

Testimony of Brandon L. McGee, Jr.  
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**Appropriations Committee**  
Conservation and Development Subcommittee Meeting  
March 12, 2025

***Governor's Fiscal Year 2026–2027 Recommended Budget***

Dear Senator Hartley, Representative Kavros DeGraw, and Members of the Conservation and Development Subcommittee,

Thank you for the opportunity to address the follow-up questions raised during the budget hearing on February 26th.

The mission of the Social Equity Council (SEC) is to foster equitable economic growth by supporting Social Equity Entrepreneurs and reinvesting in communities that have been significantly affected by the war on drugs. While the Council operates within the Department of Economic and Community Development (DECD) for administrative purposes, its focus remains centered on social equity.

One noteworthy change involves transferring the Social Equity and Innovation Fund (SEIF) to an off-budget account. This transition is aimed at enabling the Council to implement and distribute funds effectively according to its strategic plans. It is important to emphasize that this process will include robust oversight. The Council collaborates with DECD and adheres to established fiscal policies and procurement standards, which are applicable to all state agencies, including the Office of Policy and Management (OPM), the Department of Administrative Services (DAS), and the State Contracting Standards Board, which ensures compliance across agencies. Additionally, the SEC is mandated by statute to provide monthly reports to the Black and Puerto Rican Caucus, along with quarterly updates to legislative leaders and relevant committees. These reports will detail expenditures on salaries, contracts, workforce development, community reinvestment, and the status of social equity applications and plans.

Currently, the Social Equity Innovation Fund has a balance of as of March 2<sup>nd</sup>, 2025 **\$62,303,667**, derived from two primary sources: Social Equity License and Conversion Fees,

and THC Excise Tax Revenue. Funds accrued within this account are designated to promote equity and offer support for various initiatives such as:

1. Access to capital for businesses in any industry.
2. Technical assistance for business startups and operations in any industry.
3. Funding for workforce education in any industry.
4. Community investments.
5. Investments in areas disproportionately impacted by prior policies.

It is essential to highlight that certain governmental organizations receiving federal funding may face restrictions on accepting contributions from the cannabis industry. Furthermore, some community-based organizations may be hesitant to engage with cannabis-generated funds due to concerns about jeopardizing federal funding.

The SEC's workforce development program is structured around three core goals:

1. **\*\*Support for Social Equity Entrepreneurs\*\***: Providing comprehensive guidance through the application process, assisting with loan applications, and addressing challenges that hinder success.
2. **\*\*Accessible and Sustainable Training Pathways\*\***: Developing programs that prepare individuals—especially those from disproportionately impacted areas—for careers in the cannabis industry and beyond, with a focus on sustainable wages and growth opportunities.
3. **\*\*Alignment with Equity Goals\*\***: Stimulate workforce development outside the cannabis sector, reduce disparities, and create an inclusive workforce to ensure a thriving industry.

We are actively working towards operationalizing these goals through collaborations with the Connecticut State College system and other stakeholders. We are dedicated to this initiative and anticipate significant positive impacts in the communities affected.

The latest monthly report submitted to the Black and Puerto Rican Caucus (Attachment A) and the quarterly legislative report (Attachment B) are attached, and they provide detailed insights into our ongoing progress and initiatives.

Thank you for your attention, and we welcome any questions you may have.