

STATE OF CONNECTICUT
FINANCE COMMITTEE MEETING MINUTES – Draft
MARCH 20, 2025, Meeting 2:00 P.M.
Virtual Meeting via Teams

Call to Order, Welcome and Attendance

Avery Gaddis called the meeting to order at 2:00 p.m., welcoming committee members, and members of the public. He proceeded to conduct the roll call.

Avery Gaddis – Present
Fanita Borges – Present
Ed Shirley – Present

A quorum was confirmed.

Presentation by Chief Executive Officer

Director McGee provided a comprehensive overview of the SEC's financial status and ongoing initiatives:

A. Year-to-Date Budget Overview (as of February 28, 2025)

- **FY25 Approved Budget:** \$10.2 million
- **Personnel & Services:** Spending within budgeted amounts
- **Community Reinvestment Budget:** \$5.6 million remains due to a pause on disbursements
 - Reinvestment program is under redesign to focus on a three-year funding model
 - Emphasis on impact metrics and program evaluation

B. Vendor Contracts

- Contracts with CohnReznick (social equity application verification) clarified with revised scopes
 - Strategic planning contract completed
 - Six-month contract with Miranda Creative for communications and rebranding underway

Revolving Loan & Innovation Fund Update

Director McGee updated on key funding streams:

A. Revolving Loan Fund

- \$50M bond authorized; \$10M allocated
- Two loans totaling \$1M have been executed
- Additional loans are under review, with a potential request to increase the allocation
- The loan program is undergoing redesign to improve data collection, underwriting, and applicant experience

B. Cannabis Social Equity & Innovation Fund

- Revenue from cannabis conversion fees and cannabis tax contributions
- As of February 2025, ~\$7.2M in revenue received, with five months remaining in the fiscal year
- Total fund balance: ~\$68M

Acknowledgements and Commentary

- Chair Gaddis publicly recognized Councilwoman Fanita Borges and Legal Director Mariedy Collazo Cruz for their leadership and commitment in loan program redevelopment
- Emphasis placed on establishing clear, repeatable systems and protecting taxpayer funds while supporting social equity entrepreneurs

Loan Program Redesign Discussion

- Attorney Collazo Cruz and Councilwoman Borges shared progress on redesign efforts:
 - Revamped application to improve underwriting decisions
 - Exploration of applicant interviews and feedback-based improvements
 - Recognition of significant volunteer time and collaboration among committee members
- Chair Gaddis stressed the importance of Council responsiveness and accountability in program development
- Attorney Collazo Cruz and Councilwoman Borges shared progress on redesign efforts:
 - Revamped application to improve underwriting decisions
 - Exploration of applicant interviews and feedback-based improvements
 - Recognition of significant volunteer time and collaboration among committee members
- Chair Gaddis stressed the importance of Council responsiveness and accountability in program development

Legislative Context & Budget Considerations

- Director McGee noted the Governor's recommendation to move the Social Equity and Innovation Fund to an off-budget account to enhance Council control
- Realignment of workforce development and reinvestment programs expected to impact FY26–27 budgeting
- Chair Gaddis expressed interest in holding a follow-up budget planning session

Questions & Closing Remarks

- Councilwoman Borges requested a year-over-year revenue comparison, which staff agreed to provide

- No major concerns or "landmines" were reported, but public interest in loan funding remains high
- Committee praised for continued collaboration and transparency

Adjournment

Chair Gaddis adjourned the meeting by consensus at approximately 3:00 PM.