

Vermont Social Equity Sub-Committee Meeting Minutes—October 12, 2021

Chair calls to order meeting at 3:03 pm ET.

Attendees:

Advisory Committee Members

- Nader Hashim
- Xusana Davis
- Julio Thompson

VT Cannabis Board Members:

- Julie Hulburd
- Lindsay Kurrle
- Kimberley Lashua

NACB:

- Gina Kranwinkel
- Geoffrey Gallegos
- Deneka Scott

6 members of public

Minutes recorded by John O'Donnell.

*Deneka Scott entertains a motion to approve the Board's minutes for the October 7 meeting. Member *Nader Hashim moves. Member *Julio Thompson seconds. Minutes are approved.

Notable comments:

[Agenda and discussion set by accompanying Powerpoint slide presentation]

Cannabis Development Fund

[slides 6-7]

[slide 7] **Cannabis Business Development Fund**

*Gina Kranwinkel- We are looking for ways to give supplementary low interest loans and grants to Social Equity candidates – the Cannabis Business Development Funds are limited, whereas the business startup costs are substantial – e.g. assets + educational courses + marketing outreach.

[slide 7 item 2.1] **5% cannabis tax revenue to fund program**

*Xusana Davis- [questions] How other 95% of tax revenue is used? – non-SE ; Is it the tax from the previous years revenue? ; Ability for fund to stretch? ; Sustainability of fund?

*Julie Hulburd- 6% sales tax goes to schools. 30% of the 14% excise tax goes to prevention.

*Julio Thompson- 5% tax on revenue won't be too much in first year for Vermont – contrastingly there are enormous setup costs in the startup year for the SE business. Questions proportionality – 5% to SE vs 95% to non-SE. Report to CCB to say minimum of 5%, with evaluation in 6 months (once revenue data is available).

[slide 7 item 2.2] **Creation of a (public donation) Social Equity Cannabis Trust**

*Gina Kranwinkel- Use partnerships with other parties to supplement the limited funds.

*Julio Thompson- Should be a blind trust – so there is no suggestion of political influence by the donor.

*Geoffrey Gallagos- Massachusetts considering a Trust scenario – possibly no other states?

*Nader Hashim- Suggests tax deductible donations would attract more donors.

*Julio Thompson- Deduction probably not allowed under federal law. Vermont would require a change to Vermont legislation.

*Gina Kranwinkel- If the donation is visible (not blind), then this can be a selling point to donors, to be seen to support the program – e.g. publicity, good-will.

*Julio Thompson- A trust is a 0% interest account – questions get raised about sound business financial investment practices. Which can lead to questions about impropriety and influence – e.g. donor wants money to be invested in a particular part of the market. Other states have a Marijuana Exchange Traded Fund, where investors can operate in this market.

Vote- [slide7] 5% Cannabis Tax Revenue Funding + Social Equity Cannabis Trust

*Gina Kranwinkel- [vote negotiations]

(1) To be reviewed in 6 months by CCB

(2) At least 5%

*Nader Hashim- Agree

*Julio Thompson- Agree

Cannabis Social Equity Board

[slide 9]

*Gina Kranwinkel- Propose 6 to 12 members on board.

Suggested members representative of the Social Equity focused cannabis industry – Cannabis licensee + Disproportionately Impacted Communities + BIPOC + Opportunity Zones + Racial-Equity-Diversity + Co-op + SE caucus + Commerce Agency + CCB (tie breaker)

*Gina Kranwinkel- Seeking cross section of interested parties in Social Equity – opportunity to hear about issues in their specific sector as the program runs.

*Nader Hashim- Prefer an odd number on Board for voting tie-breaker.

*Julio Thompson- Prefer more members option (e.g. 12), as it provides a higher variety of voices.

*Julio Thompson- Interested more in community representatives who have experienced legacy Social Equity impacts. Prefer if the commercial sector representatives provide advice only, but have no vote. Should have some correlation with other Vermont statutes – e.g. that use language of “Members shall be drawn from diverse backgrounds to represent the communities of color throughout the State, have experience working to address racial justice reform, ...”.

*Gina Kranwinkel- Currently proposed Board mix = 1/3 SE community + 1/3 cannabis industry + 1/3 government & finance.

*Julio Thompson- Prefers Board mix = 1/2 SE community + 1/4 cannabis industry + 1/4 government & finance.

*Nader Hashim- Prefers a higher proportion of directly impacted SE communities – platform to share their story of lived experience.

*Xusana Davis- What does diversity mean? It is typically viewed as racial, but is broader than that – e.g. health diversity, geographic diversity.

*Julio Thompson- A vote is a powerful benefit (voice) to a historically impacted party.

*Lindsay Kurrle- Suggest to add Agency from Agriculture.

Public Comments:

No electronic public comments.

*Ben Mervis- (1) Experience of the “Working Group Coalition”. BIPOC community focus – assistance services. (2) Cites historical SE case example. Burdened costs prior to legalisation. Now in care facility. Can not use cannabis on-site in care facility – needs access to third party facility?

Adjournment:

*Gina Kranwinkel asked for a motion to adjourn. Member *Nader Hashim moves. Member *Julio Thompson seconds. Meeting is adjourned at 4:01 pm.

Next Social Equity Sub-Committee meeting is Thursday, October 14 at 3 pm ET.