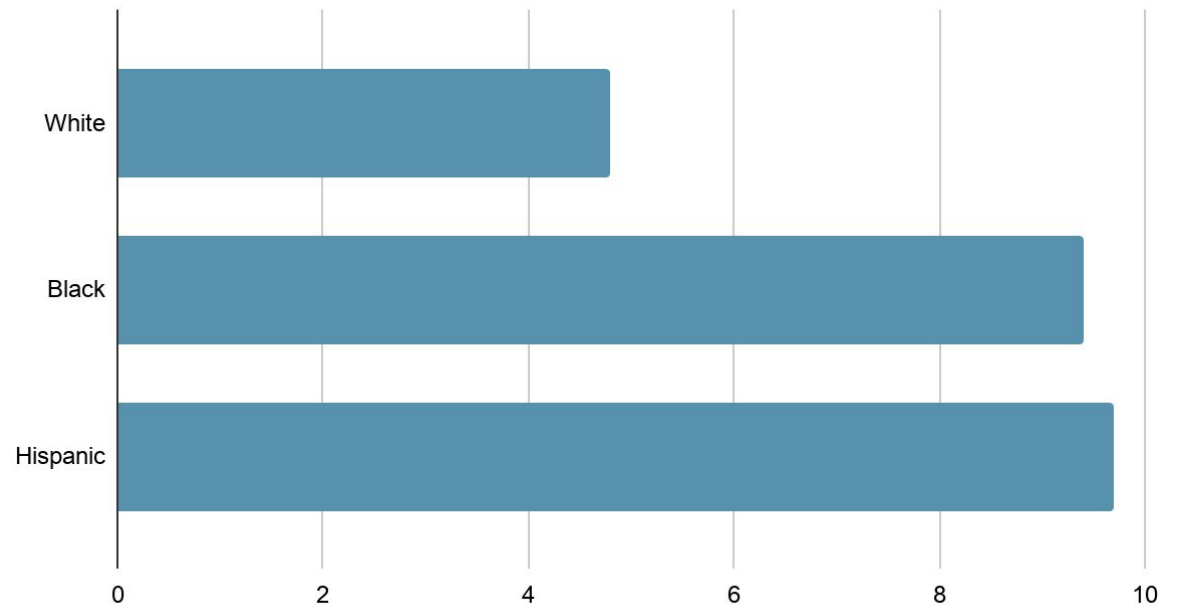
# Unemployment

- The unemployment and nonworking rates for Virginians of color are nearly double that of white Virginians.
- However, Virginia's unemployment system is ranked, on many lists, as one of the worst in the nation.

Source:

<https://www.epi.org/indicators/state-unemployment-race-ethnicity/>, U.S. Bureau of Labor Statistics.

Virginia Unemployment Rate by Race



# Paid Leave and Childcare

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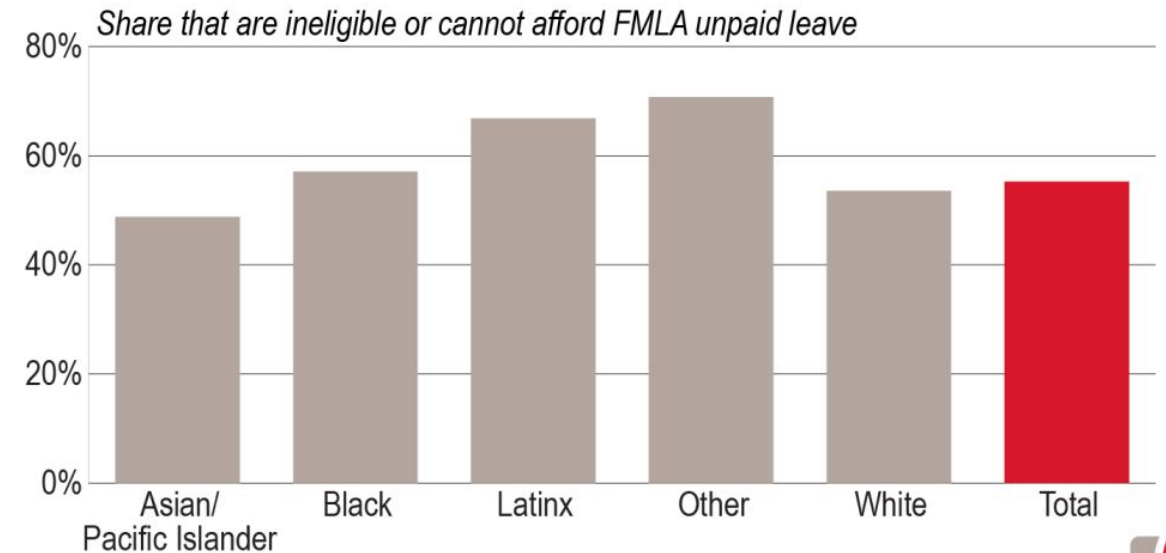
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# Paid Leave and Childcare

- Black and Latinx workers are both disproportionately excluded from paid leave policies compared to their white peers, and far more likely to be sole breadwinners for whom paid leave policies are crucial to survival and stability
- In Virginia, 67% and 57% of Latinx and Black workers, respectively, are either ineligible or cannot afford to take unpaid leave through the protections provided by the FMLA leave.

## For Many, Taking Unpaid Leave Impractical and Inaccessible

The federal Family and Medical Leave Act (FMLA) guarantees access to 12 weeks of unpaid leave but is available to less than 60% of Virginia workers. Many people of color are either ineligible or cannot afford to take unpaid leave.



Source: TCI analysis of 4-year data from diversitydatakids.org



# Tax Code Reform

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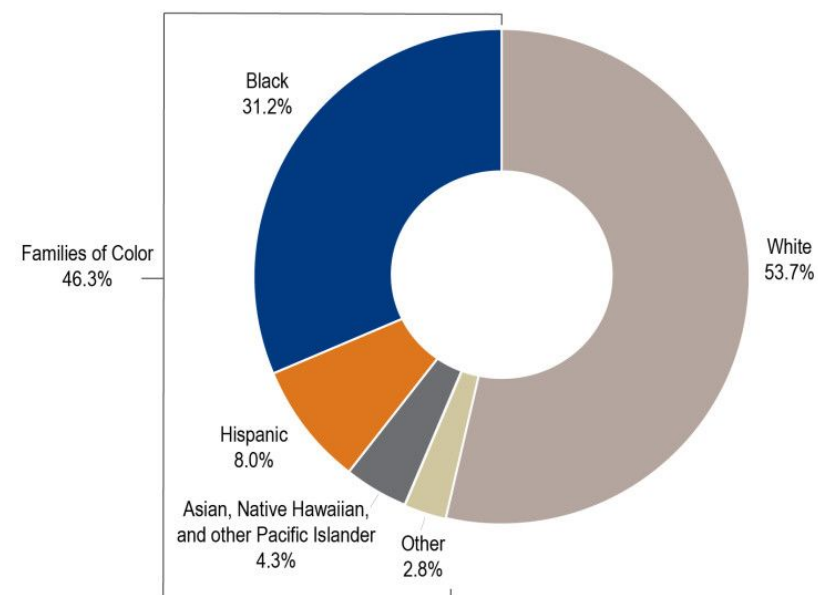
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# The Earned Income Tax Credit

- Making Virginia's Credit for Low-Income Taxpayers fully refundable would increase incomes by 0.6% for Virginia taxpayers in the lowest 20% of the income distribution.
- The increase would be 0.5% for white EITC filers, 0.9% for Black EITC filers, and 0.9% for Latinx EITC filers.
- The Credit is not available to those who file without a Social Security Number

## Almost Half of Virginia Families Who Receive the Federal EITC are Families of Color

Many of these families would benefit from making Virginia's EITC refundable – allowing these families to keep more of what they earned.



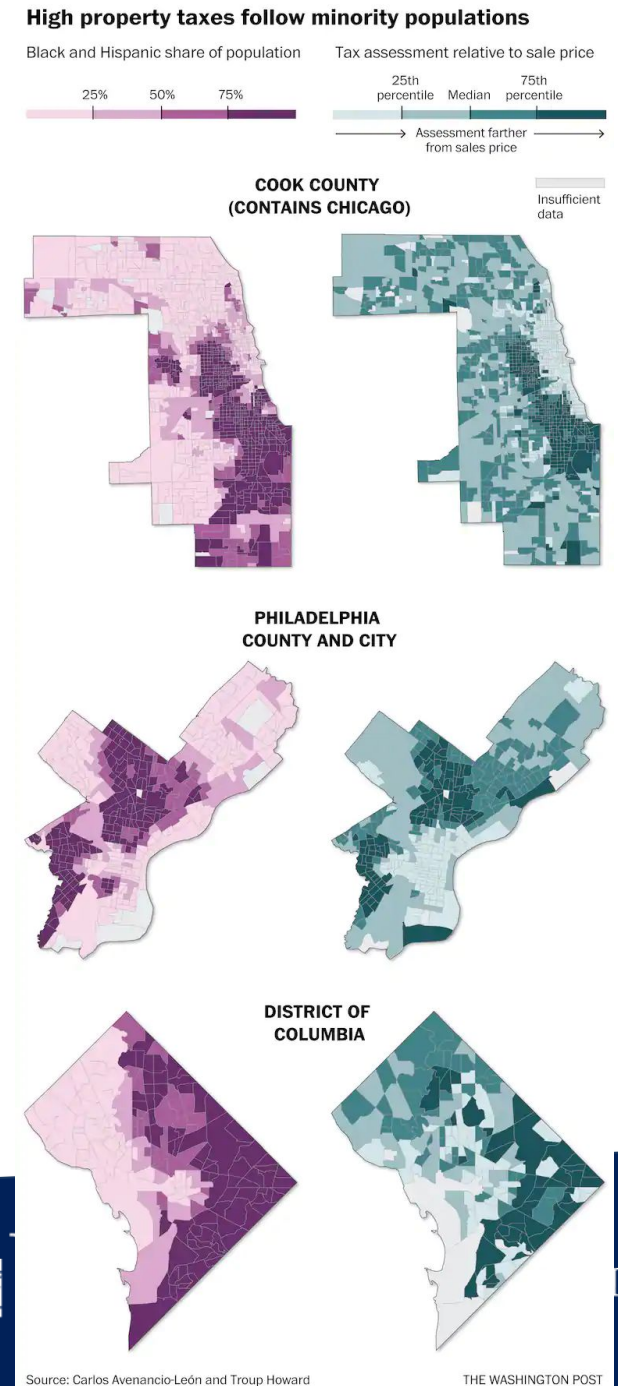
Source: Urban Institute's Analysis of Taxes, Transfer, and Income Security Model (ATTIS), using data from the 2015 American Community Survey





# Property Taxes

- Nationally, property tax schemes have historically fueled racial inequity.
- A lack of data at the local level creates the need for a statewide study to examine the effects of property taxes on racial equity in Virginia.



Source: The Washington Post



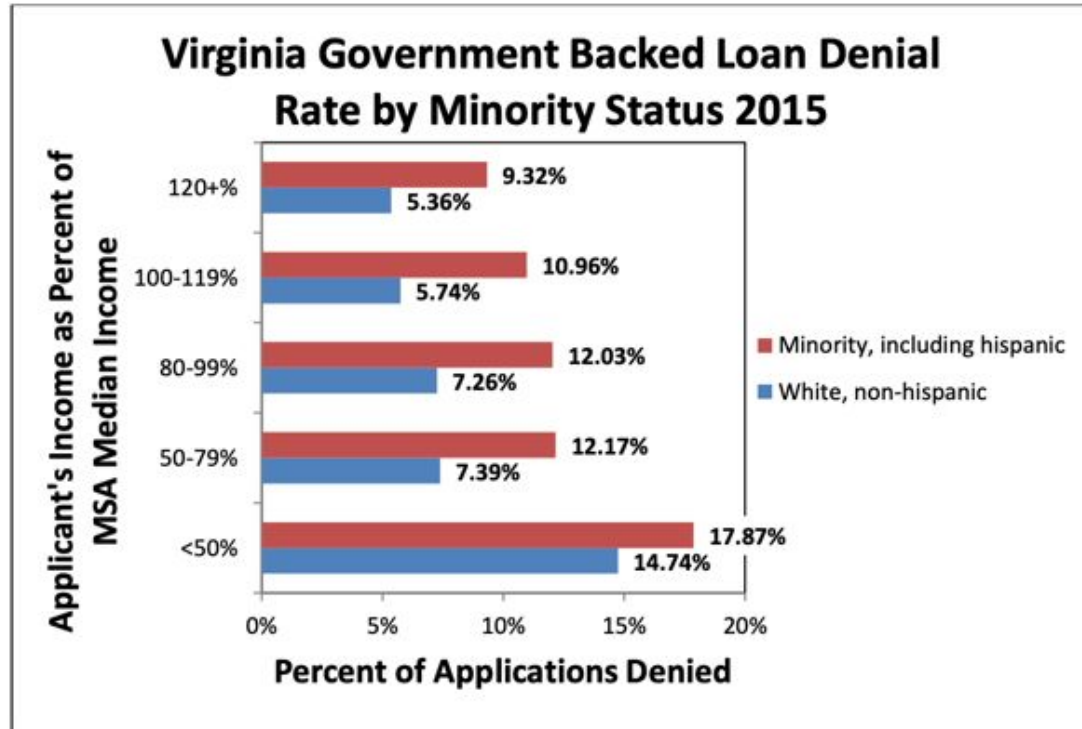
# Access to Capital

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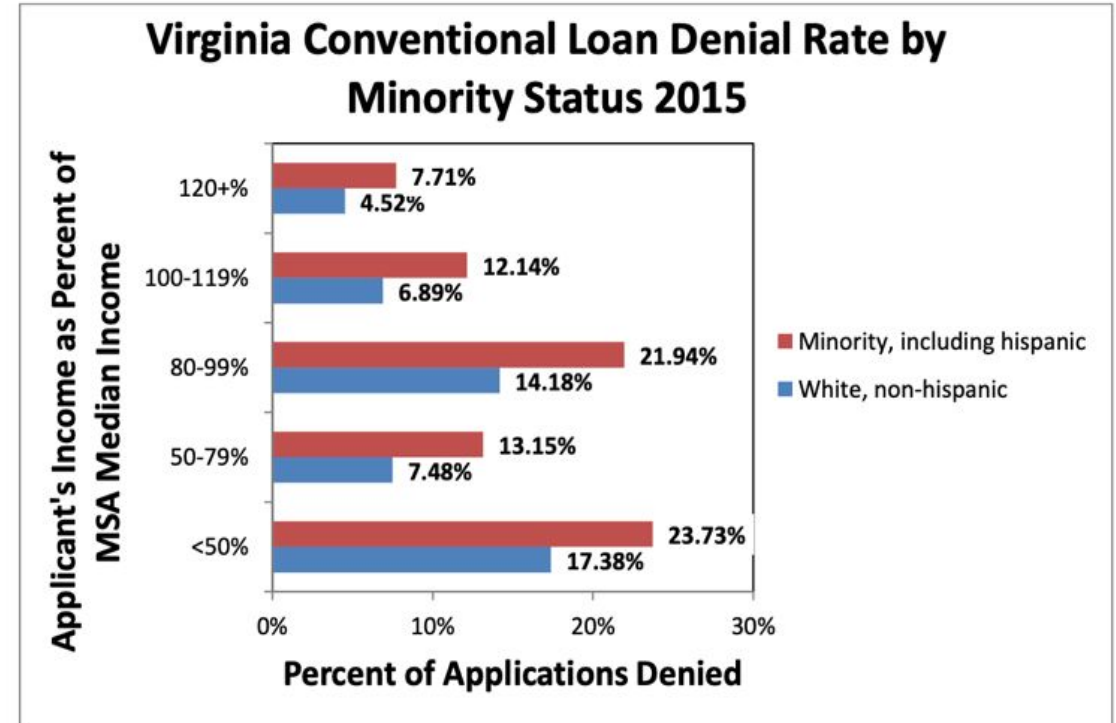


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Even when earnings far exceed the necessary income, families of color are much more likely to be denied a loan.



Source: HMDA Data, Federal Financial Institutions Examination Council



Source: HMDA Data, Federal Financial Institutions Examination Council

Source: Virginia Department of Housing and Community Development

Likely because of historical lending and legal discrimination, there is a significant difference in homeownership rates between white Virginians and people of color.

Homeownership Rate by Race  
in Virginia



PROSPERITY NOW  
SCORECARD

Source: American Community Survey, 2018

Source: Prosperity Now Scorecard

# Access to Capital

- There is a history of discriminatory lending practices to Black farmers and small business owners, frequently requiring overcapitalization or other terms unfavorable to the borrower.
- Nationally, predominantly nonwhite areas are more likely to have median credit scores that are below prime and subprime.

# Access to Capital

- Community Development Financial Institutions (CDFIs) are specialized community based financial institutions with a primary mission to promote economic development by providing financial products and services to people and communities underserved by traditional financial institutions, particularly in low income communities.
- The 2021 Budget Bill provided for \$10 million for the establishment of a CDFI fund to be administered by the Department of Housing and Community Development.

# Consumer Protection Policies

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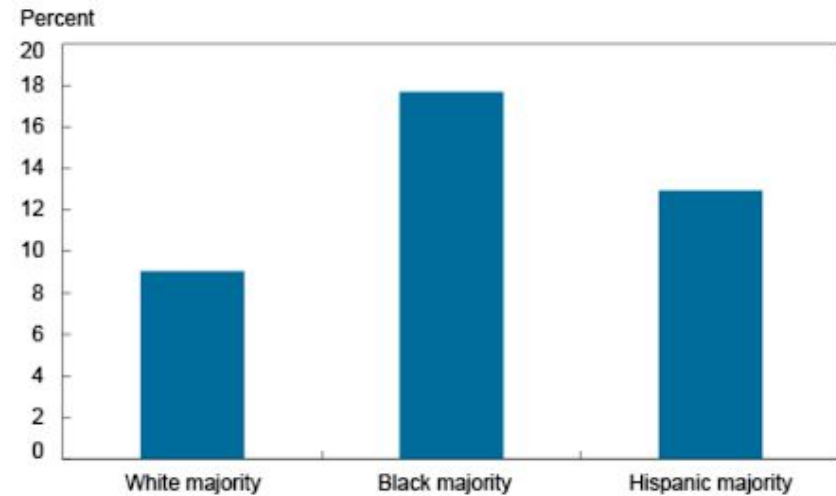
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# Consumer Protection Policies

- Debt Collection
  - Notice
  - Default Judgments
- Credit Scores/Reporting
- Scams
- Accessing Utilities

Default Rates in Black-Majority Zip Codes Are Double Those in White-Majority Zip Codes  
Borrowers in default, 2019:Q3



Sources: New York Fed Consumer Credit Panel / Equifax; Census Bureau.

Note: Borrowers are grouped by the racial majority in their zip code and represent area composition because individual information is not available (for example, in majority-white zip codes, 50 percent or more of the residents are white).



# Conclusion: Summary of Topics

- a) Minimum Wage and Unemployment
- b) Paid Leave and Childcare
- c) Tax Code Reform
- d) Access to Capital
- e) Consumer Protection Policies