



Testimony of Brandon L. McGee, Jr.
Chief Executive Officer, Social Equity Council

Appropriations Committee

State Agency Budget Presentation, February 20, 2026

Governor's Fiscal Year 2027 Recommended Budget Adjustments

Senator Osten, Representative Walker, Senator Somers, Representative Nuccio and Honorable Members of the Appropriations Committee, thank you for the opportunity to offer testimony in support of HB 5032, the Governor's FY 27 Recommended Budget Adjustments.

The Social Equity Council (SEC) 's mission is to promote equitable economic prosperity by supporting Social Equity Entrepreneurs and reinvesting in the communities most impacted by the war on drugs. Our vision is that the communities most affected by the war on drugs are prosperous and thriving.

The Council is within the Department of Economic and Community Development for administrative purposes only.

The Governor's FY 2026-2027 budget transitioned the Cannabis Social Equity and Innovation Fund to an off-budget designation to the Cannabis Social Equity and Innovation Account (SEIA). This adjustment aligns with the original legislative intent and enhances the Council's ability to effectively implement and allocate funds according to its strategic plan. While the SEIA is an off-budget account, the SEC remains committed to improved internal controls and the SECs standard operating procedures that support compliance and transparency. SEC staff will continue working alongside Council Members of the SEC Finance committee on fiscal management and the overall growth of the fund.

All expenses associated with the Social Equity Council are drawn from the SEIA, including personnel costs and statutorily mandated functions pertaining to

community reinvestment and workforce development. The SEIA serves as a significant financial resource, predominantly supported by revenues generated within the cannabis sector. Currently, account funding is derived from social equity license and conversion fees, in addition to sixty percent of the THC excise tax revenue which will increase to sixty-five percent in FY27.

Central to the Council's mission is to foster fair economic opportunities and outcomes within the cannabis industry, and to reinvest funds generated by the industry into the communities hardest hit by the war on drugs. In June 2025, the Council reintroduced its fully redesigned Reimagine & Revitalize (R²) Community Reinvestment Program, committing \$36 million over three years to advance equitable economic growth and transformation across ten priority regions in Connecticut: Bridgeport, Danbury, Hartford/East Hartford, Meriden, New Britain, New Haven/East and West Haven, New London/Norwich/Windham, Norwalk, Waterbury, and Stamford.

These regions encompass 194 of Connecticut's 237 disproportionately impacted census tracts. The R² Program now operates under the Equitable Evaluation Framework, aligning investments with the Council's strategic priorities of Economic Development, Reentry Initiatives for justice-impacted youth and adults, and Youth Initiatives. Our programming also includes a capacity building curriculum to promote growth and sustainability for our Community Based Organizations.

The R2 program highlights the critical role of cannabis tax revenue in sustaining social equity initiatives and related programs. This funding stream plays a vital part in ensuring that these initiatives have the necessary resources to continue their positive impact within the community.

To strengthen our commitment to ensuring the R2 program will be accessible to the 10 target regions, we have started to host informational sessions with legislators throughout the state in these regions. So far, we have visited Bridgeport and Stamford. We plan to continue visiting each of the remaining regions to ensure community members have the opportunity to ask questions and learn about what this program is and how it will be able to support their important work in our Disproportionately Impacted Areas.

The Council is finalizing a partnership with the Department of Housing (DOH) and the Department of Corrections (DOC). DOC data has shown significant housing instability among individuals returning home, and the MOU with these sister agencies

will ensure housing vouchers are available to remove barriers to employment and strengthen reentry services for justice-impacted individuals.

The Council also plans to engage in MOAs with the CT State College system to pilot an initiative to provide scholarships for Social Equity Entrepreneurs (SEEs) to obtain certifications within the cannabis industry. The scholarships will be offered to SEEs as well as their employees.

The Council is also committed to supporting our SEEs through technical assistance to ensure compliance with licensing requirements such as their Social Equity and Workforce Development Plans. Additionally, we host monthly roundtables and meet with SEEs to learn about market conditions and the challenges in the supply chain and use this important feedback from our constituents to strategize potential solutions and inform policy.

Finally, we also offer low interest loans to SEEs to support costs related to constructions or improvements, equipment and machinery, as well as other soft costs to develop their business. Lastly, to further support the industry, our team is working on developing a grants program to alleviate some of the hardships establishments are facing. These last two programs are funded through bond allocations.

Budget Highlights

The Council currently employs a total of 10 staff members. At this time, there are four vacant positions under active recruitment process. For Fiscal Year 2026, the Council's total budget including both personal services and other expenses is \$17,570,405. In Fiscal Year 2027, the Council's total budget, also encompassing personal services and other expenses, increases to \$18,660,405. A document summarizing the Council's budget for Fiscal Years 2026 and 2027 is attached for your review and reference.

Thank you for your time today, and we are happy to answer any questions you may have.

SOCIAL EQUITY COUNCIL
Fiscal Year 2026 – 2027 Revised Biennium Budget

	FY 2026	FY 2027
Expenditure Category	Revised Budget 8/1/2025 (PS Updated), 10/20/2025 (OE Updated)	Revised Budget 8/1/2025 (PS Updated)
Personal Services Salary & Wages	\$1,502,836.00	\$1,502,836.00
Personal Services Fringe Benefits	\$1,465,265.00	\$1,465,265.00
Total Personal Services	\$2,968,101.00	\$2,968,101.00
Total Other Expenses	\$14,602,304.00	\$15,692,304.00
Grand Total PS and OE	\$17,570,405.00	\$18,660,405.00

