

Vermont Social Equity Sub-Committee Meeting Minutes—October 28, 2021

Chair calls to order meeting at 3:04 pm ET.

Attendees:

Advisory Committee Members

- Nader Hashim
- Ashley Reynolds
- Xusana Davis
- Julio Thompson

VT Cannabis Board Members:

- Julie Hulburd
- David Scherr

NACB:

- Gina Kranwinkel
- Geoffrey Gallegos

1 member of public

Minutes recorded by John O'Donnell.

*Geoffrey Gallegos entertains a motion to approve the Board's minutes for the October 25 meeting. Member *Nader Hashim moves. Member *Ashley Reynolds seconds. Minutes are approved.

Notable comments:

[Agenda and discussion set by accompanying Powerpoint slide presentation]

Diversity, Equity & Inclusion Program

[slides 6-10]

Low Socioeconomic Community Definition

[slide 9]

*Gina Kranwinkel- The equivalent of low socioeconomic in Social Equity is the Opportunity Zone, which was Rejected by the CCB. The DEI Program is now the opportunity to address the low socioeconomic communities.

*Gina Kranwinkel- [presentation] 2 options to define the candidates qualifying for the low socioeconomic community. Either:

- Maximum income = 125% of federal poverty level, (or)
- Annual income = at or less than 80% of the state median income

- *Gina Kranwinkel- Vermont already uses the 125% of federal poverty level option for public defender services.
- *Gina Kranwinkel- The 80% of state median income, is proposed by NACB from their analysis of other states.
- *Julio Thompson- Inclined towards the option that aligns with what Vermont is already doing in other legislative environments [option 1].
- *Xusana Davis- Prefer an option that offers more inclusion.
- *Julio Thompson- It can be difficult to balance incomes in a household in any summed income situation - high earners and low earners in the same household.
- *Julio Thompson- Would like to do better than the public defender services criteria – suggests potentially 135% of federal poverty level. The public defender support can have a different costs context from this low socioeconomic model – e.g. extended timelines of legal cases.
- *Ashley Reynolds- Most interested in what enables people, at any level (not just business people), to get into the cannabis industry.
- *Xusana Davis- Highlights that some people officially have zero income, as their income is directed to a trust – it is hard to have a definition that does not get abused.

Vote- [slide 9] Add low socioeconomic group to DEI program – Set qualification at 135% of federal poverty level

- *Ashley Reynolds- Agree
- *Nader Hashim- Agree
- *Julio Thompson- Agree

DEI Program Benefits

[slide 10]

- *Gina Kranwinkel- [presentation] Potential benefits for Diversity, Equity & Inclusion program:
 - Educational program
 - Priority processing
 - Waive Intent to Apply Fee (\$500) and Application Fee (\$1000 – Intent-to-Apply Fee if paid)
- *Julio Thompson- Focused on lowering any state imposed barriers to entry – e.g. fees waiver.
- *Ashley Reynolds- Does not want to see the state administration system be overwhelmed by the administration of a multitude of programs. Are benefits being overlapped between programs? If one of the fees remains, then paying that fee shows a “seriousness” of intent to get into the industry.
- *Nader Hashim- If the state system is inundated with applications (including by those who may not be serious), then priority processing administration process can morph into the standard day-to-day process grind.
- *Julio Thompson- There is a balance to be found at market entry of each applicant, between the seriousness of their intent versus fees that overly burden those who are already struggling financially. Wants the Vermont state to be seen to be supporting the low socioeconomic community, so that they can move beyond their economic issues. Does not want to use the fee barrier, to test the seriousness of intent of an applicant.
- *Ashley Reynolds- The advent of the hemp industry had a huge boom-and-bust effect – a large number of industry entrants (unfamiliar with the risks), in an initially low cost production (“cottage industry”) environment, which led to massive over-supply over products that weren’t being sold. This consequently led to lots of business failures, loss of confidence, large debts, etc. Waiving fees here might lead to the same issue occurring again.
- *Nader Hashim- Does not want all of the fees waived.

- *Julio Thompson- Feels it is more important to focus on education that informs candidates of the risks prior to entering the market – rather than using fees as barrier to test the seriousness of the candidate at market entry.
- *Ashley Reynolds- There is a greater level of generic awareness of the future risks when entering other industries (e.g. restaurant), that provides a check on prospective applicants. There is a nominal viewpoint of the cannabis industry as being a place to make “lots of easy money”.
- *Julie Hulburd- The license application process itself is designed to test the seriousness of the applicant – due to the quantity and quality of information they have to supply.
- *Xusana Davis- It is our role to find ways that force the applicant to acknowledge they realistically understand the risks – e.g. require attendance at an introductory workshop, before an application can be accepted.

Vote- *[slide] Educational program + Priority processing + Waive Intent to Apply Fee (No Application Fee waiver)*

- *Ashley Reynolds- Agree
- *Nader Hashim- Agree
- *Julio Thompson- Agree

Public Comments:

- *Ben Mervis- New entrants need to fully consider the business viability of entering the market – fees can prompt that “pause” to consider.

Conclusion

[Review of the last 8 weeks of subcommittee meetings and outcomes]
[Thank You to all the Social Equity subcommittee members and attendees for their work]

Adjournment:

- *Gina Kranwinkel asked for a motion to adjourn. Member *Ashley Reynolds moves. Member *Nader Hashim seconds. Meeting is adjourned at 4:09 pm.

This is the Final Social Equity Sub-Committee meeting.