

## **Testimony in Support of HB 7236 – The Equity Impact Assessment and Budget Equity Impact Act**

House State Government and Elections Committee

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**The Economic Progress Institute strongly supports Representative Morales’ HB 7236,** which would create a two-year pilot program, for the 2027 and 2028 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 draft Equity Impact Statements, while the Legislative Council would oversee the formatting of these documents. The bill also establishes a clear request process: the Speaker of the House would be able to request up to five statements per session, the Senate President could request up to five, and the Rhode Island Black, Latino, Indigenous, Asian-American and Pacific Islander (RIBLIA) Caucus could request up to five in each chamber. Additionally, the bill would require an Equity Review of the Governor’s proposed budget - the Budget Officer would include an explanation of how the provisions in the proposed 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.

Rhode Islanders value fairness and transparency in policymaking. Unfortunately, the law-making process has not always been as fair or transparent as voters would like. Equity Impact Statements are tools that can improve fairness and transparency in the legislative process. They are similar to fiscal notes and can help legislators make better-informed decisions that consider the needs and statuses 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, Equity Impact Statements and the equity review of the governor’s proposed budget called for by HB 7236 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.<sup>1</sup>

By enacting HB 7236, legislators will have a new tool to help them make better decisions and anticipate what might not be obvious at first glance. This could 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

**Nine states have already implemented Equity Impact Statements** (Iowa, Colorado, Connecticut, Maine, Florida, Oregon, Maryland, New Jersey, and Virginia), beginning with Iowa in 2008. And bills introducing racial equity assessments for legislation have been proposed in more than 24 states since 2007.<sup>2</sup> Impact statements have been shown to improve the quality of legislation that gets passed, as demonstrated by a review of 61 Iowa impact statements issued between 2009 and 2015. Bills that were found to have a positive effect or no effect on minority incarceration rates were nearly twice as likely to pass.<sup>3</sup>

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 an equity review of the governor's proposed budget, including an explanation of how its provisions further efforts to ensure equity in the state. The equity review of the budget proposed in HB-7236 was modeled after the CT law.

Additionally, 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.

### Rhode Island

Given the examples from other states, Representative Morales' HB 7236 is a reasonable and essential step forward, at no cost to the state, on the path to more equitable policymaking. 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

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<sup>1</sup> For data making this clear, see the National Equity Atlas:

[https://nationalequityatlas.org/indicators/Car\\_access#/?breakdown=1&geo=02000000000044000](https://nationalequityatlas.org/indicators/Car_access#/?breakdown=1&geo=02000000000044000).

<sup>2</sup> <https://www.sentencingproject.org/reports/racial-impact-statements/>

<sup>3</sup> <https://apnews.com/general-news-d320d9fdb9794d71b8b6436b808e0b16>

policymakers seeking to improve life and lives in the Ocean State. We strongly urge the committee to pass HB 7236.