

STATE OF CONNECTICUT
SOCIAL EQUITY COUNCIL - REGULAR MEETING (DRAFT)
February 6, 2024, Meeting 10 A.M.
Virtual Meeting via Zoom

1) Call to Order and Welcome

Chair Paul O. Robertson called the meeting to order at 10:00 a.m. and welcomed attendees.

2) Attendance

Corrie Betts
Andréa Comer
Avery Gaddis
Subira Gordon
Michael Jefferson
Melvin Medina
Ojala Naeem
Maurice Reaves
Paul O. Robertson
Edwin Shirley
Shirley Skyers-Thomas
Kelli-Marie Vallieres
Kevin Walton

Staff: Ginne-Rae Clay, Executive Director; Karen Colebut, Paralegal Specialist; Kristina Diamond, Communications & Legislative Program Manager; Jennifer Edwards, Program Manager; Arlene Galindo-Jimenez, Outreach Program Manager; Vera Lembrick, Reinvestment Program Manager

3) Approval of January 9, 2024 SEC Meeting Minutes

Chair Paul O. Robertson asked for a motion to approve the January 9, 2024 meeting minutes.

Motion – by Ojala Naeem
Second – by Michael Jefferson
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

4) Executive Session

a) Discussion on Pending Litigation

Chair Paul O. Robertson asked for a motion to enter into Executive Session.

Motion – by Michael Jefferson
Second – by Edwin Shirley
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

- 5) Vote on Equity Joint Venture Application Recommendation
a) Denial
i) AMHF.0008279 – Nautilus Botanicals EJVI LLC

Chair Paul O. Robertson asked for a motion to deny the application.

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

- 6) Executive Director’s Report

GINNE-RAE CLAY presented the Executive Director’s Report for February 2024.

Staffing Updates

The Program Manager position will be posted by next week. The Legal Program Director position was pending approval from the Office of Policy and Management since it is a new position to the Council. Staff was working on the qualifications wanted in candidates for the Research Analyst position.

Program Updates

Canna-Business Revolving Loan Fund: Sixteen applications were received and were under review. Approvals will be announced over the next couple weeks as staff works with the DECD to finalize underwriting for each application.

Community Reinvestment: The Reinvestment Committee met. The reinvestment plan will be reviewed, best practices discussed and updated for the grantmaking process, grantee eligibility requirements, recommendations on possible minimum and maximum caps for grant awards, use of funds to make sure they are impactful and sustainable as well as updating the reinvestment timeline. Staff was interested in using some SEC funds for State Agencies that had similar programs in communities.

Community Conversations: The Reinvestment Committee decided to put Round II of the Community Conversations on hold until the next Reinvestment Committee meeting. Staff will continue conversations with communities to update them on the reinvestment plans.

Workforce Development Plans: Staff has been approving workforce development plans. Tiffany Araujo, Office of Workforce Strategy, has been doing a great job gathering necessary information for workforce development-related activities, reading workforce development plans and making recommendations for plan improvement and/or approval.

Social Equity Plans: Applicants need to do a lot of work for their social equity plans. It requires community engagement and developing goals that are impactful to the communities these companies will be located in. Sweetspot West Hartford LLC's Social Equity Plan was approved in January.

February Goals: Staff will work with Council Members to finalize the Reinvestment Plan. The contract with Oaksterdam University was moving forward. Staff was completing the PSA to work with the marketing firm Cronin & Kemp for outreach, especially around pre-lottery information, new criteria information for Social Equity applicants and other information related to our reinvestment strategy. Staff will ensure the three open positions are posted before the end of February and hopefully move into the interview phase. Regarding pre-lottery education and outreach technical assistance, staff was working with CohnReznick and the Department of Consumer Protection to educate the public on the lottery and new criteria for qualifying as a Social Equity applicant. Staff will present an outreach plan to the Outreach Committee on Friday. Staff planned to meet with State Agencies identified as having programs and providing services to the DIAs we are serving. The purpose of those meetings is to update those State Agencies on SEC's reinvestment strategy and find out what services they provide in the community that people can avail themselves of or for the SEC to leverage some of our funding and efforts toward those programs.

February 10, Ginne-Rae Clay will be at the New Haven Free Public Library speaking at a cannabis program. February 16, Ginne-Rae Clay will be at the UConn Law School participating in the Connecticut Journal of International Law's Annual Symposium to talk about the SEC's efforts and the cannabis industry in Connecticut. At a luncheon on February 17, Black Women United is honoring Ginne-Rae Clay as a Woman Trailblazer. February 24 and 25, SEC will participate in XpoCanna at Mohegan Sun to discuss the criteria for Social Equity applicants, talk about workforce development and workforce development plans as well as provide technical assistance and information for the general public related to our criteria and the SEC's work.

Next meeting scheduled for the Outreach Committee on February 9, Reinvestment/Workforce Committee on February 21, Policy/Governance Committee Meeting on February 15, Finance Committee Meeting on April 9, and Council Meeting on March 5.

Subira Gordon asked how staff selected the new marketing firm or if it was via an RFP. The Outreach Committee vetted the previous marketing firm and worked with them. Subira Gordon wanted Outreach Committee Members to have the option to participate in the interview process. Ginne-Rae Clay replied that staff used the State's purchasing process. The State has a master contract for marketing/PR firms. Staff contacted several firms on the State's list. Staff interviewed each of the several firms that responded to determine which of them met SEC's criteria for scope of work. The Committee selected Cronin & Kemp. On Friday, the Outreach Committee will receive more information about Cronin & Kemp before signing a contract with them. Subira Gordon was not comfortable with one firm put in front of the Committee as the only option. She queried if any other firms met the criteria. The Outreach Committee was deeply committed to using firms led by people of color if possible. Subira Gordon wanted to interview at least a second firm before moving into the contracting process. Ginne-Rae Clay will have her team put together a list of firms that applied, the scoring rubric and questions asked, and send to Subira Gordon before Friday's meeting.

Kevin Walton requested Ginne-Rae Clay to elaborate more on partnerships with State Agencies she will be meeting with. Ginne-Rae Clay explained that sometimes the SEC received funding requests for programs that exist elsewhere. On meetings with State Agencies, staff will discuss SEC's spending priorities and reinvestment plan priorities as well as determine if State Agencies have programs in the community related to those activities. Staff will bring that information back to the Reinvestment Committee for determination of other spending options or define the grantmaking process. Andréa Comer remarked this was a result of meeting with the Governor's Office to discuss progress and the need to make sure the SEC was not replicating resources. The best way to do that was to have conversations with other State Agencies, making sure programs were not funded through SEC and other State Agencies or programs to avoid redundancy, optimize dollars and have a meaningful impact in the impacted communities.

Shirley Skyers-Thomas requested the scope of work for the marketing firm. Ginne-Rae Clay stated Arlene Galindo emailed the outreach strategy and timeline to all council members yesterday.

Melvin Medina has experience in hiring marketing firms. Having KPIs, deliverables, and outputs versus goals was important at the outset to provide your team a strong sense of what you are trying to achieve before selecting a firm.

Edwin Shirley queried how many eligible applicants had not applied for a Canna-Business loan. Ginne-Rae Clay did not know the answer but approximately 109 applications were approved. Edwin Shirley was curious as to why very few had applied. Ginne-Rae Clay stated that Staff might change the program to allow companies to apply for up to two loans, \$500,000 for each license. The SEC has money available and more money coming through.

Andréa Comer asked Ginne-Rae Clay to speak more about revisions to the Legal Program Director job description. The classification was for DCP and Early Childhood only, not DECD. The SEC needs an attorney on staff for the upcoming lottery this year. Ginne-Rae

Clay explained that part of the process for using the Legal Program Director position was to revise the job description and ask permission from the Department of Consumer Protection and the Office of Early Childhood, but they have indicated no. The Office of Policy and Management will make the final approval for the position. Ginne-Rae Clay had been working with OPM, the Governor's Office and the SEC Chair to ensure there were no issues or problems with using the position. Paul Robertson remarked he followed up yesterday and was waiting to hear back from OPM.

The legislative session starts tomorrow. Subira Gordon wondered if there was anything related to the budget or bills the SEC was working on. Ginne-Rae Clay responded that Chairman Edwin Shirley would speak to that during his Policy Committee report. The 2024 Legislative Agenda proposals were sent to Council.

7) Committee Reports and Recommendations

- Policy/Governance Committee
 - 2024 SEC Legislative Proposal
- Reinvestment/Workforce Committee
- Finance Committee
- Outreach Committee

Edwin Shirley stated the Policy/Governance Committee was requesting a vote on the Council's 2024 Legislative Proposal sent to Council Members last week. The proposal was based on Council Members' feedback and Policy Committee discussions since last August. Andréa Comer noted the proposal was sent on the 29th and contained three sections of proposed amendments. Section 1 amends 420d to allow the Council more flexibility in developing a program to assist Social Equity applicants when opening micro-cultivator establishment businesses. Section 2 amends 420d, Paragraph J, to sunset the timeline for Section 149 applicants who have not paid the \$3M provisional license fee. Section 3 amends 420d, Paragraph K, to allow Social Equity applicants to partner in more than one equity joint venture.

Chair Paul Robertson requested a motion to accept the Council 2024 Legislative Proposal.

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

Ojala Naeem stated that at last week's Reinvestment/Workforce Committee meeting there were concerns and commentary around having areas of focus based on community conversations for disbursement of SEC funds. The discussion included partnering with larger organizations and agencies to understand where there are gaps to make sure SEC funds go into unaddressed areas.

Ojala Naeem had takeaways for Ginne-Rae Clay and her staff to respond on by mid next week. Determine the top five themes that have come out of our community conversations and share those with various State agencies to see what they are doing and where there are gaps. The community conversation report was requested to be shared. Ojala Naeem requested an update on the outcomes of the pilot program, recognizing it is still underway. The Reinvestment Committee's goal was to make a recommendation to the Council on the use and distribution of funds between local community grants and larger partnerships with no more than two to three focus areas for reinvestment.

Melvin Medina believed community conversations were a vital and important qualitative component to assess communities' needs. In his polling work, the cost of living in Connecticut and across the country was top of mind for people, especially black and Latino community residents, the cost of housing, early childhood education and childcare.

Michael Jefferson agreed that working with State Agencies to discover gaps in delivery of services was very important although the SEC's mission was the impact the war on drugs has had on communities in DIAs. Grassroots can provide input, not only State Agencies. People in grassroots do wonderful things not addressed by State Agencies, such as financial literacy for young people or youth activities.

Andréa Comer clarified her statement about State Agencies was to share with the State Agencies what we have heard and get information from them about where they are making investments, so the SEC is not redundant or duplicative with our resources.

Subira Gordon noted that youth pools or access to swimming comes up in every community conversation. She gave an example of ways to address that need, possibly coordinating with YMCA for access to pools.

Andréa Comer stated the Finance Committee met on January 9 and reviewed the budget. As of December 31, the SEC had a little over \$1M in expenditures with a budget balance of \$4.75M, including \$828,000 in community reinvestment dollars and \$400,000 in outreach and community conversations. Jennifer Stevens communicated to Andréa Comer that she, Ginne-Rae Clay and Kristina met with OPM staff. The SEC was following correct practices of budgeting and spending of the Other Expenses funds. The SEC is allowed to make necessary adjustments in the Other Expenses category and OPM does not regulate those.

Subira Gordon did not have an Outreach Committee report because they do not meet until Friday.

8) For the Good of the Order (New Business, Updates, Information)

Chair Paul O. Robertson asked if there was anything for the Good of the Order. Edwin Shirley was surprised that only 16 out of 109 applied for Canna-Business Loans because capital is scarce for this business and it was a great opportunity to get working capital. Ginne-Rae Clay surmised it was because the loan program was available to people with

provisional licenses before they are fully licensed. If you take out a loan in the provisional phase of your development and do not get full licensed, you are required to pay back the loan.

9) Adjournment

Chair Paul O. Robertson asked for a motion to adjourn.

Motion – by Michael Jefferson

Second – by Andréa Comer

In Favor – All

Opposed – None

Abstentions – None

Motion passed unanimously.

The meeting adjourned at 11:01 A.M.

/mlc

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February 8, 2024

RE: Minutes: February SEC Council Meeting Minutes Draft 32141

Please be advised that the above-referenced typewritten minutes are a true and accurate description of the proceedings obtained from the recorded conversations to the extent that the audio could be clearly heard/understood. Portions that could not be heard/understood have been notated with a (an “inaudible” or “?...”).

Sincerely,

Mary A. Goehring

Mary A. Goehring
CEO, Transcription Plus, LLC

I certify that this document is a true and accurate description of the proceedings obtained from the recorded conversations contained in the listed audio file.

Michelle L. Coronado
Michelle L. Coronado