

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
AND  
THE SOCIAL EQUITY COUNCIL**

**RE: SHARING OF ADMINISTRATIVE FUNCTIONS AND RESOURCES**

This **MEMORANDUM OF UNDERSTANDING** ("MOU") is made and entered into by and between **The Department of Economic and Community Development** ("DECD") and **The Social Equity Council** ("SEC") through its Executive Director as of the date on which the last of the parties hereto signs this MOU ("**Effective Date**"), DECD is referred to herein as the "**Agency**" and SEC is referred to herein as the "**SEC**."

**WITNESSETH:**

**WHEREAS**, pursuant to Sec. 22 of Public Act 21-1 (June Special Session), SEC was established as the lead council for promoting and encouraging full participation in the cannabis industry by persons from communities that have been disproportionately harmed by cannabis prohibition and enforcement within DECD for administrative purposes only;

**WHEREAS**, Connecticut General Statutes ("**CGS**") § 4-38f(a)(3) provides that an agency assigned to a department for administrative purposes only shall, among other things, hire its own personnel or enter into contracts, if authorized by law, or if the general assembly provides or authorizes the expenditure of funds therefor;

**WHEREAS**, Public Act 21-2 (June Special Session) appropriates funds for state agencies and programs, including Agency;

**WHEREAS**, Sec. 128 of Public Act 21-1 (June Special Session) establishes the social equity and innovation account;

**WHEREAS**, CGS § 4-8 provides that the commissioner of Agency may each enter into such contractual agreements, in accordance with established procedures, as may be necessary for the discharge of their respective duties;

**WHEREAS**, Sec. 22(e)(2) of Public Ac 21-1 (June Special Session) provides that the council may enter into contracts to carry out the purposed of the council;

**NOW, THEREFORE**, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the agencies hereby agree to the following terms and conditions:

**A. AREAS OF SHARED RESOURCES**

The Agency and SEC will work cooperatively to address any issues that may result from a lack of specificity or divergent interpretations of this MOU or regarding responsibilities in the areas identified below or regarding new responsibilities for either the Agency or the SEC.

1. Finance and Administration.

A. DECD will be responsible to:

- i. Supervise and manage the DECD employees who provide accounting, fiscal, and fund management functions for SEC, including fiscal personnel retained using SEC funds;
- ii. Perform the following functions for SEC: (a) accounting; (b) annual budget preparation and reporting as indicated; (c) fiscal activities and reporting related to state and (d) accounts payable and receivable; and
- iii. Perform all general administrative functions, including but not limited to the following:
  - a) All-purchasing related transactions;
  - b) Compile and submit annual inventory reports; assign property tags to items; and
  - c) Oversee the maintenance, repair, procurement and usage of furniture, furnishings, and equipment, as needed.
  - d) Provide workspace to the extent that it is available in DECD's office facility.

B. SEC will be responsible for:

- i. Except as otherwise provided in Section 2 below, costs associated with the usage of cell phones, maintenance services directly related to and required for SEC equipment and software licenses, personal electronic devices, telephones, copiers, desktop computers, laptops, tablets, office supplies, furniture, office equipment and office equipment maintenance, and software application licenses. To the extent feasible, DECD will repair equipment and SEC will not be charged for such services.

C. DECD and the SEC will be jointly responsible for the specific requirements outlined Public Act 21-1 (June Special Session, including:

- i. Developing a cannabis business accelerator program to provide technical assistance to participants by partnering participants with a cannabis establishment.
- ii. Using the proceeds of the sale of bonds for the purposes of providing:
  - a) low-interest loans to social equity applicants, municipalities or organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, to facilitate the rehabilitation, renovation or development of unused, underused real property to be used as a cannabis establishment or as part of such establishment;
  - b) capital to social equity applicants seeking to start or maintain a cannabis establishment;
  - c) funding to assist in the development or ongoing expenses of the cannabis business accelerator program established under section 38 of the act; and
  - d) funding to assist in the development or ongoing expenses of workforce training programs developed by the Social Equity Council pursuant to section 39 of the act.

2. Information Technology ("IT").

A. DECD will:

- i. Provide IT support activities, such as computer hardware and software procurement, upgrades, installation, maintenance and network services;
- ii. Provide telecommunications support services, such as procuring, setting up, and maintaining office telephones and mobile devices;
- iii. Provide support for printers, including procurement and maintenance which can be reasonably performed by DECD personnel and does not require the expertise of an external supplier;
- iv. Provide support, including assistance with procurement, regarding other technical solutions to support enhanced efficiency (including, for example, data storage, records retention, client relationship management, technical support for the website, etc.); and
- v. Prepare the annual budget for IT capital expenditures in consultation with SEC.

3. Audit

A. DECD will:

- i. Provide the services of an Internal Auditor for consultation regarding State and Federal audits and audit findings, and to perform periodic internal audits.

4. Records Retention.

A. DECD will:

- i. Manage electronic master files for all SEC projects, programs, and other initiatives; and
- ii. Provide advice and support as needed to assist the individual designated by SEC to be its Records Management Liaison Officer to perform the duties of such role,

**B. FUNDING OF SHARED RESOURCES**

I. DECD will provide all functions referenced in this MOU for all of the listed shared resources from its available funding, with the exception of the following: costs directly attributable to SEC as described in Part A, Section I.B.i. above,

**C. AMENDMENT, REVIEW, AND TERMINATION**

- 1. Amendment. DECD and SEC will periodically review the usage of DECD staff time associated with performing the services set forth in this MOU and, to the extent necessary, jointly develop strategies to ensure services are effectively and efficiently performed within available resources. Changes to this MOU may be made at any time in writing and with the

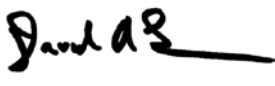
mutual approval of the Commissioner of DECD and SEC, through its Executive Director. As shared services are added or deleted, equitable adjustments will be made to the funding covered by this MOU.

2. Effective Date and Review. As of the Effective Date, this MOU expressly supersedes all previous agreements regarding the subject matter covered by this MOU. This MOU shall be reviewed periodically by the Commissioner of DECD and SEC, through its Executive Director.
3. Termination. Any portion of this MOU, or the entirety of this MOU, may be terminated only with the mutual consent in writing of the Commissioner of DECD and the SEC through its Executive Director.

**IN WITNESS WHEREOF**, the agencies hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the Effective Date.

**Department of Economic and  
Community Development**

**Social Equity Council**

By: 

By:

David Lehman, Its Commissioner

Ginne-Rae Clay, Its Interim Executive Director

Date: January 12, 2022

Date: