

STATE OF CONNECTICUT | SOCIAL EQUITY COUNCIL (DRAFT)

Reinvestment Committee

March 20, 2023, Noon

Virtual Meeting via MS Teams

View the video on YouTube: <https://www.youtube.com/watch?v=bwnLuDMqjwI&t=398s>

Meeting is posted: <https://egov.ct.gov/PMC/Event/Details/19259>

MINUTES

1. Call to Order and Welcome

Chairwoman Naeem called the meeting to order.

2. Attendance

Corrie Betts
Andréa Comer
Avery Gaddis
Subira Gordon
Michael Jefferson
Ojala Naeem
Paul O. Robertson

Staff: Ginne-Rae Clay, Executive Director, SEC; Kristina Diamond, Communications & Legislative Program Manager, SEC; Jennifer Edwards, Project Manager, SEC; Komla Mavevi, Staff Attorney, SEC; Jennifer Stevens, Associate Accountant, SEC

3. Minutes Approvals, 2-15-2023 and 2-28-2023

Chairwoman Naeem asked for a motion to approve the 2-15-2023 and 2-28-2023 minutes.

Motion – by Avery Gaddis
Second – by Andréa Comer
In Favor – All
Opposed – None
Abstentions – None
Motion passed.

4. Update on Budget and OPM Discussion

Executive Director Clay provided an update regarding Thursday's conversation with OPM. The \$10.7 million the Council had for use in Fiscal Year 2023 is a line of credit from the Social Equity Innovation Account. After reimbursement to all State agencies with cannabis stand-up responsibilities, the remaining account balance will be transferring to the Social

Equity Innovation Fund. As of July 1, the Social Equity Innovation Fund becomes the fund of the Council. The funds not used for reinvestment this fiscal year are available to us in Fiscal Year 2024. Going forward, the balances from the sales tax will be in the fund. The \$20 million is from the one-time \$42 million conversion fees. The balance from the conversion fees go into the account and whatever is leftover goes into the fund, which are non-lapsing funds that will remain in the fund until they are spent. Ginne-Rae Clay will clarify if at any time there will be a sweeping of the funds from the Social Equity Fund.

5. Legal Update

Attorney Komla Matrevi spoke of the potential effects on federally funded entities that receive cannabis related funding. The only legal impediment that Attorney Komla Matrevi found was that the IRS is refusing to certify professional organizations (such as Chambers of Commerce) that are seeking to be registered as a 501(c)(3) if the purpose of the organization is to further the promotion of cannabis or THC products. During his research, Attorney Komla Matrevi did not come across any situations where the federal government rejected grants to a private nonprofit entity that received reinvestment money from states that have legalized adult-use cannabis. As this is a developing issue, Attorney Komla Matrevi will continue to research.

Attorney Komla Matrevi suggested that the SEC tell organizations to seek legal counsel from their own attorneys to evaluate their risks of applying for our grant.

6. Outreach Update

Executive Director Clay and Outreach Committee Chair Subira Gordon presented an update on the RFP for community conversations. The Council needs to review the RFP and make a final decision. A discussion ensued.

Kelli-Marie Vallieres suggested that the SEC think today about how much of the community reinvestment funding we would like to invest in Workforce Development and start working with Oaksterdam as we on-board the new Cannabis Workforce Coordinator under the Office of Workforce Strategy.

Discussion ensued regarding the timing and purpose of the community conversations.

Chair Naeem asked for a motion to approve the Outreach RFP.

Motion – by Michael Jefferson
Second – by Andréa Comer
In Favor – All
Opposed – None
Abstentions – None
Motion passed.

7. DAS Update

Last meeting, the Committee requested Executive Director Clay to have a conversation with DAS to see if there are ways to disperse money faster as was done during the pandemic. Staff did not speak directly with DAS yet but did have several conversations with the Department of Economic and Community Development, Procurement and Finance teams. Marc Pelka has offered to work through the OPM system to see how we can move the funds faster.

8. DECD Update

From previous meetings, there was a question of whether the SEC might leverage the Community Investment Fund (CIF) office to disperse the funds. Chair Naeem stated that the SEC can leverage their guidelines and framework but we are not able to use them as a mechanism to disperse funds as they have their own restrictions on how they disperse money and review processes that need to be followed, which would not make the disbursement of the Social Equity Council's reinvestment funds much faster.

9. Reinvestment NOFA

Executive Director Clay asked for comment on the draft Notice of Funding Availability (NOFA) which outlines the funding availability, the types of entities and projects that are eligible, the application process and eligible use of funds. Discussion ensued on that and the concerns about conflicts of interest.

Discussion ensued regarding limiting the types of eligible applicants for the first round of funding as a pilot and the possibility of opening it up to other entities or organizations in future fiscal years.

The Committee will meet on Friday to review drafts of the NOFA and the review process for staff, recommendations made to this Committee and final recommendations made to Council. On the agenda for Friday will be a discussion regarding our next steps to the Legislature. There is also a meeting scheduled for March 27 at 2 p.m.

10. Adjourn

Motion – by Avery Gaddis
Second – by Michael Jefferson
In Favor – All
Opposed – None
Abstentions – None
Motion passed.

The meeting adjourned at 1:21 P.M.

Minutes are a draft until approved at a subsequent meeting.