

STATE OF CONNECTICUT
SOCIAL EQUITY COUNCIL - FINANCE COMMITTEE (DRAFT)
December 13, 2023, Meeting 10 A.M.
Virtual Meeting via Microsoft Teams

1. Call to Order

Andréa Comer called the meeting to order at 10:04 a.m.

Attendance:

Andréa Comer

Marc Pelka

Shirley Skyers-Thomas

Staff: Ginne-Rae Clay, Executive Director; Kristina Diamond, Communications & Legislative Program Manager; Ana Rosa, Administrative Assistant; Jennifer Stevens, Associate Accountant.

Andréa Comer amended the agenda to include approval of the September and October meeting minutes.

2. Approval of September and October Meeting Minutes

Andréa Comer asked for a motion to approve the September and October meeting minutes.

Motion – by Marc Pelka

Second – by Shirley Skyers-Thomas

In Favor – All

Opposed – None

Abstentions – None

Motion passed unanimously.

3. Year-to-Date Financial Review Through November

Jennifer Stevens presented the financial review. As of November 30, \$495,920.11 spent on personal services (salary and fringe benefits) and \$365,025.14 for other expenses (contracts, agreements, supplies, etc.) for a total of \$860,945.25 in SEC expenditures to date as of 07/01/2023 paid from the \$5.8 million budget. \$350,000 added to the budget to continue CohnReznick's contract. \$749,714 added for the new Oaksterdam University (OU) agreement. Due to possible lottery lawsuits, Transcription Plus's agreement increased to \$29,484 next year to provide transcription services. This fiscal year to date, nothing was spent from the \$350,000 budgeted for secondary marketing, branding, and sponsorships but work was in process with the outreach program. \$104,548.00 spent on Outreach Community Conversations to date. Staff had a strategic plan for contracts to spend the budgeted \$1,078,251.

4. Budget Expenditure Plan

Ginne-Rae Clay addressed the Committee's questions. The increase for Line Item 14 CohnReznick Applications was for the anticipated lottery in 2024. CohnReznick completed their work for 2023. SEC did not renew CohnReznick's Workforce Plan Development expired contract because we have hired a Workforce Development Program Manager. The \$69,000 remaining in the budget was to pay two pending invoices. In anticipation of the lottery, staff was working to extend OU's contract for another Accelerator Program in 2024 and to create pre-lottery education.

The increase in the Transcription Plus contract was to continue to provide certified meeting minutes. SEC was involved in some lawsuits and there was the possibility of more lawsuits when we enter the lottery. As a result, the Office of the Attorney General asked staff to have certified minutes available.

By January 30, there would be a spending plan for marketing and outreach including expos, pre-lottery outreach in various communities and boot camp advertisements. There was a change in Social Equity applicant criteria effective February 1.

Another round of Community Conversations would begin in mid-January, so there would be additional spending out of that line item. Staff will recommend that Council consider whatever funds remained in the Community Reinvestment Workforce line item be used for a special program. Staff will present some ideas to Council. One suggestion was a competition for a large-scale community reinvestment project. Another idea was a business development competition where people could apply for \$500,000 or \$250,000.

The Staff Attorney position might be replaced at the level of a Legal Director, which would cause that position to have an increase in salary of about \$30,000 or \$40,000.

Because there were shifts in the amounts of line items, Andréa Comer remarked it was helpful for the Finance Committee to have an additional column on the spreadsheet showing the original allotment and the change. Andréa Comer asked Marc Pelka if there was State policy or procedure the SEC had to comply with when moving funds from one line item to another. Marc Pelka will ask his coworkers in Budget. Categories for Personal Services and Other Expenses had a clear distinction as to how those funds may be used but he will obtain clarification about other line items.

Ginne-Rae Clay stated that OPM was notified of all adjustments and contracts. For example, OPM needed to approve the increase in the Oaksterdam contract and the amended personal services agreement. OPM was made aware of increases when DECD entered them in the Core system because it required OPM's approval.

Andréa Comer noted the October report indicated Community Reinvestment and Workforce Development would have \$748,000. That line now showed \$1.1 million. We are halfway through the fiscal year, but a lot had not been expended. She hoped staff could provide more context and specificity on the plan for expending those funds.

Ginne-Rae Clay stated the SEC marketing and branding plan was almost finished. Staff was working diligently on a plan for marketing and outreach, focused on the upcoming lottery and information on new lottery criteria. Once staff finalized the plan, they could share it with the Committee. Andréa Comer asked when staff anticipated the plan would be ready. Ginne-Rae Clay asked staff to give it to her no later than January 30 but believed they may complete it sooner. Andréa Comer wanted a Finance Committee meeting at the end of January so staff could present more details and provide the additional column on the spreadsheet. Andréa Comer noted there was a line item of \$100,000 for Technical Assistance as of the end of October but that line item was not on the current spreadsheet. It would be helpful to know where they moved the money and the rationale.

Andréa Comer thought a Legal Director needed to have people reporting to them. Ginne-Rae Clay was working with HR and the Governor's Office on this matter. A legal director needed at least two people reporting to them. Last week, Ginne-Rae Clay was given additional titles to consider but the pay would likely stay the same. The SEC needed someone with more experience in that position.

Shirley Skyers-Thomas agreed it was helpful to have an additional column to make the distinction between what was expended and any increases or decreases. Ginne-Rae Clay stated she would send an updated spreadsheet to the Committee after this meeting and review it with the Committee at the January meeting.

Regarding funding remaining for reinvestment, Marc Pelka asked how the new \$1 million reinvestment grant program aligned with plans for the larger \$35 million plan for reinvestment. Ginne-Rae Clay explained that grantmakers manage the \$35 million funds whereas Council would oversee the special program.

Staff will propose to the Reinvestment Committee that monies left over would be moved to Community Reinvestment as a separate item if they were not needed elsewhere. Staff would maybe recommend a one-time special program for Council to manage. Those funds were in the budget and Council had to consider a way to spend them.

Marc Pelka felt one of the priorities was to attach those reinvestment funds to existing funding infrastructure (federal, state, or local) that could expand and scale back once complete to provide greater predictability so recipients could anticipate when funds may come available and plan accordingly. The Reinvestment Subcommittee needed to consider this topic because he never heard of moving remaining funds from the General Fund appropriation into reinvestment on an annual basis. Marc Pelka will talk to his coworkers around what communication was needed when budget lines were moved around. He agreed it was helpful for ongoing spreadsheets to have a column for adjustments made to budget lines.

Marc Pelka asked for the plan to spend funds down for SEC marketing, branding, and sponsorship. Ginne-Rae Clay replied that some marketing materials ordered a year ago for giveaways were still in stock because they did not do marketing or outreach at that time. Staff was using those materials at six events they attended or planned to attend, including the Cannabis Chamber of Commerce annual event, Southern Connecticut Black Chamber of Commerce, the large ExpoCanna expo in February 2024 at Mohegan Sun and an upcoming

conference in Hartford in 2024. Staff used tablecloths, backdrop and other things needed for marketing when meeting with people or organizations for outreach and grantmaking efforts. Staff used funds on digital media to market SEC's programs and services with a focus on DIA residents and communities. In preparation for expos or conferences, staff ordered supplies to provide information about new criteria for the lottery, how to apply as well as how to prepare through boot camps and other activities. Staff was in the process of obtaining quotes for some activities. Staff expected to spend down a large amount of the budgeted amount before the end of the fiscal year.

Andréa Comer acknowledged Councilman Medina was in attendance and invited him to ask questions. Melvin Medina opined it was important to measure the budget allocated for marketing and communications relative to goals, metrics and KPIs to fully understand and evaluate the effectiveness of the marketing plan.

Shirley Skyers-Thomas wondered if there was a budget narrative. Ginne-Rae Clay replied that staff could attach something. Andréa Comer requested a narrative a few months ago.

5. Recommendations to the Full Council

Andréa Comer requested an additional spreadsheet column available for full Council at the next Council meeting as well as a budget narrative that speaks to Council's goals for this year. Andréa Comer asked for a motion to present the above to the full Council as a recommendation.

Motion – by Shirley Skyers-Thomas
Second – by Marc Pelka
In Favor – All
Opposed – None
Abstentions – None
Motion passed.

Andréa Comer asked if there was anything for the Good of the Order but there was none.

6. Adjournment at 10:37AM

Andréa Comer asked for a motion to adjourn.

Motion – by Shirley Skyers-Thomas
Second – by Marc Pelka
In Favor – All
Opposed – None
Abstentions – None
Motion passed.

/mlc