

STATE OF CONNECTICUT
SOCIAL EQUITY COUNCIL - FINANCE COMMITTEE (DRAFT)
January 9, 2024, Meeting 2:00 P.M.
Virtual Meeting via Microsoft Teams

1. Call to Order

Chairwoman Andréa Comer called the meeting to order at 2:01 P.M., welcomed Councilman Reaves who is replacing Marc Pelka on this committee and took roll call.

Attendance:

Andréa Comer
Edwin Shirley
Maurice Reaves

Absent:

Shirley Skyers-Thomas
Kevin Walton

SEC Staff: Ginne-Rae Clay - Executive Director; Kristina Diamond - Communications & Legislative Program Manager; Ana Rosa - Administrative Assistant; Jennifer Stevens - Associate Accountant, Karen Colebut – Paralegal Specialist; Arlene Galindo – Outreach Program Manager; Jennifer Edwards – State Program Manager; Vera Lembrick – Reinvestment Program Manager

2. Approval of December Meeting Minutes - Tabled due to currently present committee members not in attendance at the December meeting to be able to vote.
3. Fiscal Year 2024 Budget Review:

Associate Accountant Jennifer Stevens presented the Fiscal Year 2024 Budget Review.

Several changes were made. Budget line changes were done in the November 30, 2023 balance sheet. Last committee meeting in December members requested a narrative of where the difference happened. While reviewing the SEC FY24 Monthly Balance Sheet as of 11/30/2023, it was noted that column “B” displays the numbers that we had prior to November as they were before adjustments were made to line items. Column “C” displays the revisions made on 11/27/23 and on 1/5/24. The outreach/marketing spending plan was also reviewed closer and those two lines were changed to increase them as shown in line 20 of the balance sheet. This number carefully reflects the spending plan a lot more than it had in the past. It was also noted that things have been added on that are really going to be needed to market and brand.

Also, if you go down to the outreach and community conversation line on the balance sheet, this line has been increased to accommodate 30 community conversation in total versus the

10 that it was previously just budgeted for by the end of this fiscal year and that's what the difference is. Jennifer Stevens noted that when there is a difference to balance to 5.8 million, they're taking it from Community Reinvestment Funds as a catch all so they will know exactly what can be reinvested also by the end of the fiscal year which is why the numbers keep fluctuating up and down as the numbers are tweak for contracts and programs known to be taking place. With five and a half months left of the fiscal year, not many more changes will be taking place. Another change that was noted is that originally consulting services for DIA data collection and research were going to be contracted out but now that has been completely remove as additional staff will be hired to do that. But will use consulting services for marketing work in the amount of \$90,000 which is estimated to be at 15k per month for a total of six months. The amount may seem a bit high but after several quotes that is the high point of it and it will be necessary to get our message out there in the market in the next few months.

Chairwoman Comer asked the SEC Staff "What are we marketing? What is the message that we are sending?" SEC Executive Director Clay mentioned that the marketing has to do with the pre-lottery education. She also explained that during the first round of the lottery there was no education to the DIA communities. She also noted that the team is working on a outreach plan, a marketing plan and an information plan to those DIA residents that are interested in applying for the lottery. This will help inform those residents of "when the lottery is going to happen", "what is the lottery", "what's the criteria", "what documents are needed to be collected and gather to put together an application". Clay mentioned that bootcamps will be offered for people to help them understand the cannabis industry much better such as understanding the state regulations vs. federal regulations, and the history of the plant. SEC is working with OU to do a five-week bootcamp shooting for February. That's what SEC's outreach is about, is giving people the opportunity and information to learn about the work the Council is doing and in what areas it relates to cannabis, the lottery, and even workforce development.

Councilman Shirley asked Executive Director Clay, "What are the distribution channels that we are looking to market through? Executive Director Clay asked through Madam Chair Comer for Arlene Galindo the Outreach Program Manager and Kristina Diamond who are working on an outreach strategy to share a bit about what they have been pricing out and the outreach that they plan and strategy being worked on.

Outreach Program Manager Galindo explained that they are going to be targeting several ways such as digital billboards in order for the message could reach statewide as a whole. Quotes for targeting local community billboards within the 36 DIAs. Those being the smaller bulleting boards within the communities and really targeting down to the census tracts of the actual blocks of where they are reaching the DIA communities. Transit marketing is also being considered such as targeting the train stations, bus stations, gas pumps where video ads are available. Quotes for print, radio, digital and television as well are being looked at. This is not being done just for the lottery but also as a general branding of the Social Equity Council because at the same time community conversations will be taking place and surveys will be going out again. They are looking at that all together and planning each bubble as they would say to market it out to those communities. Is like a few different campaigns but a campaign in one.

Councilman Shirley asked Galindo if SEC has a particular contact, or repository of information for people who are interested? Galindo responded yes because the message will be driving people to the SEC website so that they can see what is available and with that information lists will be created using Constant Contact. For example, those people visiting the SEC website, they can also be added to the SEC mailing list. Galindo also noted that currently they do have a few lists that have been created but a lot more community members need to be added especially from the DIA communities. Once that takes place, those members on the various lists will start receiving the newsletter and receiving the messages from SEC as they go out. Galindo explained that the SEC's social media presence is also growing and so are the followers in various channels. Executive Director Clay also added that the notifications regarding the lottery itself and job training opportunities and programs it's the big picture of the work of the Council.

Chairwoman Comer asked "What has been the engagement of the Outreach Committee in terms of this planning? Has there been a strategic plan around marketing and outreach developed to date and what is the engagement of the Outreach Committee?" Galindo explained that the Outreach Committee did not meet in December due to not enough members showing up and they have not reported much to the Outreach Committee due to just recently started actively looking at quotes and the planning is taking place now along with media planning. Several quotes were received for outreach items for events that are coming up but didn't really have a collaboration with the Outreach Committee as a group.

Chairwoman Comer asked "if there a reason of why the work is happening in isolation without involving the outreach committee and at a minimum the chair?" Galindo noted that "yes" they would have to talk to with Chair but they didn't get to have a committee in December as they didn't have a quorum since only two members showed up for the last meeting and the previous meeting before that was not held. Galindo also noted reporting out to Chairwoman Gordon since a meeting was not held. She also mentioned that the last Committee meeting for Outreach held was in October right when she started working with SEC. Right now as they are moving along Galindo expressed that she can report out and that they will have an outreach marketing plan by the end of January which is almost complete. Once the outreach marketing plan is done, it will be reported to the outreach committee and the Council as a whole.

Councilman Reaves asked if there is a formal process being followed when making changes to the budget as it was mentioned in the council meeting earlier today and it would be helpful for the committee to understand that process and he can also do more digging if needed and report back to all at the next meeting.

Chairwoman Comer asked SEC Executive Director Clay if she can speak to the process around it and with regards to her engagement with OPM because she has been thinking about what the Finance committee needs to have some sort of language that speaks to a process, but if there is a process already in place then that may not be necessary.

Executive Director Clay noted that there is a process in place where SEC does meet with OPM. She noted that this adjustment to the budget really came about mainly because the

DCP anticipates a lottery and SEC was asked by DCP to make sure that SEC would be able to notify the public of the criteria change to the Social Equity Criteria to be approved and that is when monies started to be moved around. Clay indicated that SEC does meet and have met with OPM counterparts as well as DECD counterparts. Everything that SEC does goes through DECD and then over to OPM. If SEC has any specific questions relating to any kind of spending, Clay indicated that they reach out to OPM or DECD will ask OPM and SEC does not do anything on their own as everything has to go through DECD to ensure that the process is being followed.

Councilman Shirley asked if the changes made were driven by the feedback SEC received from the market and if not, then what caused the change?

Executive Director Clay indicated that the big change was in the outreach and then the contract with CohnReznick. Clay explained that in order for the lottery to happen, CohnReznick needs to be on contract to ensure that there is verification of social equity applicants. The increase was kind of a rough estimate as SEC doesn't have any information about the lottery, and it is very difficult to anticipate how many applications may need to be reviewed. So SEC is estimating 100 applications but don't know how many license types are going to be issued when and if the lottery happens. Therefore, the information is just based on the first lottery and so monies were added and looked at the contract with Oaksterdam University and also at another accelerator program with them in anticipation of the lottery. SEC wants to educate people in the areas of workforce development and prepare them for jobs at these cannabis companies that will be opening and educate the public about the cannabis industry if the folks from the DIA are interested in applying for the licenses that will become available. So most of the budget revisions are not from the feedback from the community, it is based on the anticipated lottery coming up in this year.

Councilman Shirley asked if "the budget is flexible enough to accommodate more than 100 applications or what the limit is?"

Executive Director Clay noted that currently SEC has a catch basin line item for community reinvestment that is in the SEC Budget. This allows for the Council to decide if they want to take on a special project with the Community Reinvestment funds. Also, looking at the possibility of using those funds in Workforce Development programs. Clay also explained that RFP's are being taken to help the colleges and universities create programs once conversations in those sectors are held. This means the Cannabis businesses on what kinds of programs they need for their employees to have access to in order for them to be able to apply for jobs or to have upward mobility in the cannabis industry.

Chairwoman Comer clarified her concerns by adding context to her earlier statements noting that her priority is the integrity of both and the fidelity of the fiscal stewardship. Her concerns are alleviated because it sounds like OPM and DECD are reviewing SEC's expenditures and signing off.

Executive Director Clay assure the committee that no spending happens without several sets of eyes on it and always obtaining permission even taking the initiative of reaching to OPM directly when questions arise.

4. Recommendations to the Full Council - None

Councilman Shirley asked if the experience of other states would be helpful in terms of a second lottery? How many people might apply? Or funds necessary to support that? Is there some process by which we can have conversations?

Executive Director Clay note that having conversations with other state about what DCP may do with regards to the lottery is concerned is up to DCP as they are the deciding factor on how many licenses would be issued and in what categories. Clay expressed confidence in that the number of licenses and license types that they will be reviewing this round will be less than the first lottery.

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

6. Adjournment at 2:32 PM

Andréa Comer asked for a motion to adjourn.

Motion – by Edwing Shirley
Second – by Maurice Reaves
In Favor – All
Opposed – None
Abstentions – None
Motion passed.

/ar