

Testimony in Support of SB 805 – The Equity Impact Assessment and Budget Equity Impact Act

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The Economic Progress Institute strongly supports Senator Mack’s SB 805, which would create a two-year pilot program, for the 2026 and 2027 legislative sessions, to incorporate up to 20 Equity Impact Statements into Rhode Island's legislative process per legislative session. Under this proposal, the Commission on Health Advocacy & Equity would be assigned primary responsibility for drafting Equity Impact Statements, while the Legislative Council would oversee the formatting of these documents. Additionally, the bill would require that the Budget Officer include an explanation of how the provisions outlined in the annual proposed state budget would further the Governor’s efforts to improve equity in the state. Under this proposal, equity is evaluated in terms of improving historic or existing disparities in opportunity and outcome based on legally protected classes such as race, color, ethnicity, religion, sex, sexual orientation, gender identity or expression, disability, age, or country of ancestral origin.

Equity Impact Statements are tools, like fiscal notes, that help legislators make better-informed decisions and consider the needs and status of *all* their constituents. Bill sponsors sometimes request fiscal notes to get a better idea of the likely economic impact of a bill – such as added costs or added revenue – to prevent unintended consequences. Likewise, the Equity Impact Statements and the equity evaluation called for by SB 805 would increase transparency and help avoid unintended and unanticipated consequences of legislation.

The Myth of Neutral Policy

While some legislation is proposed to specifically address racial or gender disparities, many pieces of legislation do not mention something like race or gender, while nevertheless having different effects on different groups. Here are a few examples of seemingly neutral policies analyzed for their equity impact:

- Tax policy often favors homeowners, to encourage ownership, yet this disfavors renters, who are disproportionately Black and Latino/Latina compared to the general population.
- Small business loan programs, especially those with limited funds that run out quickly, favor those who have established relationships with banks, yet many aspiring small business owners of color lack such longstanding banking relationships, meaning that such seemingly race-neutral loan programs disproportionately aid white business owners.
- Zoning rules tend to result in pollution-producing projects being disproportionately sited in poorer and more racially and ethnically diverse neighborhoods.

- The car tax phase out has not at all benefited the ten percent of Rhode Island households without cars, and these households are disproportionately Black, Latino/Latina, and female regardless of race or ethnicity.¹

By enacting SB 805, legislators will have a new tool to help them make better decisions and anticipate what might not be obvious at first glance. This will enable legislators to close gaps in services, to reduce or eliminate disparities, and prevent harms that could have been anticipated with good information,

Building Upon the Work of Other States

Bills introducing racial equity assessments for certain legislation have been proposed in more than 24 states since 2007. In June 2021, the Sentencing Project catalogued state-level racial impact statements and noted that **nine states have already implemented Equity Impact Statements** (Iowa, Colorado, Connecticut, Florida, Oregon, Maine, Maryland, New Jersey, and Virginia) and another nine states had introduced legislation that was not enacted. In 2018, Connecticut passed a bipartisan law that requires that a racial Equity Impact Statement be prepared at the request of any legislator for certain bills and amendments. In 2022, Connecticut lawmakers passed legislation requiring the governor's budget proposal to include an explanation of how its provisions further efforts to ensure equity in the state. This law ensures that budget proposals identify and remedy past and present patterns of discrimination and address racial and socioeconomic inequity. Similarly, in 2019, Maine's legislature created a Permanent Commission on the Status of Racial, Indigenous and Maine Tribal Populations, and in 2021, Maine's legislature initiated a pilot project to employ racial and ethnic impact statements for legislation; the pilot is now underway.

Rhode Island

Given the examples from other states, Senator Mack SB 805 is a reasonable and essential step forward on a path to more robust policies for equity impact statements. Moving in this direction will create opportunities to block legislation that might increase racial, ethnic, gender, and other disparities, and provide opportunities to boost legislation that will improve equity. Such a measure promises substantial benefits for Rhode Islanders and for policymakers seeking to improve life and lives in the Ocean State.

¹ For data making this clear, see the National Equity Atlas:
https://nationalequityatlas.org/indicators/Car_access#/?breakdown=1&geo=0200000000044000.