

SOCIAL EQUITY PLANS: CRITERIA AND REVIEW PROCESS

All cannabis establishments seeking to apply for a final license must submit a social equity plan (“the Plan”) to the Social Equity Council for review and approval. In accordance with section 21a-420d(h)(5), the Social Equity Council (“SEC”, “the Council”) has developed the following criteria for an acceptable social equity plan.

Section 1. Definition

- a. “Community Needs Assessment” means an activity or event whereby the cannabis business has the opportunity to receive feedback from the members of the DIA providing clarification on their needs. The Social Equity Plan shall be written based on the Community Needs Assessment conducted by the cannabis business. Therefore, a Community Needs Assessment shall be conducted before the Social Equity Plan is written. A Community Needs Assessment may include but is not limited to a conference, town hall meeting, charette, surveys, and meetings with particular social groups in the DIA.
- b. “Community Stakeholder” means an individual resident member of the DIA that:
 - i. resides or must have resided in the specific DIA for at least five (5) years prior to supporting the Social Equity Plan, and is either a local elected councilmember or alderman, or an organization or charity serving the DIA community, and
 - ii. demonstrates a deep understanding of socio-economic, and cultural issues concerning the DIA based on his/her personal knowledge, experience, education or a combination of personal knowledge, experience, and education.
- c. “Equity Goals” or “Goals” means the targeted audience of a Social Equity Plan. A Social Equity Plan must have at least two Goals. The Goals may have a not-for-profit purpose including but not limited to helping homeless people, promoting literacy, supporting food banks, DIA area beautification, criminal records expungement, student mentoring, promoting mental or physical healthcare access, supporting after school programs events, and programs for the elderly in the DIA.
- d. “Equity Programs” or “Programs” means a set of activities that aim to meet specific Equity Goals. Social equity plans with the following types of programs, will not be approved by the Council:
 - i. Programs created for the purpose of hiring members of the DIA to work at the cannabis establishment.
 - ii. Mere financial contributions or donations to a charity do not satisfy the requirement of an Equity Program, unless the Social Equity Plan demonstrates the impact of such contribution on the DIA. The SEC will weigh the impact of donations to a charity or business in the DIA at its own discretion.
 - iii. Programs where the cannabis establishment offers to make financial contributions to nonprofits or businesses owned by the backers of the cannabis establishments themselves are not sufficient to meet the criteria. Even though a cannabis business may support its own backers-owned entities, this type of program will not be counted towards the minimum of two goals required for the purpose of the Social Equity Plan. The cannabis

business shall be required to create two additional programs with other independent entities to address the socio-economic needs of the DIA.

- iv. Programs where a cannabis establishment offers to conduct an information campaign to promote the consumption of cannabis are insufficient goals for the purpose of a social equity plan.
- v. Programs where the cannabis establishment promises to hire and retain other social equity licensees for its operations are not sufficient goals for a social equity plan to get approved.
- vi. Programs where the cannabis establishment offers to assist businesses to become certified by the State of Connecticut supplier diversity program is not acceptable as a goal.
- vii. Programs where the cannabis establishment offers to educate the community on the State expungement program, or the Clean Slate Act is not acceptable as a goal.
- viii. Programs where the cannabis establishment offers to assist other cannabis establishments in business is not an acceptable goal.

e. “Social Equity Plan” means a written plan proposed by a cannabis licensee to address specific social, economic, and cultural needs of an area of the State of Connecticut identified by the SEC as a disproportionately impacted area (DIA) affected by the “War on Drugs,” and designed to promote diversity, equity, and inclusion.

f. “Statement of Purpose” means a paragraph not exceeding one hundred and fifty (150) words that serves as an introduction to the Social Equity Plan and provides an insight into the cannabis business’ ‘commitment to diversity, equity, and inclusion.

g. “Stakeholder” means a person who resides in the DIA or does not necessarily reside in the DIA but has an economic, social, or cultural interest in the DIA. For example, an individual who attends school or church, is employed or owns a business in the DIA but does not reside there.

Section 2. Criteria for the Review of Social Equity Plans.

The following requirements must be met for a Social Equity Plan to be approved.

Proof That a Community Needs Assessment was Conducted

The cannabis business must prove that a Community Needs Assessment was conducted prior to writing or presenting the Social Equity Plan by including in the Social Equity Plan information about the Community Needs Assessment events such as the date, time, and agenda of the conference, public meeting, or townhall where the Community Needs Assessment was held. If the Community Needs Assessment was held in the form of surveys, the cannabis business must submit a copy of the survey questionnaire, a summary report of the full survey results, including the total number of DIA residents who responded, and the time period during which the survey was conducted.

- a. The Social Equity Plan Must Receive the Support of At least Five (5) Community Stakeholders: Interviewed with Letters of Support. Three (3) of the five(5) letters must be approved to meet criteria.**

After conducting a Community Needs Assessment event and determining the Equity Goals to address the needs of the DIA and the appropriate types of Equity Programs to implement these Equity Goals, the cannabis business must interview at least three (3) Community Stakeholders to receive their feedback on

the Equity Goals and related Equity Programs being considered by the cannabis establishment. The cannabis business shall not submit a Social Equity Plan to the SEC unless at least three (3) Community Stakeholders have provided their positive feedback on said Social Equity Plan.

Each Community Stakeholder must submit a letter in support of the Programs proposed by the cannabis business. SEC will not approve boilerplate letter forms prepared by legal representatives of the cannabis business and signed by all Community Stakeholders. The statements in the letter must be genuine, credible, and must come from the Community Stakeholders themselves and must provide a summary of the reasons underlying the support. In addition, the letters must express a clear understanding of the issues that the Social Equity Plan intends to address. SEC will weigh the credibility of each support letter at its own discretion.

The letters of support must be submitted by three of the following types of persons or organizations: one current elected official who represents the DIA, a resident of the DIA who attended the Community Needs Assessment event, a representative of an organization that provides programs and services to the specific DIA community, and/or a Stakeholder of the specific DIA, that attended the community needs assessment event.

The cannabis business must include the contact information of Community Stakeholders in the Social Equity Plan for SEC's discretionary use to contact them for questions regarding their support to the Social Equity Plan.

b. A Social Equity Plan Must Have a Statement of Purpose.

A Social Equity Plan must have a Statement of Purpose as defined under section 1 (e).

c. A Social Equity Plan Must Have at least Two Equity Goals.

The Equity Goals must be measurable. The Social Equity Plan must describe a measurement system that the cannabis business intends to use to measure the progress and impact of activities for the completion of the Equity Goals.

d. A Social Equity Plan Must support at least Two Equity Programs.

The cannabis business must support at least two equity programs as set forth under section 1(c).

e. A Social Equity Plan Must Set Forth Metrics for the Progress Assessment of the Programs.

The Social Equity Plan must show that the cannabis business has created metrics to measure the progress of the Programs for possible improvements.

These metrics must include methods for the members of the DIA community to submit feedbacks regarding the programs to the cannabis business. The feedback must be made available to the Social Equity Council upon request. Effective ways to allow the public to submit feedback may include but are not limited to creating a dedicated electronic mailbox and referencing it on the website of the cannabis business or its social media, sending a survey to constituents for feedback, or organizing townhall events for community conversations on the programs created by the cannabis business.

f. A Social Equity Plan Must Name an Individual as Responsible for the Progress Evaluation of the Social Equity Plan.

The social equity plan must state the name and contact information of the employee of the cannabis business who is responsible for monitoring the progress of the programs created in the social equity plan, respond to feedback and inquiries of the members of the public, and provide updates to the Social Equity Council upon request.

Page | 4 g. Commitment to Purchase from Certified Minority Business Enterprises (MBE)

The cannabis establishment must show its commitment to working with a diverse pool of vendors and suppliers including businesses that are registered in Connecticut as Minority Business Enterprises (MBE). The Plan must include a copy of the MBE's valid certificate received from the State of Connecticut Department of Administrative Services, if available at the time of submission of the plan. If not available, the cannabis establishment must provide proof of contract and MBE certification during the 6-month progress report or in the annual final report.

The Social Equity Plan must detail a plan to enter into contract with these MBEs for services that do not require a cannabis license including but not limited to maintenance of facilities, landscaping, security, plumbing, accounting, legal services, background checks, information, and technology services. The cannabis business must submit evidence of contract or business arrangement with at least two MBEs to meet this requirement. Such evidence may include but not limited to invoices, receipts for payment, agreements, etc. While social equity plans are subject to public disclosure, any agreement between a cannabis business and an MBE submitted to the SEC **will not** be disclosed to the public. Therefore, the evidence of agreements and business arrangements should be submitted as an attachment to the social equity plan. However, a cannabis business should not submit information such as copies of checks issued to businesses, unless requested.

h. Timeline of Social Equity Plan Implementation.

The Social Equity Plan must show a timeline for the implementation of the goals and completion of Equity Programs. The timeline shall include landmarks in the completion of the programs. The individual responsible for the Social Equity Plan must provide semestrial updates (every six month) to SEC detailing the progress in program execution. Within seven days of the license renewal date, all cannabis businesses must submit an annual report detailing the completion of the Social Equity Plan.

Section 3. Review Process of Social Equity Plans

SEC reviews Social Equity Plans according to the following procedure:

Receipt of Social Equity Plans from the Department of Consumer Protection (DCP)

All cannabis businesses must submit their Social Equity Plans online through the Department of Consumer Protection (DCP) E-Licensing portal. After completing all administrative processing of the Social Equity Plan, DCP emails the Social Equity Plan and supporting documents to SEC. SEC uploads the Social Equity to its drives and assigns a reviewer within twenty-four (24) hours of receipt of the plan from DCP. All Social Equity Plans must include the full contact information such as name, email address, telephone number, of the cannabis business official who serves as a point of contact for the

purpose of receiving SEC updates. Failure to include the point of contact information may result in delays in the review process and final licensing procedure.

a. Scoring and Timeline

In order to be approved, a Social Equity Plan must score at least seventy (70) percent out of hundred (100).

In the event that a Social Equity Plan failed to meet the minimum score, the SEC staff will offer a technical assistance learning session or material to help the cannabis business revise their Social Equity Plan for resubmission.

A cannabis business whose Social Equity Plan was not approved must revise and resubmit the plan within seven calendar days for review. The review of resubmitted Social Equity Plans is conducted in the order that all resubmitted plans are received in. Failure to resubmit the Social Equity Plan within seven (7) calendar days may result in delays in the review and final licensing procedure.

Section 4. Social Equity Plan Annual Review

Each Cannabis establishment must submit, to the Council, a 6-month progress report and a one-year final report on the impact of its social equity plan in the DIA. Final reports are due within seven days of the license renewal date.