**Meeting Minutes**

**Cannabis Social Equity Advisory Board**

**Friday, June 16, 2023**

**4:30 – 5:30 PM**

**Board Members in Attendance via Remote Access:**

* Keisha Brice (Chair)
* Meaka Brown
* Chris Fevry
* Aaron Goines
* Phil Smith

**Meeting Minutes:**

Welcome and Introductions

* Chair Keisha Brice called the meeting to order at approximately 4:33pm.
* Chair Keisha Brice called to approved meeting minutes from April 23, 2023 Meeting. The motion carried.

Cannabis Social Equity Program Personnel Update

* Joseph Gilmore was introduced as the Cannabis Social Equity Trust Fund (“Fund”) program administration and indicated he brings experience from the City of Boston’s Mayor’s Office of Economic Opportunity & Inclusion where, for 2 years, he oversaw the implementation of the Boston Equity Fund which provided over $800,000 to certified Boston Equity Applicants.

A&F Update on Cannabis Social Equity Trust Funding

* General Counsel of the Executive Office for Administration and Finance (A&F), Martha Kwasnik, provided an update on status of funding for the Cannabis Social Equity Trust Fund by noting that the statutory transfer language that is intended to effectuate the transfer of funds requires clarification. As currently drafted, the Fund is to receive 15% of the amount of funds in the Marijuana Regulation fund. However, that 15% is currently set to transfer after funds from the Marijuana Regulation Fund is transferred to the Consolidated Net Surplus account, which ultimately results in a $0 transfer for the Fund. Ms. Kwasnik added that the amount in the Marijuana Regulation Trust Fund changes throughout the year because it is actively accepting and disbursing funds and that this is part of the issue with the current statutory language regarding how much funding was intended for the Cannabis Social Equity Trust Fund.
* A&F is working on an interim solution for this year that would allow the transfer to occur before the Consolidated Net Surplus transfer, which could be in the $2-4 million range. This could happen after a closeout supplemental budget is signed by the Governor which could occur sometime in the Fall.
* Ms. Kwasnik and Rory O’Hanlon indicated that EOED and A&F is committed to working with stakeholders and the Legislature to fix the statutory language to avoid repeating the issue in 2024.
* Chair Brice then opened the floor to questions from board members regarding funding for the Trust Fund.
* Chris Fevry inquired about clarifying the current balance of the fund and timing for the fund transfers. Ms. Kwasnik explained that the way the statute is written, 15% of the Marijuana Regulation Fund is annually transferred into the Cannabis Social Equity Trust Fund. If the transfer was made according to the existing statutory language, there would be $0 transfer because given the timing of when the fund transfer would be effectuated, it would occur after the fund money is moved into the Consolidated Net Surplus, which is a standard financial practice. Ms. Kwasnik added that A&F needed to establish the account before any funds could be transferred, which occurred at the end of last year.
* Phil Smith asked about the FY23 and FY24 funding. Ms. Kwasnik, clarified that the aforementioned amount of $2 to $4 million funds for FY23 would occur sometime after the finalizations of the closeout supplemental budget. Mr. O’Hanlon added that the amount of funds intended for generally for the Cannabis Social Equity Trust Fund was based off of 15% of the amount that is in Marijuana Regulation Fund.
* Mr. Fevry asked about the timing for a legislative change to the statutory language to ensure transfer of funds. Ms. Kwasnik clarified that the $2 to $4M for this year will happen, but that amount will depend on what is left in the Marijuana Regulation Fund. However, legislative fix will be required to clarify the amounts transferred for future years and indicated it should occur during FY24.

Cannabis Social Equity Trust Fund Regulation Discussion

* Executive Office of Economic Development Deputy General Counsel, Robert McGovern, made a PowerPoint presentation regarding the Cannabis Social Equity Trust Fund regulations. The presentation described an overview of potential regulatory provisions and included a discussion on eligibility requirements, licenses status and stage of business for applicants.
* Board members discussed the potential criteria for eligibility. Phillip Smith and Chris Fevry proposed allowing social equity businesses with less than 51% ownership to be eligible for grant funds; Aaron Goines indicated he believes applicants should adhere to a supermajority of control; and Meaka Brown proposed capping money provided to municipalities.
* Chair Brice stated we should consider applicants in the pre-licensing stage; Aaron Goines stated concerns that large portion of funds could be wasted on holding a commercial lease; Phillip Smith proposed ancillary businesses should be considered eligible; and Meaka Brown stated that pre-licensing, pending, and operational licenses, and municipalities should be considered.

Website and Public Comment Process

* Chair Brice indicated that a new email contact was created for the Cannabis Social Equity Advisory Board and members of the public can submit comments and questions to CSEAB@mass.gov
* Members of the public can access the new CSEAB [webpage](https://www.mass.gov/orgs/cannabis-social-equity-advisory-board) to see upcoming meetings, past approved meeting minutes, and to submit future testimony.

Adjournment

* Chair Brice called for a motion to adjourn the meeting, which was made and seconded. All members present voted in the affirmative. The meeting was adjourned.