



COMMONWEALTH of VIRGINIA

Office of the Governor

Commission to Examine Racial Inequity in the Law

AGENDA

Tuesday, May 11th, 2021

1:00-3:00pm

Via Webex

1. Call to Order & Roll Call
2. Public Comment
3. Administrative Items
 - a. Approval of the Meeting Minutes – April 7th meeting
4. Vote on topics for Consideration in Phase III of Commission Work
5. Student-Researcher Engagement
6. Community Engagement
7. Adjournment
 - a. Future Commission Meeting Dates: June 3rd 2021 (1-3pm)

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

Professor Andy Block (Commission Vice-Chair)

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



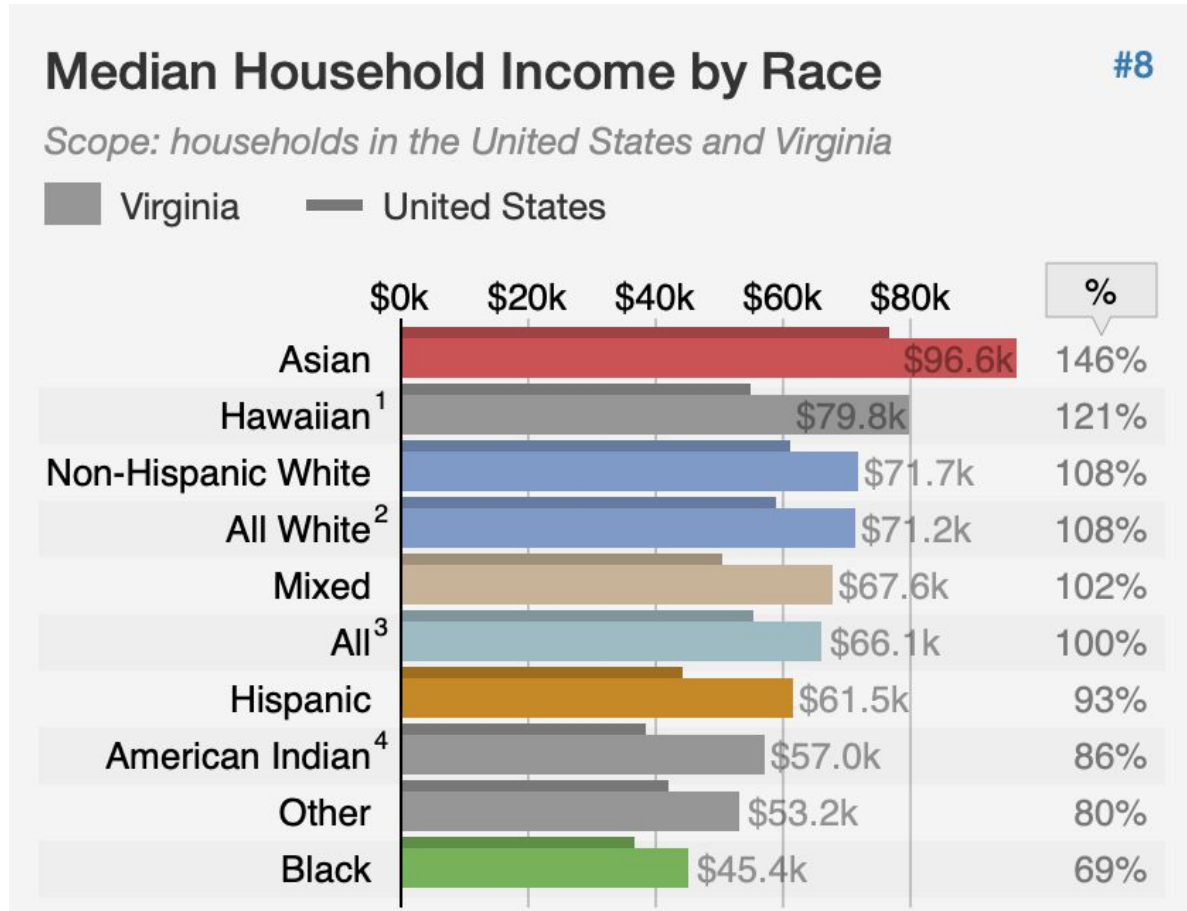
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DISCLAIMER

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.

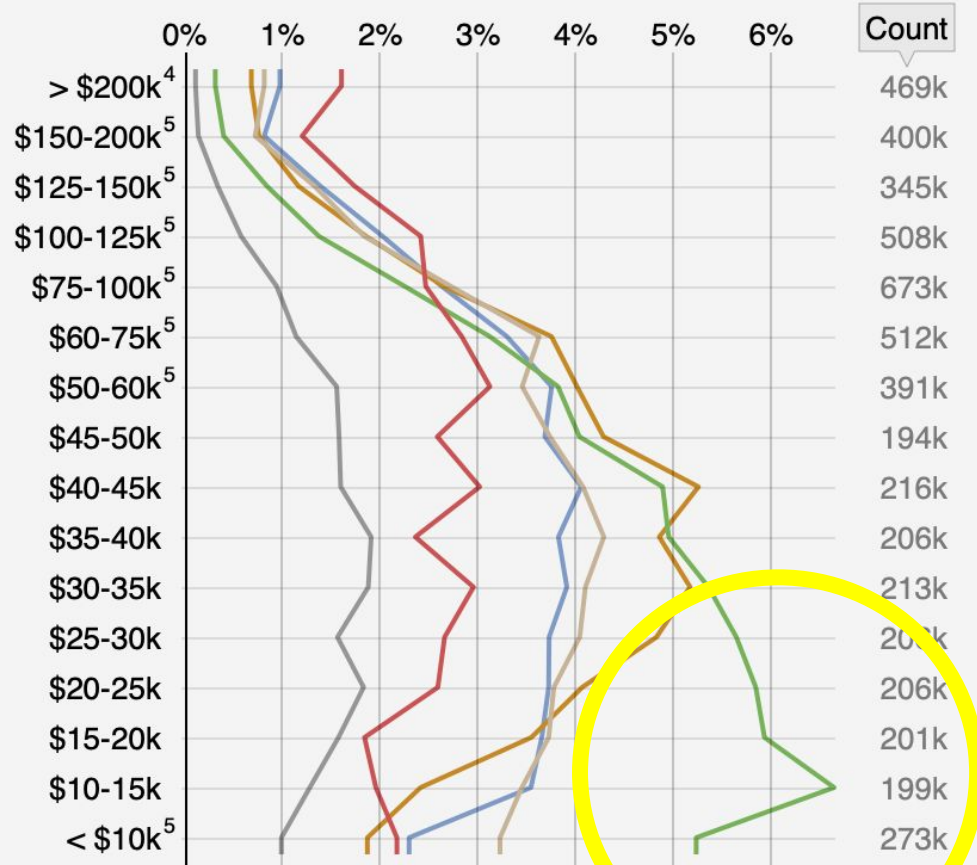
Household Income Distribution by Race

#9

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

Scope: households in Virginia

- White¹ — Hispanic² — Mixed³
- Black³ — Asian³ — Other³



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

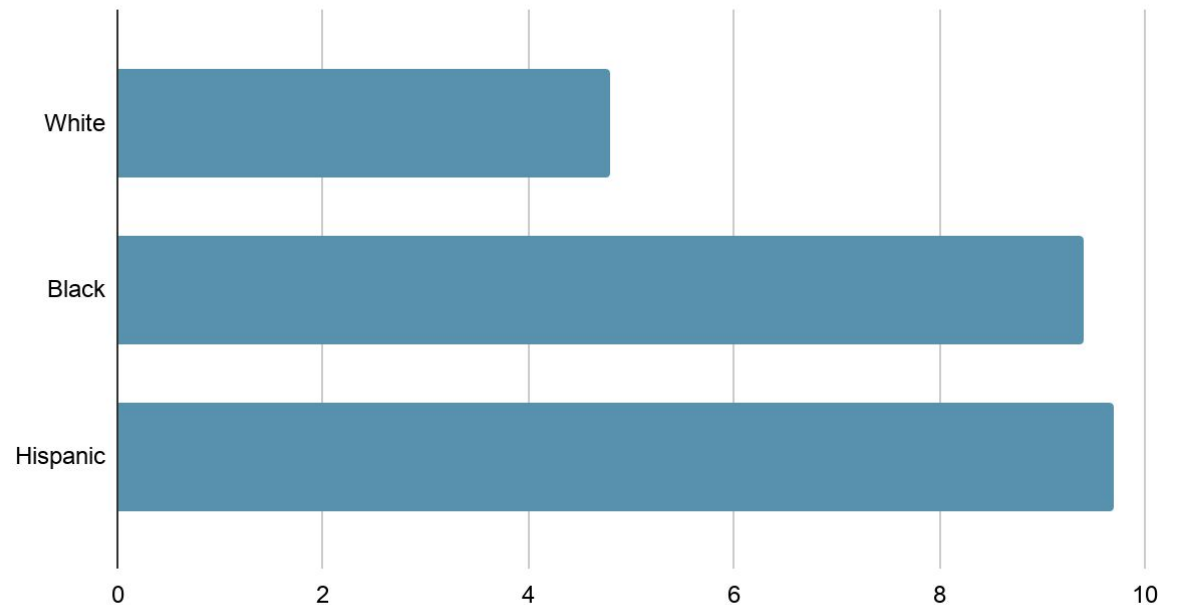
Unemployment

- 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



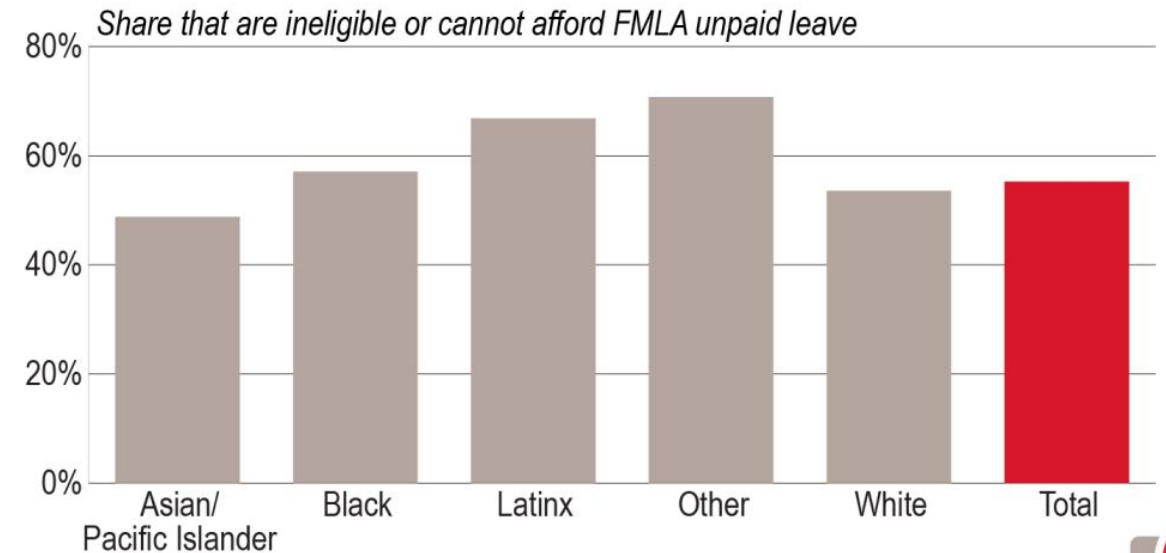
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Paid Leave and Childcare

- 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

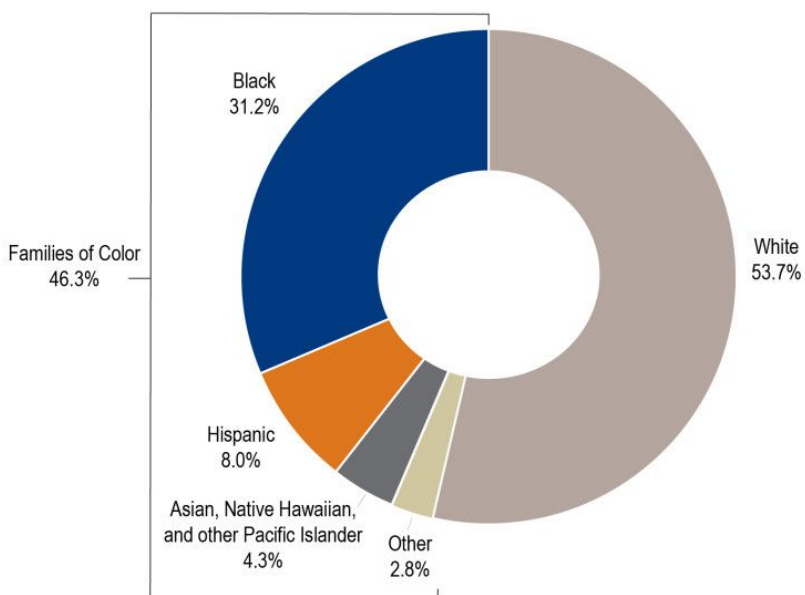


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The Earned Income Tax Credit

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.



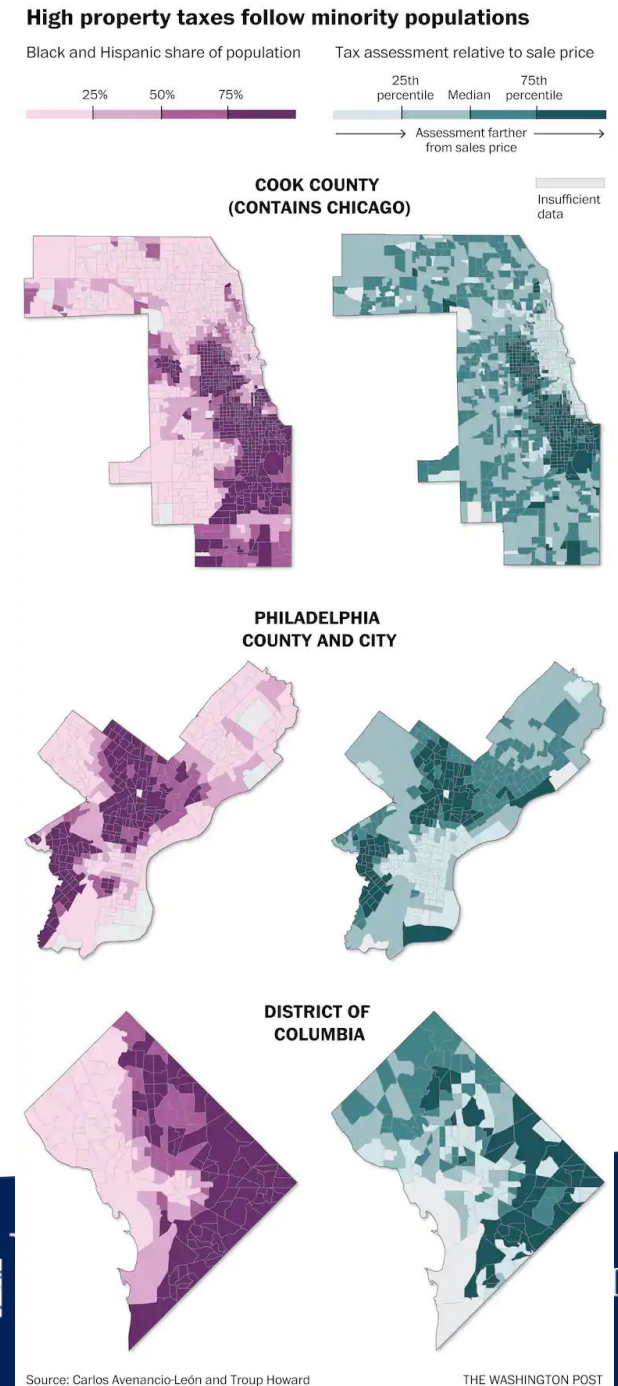
Source: Urban Institute's Analysis of Taxes, Transfer, and Income Security Model (ATTIS), using data from the 2015 American Community Survey



- 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

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

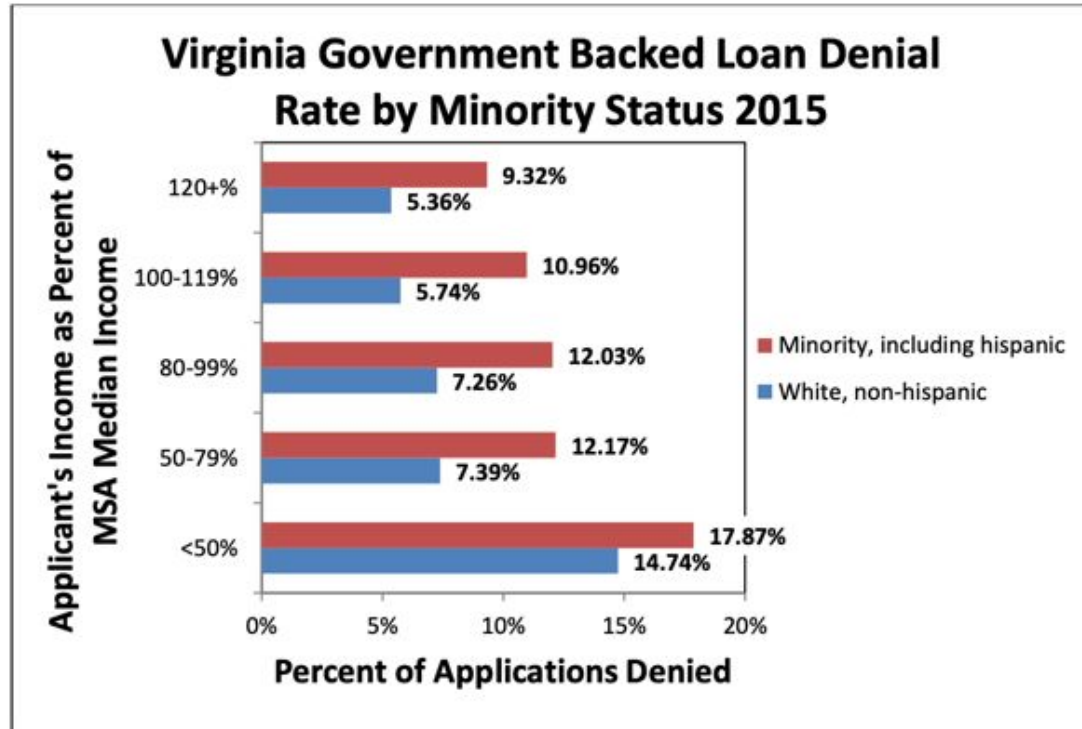


Access to Capital

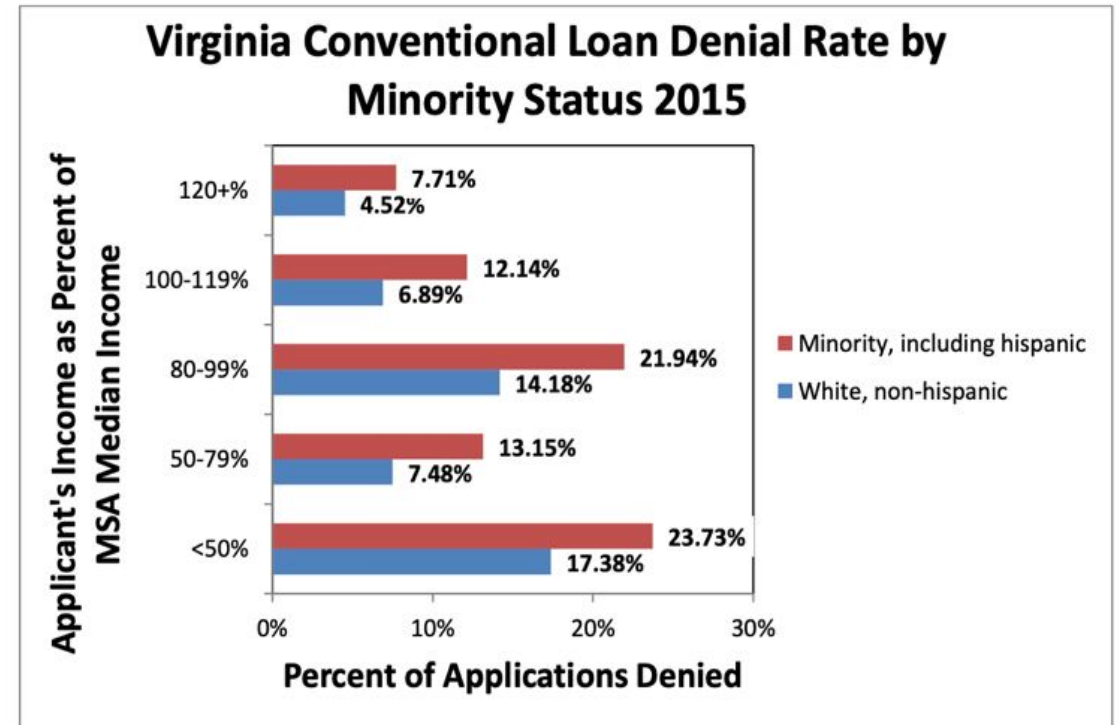


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Even when earnings far exceed the necessary income, families of color are much more likely to be denied a loan.



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



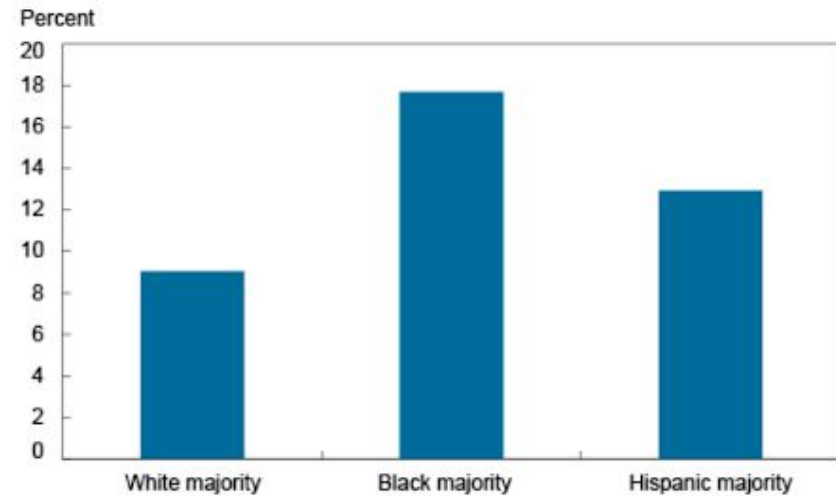
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Consumer Protection Policies

- 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

POTENTIAL RESEARCH AND POLICY TOPICS SUMMER 2021

Andrew Block
May 11, 2021



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POTENTIAL TOPICS

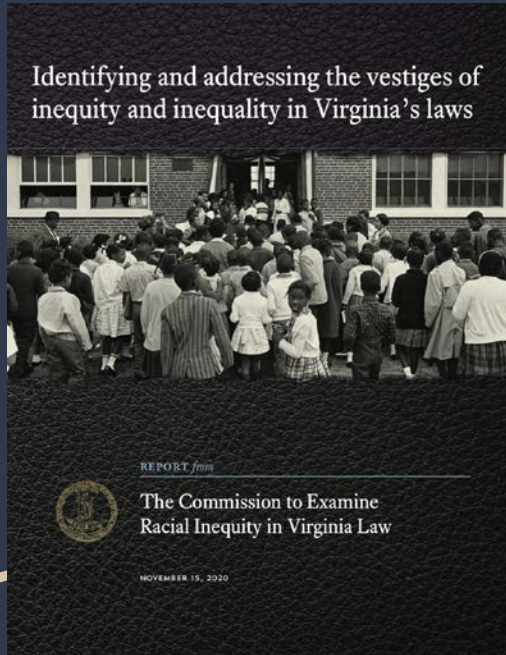
- **Economic Opportunity:**
 - Minimum Wage and Unemployment
 - TANF, SNAP, and other programs
 - Paid Leave and Childcare
 - Tax Code Reform
 - Access to Capital
 - Consumer Protection Policies
- **Access to Higher Education**
- **Rural Virginia:**
 - Data
 - Health
 - Education

Commission to Examine Racial Inequity in Virginia Law

An outreach presentation for _____.

A dark blue diagonal graphic that starts from the bottom left corner and extends towards the top right corner, covering the lower half of the slide.

Our Work



On **June 4, 2019**, Governor Ralph Northam signed Executive Order Number 32, establishing the Governor's Commission to Examine Racial Inequity in Virginia Law, with a goal to identify Virginia laws that "have the effect or could have the effect of enabling or promoting racial inequity or inequality." The Commission issued recommendations in December of 2019.

The next year, the Governor ordered the Commission to continue this work by identifying "the vestiges of inequity and inequality in Virginia's laws," researching ongoing disparities in Virginia life and determining how policy choices contribute to those disparities and, in turn, could help solve them.

In February of 2021, the Commission issued a report with both findings and policy recommendations.

Contents of this Presentation

1. Virginia's racist past
2. The Data Today
 - a. Economic Opportunity
 - b. Education
 - c. Housing
 - d. Criminal Justice
 - e. Health
 - f. Environmental Justice
3. Ongoing efforts to address racial inequities
4. What You Can Do

The General Assembly's Segregationist Past

Virginia's lawmakers created a systemic and pervasive legal framework to promote segregation and racial oppression in all areas of life.

“Segregation Districts” (1912)

“Whereas, the preservation of the public morals, public health and public order, in the cities and towns of this commonwealth is endangered by the residence of white and colored people in close proximity to one another; therefore,

1. Be it enacted by the general assembly of Virginia, that in the cities and towns of this commonwealth where this act shall be adopted in accordance with the provisions of section eleven hereof, the entire area within the respective corporate limits thereof shall, by ordinance, adopted by the council of each such city or town, be divided into districts, the boundaries whereof shall be plainly designated in such ordinance and which shall be known as “segregation districts.” ...

4. That after twelve months from the passage of the ordinances adopting the provisions of this act , it shall be unlawful for any colored person, not then residing in a district so defined as designated as a white district, or who is not a member of a family then therein residing, to move into and occupy as a residence any building or portion thereof in such white district. “

Racial Integrity Act (1924)

1. “Be it enacted by the general assembly of Virginia, That the State Registrar of vital statistics may, as soon as practicable after the taking effect of this act, prepare a form whereon the racial composition of any individual, as Caucasian, Negro, Mongolian, American Indian, Asiatic Indian, Malay, or any mixture thereof, or any other non-Caucasic strains, and if there be any mixture, then, the racial composition of the parents and other ancestors, in so far as ascertainable, so as to show in what generation such mixture occurred, may be certified by such individual, which form shall be known as a registration certificate. One of said certificates for each person thus registering in every district shall be forwarded to the State registrar for his files; the other shall be kept on file by the local registrar.
2. It shall be a felony for any person willfully or knowingly to make a registration certificate false as to color or race. The willful making of false registration or birth certificate shall be punished by confinement in the penitentiary for one year...
5. It shall hereafter be unlawful for any white person in this State to marry any save a white person, or a person with no other admixture of blood than white and American Indian. For the purpose of this act, the term "white person" shall apply only to the person who has no trace whatsoever of any blood other than Caucasian; but persons who have one-sixteenth or less of the blood of the American Indian and have no other non-Caucasic blood shall be deemed to be white persons. All laws heretofore passed and now in effect regarding the intermarriage of white and colored persons shall apply to marriages prohibited by this act.”

Massive Resistance (1956)

“Be it enacted by the General Assembly of Virginia:

1. Notwithstanding any other provision of law, no child shall be required to enroll in or attend any school wherein both white and colored children are enrolled.”

Other Acts from 1956:

- Established first system of vouchers to pay for white students to attend private schools;
- Removed normal licensing requirements for private schools;
- Removed local authority over schools if local schools moved to integrate;
- Further gave state authority to close local schools that were not operating an efficient system of education, defined as a segregated system of education.

Racial Disparities Today

Even though the laws are no longer on the books, Virginia's legal strategy had its desired effect: **deep disparities** between Virginians of different races across all major areas of life.

Poverty

Black Virginians in particular experience deep poverty at vastly unequal rates.

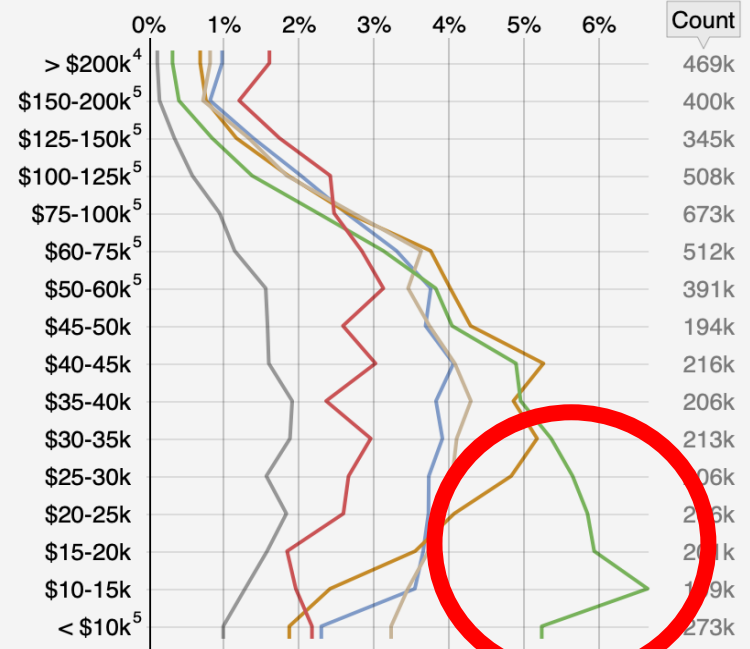
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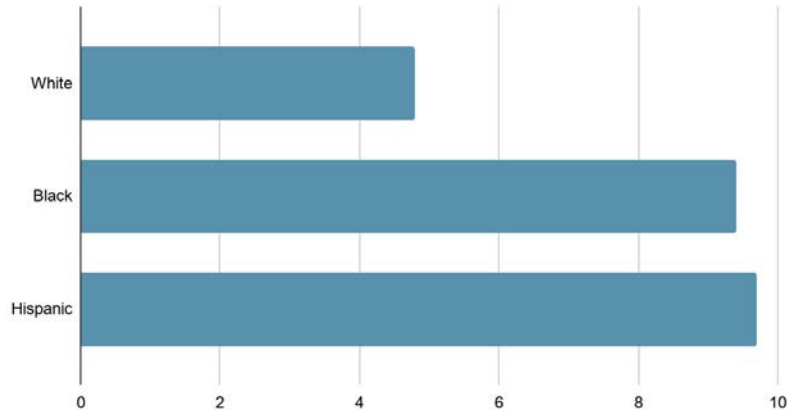
⁴ normalized assuming interval of \$50k

⁵ normalized

Economic Opportunity

Virginians of color have lower average incomes and are almost twice as likely to be unemployed.

Virginia Unemployment Rate by Race

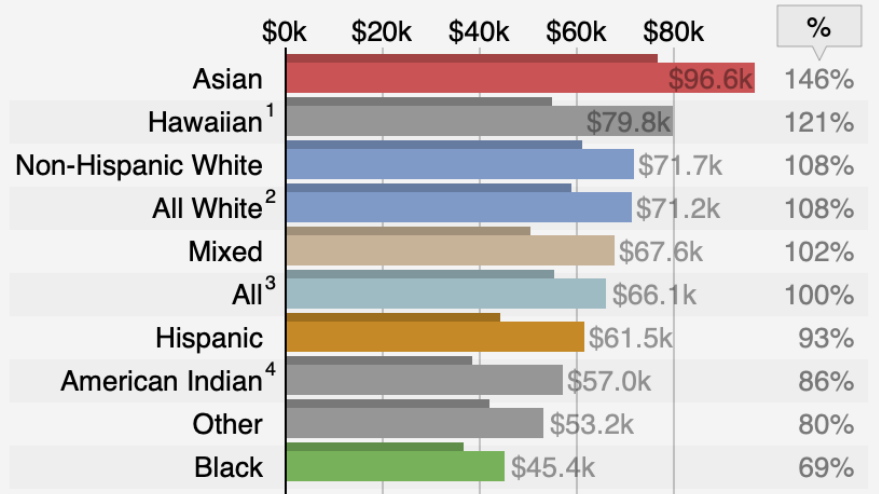


Median Household Income by Race

#8

Scope: households in the United States and Virginia

■ Virginia ■ United States

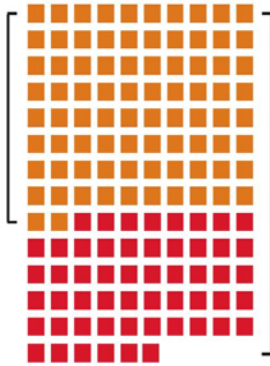


Segregation & School Funding

Highly Segregated

The number of schools isolated by poverty and race has grown dramatically in Virginia since 2003 and so has their enrollment.

In **2003** Virginia had **82** low-income, high-Black/Hispanic schools with **36,061** students



By **2014** that number has grown to a total of **136** low-income, high-Black/Hispanic schools with **74,515** students

Note: Schools are classified as high-poverty, high-Black/Hispanic if 75% or more of their students receive free or reduced lunch and 75% or more are Black or Hispanic.

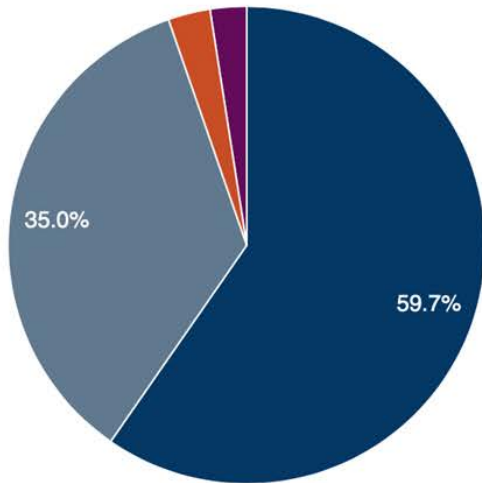
Source: TCI Analysis of VDOE Student Membership and Free and Reduced Lunch data.

According to the NEA's 2018 Ranking of the States Report:

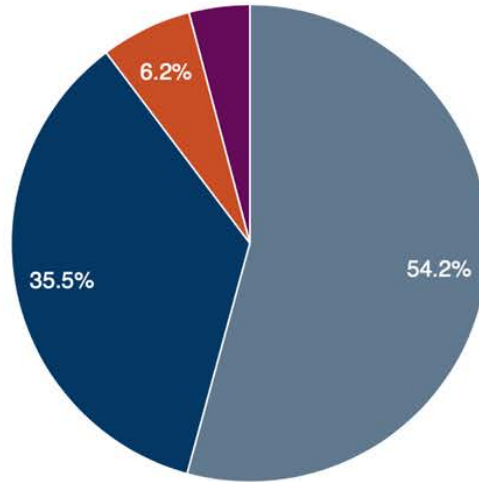
- Virginia's state-level contributions to education rank in the **bottom ten states in the nation** (#41), leaving nearly 60% of non-federal school dollars in Virginia to come from localities. This proportion is significantly worse than the national average.
- This is a problem because **local funding is dependent on property values**— which align with **racial disparities** from historical government practices.

Education

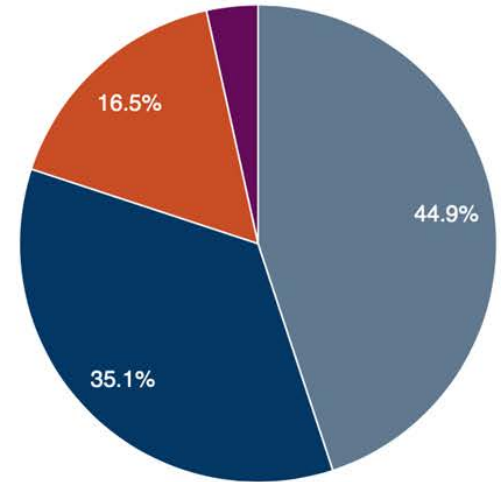
Class of 2019: White



Class of 2019: Black



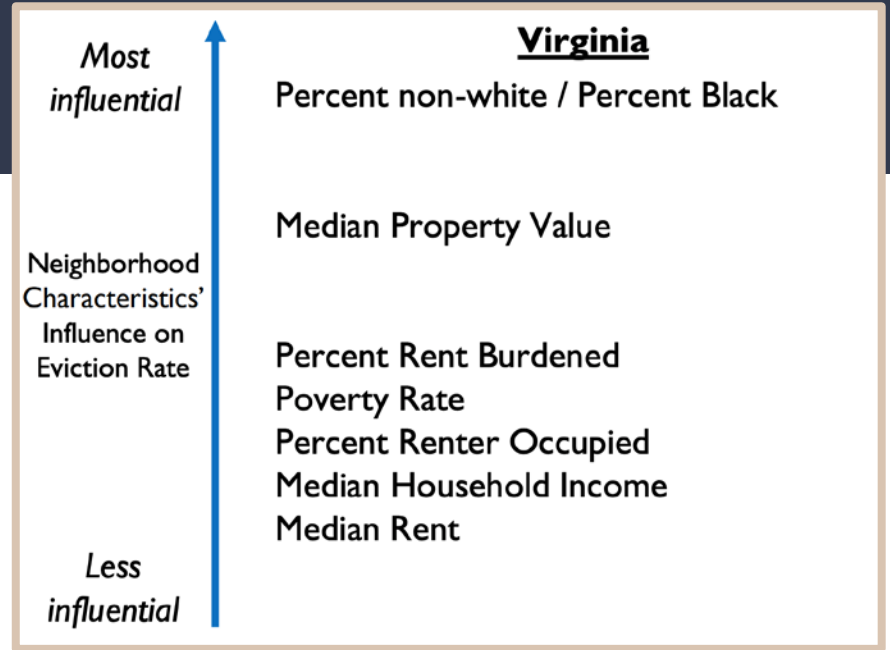
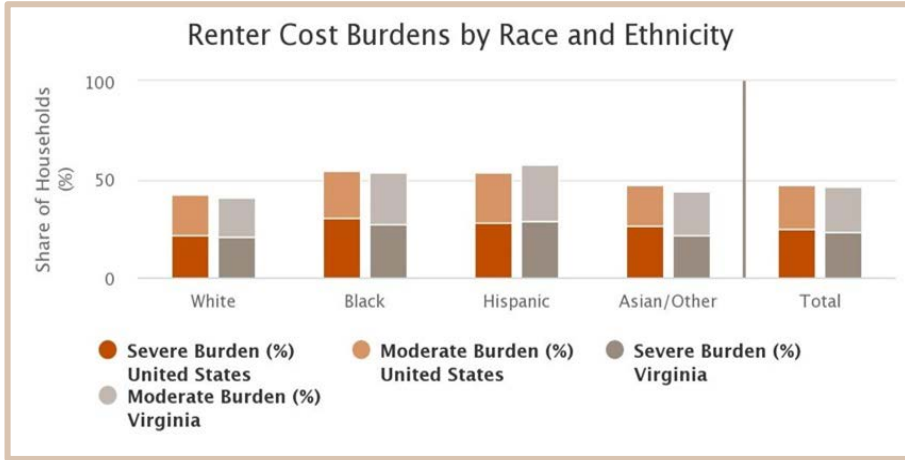
Class of 2019: Hispanic



■ Advanced Diplomas ■ Standard and Other Diplomas ■ GEDs, Certificates and Other Non-Graduates ■ Dropouts

Housing & Rent

Black and Hispanic Virginians pay more of their income to their rent than whites.



But even when they experience the same rent burden, Black Virginians are far more likely to face eviction.

Homeownership Disparities

While nearly three fourths of white families in Virginia own their own home, barely half of households of color are homeowners.

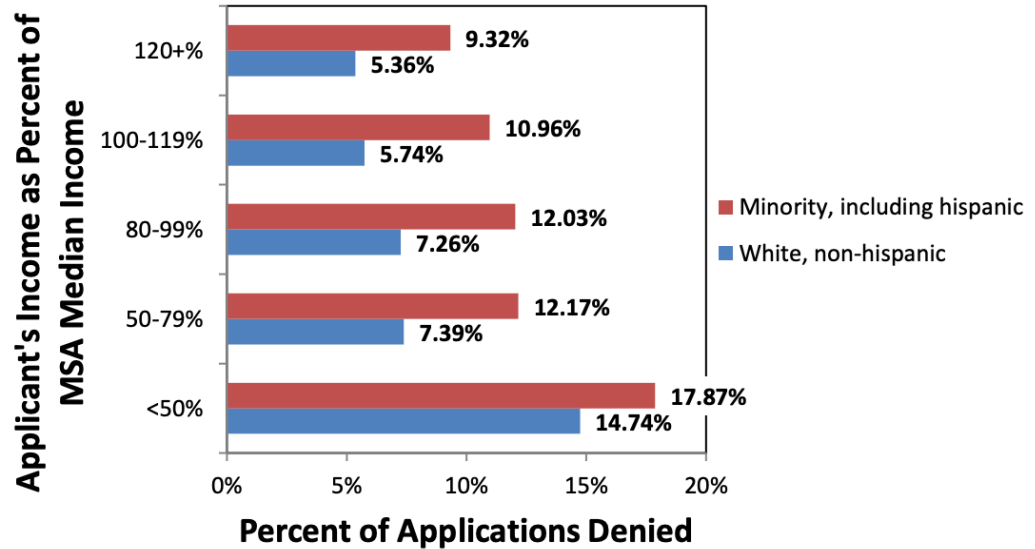
Homeownership Rate by Race in Virginia



Who can get a loan?

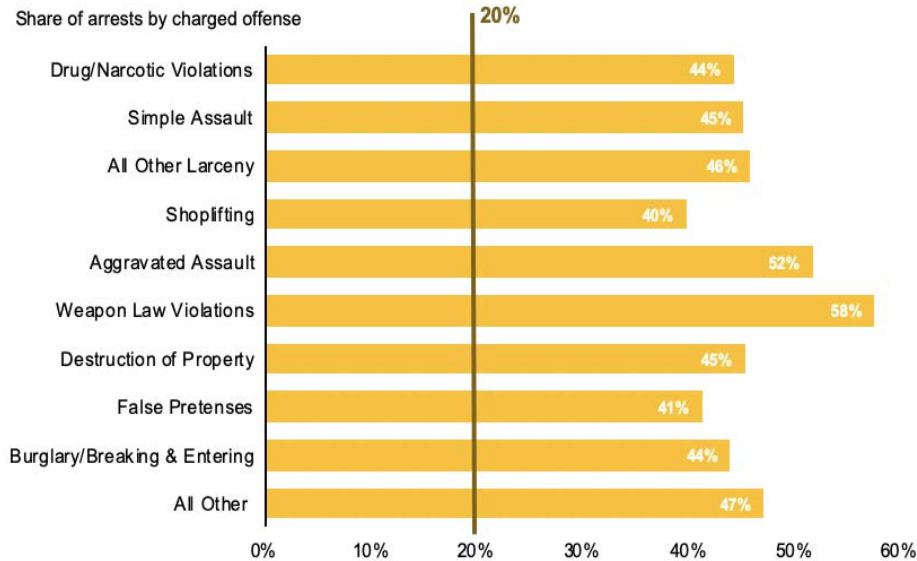
Homeownership requires capital that is not equally available to all.

Virginia Government Backed Loan Denial Rate by Minority Status 2015



Source: HMDA Data, Federal Financial Institutions Examination Council

Criminal Justice



SOURCE: Arrests by race and charged offense, Virginia State Police, 2018.

Black Virginians make up only 20% of Virginia's population.

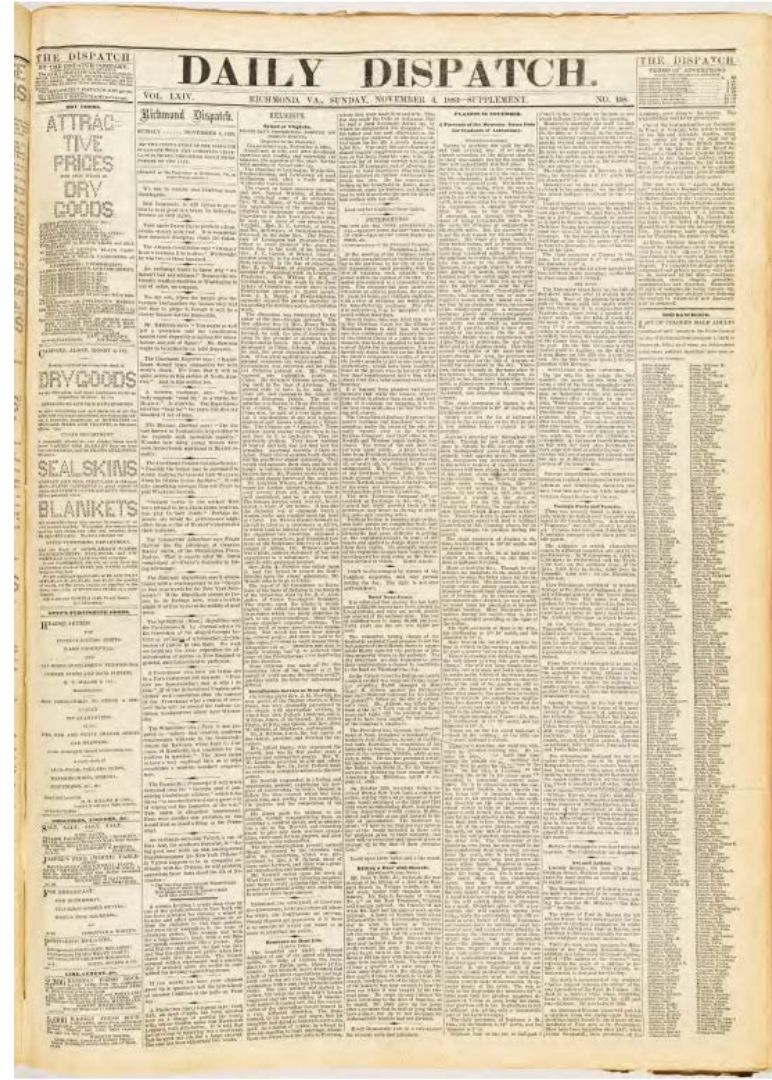
Yet they make up 45% of all arrests, nearly 60% of the jail population, and over half of the prison population .
The vast majority of crimes for which they are arrested are drug crimes .

Felony Disenfranchisement

Constitution of Virginia, Article II, Section 1:
Qualifications of voters. “. . . No person
who has been convicted of a felony shall be
qualified to vote unless his civil rights have
been restored by the Governor or other
appropriate authority. . . .”

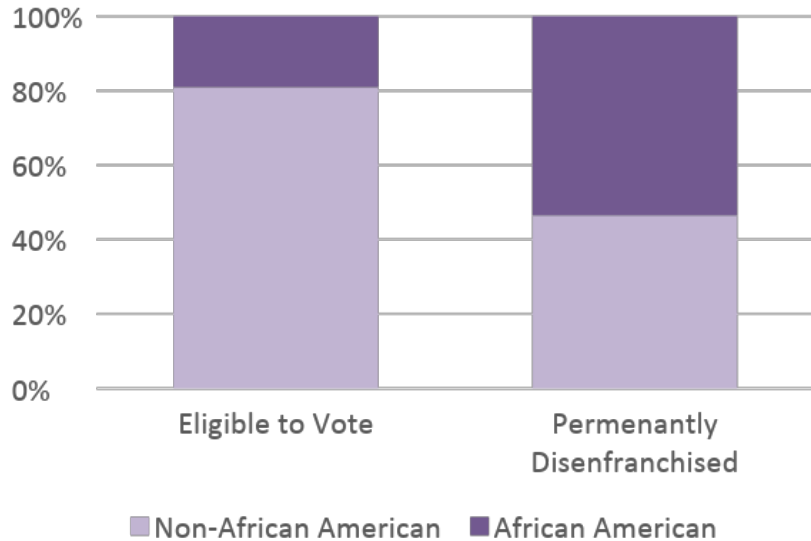
Racially Motivated Disenfranchisement

Virginia was intentional and thorough about disenfranchising Black voters. In this newspaper clipping, a list of Black male voters who have been disenfranchised is publicly displayed on the front page, in order to ensure that neighbors and community members will enforce their status.



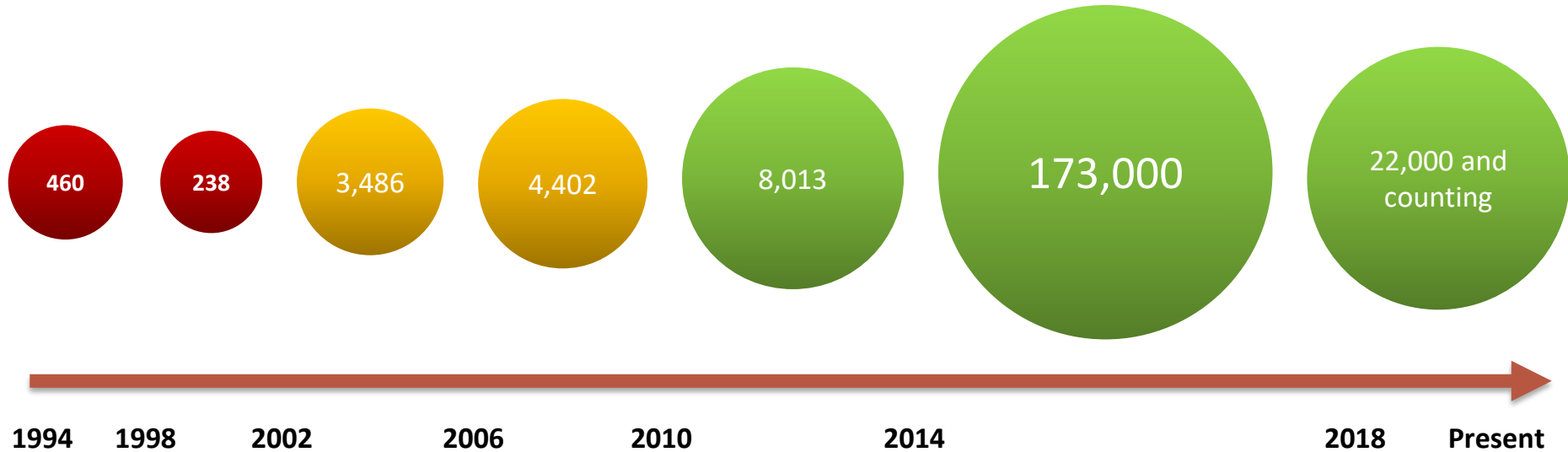
Voting & Disenfranchisement

Virginia's Voting-Age Population,
2016



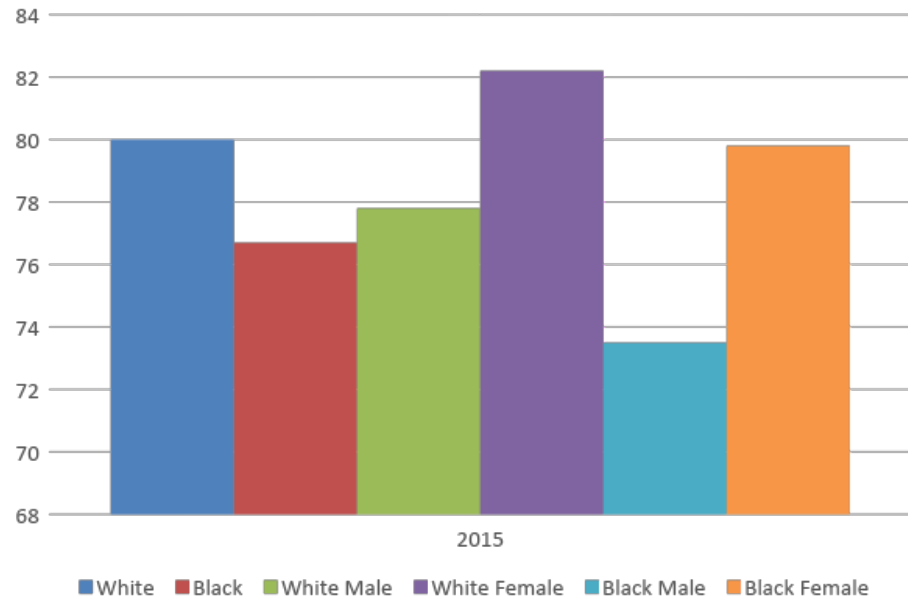
Although only 19% of Virginia's voting-age population, **Black Virginians** make up more than **HALF (53%)** of Virginia's disenfranchised voting -age population.

Voting Rights Restoration by Governor



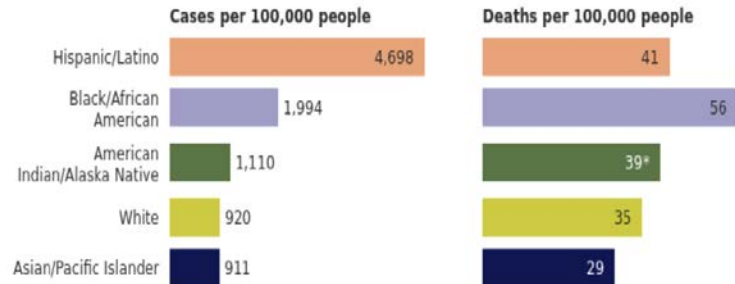
Health

Life Expectancy in Virginia



COVID-19 Contractions and Deaths

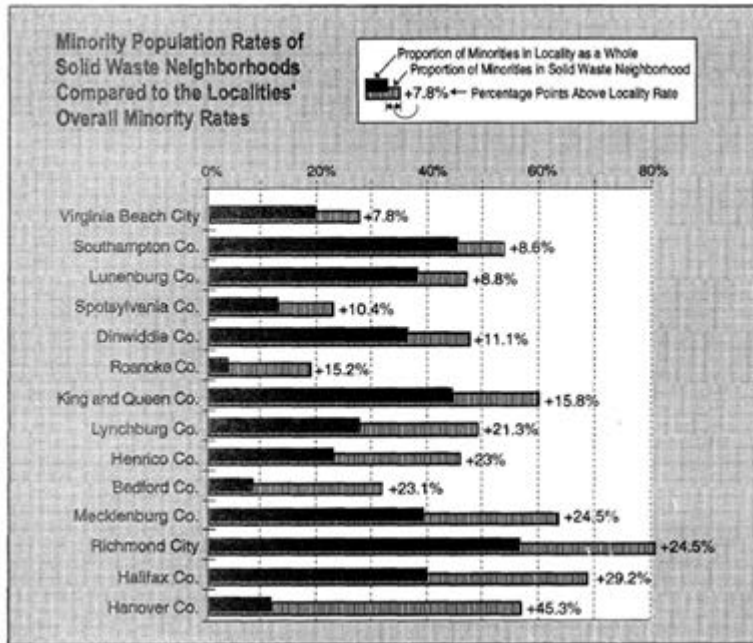
In **Virginia**, through October 14, Hispanic/Latino people were most likely to have contracted COVID-19. Black/African American people were most likely to have died.



Notes: Virginia has reported race and ethnicity data for 79% of cases and 97% of deaths. Graphic only includes demographic groups reported by the state. Race categories are mutually exclusive and defined as not Hispanic or Latino.

* Based on fewer than 10 deaths among members of this race/ethnicity. Interpret with caution.

Environmental Justice



“Environmental Justice is not just a box to be checked.”

-- *Friends of Buckingham v. State Air Pollution Control Board*

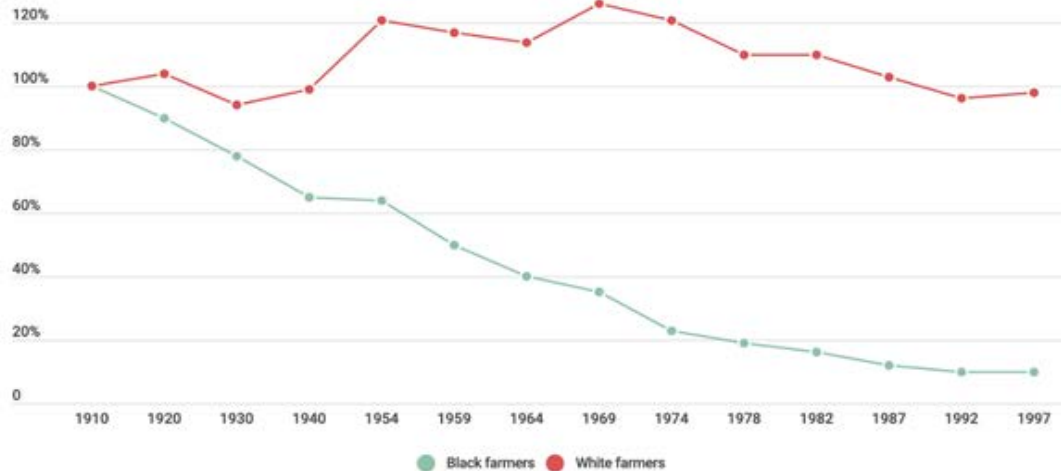
Source: Joint Legislative Audit and Review Commission of the Virginia General Assembly

Agricultural Inequity

Between 1910 and 1997, black farmers lost around 90 percent of the land they owned.

White farmers lost only about 2 percent over the same period.

Approximate ownership of farmland relative to 1910, by race



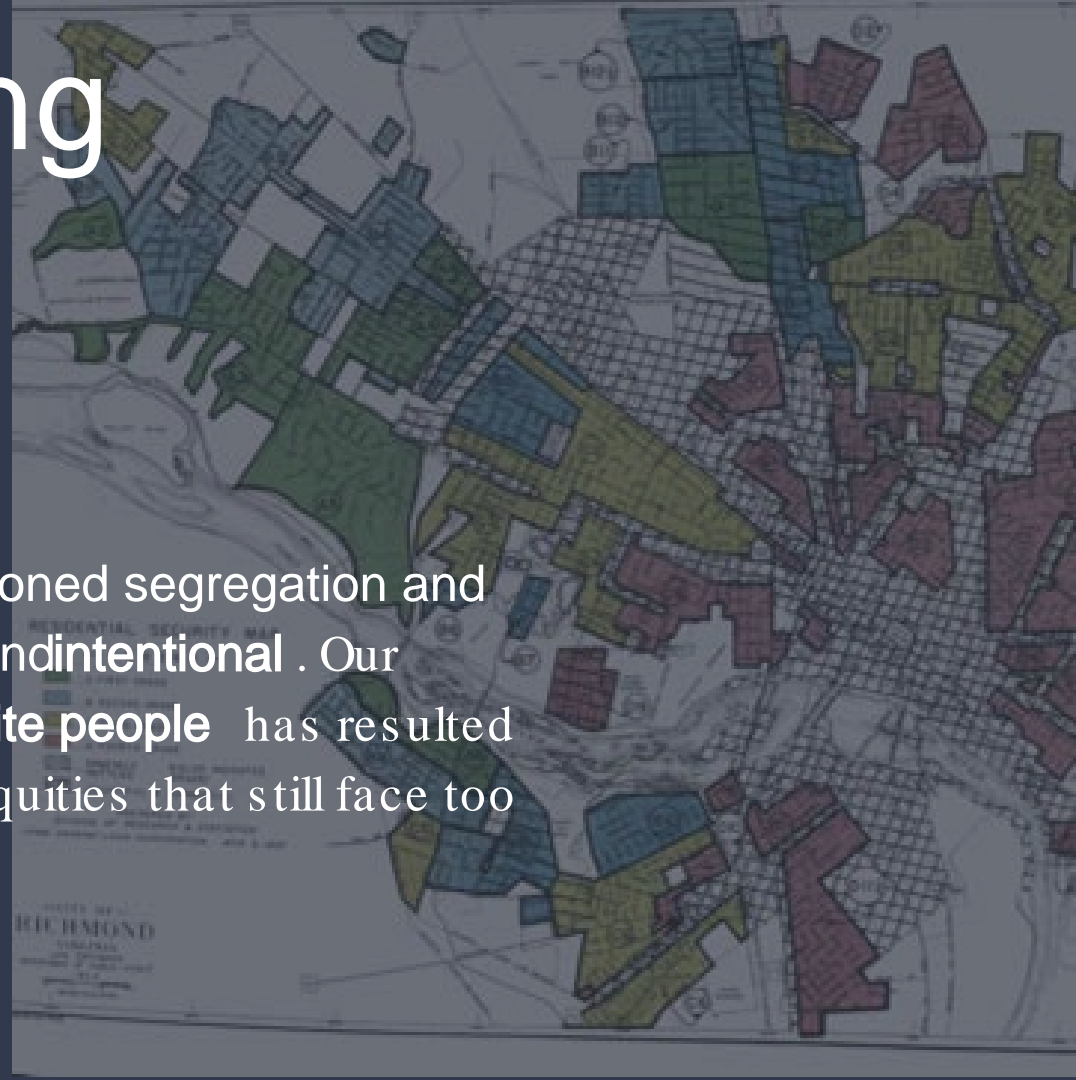
Source: Authors' calculations using Census Bureau and USDA data

Of the 44,339 total farm producers in Virginia today, 41,924 are white, and only 1,335 are **Black**, 704 are Hispanic, and 376 are American Indian.


Source: The Counter

Understanding structural racism

The Commonwealth's state-sanctioned segregation and racial oppression was pervasive and intentional. Our history of **state action favoring white people** has resulted in damaging and longstanding inequities that still face too many people of color in Virginia.



Focus on Racial Equity has Produced Results



Policy Efforts To Address Racial Inequities

In the last year, the Commission has endorsed a number of policy options that would...

There is More Work to do

What can you do to help?

Why should I care?

TAILOR TO MEET AUDIENCE NEEDS

What can we do?

- TAILOR TO MEET AUDIENCE
- Share what you learned today with friends, family, and social media
- Tell your state legislators the importance of supporting racial equity, including Commission-endorsed bills
- Look for local opportunities to address racial disparities...