



**MASSACHUSETTS GAMING COMMISSION  
PUBLIC MEETING #193**

June 9, 2016  
10:00 a.m.

**Massachusetts Gaming Commission**  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA



Massachusetts Gaming Commission

101 Federal Street, 12<sup>th</sup> Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | [www.massgaming.com](http://www.massgaming.com)



## NOTICE OF MEETING and AGENDA

**June 9, 2016**

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

**Thursday, June 9, 2016**

**10:00 a.m.**

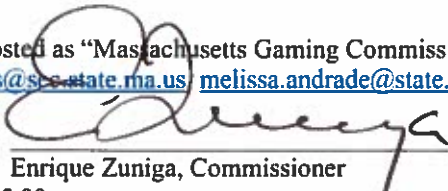
**Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA**

### **PUBLIC MEETING - #193**

1. Call to order
2. Approval of Minutes
  - a. May 10, 2016
  - b. May 12, 2016
  - c. May 26, 2016
3. Administrative Update – Ed Bedrosian, Executive Director
  - a. General Update
4. Finance Division – Derek Lennon, Director
  - a. Commission's FY17 Budget Presentation (Lennon, Beaulieu, Banda)
5. Legal Division – Catherine Blue, General Counsel
  - a. Small Business Impact Statement – 205 CMR.6.00 – Pari-Mutuel Rules for Thoroughbred, Harness and Greyhound Racing – **VOTE**
6. Workforce & Supplier Diversity – Jill Griffin, Director
  - a. General Update
  - b. Supplier Diversity Reporting Clarification
7. Horse Racing – Alex Lightbown, Director
  - a. Suffolk Downs Request for Race Horse Development Funds – **VOTE**
8. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as "Massachusetts Gaming Commission Meeting" at [www.massgaming.com](http://www.massgaming.com) and emailed to: [regs@scs.state.ma.us](mailto:regs@scs.state.ma.us) [melissa.andrade@state.ma.us](mailto:melissa.andrade@state.ma.us).

6/6/16  
DATE

  
Enrique Zuniga, Commissioner

**Date Posted to Website:** June 6, 2016 at 5:00 p.m.



**Massachusetts Gaming Commission**

101 Federal Street, 12<sup>th</sup> Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | [www.massgaming.com](http://www.massgaming.com)



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## Meeting Minutes

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**Date/Time:** May 10, 2016 – 1:00 p.m.

**Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts

**Present:** Chairman Stephen P. Crosby  
Commissioner Gayle Cameron  
Commissioner Lloyd Macdonald  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga

**Time entries are linked to  
corresponding section in  
Commission meeting video**

### Call to Order

See transcript page 2

[1:00 p.m.](#) Chairman Crosby called to order the 190<sup>th</sup> Commission meeting.

### Social Gaming Informational Session

See transcript pages 3-167

[1:02 p.m.](#) Executive Director Edward Bedrosian, Jr. stated that in March 2016, Penn National Gaming discussed using social gaming in their business plan. The Commissioners requested information on social gaming and an educational session was set up by Executive Director Bedrosian and Attorney Justin Stempeck. Executive Director Bedrosian recommended scheduling a follow-up presentation on social gaming that could include more industry experts and/or our licensees.

[1:04 p.m.](#) Attorney Justin Stempeck introduced the following speakers: Executive Director Timothy Loew and Managing Director Monty Sharma from MassDiGI, Chief Executive Officer Luc Delany from International Social Games Association, and Executive Director Keith Whyte from the National Council on Problem Gambling.

- [1:05 p.m.](#) Timothy Loew and Monty Sharma, representing **Massachusetts Digital Games Institute** (“MassDigI”), provided an overview of MassDigI which is based at Becker College and is a statewide center for academic cooperation, entrepreneurship and economic development across the games ecosystem. They described the mission of MassDigI and its programs and services which included: a game challenge, summer innovation program, live studio, mentoring, research, surveys, industry marketing, and policy. Their presentation also included an overview of the digital global economy, elements of social gaming, branding and advertising.
- [1:50 p.m.](#) Luc Delany, representing the **International Social Games Association** (“ISGA”), stated that the ISGA is a global non-profit trade association committed to researching and understanding social gameplay, working with policymakers, upholding industry best practices, and promoting safe and responsible gameplay. The ISGA is based in London. He provided an overview of the evolution, use and impact of social games. He also provided an overview on social casino games which included: player demographics, marketing, consumer protection, UK Gambling Commission’s scoping review of social games, misconceptions, best practice principles, and youth and problem gambling.
- 2:48 p.m. The Commission took a brief recess.  
2:53 p.m. The meeting resumed.
- [2:53 p.m.](#) Keith Whyte, representing the **National Council on Problem Gaming** (“NCPG”), stated that the NCPG is a national advocate for programs and services to assist problem gamblers and their families. He noted that the NCPG is neutral on legalized gambling and social casino gaming. He presented on social casino gaming models, research studies, types of risk, monetarization mechanics, rating system, youth research, transitional risk factors, and solutions (consumer protection standards and responsible play features).

#### **Other Business Not Reasonably Anticipated**

See transcript page 167

- [4:04 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

#### **List of Documents and Other Items Used**

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated May 10, 2016
2. Social Gaming Informational Session – Biographies of Presenters
3. MassDiGI - PowerPoint Presentation
4. International Social Games Association - PowerPoint Presentation
5. National Council on Problem Gambling - PowerPoint Presentation

/s/ Catherine Blue  
Catherine Blue, Assistant Secretary



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## Meeting Minutes

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**Date/Time:** May 12, 2016 – 10:00 a.m.

**Place:** MassMutual Center  
1277 Main Street, Rooms 1 & 2  
Springfield, MA

**Present:** Chairman Stephen P. Crosby  
Commissioner Gayle Cameron  
Commissioner Lloyd Macdonald  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga

**Time entries are linked to  
corresponding section in  
Commission meeting video**

### Call to Order

See transcript page 2

[10:01 a.m.](#) Chairman Crosby called to order the 191<sup>st</sup> Commission meeting.

### Approval of Minutes

See transcript pages 2-7

[10:01 a.m.](#) *Commissioner Macdonald moved for the approval of the April 25, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters, and as amended to delete the reference at 1:42 p.m., to the word minimum as it relates to the standard that MEPA would require. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

[10:05 a.m.](#) Chairman Crosby inquired about the process to make a transcript correction.

[10:05 a.m.](#) *Commissioner Macdonald moved for the approval of the April 28, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

## **Workforce, Supplier and Diversity Development**

See transcript pages 7-24

[10:05 a.m.](#) Director Jill Griffin provided an update on the diversity goal and business technical assistance grant program. The Commission requested grant applications for funding consideration to optimize the outcomes for casino diversity contracting goals. She noted that the Commission will award \$100,000 in grants and six recipients were selected statewide through a competitive process. The recipients and award amounts are as follows: the Springfield Regional Chamber will receive \$10,000; the Association of Black Business Professionals of Springfield will receive \$20,000; the Hispanic American Institute will receive \$15,000; the Center for Women and Enterprise will receive \$15,000; the Greater New England Minority Supplier Development Council will receive \$20,000; and the Supplier Diversity Office of the Commonwealth of Massachusetts will receive \$20,000.

[10:12 a.m.](#) Robert Jones, representing the Association of Black Business Professionals of Springfield, and Richard Griffin, Jr., representing the Springfield Office of Planning and Economic Development, presented on bringing the Interise program to Springfield. They stated that Interise is all over the country, they focus on economically struggling communities, and they assist established, small and minority businesses with operations, connections to anchor institutions, and job growth. They reported that they are looking to work with approximately 15 businesses in their first cohort.

## **Ombudsman Report**

See transcript pages 25-99

[10:27 a.m.](#) Ombudsman John Ziemba requested to reverse the order of the agenda and take up the MGM design update before the MGM quarterly report.

[10:29 a.m.](#) Attorney Jed Nosal, representing MGM Springfield, provided an overview of the design changes and approval process. He asked the Commission to approve the final design and site plan as approved by the Springfield City Council.

[10:30 a.m.](#) Mike Mathis, President of MGM Springfield, commended the Commission on the diversity grants and thoughtful deliberation process in Region C. He presented on the major elements of the project which included the following: \$950 million development project, \$1 billion to the City of Springfield over the term of the license, 2000 construction workers, 3000 operational jobs, local and regional spend, overview of site plans, residential program, Union and Main Street area, and daycare facility update.

[10:58 a.m.](#) Seth Stratton, Vice President and General Counsel of MGM Springfield, presented on abutter concerns and resolutions and the host community agreement amendment.

[11:20 a.m.](#) *Commissioner Zuniga moved that the Commission approve the site plan and project design as submitted and represented to us today and submitted in many iterations and approved to by the City of Springfield on February 22, 2016, including any conditions therein, provided however that the Commission approval does not include any matters pertaining to the childcare center, the retail space proposed at the corner of Main Street and Union Street, and the configuration and location of*

*any proposed residential units required as part of the MGM license and the host community agreement; and provided further that the Commission approval shall not be construed to amend or supersede any obligations required of MGM pursuant to the Section 61 Findings and the Mass. Historical memorandum of agreement relating to the project. Commissioner Zuniga further moved that the Commission delegate to staff the review and approval of construction design plans as they are completed and prepared for use in the construction of the project; provided further that if such construction design plans contain any material change from the site plan and project design approved here today, staff will submit such plans to the Commission for its review and approval. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

11:22 a.m. The Commission took a brief recess.

11:34 a.m. The meeting resumed.

[11:34 a.m.](#) Brian Packer, Vice President of Construction and Development, presented on the MGM Springfield first quarter report and overall site progress which included securing the site, building salvage, demolition, recycling, removing utilities, and garage site preparation. He announced that MGM awarded the garage design and build to Tishman Construction. Eric Nelson from Tishman Construction, and Dave Fontaine, Jr. from Fontaine Brothers, provided a summary of their professional backgrounds and noted their partnership on the MGM Springfield construction project. Brian Packer continued his quarterly report presentation on the project schedule and the diversity design and construction update. Seth Stratton presented on costs incurred to date (over \$200 million) and estimates. Mike Mathis reported on the church relocation [[video shown](#)].

12:00 p.m. The Commission recessed for lunch.

12:49 p.m. The meeting resumed.

### **Administrative Update**

See transcript pages 99-122

[12:49 p.m.](#) Chairman Crosby stated that the agenda order will be switched from item #5 (Research and Responsible Gaming) to item #6 (Administrative Update).

[12:50 p.m.](#) CFAO Derek Lennon presented on the Commission's third quarter budget (FY16) which included revenue and spending estimates, revenue reductions, potential spending decreases, indirect costs, tribal assessment status, spending charts, adjustment recommendations, and expense budget by division. Agnes Beaulieu, Finance and Budget Office Manager, presented on the supplier diversity benchmarks and noted that they reached and surpassed benchmarks for small businesses. She stated that they will continue to work towards meeting benchmarks for minority and women-owned businesses. She also stated that she is working with Director Jill Griffin to identify new businesses. Mr. Lennon described potential options to meet targets.



## **Research and Responsible Gaming**

See transcript pages 123-173

- [1:14 p.m.](#) Director Mark Vander Linden provided an update on Play My Way, which is a play management tool expected to launch at the end of the month at Plainridge Park Casino. He provided a summary of the following Play My Way screens that will show up on a slot machine: introduction, enrollment, terms and conditions, budget setting, reward credit, reminder notifications as patron approaches set budget, adjust budget, un-enrollment feature, and GamseSense icon with responsible gaming information. He credited Mike Sangalang for the icon animation. Director Vander Linden also reported on the Play My Way timeline which included content revisions, user acceptance testing, trainings, and live launch on June 1<sup>st</sup>.
- [1:51 p.m.](#) Elaine Driscoll, Director of Communications, reported on the Play My Way promotional collateral. She also noted her work with Plainridge Park Casino on a strategic timeline to rollout the campaign and maximize the customer experience.
- [1:59 p.m.](#) Director Vander Linden provided an update on the FY17 gaming research agenda and noted that the Public Health Trust Fund Committee adopted the gaming research agenda in April. The gaming research agenda includes continuation of the cornerstone projects – SEIGMA (Social and Economic Impacts of Gaming in Massachusetts) and MAGIC (Massachusetts Gaming Impact Cohort), evaluation of responsible gaming initiatives (Play My Way, GameSense Information Center and Voluntary Self-Exclusion), continuation of the public safety impact study, collection and anonymization of player data, and identification of a priority subgroup where more information is needed. He noted that they will reach out to the Gaming Policy Advisory Committee for their advice on the gaming research agenda.
- 2:14 p.m. The Commission took a brief recess.
- 2:24 p.m. The meeting resumed.

## **Racing Division**

See transcript pages 173-190

- [2:24 p.m.](#) General Counsel Catherine Blue presented on the Amended Small Business Impact Statement and final draft of 205 CMR 149 – Race Horse Development Fund. She noted that this regulation has been before the Commission, a public hearing was held, and public comments were received.
- [2:29 p.m.](#) *Commissioner Cameron moved that the Commission approve the Amended Small Business Impact Statement and final amendments to 205 CMR 149 as included in the packet, and authorize staff to file the amended regulation with the Secretary of the Commonwealth and complete the regulation promulgation process. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*
- [2:30 p.m.](#) Dr. Alexander Lightbown, Director of Racing, noted that Presiding Judge Tony Salnero will be leaving Plainridge Racecourse. She reported that Plainridge is requesting approval of the following racing officials: Annmarie Mancini as Presiding Judge, and Catherine Breedlove as Clerk of Course/Chart Writer.



2:31 p.m.      *Commissioner Cameron moved that the Commission approve Annmarie Mancini as the Presiding Judge, and approve Catherine Breedlove as Clerk of Course/Chart Writer pending her satisfactory completion of licensure by the Massachusetts Gaming Commission's Racing Division and satisfactory completion of her background check by the Massachusetts State Police. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

2:32 p.m.      Director Lightbown presented on a request by Plainridge to offer ten cent wagers. She stated that this wager was approved by the State Racing Commission for Suffolk Downs in 2007.

2:39 p.m.      *Commissioner Cameron moved that the Commission approve the request of Plainridge Park Casino to offer minimum ten cent wagers on certain exotic wagers. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

**Other Business Not Reasonably Anticipated**

See transcript page 190

2:40 p.m.      *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

**List of Documents and Other Items Used**

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated May 12, 2016
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated April 25, 2016, with attached Motion/Vote to adopt the Wynn Section 61 Findings
3. Massachusetts Gaming Commission, Draft Meeting Minutes dated April 28, 2016
4. Massachusetts Gaming Commission, Diversity Goal and Business Technical Assistance Grants
5. MGM Springfield Final Design Update and 1<sup>st</sup> Quarter 2016 Report, dated May 12, 2016
6. Massachusetts Gaming Commission, Play My Way Development Update, dated May 12, 2016
7. Massachusetts Gaming Commission, Memorandum dated May 12, 2016, regarding FY 2017 Annual Gaming Research Agenda
8. Massachusetts Gaming Commission, Memorandum dated May 12, 2016, regarding FY2016 Third Budget Update, with attachments
9. 205 CMR 149 – Race Horse Development Fund
10. 205 CMR 149 – Amended Small Business Impact Statement
11. 205 CMR 149 – Public Comments
12. Massachusetts Gaming Commission, Memorandum dated May 9, 2016, regarding Plainridge Racing Officials, with attachments
13. Massachusetts Gaming Commission, Memorandum dated May 9, 2016, regarding Plainridge Request for Ten Cent Minimum Wagers, with attachments

/s/ Catherine Blue  
Catherine Blue, Assistant Secretary



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## Meeting Minutes

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**Date/Time:** May 26, 2016 – 10:00 a.m.

**Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA 02110

**Present:** Commissioner Gayle Cameron  
Commissioner Lloyd Macdonald  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga

**Absent:** Chairman Stephen P. Crosby

**Time entries are linked to  
corresponding section in  
Commission meeting video**

### Call to Order

See transcript page 2

10:01 a.m. Commissioner Zuniga called to order the 192<sup>nd</sup> Commission meeting. He noted that Chairman Crosby is at a conference and Commissioner Stebbins is en route to the meeting.

### Approval of Minutes

See transcript pages 2-3

10:02 a.m. *Commissioner Macdonald moved for the approval of the 188th Commission Meeting minutes, April 26-28, 2016, subject to any corrections, typographical errors, or other nonmaterial matters. Motion amended to include change at 10:11 a.m. on April 26<sup>th</sup> that Director Karen Wells brought to the Commission's attention Rush Street Gaming's pending casino infractions. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

### Ombudsman Report

See transcript pages 3-62

10:03 a.m. Ombudsman John Ziemba stated that the quarterly reports presented today by Wynn Boston Harbor and Plainridge Park Casino are for the first quarter that ended on March 31, 2016. He stated that they are working with the licensees to create a

regular reporting schedule. President Robert DeSalvio, of Wynn Boston Harbor, thanked the Commission and staff for the work that went into the Section 61 Findings. Chris Gordon, President of Wynn Design and Development Massachusetts, presented on the quarterly report which included the following: permitting (local, state and federal), site remediation, design plans, Wynn Boston Harbor model, off-site infrastructure, Sullivan Square, and project schedule.

[10:18 a.m.](#) Mr. DeSalvio presented on project resources and diversity which included minority and women goal data. He also highlighted community events which included: Dr. Martin Luther King scholarship breakfast in Everett, Chinatown Main Street gala, Massachusetts Girls in Trades career day, Hispanic American Institute meeting, unveiling of models by Mr. Wynn, meeting with Charlestown residents regarding the lighting plan, Lasell College career day, Everett United meeting, cable access show, and Chelsea Chamber of Commerce event. A video was shown of a drone view of the property.

[10:39 a.m.](#) Vice President/General Manager Lance George, of Plainridge Park Casino, presented on the quarterly report which included the following: employment demographics (diversity and in state hiring, promotions, internal transfers and turnover), procurement (spend in Massachusetts and other states, local spend, and vendor diversity spend), revenue, taxes, compliance with regulations, lottery collaboration, company overview, events and promotions (Relay for Life charitable event, sponsor of Fenway concert series, and horse racing), and capital improvement projects (video tote board, paddock and barn). He also noted that they are working on the one year anniversary celebrations for employees and customers.

### **Administrative Update**

See transcript page 62-63

[10:58 a.m.](#) Executive Director Edward Bedrosian, Jr. provided a brief update and stated that he is working with CFAO Derek Lennon on the FY17 budget and will be back before the Commission with a draft budget for consideration.

### **Racing Division**

See transcript page 63-101

[11:00 a.m.](#) Dr. Alexandra Lightbown, Director of Racing, provided an update on thoroughbred racing which included the following: Suffolk and Brockton have submitted purse agreements, Suffolk has put in a request for the Race Horse Development Fund, applications for racing officials are moving forward, there is legislation pending to move 30 days of racing for Middleborough, and they are working on their track and completing their application.

[11:03 a.m.](#) Douglas O'Donnell, Senior Financial Analyst, provided an update on the handles at Plainridge Park Casino, Suffolk Downs, Raynham and Wonderland.

[11:08 a.m.](#) General Counsel Catherine Blue presented on a new section to 205 CMR 6.00 (Pentafecta Pools), and noted that it is a type of wager. She asked the Commission to vote to approve the amendment on an emergency basis and to start the promulgation process.

- [11:08 a.m.](#) *Commissioner Cameron moved that the Commission approve the Pentafecta Pools as outlined in the packet. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*
- [11:10 a.m.](#) Director Lightbown presented on the annual racing report and noted the following highlights: office moves, orientation process streamlined for seasonal employees, credit card payment option offered for license fees, two and three year licenses offered, new fingerprinting process was introduced, blood gas testing under Commission control, Lasix program went smoothly, and Judges and Stewards did a great job with enforcing the regulations. Commissioner Cameron commended Dr. Lightbown for her leadership and noted that staff morale is tremendous. She also stated that the racing building and signage look professional.
- [11:16 a.m.](#) Mr. O'Donnell presented on the annual racing report and provided an overview of the following: number of racing days, purses, Race Horse Development Fund distribution, racing division financials, handle comparison, import simulcasting, purse analysis, and financials for Suffolk, Plainridge, Raynham and Wonderland. Commissioner Cameron commented on the quality of the report. Mr. O'Donnell thanked Mike Sangalang for his assistance with the report.
- [11:41 a.m.](#) Mr. O'Donnell reported on Suffolk Down's request for reimbursement (\$64,417.78) from the promotional trust fund. He noted that he has copies of all the paid invoices.
- [11:43 a.m.](#) *Commissioner Stebbins moved that the Commission approve the request for reimbursement from Suffolk Downs promotional trust fund for the total of \$64,417.78 to closeout project SPT2010-01. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

#### **Legal Division**

See transcript pages 102-107

- [11:44 a.m.](#) General Counsel Blue reported on the draft decision for Region C. She stated that no action is required today; it is an opportunity for the Commission to review the draft decision and provide comments. She stated she will bring it back before the Commission in a few weeks for final review and approval. She also noted that the Region C decision was effective as of the date of the vote and this document will be a written decision to post.
- [11:45 a.m.](#) Chief Information Officer John Glennon reported on proposed amendments to the slot machine regulations to bring them in line with standard practices and streamline operations. General Counsel Blue suggested posting the draft regulations on the website for informal comment.

#### **Investigations and Enforcement Bureau**

See transcript pages 108-114

- [11:50 a.m.](#) Director Karen Wells reported on a key gaming employee executive application for licensure submitted by Andrew Plante. She stated that Mr. Plante was hired by Plainridge Park Casino on a temporary license as the director of security. She also

reported that a background check was conducted, the IEB found Mr. Plante suitable for approval as a key gaming executive employee, and recommended Mr. Plante for licensure.

11:57 a.m. *Commissioner Cameron moved that the Commission approve Mr. Andrew Plante for licensure as a key gaming employee. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

#### **Other Business Not Reasonably Anticipated**

See transcript page 115

11:57 a.m. *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

#### **List of Documents and Other Items Used**

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated May 26, 2016
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated April 26-28, 2016
3. Wynn Boston Harbor Quarterly Report as of March 31, 2016
4. Plainridge Park Casino Report to the Massachusetts Gaming Commission, Q1 2016
5. Massachusetts Gaming Commission, Third Annual Report of the Division of Racing, for year ending December 31, 2015
6. 205 CMR 6.46 – Pentafecta Pools, Draft Amendment
7. Massachusetts Gaming Commission, Draft Decision Denying a License to Operate a Category 1 Gaming Establishment in Region C
8. Draft Slot Machine Amendments - 205 CMR 138.63, 205 CMR 144.01, and 205 CMR 145.01

/s/ Catherine Blue  
Catherine Blue, Assistant Secretary



**No Documents**



## MASSACHUSETTS GAMING COMMISSION

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### MEMORANDUM

**To:** Chairman Crosby and Commissioners Cameron, Macdonald, Stebbins and Zuniga  
**From:** Edward Bedrosian, Jr. and Derek Lennon  
**Date:** 6/9/2016  
**Re:** Fiscal Year 2017 (FY17) Initial Budget Recommendations

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#### Summary:

The Massachusetts Gaming Commission's (MGC) initial Fiscal Year 2017 (FY17) budget projections are composed of \$24.79M for gaming operations including funding for 69.25 FTEs, and 1 contract position, a \$2.37M assessment for the Office of the Attorney General's (AGO) gaming operations inclusive of Massachusetts State Police (MSP) assigned to the AGO, \$1.47M for racing operations including funding for 3.75 FTEs an additional \$16.34M of racing payments to licensees and associations, of which \$14.4M is generated from the Race Horse Development Fund for a total agency budget of \$44.99M (73 FTEs and 1 contractor). A complete list of the MGC's spending and revenue by appropriation is attached to this document (Attachment A).

The MGC, under 205 CMR 121.00 will assess licensees the difference between its budget and anticipated revenues in FY17. The MGC's gaming operations costs combined with the AGO's are projected to be \$27.17M, and revenues are anticipated to equal ~\$4.72, which would leave an assessment of \$22.45M to be divided up among the licensees.

The Racing Division's budget is funded through a portion of wagering as stipulated in statute. While the landscape of thoroughbred racing in Massachusetts is not stable, the Division's budget was built using prior year revenue projections deflated at the average rate of decline experienced from FY14-FY15.

#### Gaming Control Budget FY17 Compared to FY16

Analyzing FY16 compared to FY17 does not present significant insight as the Commission is still in the "start-up" phase and costs/programmatic expenses from year-to-year are not consistent. There are still significant one-time costs included in both fiscal year figures.

Beginning in FY17 the Commission's presentation of the Gaming control budget varies slightly from the past. At a summary level we will be breaking the costs of the AGO out in a separate line. The Gaming Act authorized the AGO to spend and be reimbursed up to \$3M annually. In FY17 the costs of the AGO's operations as well as their usage of the MSP is anticipated to be approximately \$2.37M. This year's recommendation for the Gaming control budget includes an item for indirect costs (\$1.6M) which was not included in previous years. Another first for FY17 is the Treasurer will be



Massachusetts Gaming Commission



reviewing the Commission's costs for reasonableness in relation to other Gaming Control Boards/Commissions.

The MGC began FY16 with an approved budget of \$28.3M, which did not include indirect costs. The MGC is recommending an FY17 budget of \$27.17M, which includes \$1.63M in indirect costs. Comparing FY17 to FY16 by excluding the indirect from the FY17 budget, the MGC's budget proposal would be \$25.5M, which is approximately \$2.8M lower than the FY16 initial budget. The table below explains significant changes by spending category between fiscal years.

10500001 AA	6,460,884.92	(590,721.36)	5,870,163.56	6,442,204.17	572,040.61	Hiring/Backfilling of positions approved in FY16 Budget
BB	90,900.00	5,000.00	95,900.00	73,000.00	(22,900.00)	Travel Reduction Statewide Pool
CC	150,506.15	71,980.00	222,486.15	120,000.00	(102,486.15)	Reduction in Interns and contracted staff
DD	1,903,677.87	(90,269.96)	1,813,407.91	2,322,173.63	508,765.72	Shift from Contractors and Fringe rate increased by 4.5% in FY17
EE	505,193.58	54,114.19	559,307.77	2,251,920.84	1,692,613.07	Budgeting for Indirect in FY17
FF	500.00	62,244.01	62,744.01	500.00	(62,244.01)	One-time clothing costs to identify troopers at PPC
GG	1,129,453.26		1,129,453.26	1,221,982.62	92,529.36	Annualized Rent at 75-101
HH	5,239,276.14	(578,389.28)	4,660,886.86	2,692,103.14	(1,968,783.72)	Continued effort to reduce contractors (OPM, High Performance, Consultant Reviews, Contracted Investigations)
JJ	5,193,333.57	(1,997,040.60)	3,196,292.97	3,141,685.78	(54,607.19)	Alignment of ISAs
KK	80,000.00	129,926.25	209,926.25		(209,926.25)	Build out of 75-101
LL	25,617.71	7,000.00	32,617.71	29,683.80	(2,933.91)	
MM	35,000.00	(17,500.00)	17,500.00	40,000.00	22,500.00	
PP	3,011,010.00	(50,000.00)	2,961,010.00	2,680,000.00	(281,010.00)	Reduction in research contracts for Responsible Gaming
UU	4,487,017.99	(412,959.54)	4,074,058.45	3,704,596.18	(369,462.27)	Reduction in one-time costs of start-up of PPC as well as reduced miscellaneous equipment items
ISAs		1,969,684.91	1,969,684.91	-	(1,969,684.91)	MSP Finger Prints, AGO and DPH in FY16
ABCC				75,000.00	75,000.00	
AGO				2,376,844.36	2,376,844.36	
10500001 Total	28,312,371.19	(1,436,931.38)	26,875,439.81	27,171,694.52	296,254.71	

### FY17 Budget Process and Recommendations:

In FY17, the MGC will continue allocating funds to each division/bureau and tracking contractual commitments, expenditures and salaries against each division/bureau budget. The Commission will be using the expense budget feature in the Massachusetts Management and Accounting Reporting System (MMARS) to establish these budgets and automate the process of keeping track of budget to actual expenditures and commitments.

The MGC's office of finance met with each division/bureau head within the MGC and developed spending and revenue projections that are realistic representations of what will be needed in FY17 to operate the Commission, as well as what can be expected for revenue based on the Commission's



Massachusetts Gaming Commission

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current fee structures. These requests were then reviewed by the CFAO, the Executive Director, and the Treasurer of the Commission. A third review was conducted by representatives of the current gaming licensees (Penn, Wynn and MGM) at a meeting on May 11, 2016 at the MGC office. The meeting was productive and included a comprehensive review of the Commission's budget at a line item level, as well as a review of each division's staffing levels by employee and anticipated hires. As a result of that meeting, the budget was reduced by \$2.28M.

Below is a summary by appropriation of spending and revenues anticipated for the Gaming Control Fund and the Racing Oversight and Development Fund. Immediately following each summary are highlights of significant spending in each division/bureau. Attachment B to this document provides a view of each division's budget by object class, object code and then specific budget item view of each division/bureau budget. This same information can be found in Attachment C but the view is ordered first by object class, then object code, then division and finally by specific budget item.

### *10500001 Gaming Control Trust Fund*

The Gaming Control Trust funds 12 divisions/bureaus. Each division/bureaus costs of providing regulatory oversight to expanded gaming are built into the spending figures in the table below which represents at a macro level the anticipated spending and the corresponding flows of revenue. This item funds 69.25 FTEs and one (1) contracted position. The FY17 recommended spending level includes funding for one new position in the office of Workforce and Supplier Diversity, as well as funding for the positions approved in the FY16 spending plan.

Spending	Initial Projection
<b>10500001</b>	
AA REGULAR EMPLOYEE COMPENSATION	\$ 6,442,204.17
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 73,000.00
CC SPECIAL EMPLOYEES	\$ 120,000.00
DD PENSION & INSURANCE RELATED EX	\$ 2,322,173.63
EE ADMINISTRATIVE EXPENSES	\$ 2,251,920.84
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 500.00
GG ENERGY COSTS AND SPACE RENTAL	\$ 1,221,982.62
HH CONSULTANT SVCS (TO DEPTS)	\$ 2,692,103.14
JJ OPERATIONAL SERVICES	\$ 3,141,685.78
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 29,683.80
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 40,000.00
PP STATE AID/POL SUB	\$ 2,680,000.00
UU IT Non-Payroll Expenses	\$ 3,704,596.18
ABCC	\$ 75,000.00
AGO	\$ 2,376,844.36
<b>Grand Total</b>	<b>\$ 27,171,694.52</b>
<b>Revenues</b>	<b>Initial Projection</b>
Gaming Control Fund Beginning Balance	



Massachusetts Gaming Commission

Grant Collections (restricted)	\$ 50,000.00
Region A slot Machine Fee	\$ 1,945,200.00
Region B Slot Machine Fee	\$ 1,800,000.00
Slots Parlor Slot Machine Fee	\$ 750,000.00
Gaming Employee License Fees (GEL)	\$ 35,000.00
Key Gaming Executive (GKE)	\$ 5,000.00
Key Gaming Employee (GKS)	\$ 15,000.00
Non-Gaming Vendor (NGV)	\$ 31,000.00
Vendor Gaming Primary (VGP)	\$ 30,000.00
Vendor Gaming Secondary (VGS)	\$ 45,000.00
Gaming Service Employee License (SER)	\$ 15,000.00
Assessment	\$ 22,450,494.52
Misc	
<b>Grand Total</b>	<b>\$ 27,171,694.52</b>

For the purposes of this memorandum, only large contractual/programmatic expenditures in relation to the appropriation are listed below. Further details for budgets by each division are provided in attachments B and C:

- Division of Finance and Administration—office space lease \$1.19M
- Human Resources Division— office wide raises and benefits on raises \$318K.
- Legal Division—outside counsel (labor counsel, litigation counsel, general assistance)\$659.6K
- Executive Director—Tribal and gaming Consultant \$240K.
- Information Technology Division—applications development (licensing system) \$500K, central management system \$2.26M, hardware and software \$200K, state chargebacks \$278K.
- Commissioners—industry consultants \$50K.
- Workforce and Supplier Diversity—workforce development and diversity grants \$225K, MCCTI statewide workforce coordinator \$50K.
- Research and Responsible Gaming—responsible gaming branding, education and staffing of on-site centers, advertising and evaluation of program \$1.3M, SEIGMA core baseline study and Magic cohort study \$2.0M, ISA with DPH \$477K, data storage of player data \$150K.
- Communications—website design, streaming of public meetings, and media subscriptions \$85K.
- Ombudsman—construction and design consultants \$50K
- Investigations and Enforcement Bureau—MOU with state police for MGC investigative troopers, OT and travel, and troopers for slots parlor \$2.59M, Plainville police \$280K, fingerprint costs \$175K, Alcohol Beverage Control Commission \$75K.
- Licensing Division—supplies and travel \$16K.
- Office of the Attorney General—general office costs \$1.9M, state police straight time and overtime \$472.3K

*10500003 Racing Development and Oversight Trust Fund*



Massachusetts Gaming Commission

Row Labels	Initial Projection
<b>1050003</b>	
AA REGULAR EMPLOYEE COMPENSATION	\$ 383,644.22
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 12,000.00
CC SPECIAL EMPLOYEES	\$ 330,000.00
DD PENSION & INSURANCE RELATED EX	\$ 135,249.14
EE ADMINISTRATIVE EXPENSES	\$ 32,855.00
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 2,000.00
HH CONSULTANT SVCS (TO DEPTS)	\$ 25,000.00
JJ OPERATIONAL SERVICES	\$ 238,300.00
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 3,500.00
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 235,000.00
UU IT Non-Payroll Expenses	\$ 78,700.00
<b>Grand Total</b>	<b>\$ 1,476,248.36</b>
Revenues	Initial Projection
Plainridge Assessment	\$ 170,849.60
Plainridge Daily License Fee	\$ 124,695.42
Plainridge Occupational License	\$ 85,000.00
Plainridge Racing Development Oversight Live	\$ 18,674.66
Plainridge Racing Development Oversight Simulcast	\$ 264,972.66
Racing Oversight and Development Balance Forward	
Raynham Assessment	\$ 126,681.83
Raynham Daily License Fee	\$ 110,931.00
Raynham Racing Development Oversight Simulcast	\$ 457,149.55
Suffolk Assessment	\$ 437,169.33
Suffolk Commission Racing Development Oversight Simulcast	\$ 170,748.32
Suffolk Daily License Fee	\$ 80,631.00
Suffolk Occupational License	\$ 20,000.00
Suffolk TVG Commission Simulcast	\$ 92,997.43
Suffolk Twin Spires Commission Simulcast	\$ 92,997.43
Suffolk Xpress Bet Commission Simulcast	\$ 92,997.43
Wonderland Assessment	\$ 15,132.22
Wonderland Daily License Fee	\$ 80,073.00
Wonderland Racing Development Oversight Simulcast	\$ 120,746.64
Misc	
<b>Grand Total</b>	<b>\$2,562,447.52</b>

This item funds the operations of the Racing division. The majority of funding from this appropriation is payroll seasonal and fringe related \$848.9K. Other costs of the division are drug



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and laboratory testing \$238K, ISA to DPH for \$70K, and purchased client services for economic hardship payments, eighth pole payments, and the jockey guild \$235K.

### Assessment on Licensees:

Chapter 23K §56 (a)-(c) define how the MGC will fund its annual costs related to Gaming/non-racing activities. This chapter was further defined through 205 CMR 121.00. By taking the projected spending less the net revenues projected for FY17, the commission will utilize 205 CMR 121.01 3(c) to assess ~\$22.45M on licensees as shown in the chart below:

Licensee	Slots	Table Games	Table Gaming Positions*	Total Gaming Positions*	Percentage of Gaming Positions	Annual Assessment
MGM	3,000	100	600	3,600	38.99%	\$8,753,577.41
Wynn	3,242	168	1,008	4,250	46.03%	\$10,334,084.45
Penn	1,250	-	-	1,383	14.98%	\$3,362,832.66
	7,492	268	1,608	9,233	100.00%	\$22,450,494.52

\*Table gaming positions, slots and table gaming positions are derived by using the HLT figures from Finance Plan section of the Presentation under 2.3 the table titled Proposed Facility Suitability. For estimating gaming positions from table games, a multiplier of 6 for each table game is used. For PPC, it is the amount approved as of June/6/2016.

### Conclusion:

Staff is proposing an FY17 MGC budget of \$27.17M for gaming operations and \$1.47M for racing operations and an additional \$16.34 of racing payments to licensees and associations for a total agency budget of \$44.99M. Staff seeks the Commission's guidance on further spending recommendations and/or seeking additional comment.

For FY17 the following recommendation is made regarding payment of the assessment:

- The Commission should bill the assessment in quarterly installments with 25% of the assessment billed on 7/1/2016, and additional 25% billed following each of the first three quarterly updates.

### Attachments:

Attachment A: Listing of Accounts and Revenues

Attachment B: Next Year Budget All Departments

Attachment C: Next Year Budget



Massachusetts Gaming Commission

2017		Budget Projections
Row Labels		Initial Projection
<b>10500001</b>		
AA REGULAR EMPLOYEE COMPENSATION	\$	6,442,204.17
BB REGULAR EMPLOYEE RELATED EXPEN	\$	73,000.00
CC SPECIAL EMPLOYEES	\$	120,000.00
DD PENSION & INSURANCE RELATED EX	\$	2,322,173.63
EE ADMINISTRATIVE EXPENSES	\$	2,251,920.84
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$	500.00
GG ENERGY COSTS AND SPACE RENTAL	\$	1,221,982.62
HH CONSULTANT SVCS (TO DEPTS)	\$	2,692,103.14
JJ OPERATIONAL SERVICES	\$	3,141,685.78
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$	29,683.80
MM PURCHASED CLIENT/PROGRAM SVCS	\$	40,000.00
PP STATE AID/POL SUB	\$	2,680,000.00
UU IT Non-Payroll Expenses	\$	3,704,596.18
ABCC	\$	75,000.00
AGO	\$	2,376,844.36
<b>Grand Total</b>	<b>\$</b>	<b>27,171,694.52</b>
		Revenue Projections
Revenues		Initial Projection
Gaming Control Fund Beginning Balance		
Grant Collections (restricted)	\$	50,000.00
Region A slot Machine Fee	\$	1,945,200.00
Region B Slot Machine Fee	\$	1,800,000.00
Slots Parlor Slot Machine Fee	\$	750,000.00
Gaming Employee License Fees (GEL)	\$	35,000.00
Key Gaming Executive (GKE)	\$	5,000.00
Key Gaming Employee (GKS)	\$	15,000.00
Non-Gaming Vendor (NGV)	\$	31,000.00
Vendor Gaming Primary (VGP)	\$	30,000.00
Vendor Gaming Secondary (VGS)	\$	45,000.00
Gaming Service Employee License (SER)	\$	15,000.00
Assessment	\$	22,450,494.52
Misc		
<b>Grand Total</b>	<b>\$</b>	<b>27,171,694.52</b>
	\$	-
<b>Balance</b>		

		Budget Projections
Row Labels		Initial Projection
<b>10500002</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	-
		Revenue Projections
Revenues		Initial Projection
Greyhound Balance Forward Simulcast		
Plainridge Greyhound Import Simulcast	\$	32,174.19
Raynham Greyhound Import Simulcast	\$	112,449.69
Wonderland Greyhound Import Simulcast	\$	36,338.91
	<b>\$</b>	<b>180,962.79</b>

		Budget Projections
Row Labels		Initial Projection
<b>1050003</b>		
AA REGULAR EMPLOYEE COMPENSATION	\$	383,644.22

BB REGULAR EMPLOYEE RELATED EXPEN	\$	12,000.00
CC SPECIAL EMPLOYEES	\$	330,000.00
DD PENSION & INSURANCE RELATED EX	\$	135,249.14
EE ADMINISTRATIVE EXPENSES	\$	32,855.00
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$	2,000.00
HH CONSULTANT SVCS (TO DEPTS)	\$	25,000.00
JJ OPERATIONAL SERVICES	\$	238,300.00
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$	3,500.00
MM PURCHASED CLIENT/PROGRAM SVCS	\$	235,000.00
UU IT Non-Payroll Expenses	\$	78,700.00
<b>Grand Total</b>	<b>\$</b>	<b>1,476,248.36</b>

		Revenue Projections
Revenues		Initial Projection
Plainridge Assessment	\$	170,849.60
Plainridge Daily License Fee	\$	124,695.42
Plainridge Occupational License	\$	85,000.00
Plainridge Racing Development Oversight Live	\$	18,674.66
Plainridge Racing Development Oversight Simulcast	\$	264,972.66
Racing Oversight and Development Balance Forward	\$	-
Raynham Assessment	\$	126,681.83
Raynham Daily License Fee	\$	110,931.00
Raynham Racing Development Oversight Simulcast	\$	457,149.55
Suffolk Assessment	\$	437,169.33
Suffolk Commission Racing Development Oversight Simulcast	\$	170,748.32
Suffolk Daily License Fee	\$	80,631.00
Suffolk Occupational License	\$	20,000.00
Suffolk TVG Commission Simulcast	\$	92,997.43
Suffolk Twin Spires Commission Simulcast	\$	92,997.43
Suffolk Xpress Bet Commission Simulcast	\$	92,997.43
Wonderland Assessment	\$	15,132.22
Wonderland Daily License Fee	\$	80,073.00
Wonderland Racing Development Oversight Simulcast	\$	120,746.64
Misc		
<b>Grand Total</b>		<b>\$2,562,447.52</b>

		Budget Projections
Row Labels		Initial Projection
<b>10500005 Race Horse Development</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	14,400,000.00
		Revenue Projections
Revenues		Initial Projection
9% of Gross Gaming Revenue from Slots Parlor	\$	14,400,000.00
	\$	14,400,000.00

		Budget Projections
Row Labels		Initial Projection
<b>10500012</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	-
		Revenue Projections
Revenues		Initial Projection
Plainridge Import Harness Horse Simulcast	\$	1,933.38
Plainridge Racing Harness Horse Live	\$	7,272.51
Raynham Import Plainridge Simulcast	\$	298.34



Suffolk Import Plainridge Simulcast	\$	-
Plainridge Racecourse Promo Fund Beginning Balance	\$	-
TVG Live	\$	-
TVG Simulcast	\$	9,048.31
Twin Spires Live	\$	-
Twin Spires Simulcast	\$	11,759.99
Xpress Bets Live	\$	-
Xpress Bets Simulcast	\$	2,460.58
<b>Grand Total</b>	<b>\$</b>	<b>32,773.11</b>

		Budget Projections
Row Labels		Initial Projection
<b>10500013</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	125,000.00
		Revenue Projections
Revenues		Initial Projection
Plainridge Import Harness Horse Simulcast	\$	24,981.94
Plainridge Racing Harness Horse Live	\$	12,020.54
Raynham Import Plainridge Simulcast	\$	3,825.51
Suffolk Import Plainridge Simulcast	\$	-
Plainridge Capital Improvement Fund Beginning Balance	\$	-
TVG Live	\$	-
TVG Simulcast	\$	23,526.60
Twin Spires Live	\$	-
Twin Spires Simulcast	\$	28,932.47
Xpress Bets Live	\$	-
Xpress Bets Simulcast	\$	9,228.91
<b>Grand Total</b>		<b>\$102,515.97</b>

		Budget Projections
Row Labels		Initial Projection
<b>10500021</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	146,000.00
		Revenue Projections
Revenues		Initial Projection
Plainridge Import Suffolk Simulcast	\$	31,069.66
Raynham Import Suffolk Simulcast	\$	15,440.76
Suffolk Import Running Horse Simulcast	\$	54,208.12
Suffolk Racing Running Horse Live	\$	1,866.24
Suffolk Promotional Fund Beginning Balance	\$	-
TVG Live	\$	100.85
TVG Simulcast	\$	45,779.53
Twin Spires Live	\$	48.63
Twin Spires Simulcast	\$	28,161.18
Xpress Bets Live	\$	28.60
Xpress Bets Simulcast	\$	13,867.46
<b>Grand Total</b>		<b>\$190,571.03</b>

		Budget Projections
Row Labels		Initial Projection
<b>10500022</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	525,500.00
		Revenue Projections
Revenues		Initial Projection

16.34

Attachment A: Listing of Accounts and Revenues

Plainridge Import Suffolk Simulcast	\$	100,662.78
Raynham Import Suffolk Simulcast	\$	78,597.18
Suffolk Import Running Horse Simulcast	\$	177,470.92
Suffolk Racing Running Horse Live	\$	6,129.71
Suffolk Capital Improvement Fund Beginning Balance	\$	-
TVG Live	\$	279.86
TVG Simulcast	\$	172,972.00
Twin Spires Live	\$	124.80
Twin Spires Simulcast	\$	83,514.94
Xpress Bets Live	\$	101.42
Xpress Bets Simulcast	\$	46,749.67
<b>Grand Total</b>		<b>\$666,603.28</b>

Row Labels	Budget Projections	
	Initial Projection	
<b>10500140</b>		
TT LOANS AND SPECIAL PAYMENTS	\$	1,150,000.00

# Next Year Budget All Departments

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
10500001	Mass. Gaming Commission						
	1000	Finance and Administration					
		AA		REGULAR EMPLOYEE COMPENSATION			
		A01		Salaries: Inclusive	Employee Compensation	Salaries	\$500,089.89
				<b>Obj Class Totals:</b>			<b>\$500,089.89</b>
		BB		REGULAR EMPLOYEE RELATED EXPEN			
		B02		In-State Travel	Travel	In-State-Travel	\$2,000.00
				<b>Obj Class Totals:</b>			<b>\$2,000.00</b>
		DD		PENSION & INSURANCE RELATED EX			
		D09		Fringe Benefit Cost Recoupment	Fringe	Fringe rate of 33.50%	\$167,530.11
					Taxes	Tax rate of 1.67%	\$8,351.50
				<b>Obj Class Totals:</b>			<b>\$175,881.61</b>
		EE		ADMINISTRATIVE EXPENSES			
		E01		Office & Administrative Supplies	Supplies	Cam Office Supplies	\$10,000.00
					Supplies	Lyndenmeyer Munroe	\$5,000.00
					Supplies	W.B. Mason	\$25,000.00
		E02		Printing Expenses & Supplies	Printing	Sir Speedy	\$3,950.00
		E05		Postage Chargeback	Postage	ITD PAD Chargeback for postal Services	\$2,600.00
		E06		Postage	Postage	Postage for Ashburton Mail Room	\$2,400.00
					Postage	Postage for Pitney Bowes, Fed Ex, UPS	\$1,500.00
		E15		Bottled Water	Water	Quench	\$500.00
		E18		State Single Audit Chargeback	FY 17 Chargeback Single State Audit	Chargeback	\$250.00
		E20		Motor Vehicle Chargeback	OVM	Motorized Vehicle Chargeback--Leases of ford fusion and ford escape	\$12,689.64
		E22		Temp Use Space/Confer-Incidental Includes Reservation Fees	Laz Parking	Parking at 33 Arch St. 13 spaces	\$70,200.00
				<b>Obj Class Totals:</b>			<b>\$134,089.64</b>
		GG		ENERGY COSTS AND SPACE RENTAL			
		G01		Space Rental	Office Lease	101 Federal St. 12 months	\$1,161,267.18
		G03		Electricity	Electricity	101 Federal St. 12 months	\$32,635.44
				<b>Obj Class Totals:</b>			<b>\$1,193,902.62</b>
		HH		CONSULTANT SVCS (TO DEPTS)			
		H09		Attorneys/Legal Services	Insurance	Comprehensive Insurance Policy	\$125,000.00
				<b>Obj Class Totals:</b>			<b>\$125,000.00</b>
		JJ		OPERATIONAL SERVICES			
		JJ2		Auxiliary Services	Courier	USA Couriers	\$500.00

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding	
			JJ2	Auxiliary Services	Shredding	ProShred	\$1,500.00	
			Obj Class Totals:				\$2,000.00	
		LL	EQUIPMENT LEASE-MAINTAIN/REPAR					
			L24	Motorized Vehicle Equipment Rental or Lease	Rental Cars	Enterprise Car Rental	\$2,500.00	
			L25	Office Equipment Rental or Lease	Printing	Pitney Bowes	\$200.00	
			L26	Printing/Photocopy & Micrographics Equip Rent/Lease	Copier	Canon Financial Services	\$7,500.00	
			L46	Print, Photocopying & Micrograph Equipment Maint/Repair	Copier	Canon USA/Maintenance & Repair	\$3,000.00	
					Xerox Leases	Xerox Leases	\$16,483.80	
			Obj Class Totals:				\$29,683.80	
		UU	IT Non-Payroll Expenses					
			U10	Information Tech (IT) Equipment Maintenance & Repair	Cable	Cable/Comcast	\$1,900.00	
			Obj Class Totals:				\$1,900.00	
Division/Bureau Totals							\$2,164,547.56	
	1100	Human Resources						
		AA	REGULAR EMPLOYEE COMPENSATION					
			A01	Salaries: Inclusive	Employee Compensation	Employee Salaries	\$233,446.08	
					Raises	2.5% COLA Increases Agency Wide 1% Bonus Incentives	\$227,272.43	
			Obj Class Totals:				\$460,718.51	
		BB	REGULAR EMPLOYEE RELATED EXPEN					
			B02	In-State Travel	Travel	In State Travel	\$1,000.00	
			Obj Class Totals:				\$1,000.00	
		DD	PENSION & INSURANCE RELATED EX					
			D09	Fringe Benefit Cost Recoupment	Fringe	Fringe rate of 33.5%	\$78,204.44	
					Payroll Taxes & Fringe on Raises	Payroll Taxes & Fringe on Raises	\$91,350.53	
					Taxes	Tax rate of 1.67%	\$3,898.55	
			D15	Workers' Compensation Chargebacks	Worker's Comp Chargeback	Worker's Comp Chargeback	\$49,000.00	
			Obj Class Totals:				\$222,453.52	
		EE	ADMINISTRATIVE EXPENSES					
			E12	Subscriptions, Memberships & Licensing Fees	Subscriptions	Subscriptions, Memberships & Licensing Fees SHRM, NEHRA, The Partnership	\$2,000.00	
			E19	Fees, Fines, Licenses, Permits & Chargebacks	Licenses	Fees, Fines, Licenses, Permits & Chargebacks HRCMS and HRD Chargebacks	\$2,653.00	
			EE2	Conference, Training and Registration Fees	Training	Conference, Training and Registration Fees Career Development and Training	\$3,000.00	
			EE9	Employee Recognition Chargeback	Employee Morale	Employee Recognition Program	\$10,000.00	
			Obj Class Totals:				\$17,653.00	
		HH	CONSULTANT SVCS (TO DEPTS)					
			H09	Attorneys/Legal Services	Worker's Comp	Workers Comp Litigation Fees	\$5,000.00	

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
<b>Obj Class Totals:</b>							<b>\$5,000.00</b>
		JJ	OPERATIONAL SERVICES				
			JJ2	Auxiliary Services	EAP	Crisis Management EAP program	\$2,000.00
					HR Investigations	Training/Investigations	\$15,000.00
					Testing	Auxiliary Services The Hire Authority	\$2,750.00
<b>Obj Class Totals:</b>							<b>\$19,750.00</b>
<b>Division/Bureau Totals</b>							<b>\$726,575.03</b>
	1200	Legal					
		AA	REGULAR EMPLOYEE COMPENSATION				
			A01	Salaries: Inclusive	Employee Compensation	Employee Salaries	\$496,797.94
<b>Obj Class Totals:</b>							<b>\$496,797.94</b>
		BB	REGULAR EMPLOYEE RELATED EXPEN				
			B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI	Travel	Out of State Travel and Training	\$2,500.00
			B02	In-State Travel	Travel	In State Travel	\$2,000.00
			B05	Conference, Training, Registration and Membership Dues and L	Professional Licenses	Professional and Bar Licenses	\$2,000.00
<b>Obj Class Totals:</b>							<b>\$6,500.00</b>
		DD	PENSION & INSURANCE RELATED EX				
			D09	Fringe Benefit Cost Recoupment	Fringe	Fringe rate of 33.5%	\$157,246.64
					Taxes	Tax rate of 1.67%	\$8,296.53
<b>Obj Class Totals:</b>							<b>\$165,543.17</b>
		EE	ADMINISTRATIVE EXPENSES				
			E01	Office & Administrative Supplies	Supplies	Office Supplies	\$5,000.00
			E12	Subscriptions, Memberships & Licensing Fees	Subscriptions	Subscriptions and Memberships Westlaw ABA	\$5,000.00
			E13	Advertising Expenses	Reg Advertising	Advertising of Regs and Meetings	\$5,000.00
			E41	Out Of State Travel Expen on Behalf of State Employ	Travel	Connference/Trainings	\$10,000.00
<b>Obj Class Totals:</b>							<b>\$25,000.00</b>
		HH	CONSULTANT SVCS (TO DEPTS)				
			H09	Attorneys/Legal Services	Litigation Defense	Outside Counsel Litigation Defense	\$400,000.00
					Litigation Defense	Outside Counsel Review of PRR	\$31,600.00
					Outside Counsel	General Practice, Regulations, Laws, etc.	\$176,003.14
					Outside Counsel	Labor Employment Law	\$20,000.00
			H19	Management Consultants	Hearing Officer	Hearing Officer	\$32,000.00
<b>Obj Class Totals:</b>							<b>\$659,603.14</b>
		JJ	OPERATIONAL SERVICES				
			JJ1	Legal Support Services	Litigation Defense	Target Litigation	\$10,000.00
<b>Obj Class Totals:</b>							<b>\$10,000.00</b>

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
Division/Bureau Totals							\$1,363,444.25
1300 Executive Director							
	AA	REGULAR EMPLOYEE COMPENSATION					
	A01	Salaries: Inclusive			Employee Compensation	Employee Salaries	\$378,640.38
	Obj Class Totals:						\$378,640.38
	BB	REGULAR EMPLOYEE RELATED EXPEN					
	B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI			Travel	Two conferences Out of State	\$6,000.00
	B02	In-State Travel			Travel	In-State Mileage and Rental Cars	\$2,000.00
	Obj Class Totals:						\$8,000.00
	DD	PENSION & INSURANCE RELATED EX					
	D09	Fringe Benefit Cost Recoupment			Fringe	Fringe rate of 33.5%	\$126,844.53
					Taxes	Tax rate of 1.67%	\$6,323.29
	Obj Class Totals:						\$133,167.82
	EE	ADMINISTRATIVE EXPENSES					
	E30	Credit Card Purchases			Credit Card	Credit Card Purchases	\$15,000.00
	EE2	Conference, Training and Registration Fees			Gaming Forum	Gaming Forum TBD	\$10,000.00
	Obj Class Totals:						\$25,000.00
	HH	CONSULTANT SVCS (TO DEPTS)					
	H19	Management Consultants			Gaming Consultant	Michael & Carroll Gaming Consultant for Legal, Tribal and General Matters	\$180,000.00
					Strategic Consultant	Consultant to review strategy	\$20,000.00
					Tribal Consultant	Michael & Carroll Gaming Consultant for Tribal Matters	\$60,000.00
	Obj Class Totals:						\$260,000.00
Division/Bureau Totals							\$804,808.20
1400 Information Technology							
	AA	REGULAR EMPLOYEE COMPENSATION					
	A01	Salaries: Inclusive			Employee Compensation	Employee Salaries	\$563,295.91
	Obj Class Totals:						\$563,295.91
	BB	REGULAR EMPLOYEE RELATED EXPEN					
	B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI			Travel	Out of State Travel G2E/Gartner	\$12,000.00
	B02	In-State Travel			Travel	In-state travel	\$3,000.00
	Obj Class Totals:						\$15,000.00
	DD	PENSION & INSURANCE RELATED EX					
	D09	Fringe Benefit Cost Recoupment			Fringe	Fringe rate of 33.5%	\$188,704.13
					Taxes	Tax rate of 1.67%	\$9,407.04
	Obj Class Totals:						\$198,111.17

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
		EE	ADMINISTRATIVE EXPENSES				
			E56	Secretariat Central Services Chargeback	IT Support	ANF Chargeback for IT services (Help Desk Charges \$659.79 per desktop)	\$52,783.00
		Obj Class Totals:					\$52,783.00
		GG	ENERGY COSTS AND SPACE RENTAL				
			G01	Space Rental	Data Center	Markley Data Center Costs (Rack Space \$10.8K, Electricity \$13.2K, and Fiber \$3K)	\$28,080.00
		Obj Class Totals:					\$28,080.00
		UU	IT Non-Payroll Expenses				
			U01	Telecommunications Services Data	Plainridge IT	VPN Accounts	\$8,100.00
					Plainridge Video	Video Circuit for Boston & Plainville	\$96,124.00
			U02	Telecommunications Services - Voice	Cable	Comcast Internet (Gaming Lab) and Cable Service (Meeting Rooms)	\$4,800.00
					Cellular Service	Cell Phone Service	\$64,985.00
					Phone Lines	Conference Bridge Lines	\$1,980.00
					Phone Lines	DSCI phone services	\$9,000.00
					Phone Lines	MCI Fax Line	\$480.00
					Phone Lines	Measured Business Lines	\$6,540.00
					Phone Lines	Windstream WAN for Data Connection \$1.5K/month	\$18,000.00
			U04	Information Technology Chargeback	Internet	MAGNET (Internet Access -2x50Mbps @\$3,686/month, 1x20Mbps @\$3138/month, 1x0.06units @\$105.30/month)	\$127,384.00
					IT Support	ANF Chargeback for Space at Chelsea and Springfield	\$89,000.00
					OSC Chargeback	MMARS Chargeback	\$10,636.00
			U05	Information Technology (IT) Professionals	CMS	CMS - GLI Intelligen (estimate based on Pennsylvania)	\$2,262,544.68
					Consultant	IT Consultants Gartner	\$42,900.00
					Consulting	IT Consulting Support 250 hours @ \$100/hr	\$50,000.00
					LMS	Licensing System Continual Upgrades to Phase 1 and Phase 2 Development	\$500,000.00
					Training	Technical Training	\$10,000.00
					Training	User Training - EMC System Training	\$10,000.00
			U06	Information Technology (IT) Cabling	Phone	FTG Phone lines maintenance etc.	\$15,000.00
			U07	Information Technology (IT) Equipment	Hardware	Gaming Technology Laboratory Equipment	\$5,000.00
					Maintenance	VMWare Mainteance	\$19,185.00
					Miscellaneous	Miscellaneous Equipment	\$20,000.00
					Printers	Printers 10@\$250/printer	\$2,500.00
					Servers	Servers and Storage	\$50,000.00
					Software	Adobe, Sharepoint, Office 365, Project, Vizio, Dragon, Winzip	\$50,000.00
					Software	CodeGuard MGC Website Backup Service	\$1,764.00
					Software	Kobitron - GLI Testing Platform	\$1,500.00
					Software	Prezi Software	\$3,180.00



Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
			U09	Information Technology (IT) Equip Rental Or Lease	Leases	HP Leases	\$89,714.00
					Mobile Devices	Mobile Device Management (85 units @ \$3.95/year)	\$4,029.00
			U10	Information Tech (IT) Equipment Maintenance & Repair	Maintenance	Aruba Maintenance	\$925.50
					Maintenance	EMC Maintenance	\$50,000.00
					Maintenance	Printer Maintenance	\$425.00
			Obj Class Totals:				\$3,625,696.18
	Division/Bureau Totals						\$4,482,966.26
	1500	Commissioners					
		AA	REGULAR EMPLOYEE COMPENSATION				
		A01	Salaries: Inclusive		Employee Compensation	Employee Compensation	\$884,653.65
			Obj Class Totals:				\$884,653.65
		DD	PENSION & INSURANCE RELATED EX				
		D09	Fringe Benefit Cost Recoupment		Fringe	Fringe Rate of 33.5%	\$296,358.97
					Taxes	Tax rate of 1.67%	\$14,773.72
			Obj Class Totals:				\$311,132.69
		EE	ADMINISTRATIVE EXPENSES				
		E12	Subscriptions, Memberships & Licensing Fees		Subscriptions	Trade Journals	\$3,000.00
		E22	Temp Use Space/Confer-Incidental Includes Reservation Fees		75-101 Parking Garage	Parking	\$28,200.00
					Meeting Space	Temporary Space \$1.2/mtg @ 15mtgs	\$7,500.00
		E30	Credit Card Purchases		Credit Card	Allowable Credit Card Expenses	\$12,500.00
		EE2	Conference, Training and Registration Fees		Registration Fees	Conference/Trainings	\$5,000.00
			Obj Class Totals:				\$56,200.00
		HH	CONSULTANT SVCS (TO DEPTS)				
		H19	Management Consultants		Consultants Reviews	Consultants	\$50,000.00
			Obj Class Totals:				\$50,000.00
		JJ	OPERATIONAL SERVICES				
		J33	Photographic & Micrographic Services		Stenographer	Court Reports and Stenography \$2.1K/mtg	\$54,600.00
			Obj Class Totals:				\$54,600.00
	Division/Bureau Totals						\$1,356,586.34
	1600	Workforce and Supplier Diversity					
		AA	REGULAR EMPLOYEE COMPENSATION				
		A01	Salaries: Inclusive		Employee Compensation	Employee Salaries	\$196,642.08
			Obj Class Totals:				\$196,642.08
		BB	REGULAR EMPLOYEE RELATED EXPEN				
		B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI		Travel	Other Out of State Travel-Inclusive Airfare, Hotel, Lodging	\$3,000.00
		B02	In-State Travel		Travel	In-state Travel	\$2,000.00

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding	
			Obj Class Totals:				\$5,000.00	
		DD	PENSION & INSURANCE RELATED EX					
			D09	Fringe Benefit Cost Recoupment	Fringe	Fringe rate of 33.5%	\$65,875.10	
					Taxes	Tax rate of 1.67%	\$3,283.92	
			Obj Class Totals:				\$69,159.02	
		EE	ADMINISTRATIVE EXPENSES					
			E12	Subscriptions, Memberships & Licensing Fees	Administrative Expenses	Marketing Sponsorships of Diversity and Opportunity Events	\$25,000.00	
			E22	Temp Use Space/Confer-Incidental Includes Reservation Fees	Conferences	Access Opportunity Meetings	\$10,000.00	
			Obj Class Totals:				\$35,000.00	
		HH	CONSULTANT SVCS (TO DEPTS)					
			H19	Management Consultants	Consultants	MCCTI Statewide WF Coordinator	\$50,000.00	
			Obj Class Totals:				\$50,000.00	
		PP	STATE AID/POL SUB					
			P01	Grants To Public Entities	Grants	Workforce Development and Diversity Grants	\$225,000.00	
			Obj Class Totals:				\$225,000.00	
Division/Bureau Totals							\$580,801.10	
1700	Problem Gambling							
		AA	REGULAR EMPLOYEE COMPENSATION					
			A01	Salaries: Inclusive	DPH ISA Salary	DPH ISA Salary	\$90,000.00	
					Employee Compensation	Employee Salaries	\$232,465.30	
			Obj Class Totals:				\$322,465.30	
		BB	REGULAR EMPLOYEE RELATED EXPEN					
			B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI	ISA DPH	DPH ISA Travel	\$3,000.00	
					Travel	Out of State Travel	\$3,000.00	
			B02	In-State Travel	Travel	In-State-Travel Reimbursements consistent with other Director's parking passes.	\$3,000.00	
			Obj Class Totals:				\$9,000.00	
		CC	SPECIAL EMPLOYEES					
			C23	Management, Business Professionals & Admin Services	ISA DPH	DPH ISA 120 day employee	\$20,000.00	
			Obj Class Totals:				\$20,000.00	
		DD	PENSION & INSURANCE RELATED EX					
			D09	Fringe Benefit Cost Recoupment	DPH ISA Fringe rate of 33.5%	DPH ISA Fringe rate of 33.5%	\$30,150.00	
					Fringe	Fringe rate of 33.5%	\$77,875.86	
					ISA Taxes	Tax rate of 1.67%	\$1,837.00	
					Taxes	Tax rate of 1.67%	\$3,882.17	
			Obj Class Totals:				\$113,745.03	

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding	
		EE	ADMINISTRATIVE EXPENSES					
			E01	Office & Administrative Supplies	ISA DPH	ISA DPH Supplies	\$500.00	
			E16	Indirect Cost Recoupment	ISA DPH	ISA Indirect Charges	\$13,394.00	
			E98	Reimbursement for Traval and Other Expenses for Board Member	Council Travel	Conference Attendance for Council on Compulsive Gambling	\$1,825.00	
			EE2	Conference, Training and Registration Fees	Conferences	Conference, Training & Registration Fees	\$7,000.00	
					ISA DPH	DPH ISA Conference Membership and Registration Fees	\$3,000.00	
			Obj Class Totals:					\$25,719.00
		FF	FACILITY OPERATIONAL EXPENSES					
			F16	Library & Teaching Supplies & Materials	Books	Library/reference books	\$500.00	
			Obj Class Totals:					\$500.00
		HH	CONSULTANT SVCS (TO DEPTS)					
			H09	Attorneys/Legal Services	Crime Analysis	Crime Analyst Under M&C Contract	\$30,000.00	
			H23	Program Coordinators	Branding	GameSense media buys etc.	\$200,000.00	
					Consultants	Cambridge Health Alliance contract costs thru 6/30/17	\$510,000.00	
					Council Members Stipends	Council Members Stipends	\$20,000.00	
					Mass Council	Mass Council on Compulsive Gambling including 4 employees to man Game Sense booth at Penn	\$570,000.00	
					PHTF Study	Public Health Trust Fund requested study of a sub-population	\$100,000.00	
			H98	Reim Trav/Exp For Consultant Services	Council Travel	Mass Council Travel	\$7,500.00	
			Obj Class Totals:					\$1,437,500.00
		MM	PURCHASED CLIENT/PROGRAM SVCS					
			M04	Services Purch Support of Human/Social Services for Clients	PPC reimbursements for Play My Way Incentives	PPC reimbursements for Play My Way Incentives	\$25,000.00	
					Problem Gambling	Problem Gambling Solutions--Jeff Marotta reviewing applications and consultations	\$15,000.00	
			Obi Class Totals:					\$40,000.00
		PP	STATE AID/POL SUB					
			P01	Grants To Public Entities	Data Storage Grant	Final Component of Research Agenda data storage of player data to not-for-profit entity	\$150,000.00	
					DPH ISA Strategic Planning Grants	DPH ISA Strategic Planning Grants	\$325,000.00	
					Umass	Magic Core/Optional--Cohort Study	\$1,080,000.00	
			P06	Other Financial Assistance to State Authorities	Umass	Seigma/Umass core--Baseline Study on-going	\$900,000.00	
			Obj Class Totals:					\$2,455,000.00
		UU	IT Non-Payroll Expenses					
			U07	Information Technology (IT) Equipment	Play Management	Development of Play Management Software	\$65,000.00	
			Obj Class Totals:					\$65,000.00
Division/Bureau Totals							\$4,488,929.33	
1800	Communications							

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
		AA	REGULAR EMPLOYEE COMPENSATION				
		A01	Salaries: Inclusive		Employee Compensation	Regular Salaries	\$209,210.02
		Obj Class Totals:					\$209,210.02
		DD	PENSION & INSURANCE RELATED EX				
		D09	Fringe Benefit Cost Recoupment		Fringe	Fringe rate of 33.5%	\$70,085.36
					Taxes	Tax rate of 1.67%	\$3,493.81
		Obj Class Totals:					\$73,579.17
		EE	ADMINISTRATIVE EXPENSES				
		E02	Printing Expenses & Supplies		Printing	Printing	\$10,000.00
		E12	Subscriptions, Memberships & Licensing Fees		Subscriptions	Subscriptions, Licensing, Memberships	\$25,000.00
		Obj Class Totals:					\$35,000.00
		HH	CONSULTANT SVCS (TO DEPTS)				
		HH3	Media Design, Editorial and Communication		Streaming	Pyxis Streaming & Production of Public Meetings	\$30,000.00
					Website Design	Marketing & Website Design	\$25,000.00
		Obi Class Totals:					\$55,000.00
Division/Bureau Totals							\$372,789.19
	1900	Ombudsman					
		AA	REGULAR EMPLOYEE COMPENSATION				
		A01	Salaries: Inclusive		Employee Compensation	Regular Employees	\$314,594.66
		Obj Class Totals:					\$314,594.66
		DD	PENSION & INSURANCE RELATED EX				
		D09	Fringe Benefit Cost Recoupment		Fringe	Fringe Rate of 33.5%	\$105,389.21
					Taxes	Tax rate of 1.67%	\$5,253.73
		Obj Class Totals:					\$110,642.94
		HH	CONSULTANT SVCS (TO DEPTS)				
		H19	Management Consultants		Construction Consultants	City Point, Epstein Joslyn, Green	\$50,000.00
		Obj Class Totals:					\$50,000.00
		JJ	OPERATIONAL SERVICES				
		JJ1	Legal Support Services		Stenographers	4 GPAC meetings 8 Local Community mitigation advisory	\$10,000.00
		Obj Class Totals:					\$10,000.00
Division/Bureau Totals							\$485,237.60
	2000	MGC Indirect					
		EE	ADMINISTRATIVE EXPENSES				
		E16	Indirect Cost Recoupment		Indirect Agency Wide	Indirect at 10% of AA, CC, HH, JJ and UU excluding U07	\$1,635,476.20
		Obj Class Totals:					\$1,635,476.20
Division/Bureau Totals							\$1,635,476.20

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
5000		Investigations and Enforcement Bureau					
		AA	REGULAR EMPLOYEE COMPENSATION				
		A01	Salaries: Inclusive		Employee Compensation	Regular Salaries	\$1,724,526.32
		Obj Class Totals:					\$1,724,526.32
		BB	REGULAR EMPLOYEE RELATED EXPEN				
		B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI		Travel	Out of state travel reimbursements for gaming enforcement agents and non-state police staff	\$15,000.00
		B02	In-State Travel		Travel	In-state-travel reimbursements for gaming enforcement agents and non state police staff	\$4,000.00
		Obj Class Totals:					\$19,000.00
		CC	SPECIAL EMPLOYEES				
		C23	Management, Business Professionals & Admin Services		Contracted Employees	Contracted Investigators	\$100,000.00
		Obj Class Totals:					\$100,000.00
		DD	PENSION & INSURANCE RELATED EX				
		D09	Fringe Benefit Cost Recoupment		Fringe	Fringe Rate of 33.5% on AA	\$577,716.32
					Taxes	Tax rate of 1.67% on AA	\$28,799.60
					Taxes	Tax Rate of 1.67% on Contracted Staff	\$4,783.30
		Obj Class Totals:					\$611,299.22
		EE	ADMINISTRATIVE EXPENSES				
		E01	Office & Administrative Supplies		Supplies	Supplies	\$5,000.00
		E12	Subscriptions, Memberships & Licensing Fees		Subscriptions	Lexis Nexis,Hire Authority, Nat.Student Loan	\$49,000.00
		E30	Credit Card Purchases		Credit Card	Credit Card Purchases	\$15,000.00
		E41	Out Of State Travel Expen on Behalf of State Employ		Travel Agent	Travel Agent for Trainings and Investigations	\$100,000.00
		EE2	Conference, Training and Registration Fees		Registrations	Training/Conference Registration Fees.	\$25,000.00
		Obj Class Totals:					\$194,000.00
		JJ	OPERATIONAL SERVICES				
		J25	Laboratory & Pharmaceutical Services		Finger Prints State Police	Chargeback for Finger Print Costs for Licenses @ \$50/set and ~4.5K prints	\$175,000.00
					Plainville Police Salaries	Plainville Police Salaries	\$271,120.15
					State Police	MGC Salaries for MGC Investigations and Background Unit	\$889,331.94
					State Police	MGC State Police Additional Troopers Plainville Straight Time and Payroll Taxes	\$1,088,506.30
					State Police OT & Travel	MGC OT and Travel for Investigations	\$612,500.00
		J28	Law Enforcement		Lease Vehicles	Law Enforcement Vehicles	\$8,877.39
		Obj Class Totals:					\$3,045,335.78
		OO					
		O01				ISA with TRE for ABCC employee	\$75,000.00
		Obj Class Totals:					\$75,000.00

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
		UU		IT Non-Payroll Expenses			
			U02	Telecommunications Services - Voice	Mobile Devices	Wifi Cards for Staff \$50/month	\$12,000.00
		Obj Class Totals:					\$12,000.00
	Division/Bureau Totals						\$5,781,161.32
	7000	Licensing Division					
		AA		REGULAR EMPLOYEE COMPENSATION			
			A01	Salaries: Inclusive	Employee Compensation	Regular Employee Salaries	\$390,569.51
		Obj Class Totals:					\$390,569.51
		BB		REGULAR EMPLOYEE RELATED EXPEN			
			B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI	Travel	Out-of State Travel Reimbursements	\$7,500.00
		Obj Class Totals:					\$7,500.00
		DD		PENSION & INSURANCE RELATED EX			
			D09	Fringe Benefit Cost Recoupment	Fringe	Fringe Rate of 33.5%	\$130,931.24
					Taxes	Tax Rate of 1.67%	\$6,527.03
		Obj Class Totals:					\$137,458.27
		EE		ADMINISTRATIVE EXPENSES			
			E02	Printing Expenses & Supplies	Supplies	ProAv Systems Printer supplies	\$5,000.00
			E06	Postage	Postage	Federal Express Charges	\$1,000.00
			E41	Out Of State Travel Expen on Behalf of State Employ	Travel Agent	Great Getaways	\$5,000.00
			EE2	Conference, Training and Registration Fees	Conferences	Conference, Training & Registration. 2 people travel to conference	\$5,000.00
		Obj Class Totals:					\$16,000.00
	Division/Bureau Totals						\$551,527.78
	9000	Office of the Attorney General					
		JJ		OPERATIONAL SERVICES			
			J25	Laboratory & Pharmaceutical Services	State Police	AGO State Police OT	\$250,000.00
					State Police	AGO Straight Time Troopers and Payroll Taxes	\$222,303.76
		Obj Class Totals:					\$472,303.76
		OO					
			O99		Attorney General	13 FTEs, Office Space of \$250K, buildout and set-up of office of additional \$200K. Statute caps this item at \$3M. This does not include OT and straight salaries of troopers.	\$1,904,540.60
		Obj Class Totals:					\$1,904,540.60
	Division/Bureau Totals						\$2,376,844.36
Appropriation Totals							\$27,171,694.52
10500003	MGC Mass Racing Development and Oversight						
	1000	Finance and Administration					

Approp	Unit	Obj Class	Object_name	Item Short Name	Description	FY17 Funding
		AA	REGULAR EMPLOYEE COMPENSATION			
		A01	Salaries: Inclusive	Employee Compensation	5% of Admin Employees Salaries	\$24,808.99
		Obj Class Totals:				\$24,808.99
		DD	PENSION & INSURANCE RELATED EX			
		D09	Fringe Benefit Cost Recoupment	Fringe	Fringe Rate of 33.5%	\$8,311.01
				Taxes	Tax Rate of 1.67%	\$414.31
		Obj Class Totals:				\$8,725.32
Division/Bureau Totals						\$33,534.31
	1100	Human Resources				
		AA	REGULAR EMPLOYEE COMPENSATION			
		A01	Salaries: Inclusive	Employee Compensatio	5% of HR Employees Salaries	\$6,131.76
				Cost of Living Increases Agency Wide	Cost of Living Increases Agency Wide	\$11,066.66
		A14	Stipends, Bonus Pay & Awards	Bonus incentives	Bonus incentives	\$3,688.89
		Obj Class Totals:				\$20,887.31
		DD	PENSION & INSURANCE RELATED EX			
		D09	Fringe Benefit Cost Recoupment	Fringe	Fringe Rate of 33.5%	\$2,054.14
				Taxes	Tax Rate of 1.67%	\$102.40
		Obj Class Totals:				\$2,156.54
Division/Bureau Totals						\$23,043.85
	1200	Legal				
		AA	REGULAR EMPLOYEE COMPENSATION			
		A01	Salaries: Inclusive	Employee Compensation	5% of Legal Employees Salaries	\$7,590.34
		Obj Class Totals:				\$7,590.34
		DD	PENSION & INSURANCE RELATED EX			
		D09	Fringe Benefit Cost Recoupment	Fringe	Fringe Rate of 33.5%	\$2,542.76
				Taxes	Tax Rate of 1.67%	\$126.76
		Obj Class Totals:				\$2,669.52
Division/Bureau Totals						\$10,259.86
	1300	Executive Director				
		AA	REGULAR EMPLOYEE COMPENSATION			
		A01	Salaries: Inclusive	Employee Compensation	5% of Exec. Dir. Employees Salaries	\$9,321.15
		Obj Class Totals:				\$9,321.15
		DD	PENSION & INSURANCE RELATED EX			
		D09	Fringe Benefit Cost Recoupment	Fringe	Fringe Rate of 33.5%	\$3,122.59
				Taxes	Tax Rate of 1.67%	\$155.66
		Obj Class Totals:				\$3,278.25



Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
Division/Bureau Totals							\$12,599.40
1400 Information Technology							
AA REGULAR EMPLOYEE COMPENSATION							
A01 Salaries: Inclusive					Employee Compensation	5% of IT Employees Salaries	\$9,735.42
Obj Class Totals:							\$9,735.42
DD PENSION & INSURANCE RELATED EX							
D09 Fringe Benefit Cost Recoupment					Fringe	Fringe Rate of 33.5%	\$3,261.37
					Taxes	Tax Rate of 1.67%	\$162.58
Obj Class Totals:							\$3,423.95
Division/Bureau Totals							\$13,159.37
1500 Commissioners							
AA REGULAR EMPLOYEE COMPENSATION							
A01 Salaries: Inclusive					Employee Compensation	5% of Commissioners Employees Salaries	\$30,868.79
Obj Class Totals:							\$30,868.79
DD PENSION & INSURANCE RELATED EX							
D09 Fringe Benefit Cost Recoupment					Fringe	Fringe Rate of 33.5%	\$10,341.04
					Taxes	Tax Rate of 1.67%	\$515.51
Obj Class Totals:							\$10,856.55
Division/Bureau Totals							\$41,725.34
3000 Racing Division							
AA REGULAR EMPLOYEE COMPENSATION							
A01 Salaries: Inclusive					Employee Compensation	Regular Employee Salaries	\$280,432.22
Obj Class Totals:							\$280,432.22
BB REGULAR EMPLOYEE RELATED EXPEN							
B01 Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI					Travel	Out of State Travel Reimbursement	\$10,000.00
B02 In-State Travel					Travel	In State Travel Reimbursement	\$2,000.00
Obj Class Totals:							\$12,000.00
CC SPECIAL EMPLOYEES							
C04 Contracted Seasonal Employees					Seasonals	Seasonal salaries for Plainridge at 35 weeks	\$330,000.00
Obj Class Totals:							\$330,000.00
DD PENSION & INSURANCE RELATED EX							
D09 Fringe Benefit Cost Recoupment					Fringe	Fringe Rate of 33.5%	\$93,944.79
					Taxes	Tax Rate of 1.67%	\$4,683.22
					Taxes for Seasonals	Taxes for Seasonals @1.67%	\$5,511.00
Obj Class Totals:							\$104,139.01

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
		EE	ADMINISTRATIVE EXPENSES				
			E01	Office & Administrative Supplies	Supplies	W.B. Mason	\$6,000.00
			E02	Printing Expenses & Supplies	Printing	Sir Speedy	\$500.00
			E12	Subscriptions, Memberships & Licensing Fees	Memberships	AA Dority/Organization of Racing Investigators	\$1,005.00
					Memberships	Assoc. of Racing Regulators	\$17,000.00
			E13	Advertising Expenses	Public Hearing Notices	Boston Globe	\$1,000.00
					Public Hearing Notices	Boston Herald	\$700.00
					Public Hearing Notices	Dow Jones/Cape Cod Times	\$150.00
					Public Hearing Notices	Sun Chronical	\$300.00
			E15	Bottled Water	Water	Belmont Springs/DS Waters of America	\$200.00
			E41	Out Of State Travel Expen on Behalf of State Employ	Travel Agent	Travel	\$3,000.00
			EE2	Conference, Training and Registration Fees	Conferences	Assoc. of Racing Comm./Delaware Racing/Thoroughbred Racing	\$3,000.00
			Obj Class Totals:				\$32,855.00
		FF	FACILITY OPERATIONAL EXPENSES				
			F05	Laboratory Supplies	Vet Supplies	Gloves, scrubs etc.	\$2,000.00
			Obj Class Totals:				\$2,000.00
		HH	CONSULTANT SVCS (TO DEPTS)				
			H19	Management Consultants	Hearing Officer	David Murray	\$25,000.00
			Obj Class Totals:				\$25,000.00
		JJ	OPERATIONAL SERVICES				
			J10	Auxiliary Financial Services	Credit Cards	Bank of America credit card terminal fees	\$1,000.00
			J25	Laboratory & Pharmaceutical Services	Testing	Health Resources Corp.	\$1,800.00
			JJ1	Legal Support Services	Stenographer	Catuagno Court Reporting	\$6,500.00
			JJ2	Auxiliary Services	Autopsies	Trustees of Tufts College	\$22,000.00
					Testing Lab	HFL Sports Science	\$7,000.00
					Testing Lab	Truesdail Laboratories	\$200,000.00
			Obj Class Totals:				\$238,300.00
		LL	EQUIPMENT LEASE-MAINTAIN/REPAR				
			L26	Printing/Photocopy & Micrographics Equip Rent/Lease	Copier Lease	Canon Financial Solutions	\$1,500.00
			L46	Print, Photocopying & Micrograph Equipment Maint/Repair	Maintenance Contract	K & A Industries	\$2,000.00
			Obj Class Totals:				\$3,500.00
		MM	PURCHASED CLIENT/PROGRAM SVCS				
			M03	Purchased Human & Social Services For Clients/Non Medical	Hardship Payments	Economic Hardship Payments	\$20,000.00
					Legislative Mandate	Eighth Pole	\$80,000.00
					Legislative Mandate	Jockey's Guild	\$65,000.00
			M04	Services Purch Support of Human/Social Services for Clients	ISA	ISA with DPH Compulsive Gambling	\$70,000.00

Approp	Unit	Obj Class	Obj Code	Object_name	Item Short Name	Description	FY17 Funding
Obj Class Totals:							\$235,000.00
	UU			IT Non-Payroll Expenses			
		U02		Telecommunications Services - Voice	Phones	Verizon/AT&T	\$15,000.00
		U05		Information Technology (IT) Professionals	Chrims	Arthur Evans/CHRIMS	\$62,500.00
		U09		Information Technology (IT) Equip Rental Or Lease	Computer Leases	Ontario Investments	\$1,200.00
Obj Class Totals:							\$78,700.00
Division/Bureau Totals							\$1,341,926.23
Appropriation Totals							\$1,476,248.36

# Next Year Budget By Object Class

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
10500001			Mass. Gaming Commission				
	AA		REGULAR EMPLOYEE COMPENSATION				
		A01	Salaries: Inclusive	1000	Employee Compensation	Salaries	\$500,089.89
				1100	Employee Compensation	Employee Salaries	\$233,446.08
				1100	Raises	2.5% COLA Increases Agency Wide 1% Bonus Incentives	\$227,272.43
				1200	Employee Compensation	Employee Salaries	\$496,797.94
				1300	Employee Compensation	Employee Salaries	\$378,640.38
				1400	Employee Compensation	Employee Salaries	\$563,295.91
				1500	Employee Compensation	Employee Compensation	\$884,653.65
				1600	Employee Compensation	Employee Salaries	\$196,642.08
				1700	DPH ISA Salary	DPH ISA Salary	\$90,000.00
				1700	Employee Compensation	Employee Salaries	\$232,465.30
				1800	Employee Compensation	Regular Salaries	\$209,210.02
				1900	Employee Compensation	Regular Employees	\$314,594.66
				5000	Employee Compensation	Regular Salaries	\$1,724,526.32
				7000	Employee Compensation	Regular Employee Salaries	\$390,569.51
			<b>Obj Class Totals:</b>				<b>\$6,442,204.17</b>
	BB		REGULAR EMPLOYEE RELATED EXPEN				
		B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI	1200	Travel	Out of State Travel and Training	\$2,500.00
				1300	Travel	Two conferences Out of State	\$6,000.00
				1400	Travel	Out of State Travel G2E/Gartner	\$12,000.00
				1600	Travel	Other Out of State Travel-Inclusive Airfare, Hotel, Lodging	\$3,000.00
				1700	ISA DPH	DPH ISA Travel	\$3,000.00
				1700	Travel	Out of State Travel	\$3,000.00
				5000	Travel	Out of state travel reimbursements for gaming enforcement agents and non-state police staff	\$15,000.00
				7000	Travel	Out-of State Travel Reimbursements	\$7,500.00
		B02	In-State Travel	1000	Travel	In-State-Travel	\$2,000.00
				1100	Travel	In State Travel	\$1,000.00
				1200	Travel	In State Travel	\$2,000.00
				1300	Travel	In-State Mileage and Rental Cars	\$2,000.00
				1400	Travel	In-state travel	\$3,000.00
				1600	Travel	In-state Travel	\$2,000.00
				1700	Travel	In-State-Travel Reimbursements consistent with other Director's parking passes.	\$3,000.00
				5000	Travel	In-state-travel reimbursements for gaming enforcement agents and non state police staff	\$4,000.00
		B05	Conference, Training, Registration and Membership Dues and L	1200	Professional Licenses	Professional and Bar Licenses	\$2,000.00
			<b>Obj Class Totals:</b>				<b>\$73,000.00</b>
	CC		SPECIAL EMPLOYEES				
		C23	Management, Business Professionals & Admin Services	1700	ISA DPH	DPH ISA 120 day employee	\$20,000.00
				5000	Contracted Employees	Contracted Investigators	\$100,000.00

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
<b>Obj Class Totals:</b>							<b>\$120,000.00</b>
	DD	PENSION & INSURANCE RELATED EX					
		D09	Fringe Benefit Cost Recoupment	1000	Fringe	Fringe rate of 33.50%	\$167,530.11
				1000	Taxes	Tax rate of 1.67%	\$8,351.50
				1100	Fringe	Fringe rate of 33.5%	\$78,204.44
				1100	Payroll Taxes & Fringe on Raises	Payroll Taxes & Fringe on Raises	\$91,350.53
				1100	Taxes	Tax rate of 1.67%	\$3,898.55
				1200	Fringe	Fringe rate of 33.5%	\$157,246.64
				1200	Taxes	Tax rate of 1.67%	\$8,296.53
				1300	Fringe	Fringe rate of 33.5%	\$126,844.53
				1300	Taxes	Tax rate of 1.67%	\$6,323.29
				1400	Fringe	Fringe rate of 33.5%	\$188,704.13
				1400	Taxes	Tax rate of 1.67%	\$9,407.04
				1500	Fringe	Fringe Rate of 33.5%	\$296,358.97
				1500	Taxes	Tax rate of 1.67%	\$14,773.72
				1600	Fringe	Fringe rate of 33.5%	\$65,875.10
				1600	Taxes	Tax rate of 1.67%	\$3,283.92
				1700	DPH ISA Fringe rate of 33.5%	DPH ISA Fringe rate of 33.5%	\$30,150.00
				1700	Fringe	Fringe rate of 33.5%	\$77,875.86
				1700	ISA Taxes	Tax rate of 1.67%	\$1,837.00
				1700	Taxes	Tax rate of 1.67%	\$3,882.17
				1800	Fringe	Fringe rate of 33.5%	\$70,085.36
				1800	Taxes	Tax rate of 1.67%	\$3,493.81
				1900	Fringe	Fringe Rate of 33.5%	\$105,389.21
				1900	Taxes	Tax rate of 1.67%	\$5,253.73
				5000	Fringe	Fringe Rate of 33.5% on AA	\$577,716.32
				5000	Taxes	Tax rate of 1.67% on AA	\$28,799.60
				5000	Taxes	Tax Rate of 1.67% on Contracted Staff	\$4,783.30
				7000	Fringe	Fringe Rate of 33.5%	\$130,931.24
				7000	Taxes	Tax Rate of 1.67%	\$6,527.03
		D15	Workers' Compensation Chargebacks	1100	Worker's Comp Chargeback	Worker's Comp Chargeback	\$49,000.00
<b>Obj Class Totals:</b>							<b>\$2,322,173.63</b>
	EE	ADMINISTRATIVE EXPENSES					
		E01	Office & Administrative Supplies	1000	Supplies	Cam Office Supplies	\$10,000.00
				1000	Supplies	Lyndenmeyer Munroe	\$5,000.00
				1000	Supplies	W.B. Mason	\$25,000.00
				1200	Supplies	Office Supplies	\$5,000.00
				1700	ISA DPH	ISA DPH Supplies	\$500.00
				5000	Supplies	Supplies	\$5,000.00
		E02	Printing Expenses & Supplies	1000	Printing	Sir Speedy	\$3,950.00
				1800	Printing	Printing	\$10,000.00
				7000	Supplies	ProAv Systems Printer supplies	\$5,000.00
		E05	Postage Chargeback	1000	Postage	ITD PAD Chargeback for postal Services	\$2,600.00
		E06	Postage	1000	Postage	Postage for Ashburton Mail Room	\$2,400.00

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
		E06	Postage	1000	Postage	Postage for Pitney Bowes, Fed Ex, UPS	\$1,500.00
				7000	Postage	Federal Express Charges	\$1,000.00
		E12	Subscriptions, Memberships & Licensing Fees	1100	Subscriptions	Subscriptions, Memberships & Licensing Fees SHRM, NEHRA, The Partnership	\$2,000.00
				1200	Subscriptions	Subscriptions and Memberships Westlaw ABA	\$5,000.00
				1500	Subscriptions	Trade Journals	\$3,000.00
				1600	Administrative Expenses	Marketing Sponsorships of Diversity and Opportunity Events	\$25,000.00
				1800	Subscriptions	Subscriptions, Licensing, Memberships	\$25,000.00
				5000	Subscriptions	Lexis Nexis,Hire Authority, Nat.Student Loan	\$49,000.00
		E13	Advertising Expenses	1200	Reg Advertising	Advertising of Regs and Meetings	\$5,000.00
		E15	Bottled Water	1000	Water	Quench	\$500.00
		E16	Indirect Cost Recoupment	1700	ISA DPH	ISA Indirect Charges	\$13,394.00
				2000	Indirect Agency Wide	Indirect at 10% of AA, CC, HH, JJ and UU excluding U07	\$1,635,476.20
		E18	State Single Audit Chargeback	1000	FY 17 Chargeback Single State Audit	Chargeback	\$250.00
		E19	Fees, Fines, Licenses, Permits & Chargebacks	1100	Licenses	Fees, Fines, Licenses, Permits & Chargebacks HRCMS and HRD Chargebacks	\$2,653.00
		E20	Motor Vehicle Chargeback	1000	OVM	Motorized Vehicle Chargeback--Leases of ford fusion and ford escape	\$12,689.64
		E22	Temp Use Space/Confer-Incidental Includes Reservation Fees	1000	Laz Parking	Parking at 33 Arch St. 13 spaces	\$70,200.00
				1500	75-101 Parking Garage	Parking	\$28,200.00
				1500	Meeting Space	Temporary Space \$1.2/mtg @ 15mtgs	\$7,500.00
				1600	Conferences	Access Opportunity Meetings	\$10,000.00
		E30	Credit Card Purchases	1300	Credit Card	Credit Card Purchases	\$15,000.00
				1500	Credit Card	Allowable Credit Card Expenses	\$12,500.00
				5000	Credit Card	Credit Card Purchases	\$15,000.00
		E41	Out Of State Travel Expen on Behalf of State Employ	1200	Travel	Connference/Trainings	\$10,000.00
				5000	Travel Agent	Travel Agent for Trainings and Investigations	\$100,000.00
				7000	Travel Agent	Great Getaways	\$5,000.00
		E56	Secretariat Central Services Chargeback	1400	IT Support	ANF Chargeback for IT services (Help Desk Charges \$659.79 per desktop)	\$52,783.00
		E98	Reimbursement for Traval and Other Expenses for Board Member	1700	Council Travel	Conference Attendance for Council on Compulsive Gambling	\$1,825.00
		EE2	Conference, Training and Registration Fees	1100	Training	Conference, Training and Registration Fees Career Development and Training	\$3,000.00
				1300	Gaming Forum	Gaming Forum TBD	\$10,000.00
				1500	Registration Fees	Conference/Trainings	\$5,000.00
				1700	Conferences	Conference, Training & Registration Fees	\$7,000.00
				1700	ISA DPH	DPH ISA Conference Membership and Registration Fees	\$3,000.00
				5000	Registrations	Training/Conference Registration Fees.	\$25,000.00
				7000	Conferences	Conference, Training & Registration. 2 people travel to conference	\$5,000.00
		EE9	Employee Recognition Chargeback	1100	Employee Morale	Employee Recognition Program	\$10,000.00
			<b>Obj Class Totals:</b>				<b>\$2,251,920.84</b>
	FF		<b>FACILITY OPERATIONAL EXPENSES</b>				
		F16	Library & Teaching Supplies & Materials	1700	Books	Library/reference books	\$500.00
			<b>Obj Class Totals:</b>				<b>\$500.00</b>

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
	GG		ENERGY COSTS AND SPACE RENTAL				
		G01	Space Rental	1000	Office Lease	101 Federal St. 12 months	\$1,161,267.18
				1400	Data Center	Markley Data Center Costs (Rack Space \$10.8K, Electricity \$13.2K, and Fiber \$3K)	\$28,080.00
		G03	Electricity	1000	Electricity	101 Federal St. 12 months	\$32,635.44
			<b>Obj Class Totals:</b>				<b>\$1,221,982.62</b>
	HH		CONSULTANT SVCS (TO DEPTS)				
		H09	Attorneys/Legal Services	1000	Insurance	Comprehensive Insurance Policy	\$125,000.00
				1100	Worker's Comp	Workers Comp Litigation Fees	\$5,000.00
				1200	Litigation Defense	Outside Counsel Litigation Defense	\$400,000.00
				1200	Litigation Defense	Outside Counsel Review of PRR	\$31,600.00
				1200	Outside Counsel	General Practice, Regulations, Laws, etc.	\$176,003.14
				1200	Outside Counsel	Labor Employment Law	\$20,000.00
				1700	Crime Analysis	Crime Analyst Under M&C Contract	\$30,000.00
		H19	Management Consultants	1200	Hearing Officer	Hearing Officer	\$32,000.00
				1300	Gaming Consultant	Michael & Carroll Gaming Consultant for Legal, Tribal and General Matters	\$180,000.00
				1300	Strategic Consultant	Consultant to review strategy	\$20,000.00
				1300	Tribal Consultant	Michael & Carroll Gaming Consultant for Tribal Matters	\$60,000.00
				1500	Consultants Reviews	Consultants	\$50,000.00
				1600	Consultants	MCCTI Statewide WF Coordinator	\$50,000.00
				1900	Construction Consultants	City Point, Epstein Joslyn, Green	\$50,000.00
		H23	Program Coordinators	1700	Branding	GameSense media buys etc.	\$200,000.00
				1700	Consultants	Cambridge Health Alliance contract costs thru 6/30/17	\$510,000.00
				1700	Council Members Stipends	Council Members Stipends	\$20,000.00
				1700	Mass Council	Mass Council on Compulsive Gambling including 4 employees to man Game Sense booth at Penn	\$570,000.00
				1700	PHTF Study	Public Health Trust Fund requested study of a sub-population	\$100,000.00
		H98	Reim Trav/Exp For Consultant Services	1700	Council Travel	Mass Council Travel	\$7,500.00
		HH3	Media Design, Editorial and Communication	1800	Streaming	Pyxis Streaming & Production of Public Meetings	\$30,000.00
				1800	Website Design	Marketing & Website Design	\$25,000.00
			<b>Obj Class Totals:</b>				<b>\$2,692,103.14</b>
	JJ		OPERATIONAL SERVICES				
		J25	Laboratory & Pharmaceutical Services	5000	Finger Prints State Police	Chargeback for Finger Print Costs for Licenses @ \$50/set and ~4.5K prints	\$175,000.00
				5000	Plainville Police Salaries	Plainville Police Salaries	\$271,120.15
				5000	State Police	MGC Salaries for MGC Investigations and Background Unit	\$889,331.94
				5000	State Police	MGC State Police Additional Troopers Plainville Straight Time and Payroll Taxes	\$1,088,506.30
				5000	State Police OT & Travel	MGC OT and Travel for Investigations	\$612,500.00
				9000	State Police	AGO State Police OT	\$250,000.00
				9000	State Police	AGO Straight Time Troopers and Payroll Taxes	\$222,303.76
		J28	Law Enforcement	5000	Lease Vehicles	Law Enforcement Vehicles	\$8,877.39
		J33	Photographic & Micrographic Services	1500	Stenographer	Court Reports and Stenography \$2.1K/mtg	\$54,600.00
		JJ1	Legal Support Services	1200	Litigation Defense	Target Litigation	\$10,000.00

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
		JJ1	Legal Support Services	1900	Stenographers	4 GPAC meetings 8 Local Community mitigation advisory	\$10,000.00
		JJ2	Auxiliary Services	1000	Courier	USA Couriers	\$500.00
				1000	Shredding	ProShred	\$1,500.00
				1100	EAP	Crisis Management EAP program	\$2,000.00
				1100	HR Investigations	Training/Investigations	\$15,000.00
				1100	Testing	Auxiliary Services The Hire Authority	\$2,750.00
		<b>Obj Class Totals:</b>					<b>\$3,613,989.54</b>
	LL	EQUIPMENT LEASE-MAINTAIN/REPAR					
		L24	Motorized Vehicle Equipment Rental or Lease	1000	Rental Cars	Enterprise Car Rental	\$2,500.00
		L25	Office Equipment Rental or Lease	1000	Printing	Pitney Bowes	\$200.00
		L26	Printing/Photocopy & Micrographics Equip Rent/Lease	1000	Copier	Canon Financial Services	\$7,500.00
		L46	Print, Photocopying & Micrograph Equipment Maint/Repair	1000	Copier	Canon USA/Maintenance & Repair	\$3,000.00
				1000	Xerox Leases	Xerox Leases	\$16,483.80
		<b>Obj Class Totals:</b>					<b>\$29,683.80</b>
	MM	PURCHASED CLIENT/PROGRAM SVCS					
		M04	Services Purch Support of Human/Social Services for Clients	1700	PPC reimbursements for Play My Way Incentives	PPC reimbursements for Play My Way Incentives	\$25,000.00
				1700	Problem Gambling	Problem Gambling Solutions--Jeff Marotta reviewing applications and consultations	\$15,000.00
		<b>Obj Class Totals:</b>					<b>\$40,000.00</b>
	OO						
		O01		5000		ISA with TRE for ABCC employee	\$75,000.00
		O99		9000	Attorney General	13 FTEs, Office Space of \$250K, buildout and set-up of office of additional \$200K. Statute caps this item at \$3M. This does not include OT and straight salaries of troopers.	\$1,904,540.60
		<b>Obj Class Totals:</b>					<b>\$1,979,540.60</b>
	PP	STATE AID/POL SUB					
		P01	Grants To Public Entities	1600	Grants	Worforce Development and Diversity Grants	\$225,000.00
				1700	Data Storage Grant	Final Component of Research Agenda data storage of player data to not-for-profit entity	\$150,000.00
				1700	DPH ISA Strategic Planning Grants	DPH ISA Strategic Planning Grants	\$325,000.00
				1700	Umass	Magic Core/Optional--Cohort Study	\$1,080,000.00
		P06	Other Financial Assistance to State Authorities	1700	Umass	Seigma/Umass core--Baseline Study on-going	\$900,000.00
		<b>Obj Class Totals:</b>					<b>\$2,680,000.00</b>
	UU	IT Non-Payroll Expenses					
		U01	Telecommunications Services Data	1400	Plainridge IT	VPN Accounts	\$8,100.00
				1400	Plainridge Video	Video Circuit for Boston & Plainville	\$96,124.00
		U02	Telecommunications Services - Voice	1400	Cable	Comcast Internet (Gaming Lab) and Cable Service (Meeting Rooms)	\$4,800.00
				1400	Cellular Service	Cell Phone Service	\$64,985.00
				1400	Phone Lines	Conference Bridge Lines	\$1,980.00
				1400	Phone Lines	DSCI phone services	\$9,000.00
				1400	Phone Lines	MCI Fax Line	\$480.00
				1400	Phone Lines	Measured Business Lines	\$6,540.00



Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
		U02	Telecommunications Services - Voice	1400	Phone Lines	Windstream WAN for Data Connection \$1.5K/month	\$18,000.00
				5000	Mobile Devices	Wifi Cards for Staff \$50/month	\$12,000.00
		U04	Information Technology Chargeback	1400	Internet	MAGNET (Internet Access -2x50Mbps @\$3,686/month, 1x20Mbps @\$3138/month, 1x0.06units @\$105.30/month)	\$127,384.00
				1400	IT Support	ANF Chargeback for Space at Chelsea and Springfield	\$89,000.00
				1400	OSC Chargeback	MMARS Chargeback	\$10,636.00
		U05	Information Technology (IT) Professionals	1400	CMS	CMS - GLI Intelligen (estimate based on Pennsylvania)	\$2,262,544.68
				1400	Consultant	IT Consultants Gartner	\$42,900.00
				1400	Consulting	IT Consulting Support 250 hours @ \$100/hr	\$50,000.00
				1400	LMS	Licensing System Continual Upgrades to Phase 1 and Phase 2 Development	\$500,000.00
				1400	Training	Technical Training	\$10,000.00
				1400	Training	User Training - EMC System Training	\$10,000.00
		U06	Information Technology (IT) Cabling	1400	Phone	FTG Phone lines maintenance etc.	\$15,000.00
		U07	Information Technology (IT) Equipment	1400	Hardware	Gaming Technology Laboratory Equipment	\$5,000.00
				1400	Maintenance	VMWare Mainteance	\$19,185.00
				1400	Miscellaneous	Miscellaneous Equipment	\$20,000.00
				1400	Printers	Printers 10@\$250/printer	\$2,500.00
				1400	Servers	Servers and Storage	\$50,000.00
				1400	Software	Adobe, Sharepoint, Office 365, Project, Vizio, Dragon, Winzip	\$50,000.00
				1400	Software	CodeGuard MGC Website Backup Service	\$1,764.00
				1400	Software	Kobitron - GLI Testing Platform	\$1,500.00
				1400	Software	Prezi Software	\$3,180.00
				1700	Play Management	Development of Play Management Software	\$65,000.00
		U09	Information Technology (IT) Equip Rental Or Lease	1400	Leases	HP Leases	\$89,714.00
				1400	Mobile Devices	Mobile Device Management (85 units @ \$3.95/year)	\$4,029.00
		U10	Information Tech (IT) Equipment Maintenance & Repair	1000	Cable	Cable/Comcast	\$1,900.00
				1400	Maintenance	Aruba Maintenance	\$925.50
				1400	Maintenance	EMC Maintenance	\$50,000.00
				1400	Maintenance	Printer Maintenance	\$425.00
<b>Obj Class Totals:</b>							<b>\$3,704,596.18</b>

**Appropriation Totals**

**\$27,171,694.52**

10500003	MGC Mass Racing Development and Oversight						
	AA	REGULAR EMPLOYEE COMPENSATION					
	A01	Salaries: Inclusive	1000	Employee Compensation	5% of Admin Employees Salaries		\$24,808.99
			1100	Employee Compensatio	5% of HR Employees Salaries		\$6,131.76
			1100	Cost of Living Increases Agncy Wide	Cost of Living Increases Agncy Wide		\$11,066.66
			1200	Employee Compensation	5% of Legal Employees Salaries		\$7,590.34
			1300	Employee Compensation	5% of Exec. Dir. Employees Salaries		\$9,321.15
			1400	Employee Compensation	5% of IT Employees Salaries		\$9,735.42
			1500	Employee Compensation	5% of Commissioners Employees Salaries		\$30,868.79
			3000	Employee Compensation	Regular Employee Salaries		\$280,432.22
	A14	Stipends, Bonus Pay & Awards	1100	Bonus incentives	Bonus incentives		\$3,688.89
	Obj Class Totals:						\$383,644.22

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
	BB	REGULAR EMPLOYEE RELATED EXPEN					
		B01	Other Out Of State Travel - INCLUSIVE: AIRFARE, HOTEL, LODGI	3000	Travel	Out of State Travel Reimbursement	\$10,000.00
		B02	In-State Travel	3000	Travel	In State Travel Reimbursement	\$2,000.00
		Obj Class Totals:					\$12,000.00
	CC	SPECIAL EMPLOYEES					
		C04	Contracted Seasonal Employees	3000	Seasonals	Seasonal salaries for Plainridge at 35 weeks	\$330,000.00
		Obj Class Totals:					\$330,000.00
	DD	PENSION & INSURANCE RELATED EX					
		D09	Fringe Benefit Cost Recoupment	1000	Fringe	Fringe Rate of 33.5%	\$8,311.01
				1000	Taxes	Tax Rate of 1.67%	\$414.31
				1100	Fringe	Fringe Rate of 33.5%	\$2,054.14
				1100	Taxes	Tax Rate of 1.67%	\$102.40
				1200	Fringe	Fringe Rate of 33.5%	\$2,542.76
				1200	Taxes	Tax Rate of 1.67%	\$126.76
				1300	Fringe	Fringe Rate of 33.5%	\$3,122.59
				1300	Taxes	Tax Rate of 1.67%	\$155.66
				1400	Fringe	Fringe Rate of 33.5%	\$3,261.37
				1400	Taxes	Tax Rate of 1.67%	\$162.58
				1500	Fringe	Fringe Rate of 33.5%	\$10,341.04
				1500	Taxes	Tax Rate of 1.67%	\$515.51
				3000	Fringe	Fringe Rate of 33.5%	\$93,944.79
				3000	Taxes	Tax Rate of 1.67%	\$4,683.22
				3000	Taxes for Seasonals	Taxes for Seasonals @1.67%	\$5,511.00
		Obj Class Totals:					\$135,249.14
	EE	ADMINISTRATIVE EXPENSES					
		E01	Office & Administrative Supplies	3000	Supplies	W.B. Mason	\$6,000.00
		E02	Printing Expenses & Supplies	3000	Printing	Sir Speedy	\$500.00
		E12	Subscriptions, Memberships & Licensing Fees	3000	Memberships	AA Dority/Organization of Racing Investigators	\$1,005.00
				3000	Memberships	Assoc. of Racing Regulators	\$17,000.00
		E13	Advertising Expenses	3000	Public Hearing Notices	Boston Globe	\$1,000.00
				3000	Public Hearing Notices	Boston Herald	\$700.00
				3000	Public Hearing Notices	Dow Jones/Cape Cod Times	\$150.00
				3000	Public Hearing Notices	Sun Chronical	\$300.00
		E15	Bottled Water	3000	Water	Belmont Springs/DS Waters of America	\$200.00
		E41	Out Of State Travel Expen on Behalf of State Employ	3000	Travel Agent	Travel	\$3,000.00
		EE2	Conference, Training and Registration Fees	3000	Conferences	Assoc. of Racing Comm./Delaware Racing/Thoroughbred Racing	\$3,000.00
		Obj Class Totals:					\$32,855.00
	FF	FACILITY OPERATIONAL EXPENSES					
		F05	Laboratory Supplies	3000	Vet Supplies	Gloves, scrubs etc.	\$2,000.00
		Obj Class Totals:					\$2,000.00
	HH	CONSULTANT SVCS (TO DEPTS)					
		H19	Management Consultants	3000	Hearing Officer	David Murray	\$25,000.00
		Obj Class Totals:					\$25,000.00

Approp	Obj Class	Obj Code	Object_name	Unit	Item Short Name	Description	Funding
	JJ	OPERATIONAL SERVICES					
		J10	Auxiliary Financial Services	3000	Credit Cards	Bank of America credit card terminal fees	\$1,000.00
		J25	Laboratory & Pharmaceutical Services	3000	Testing	Health Resources Corp.	\$1,800.00
		JJ1	Legal Support Services	3000	Stenographer	Catuagno Court Reporting	\$6,500.00
		JJ2	Auxiliary Services	3000	Autopsies	Trustees of Tufts College	\$22,000.00
				3000	Testing Lab	HFL Sports Science	\$7,000.00
				3000	Testing Lab	Truesdail Laboratories	\$200,000.00
		Obj Class Totals:					\$238,300.00
	LL	EQUIPMENT LEASE-MAINTAIN/REPAR					
		L26	Printing/Photocopy & Micrographics Equip Rent/Lease	3000	Copier Lease	Canon Financial Solutions	\$1,500.00
		L46	Print, Photocopying & Micrograph Equipment Maint/Repair	3000	Maintenance Contract	K & A Industries	\$2,000.00
		Obj Class Totals:					\$3,500.00
	MM	PURCHASED CLIENT/PROGRAM SVCS					
		M03	Purchased Human & Social Services For Clients/Non Medical	3000	Hardship Payments	Economic Hardship Payments	\$20,000.00
				3000	Legislative Mandate	Eighth Pole	\$80,000.00
				3000	Legislative Mandate	Jockey's Guild	\$65,000.00
		M04	Services Purch Support of Human/Social Services for Clients	3000	ISA	ISA with DPH Compulsive Gambling	\$70,000.00
		Obj Class Totals:					\$235,000.00
	UU	IT Non-Payroll Expenses					
		U02	Telecommunications Services - Voice	3000	Phones	Verizon/AT&T	\$15,000.00
		U05	Information Technology (IT) Professionals	3000	Chrims	Arthur Evans/CHRIMS	\$62,500.00
		U09	Information Technology (IT) Equip Rental Or Lease	3000	Computer Leases	Ontario Investments	\$1,200.00
		Obj Class Totals:					\$78,700.00
Appropriation Totals							\$1,476,248.36



## **SMALL BUSINESS IMPACT STATEMENT**

The Massachusetts Gaming Commission (“Commission”) hereby files this small business impact statement in accordance with G.L. c.30A, §2 relative to the proposed amendments in 205 CMR 6.00: Pari-Mutuel Rules for Thoroughbred Racing, Harness Racing, and Greyhound Racing; notice of which was filed this day with the Secretary of the Commonwealth. These amendments were developed as part of the process of promulgating regulations governing racing in the Commonwealth. The amendment governs a new section, 6.46: Pentafecta Pools, and provides the requirements and the means of distributing winnings for this method of wagering. The amendment provides wager options for patrons which will generate betting interests. The amendment will also bring the Commission into compliance with pari-mutuel wagering model rules of the Association of Racing Commissioners International (ARCI-004-105-X). These regulations are largely governed by G.L. c. 128A, 128C.

In accordance with G.L. c.30A, §2, the Commission offers the following responses:

1. Estimate of the number of small businesses subject to the proposed regulation:

There are no small businesses that the Commission anticipates will be directly impacted by these regulations. The regulations only provide for the rules governing an alternative method of wagering for patrons.

2. State the projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation:

There are no projected reporting, recordkeeping or administrative costs created by these regulations that would affect small businesses.

3. State the appropriateness of performance standards versus design standards:

These regulations do not implicate a design or performance standard.

4. Identify regulations of the promulgating agency, or of another agency or department of the commonwealth, which may duplicate or conflict with the proposed regulation:

There are no conflicting regulations in 205 CMR, and the Commission is unaware of any conflicting or duplicating regulations of any other agency or department of the Commonwealth.



Massachusetts Gaming Commission

5. State whether the proposed regulation is likely to deter or encourage the formation of new businesses in the commonwealth:

G.L. c. 128A and G.L. c. 128C were enacted to promote the horse racing industry in the Commonwealth. The proposed regulations, as part of the overall process, are likely to encourage new business.

Massachusetts Gaming Commission  
By:

\_\_\_\_\_  
Cecelia Porché and Alexander Conley  
Legal Division

Dated:\_\_\_\_\_



Massachusetts Gaming Commission

**No Documents**



## **MEMORANDUM**

TO: Chairman Crosby, Commissioners Cameron,  
Macdonald, Stebbins and Zuniga

FROM: Jill Lacey Griffin, Director of Workforce, Supplier,  
and Diversity Development

CC: Ed Bedrosian, Executive Director, Catherine Blue,  
General Counsel, Todd Grossman, Deputy General  
Counsel

DATE: June 6, 2016

RE: Supplier Diversity Certification and Retroactive Reporting

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In accordance with 205 CMR 135.02 (1): *Project Schedules and Reporting*, the Commission may create guidelines "to aid the commission in its review and monitoring of the project." I recommend that the Commission adopt and implement the guidelines below regarding supplier diversity reporting during the design and construction of the Category 1 gaming establishments.

By way of background, the gaming licensees each provided to the Commission for approval "an affirmative action program of equal opportunity whereby the licensee establishes specific goals for the utilization of minorities, women and veterans on construction jobs and for contracting with minority, women or veteran owned businesses during either design or construction." 205 CMR 135.02(3). Further, a gaming licensee is required to report on a quarterly basis "the number of contracts, total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises for design and construction of the gaming establishment and related infrastructure, and the total number and value of all subcontracts awarded to a minority, women and veteran owned business, and a comparison of these reports with the goals established by the gaming licensee and commission pursuant to M.G.L. c. 23K, § 21(a)(21)." 205 CMR 135.02(5)(f).



Massachusetts Gaming Commission

Additionally, 139.04: describes Reports and Information to Be Filed with the Commission during operations. (3) Pursuant to M.G.L. c. 23K, § 21(a)(24), a detailed annual, and at other times as directed by the commission, statistical report on the total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises in: (c) Contracts for every good and service procured by the gaming establishment. The annual statistical report shall also identify the amounts so contracted as a percentage of the total dollar amounts contracted with and actually paid to all firms.

To add clarity to this process, I recommend that the following guidelines be issued:

- *While a company is in the process of obtaining supplier diversity certification, the business cannot be counted by a gaming licensee as a Minority Business Enterprise (“MBE”), Women’s Business Enterprise (“WBE”), or a Veteran’s Business Enterprise (“VBE”) towards the diversity goal requirement outlined in 205 CMR 135.02(3). The company can, however, be noted in the gaming licensee’s report as a company that is in the process of obtaining certification.*
- *As soon as a company can confirm certification as an MBE, WBE, and/or VBE by one of the certification entities approved by the Commission in accordance with 205 CMR 135.01, the gaming licensee may retroactively add the dollar value paid to that company to its overall diversity spend from the date of the initial payment initiated to the company under that contract. Such addition should be made by use of a footnote or report notation (similar to when a change order occurs) to the Commission’s quarterly report noting the dates and dollar amounts associated with the firms pre certification and post certification status.*
- *If this process is utilized, however, the gaming licensee shall maintain clear records evidencing when the company commenced work on the project. Records could include a contract, record of payments, and proof of diversity certification.*
- *Such records shall be subject to audit by the Commission.*
- *Certification as an MBE/WBE/VBE by any agency other than those recognized in 205 CMR 135.01 (CWE, GNEMSDC, MA SDO, Vetbiz.org, or the Licensing Division of the Commission) shall not confer MBE, WBE, or VBE status on a company for purposes of participation credit.*



Massachusetts Gaming Commission

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- *On a quarterly basis prior to the submission of the quarterly report to the Commission the gaming licensee shall notify the Director of Workforce, Supplier Development in writing the company name and percentage and dollar value applied towards retroactive diversity spend calculations.*



Massachusetts Gaming Commission

425 CMR 2.00: CERTIFICATION

Section

2.01: Title and Applicability

2.02: Definitions; Certification; Certification Criteria; Certification Category; Recertification and Certification Renewal; Duty to Cooperate and Requirements to Remain in Good Standing; SOMWBA Appeal Board

2.01: Title and Applicability

425 CMR 2.00 shall govern the process of certification of minority, woman and minority/woman business enterprises, non-profit organizations and joint ventures by the Massachusetts State Office of Minority and Women Business Assistance (SOMWBA), a division of the Office of Minority and Women Business Development and Employment (OMWBDE) within the Department of Economic Development, in all matters arising out of M.G.L. c. 23A, §§ 39 through 44, M.G.L. c. 7, § 40N, Executive Order No. 237, and Executive Order No. 390 of the Governor of Massachusetts. 425 CMR 2.00 shall be construed to secure the just, speedy and fair determination of every matter and proceeding within its scope.

2.02: Definitions; Certification; Certification Criteria; Certification Category; Recertification and Certification Renewal; Duty to Cooperate and Requirements to Remain in Good Standing; SOMWBA Appeal Board

(1) Definitions.

Controlled means: One or more eligible principals have the legal authority to make and in fact make, all major decisions of the applicant without being subject to any agreement or document restricting control, or the approval or veto of any other person, business enterprise, or organization which by virtue of its business relationship to the applicant may be in a position to influence eligible principal's decisions; and having dominant control in the conducting of all major aspects of the applicant business. This includes:

- (a) having dominant control over management and daily operations; and
- (b) having, in the specific endeavors which generate the applicant's revenues, the demonstrable background, all legally required credentials, and the technical competence necessary to weigh all advice given and to make independent and unilateral determinations relating to the activities engaged in by the applicant, including key determinations relating to the day-to-day work of employees and workforce involved operationally and technically; although an eligible principal must have managerial experience and/or expertise needed to run the business, he or she need not have the technical expertise or possess a license (unless required by the state law) to be found to control a company if he or she can demonstrate that he or she has ultimate managerial and supervisory control over those who possess the required licenses or technical expertise. However, where a critical license is held only by a non-eligible person having an equity interest in the applicant firm, the non-eligible person may be found to control the firm; and
- (c) having a thorough knowledge of the financial structure, policies and affairs of the applicant; and
- (d) having dominant control of the financial affairs and accounts of the applicant; and
- (e) having dominant control over the hiring and firing of employees, including key employees, as well as any other personnel and workforce decisions of the applicant; and
- (f) having dominant control over the solicitation and negotiation of contracts, marketing, estimating, and the offering and acceptance or rejection of bids; and
- (g) having dominant control over the purchase of goods, equipment, business inventory and services needed in the day-to-day operation of the applicant; and
- (h) having dominant control over the applicant's governing body, if any. In addition, the following factors must be considered in determining dominant control:
  - 1. The eligible principal shall not be found lacking dominant control solely on the basis of the terms of a franchise/license agreement that relate to standardized quality, advertising or accounting format, as long as the franchiser or licensor is independent from the franchisee or licensee.

2.02: continued

2. The eligible principal shall not be found lacking dominant control solely on the basis of hers or his outside employment. However, if it can be shown that outside employment actually interferes with the individual's ability to control the applicant's business on a full-time basis, the applicant may not be certified.
3. The eligible principal shall not be found lacking dominant control solely on the basis of hers or his level of remuneration which may be lower than that of some other participants in the firm. Differences in remuneration will be considered in the context of the duties of the persons involved, the firm's policy and practice concerning reinvestment of income, and any other explanations.
4. The eligible principal shall not be found having dominant control if the applicant fails the test for independence as defined in 425 CMR 2.02.
5. Where appropriate, dominant control shall be considered in the context of normal industry practices.

Credentials means: Documentary evidence of an eligible principal's lawful authority; commonly in the form of letters, licenses or certificates which on their face indicate the legal authority and capacity of the bearer.

Eligible Person means: An adult permanent resident of the United States who is a minority or woman. This person must also be represented by the applicant to be a minority person or woman who controls, or is among the persons, who control the non-profit organization.

Eligible Principal means: Eligible person represented by the applicant to be an owner of the business enterprise.

No securities or assets held in trust are considered as held by eligible principal(s) in determining the ownership of a firm except in the following situations:

- (a) The trust is irrevocable; Trustee(s) is an eligible person who is also one of the beneficiaries; All beneficiaries whose total beneficial interest is 51% or more are eligible persons.
- (b) The trust is revocable; Settlor is an eligible person; Trustee(s) is an eligible person who is also one of the beneficiaries; All beneficiaries whose total beneficial interest is 51% or more are eligible persons.

Free from Conversion Rights means: Neither the applicant nor the eligible principal(s) is (are) subject to any right, agreement, option, scheme or document that creates or is representative of any right, which, if exercised, would result in diluting the ownership of the eligible principal(s) in the applicant below 51% or cause the applicant to not be independent or controlled by one or more eligible principals or eligible persons.

Independent means:

- (a) That the applicant is not dependent upon, affiliated with, or influenced by, legally or in practice, any other person, business enterprise or organization in connection with any key elements of its day-to-day or long-term affairs, including contracts, sales, operations, technical affairs, equipment, facilities, supplies, employees, workforce, consultants, subcontracts, leases, financing, income, payroll, bookkeeping, goodwill, policies or management; and
- (b) That the applicant does not rely on or regularly utilize to perform work it contracts to perform any employee or workforce who, while performing work for the applicant, is in the course of employment with or under the direct control of a person, business enterprise or organization other than the applicant, with the exception of temporary office personnel working in the normal course of the applicant's activity(ies); and
- (c) The applicant does not rely on or regularly utilize to perform work it contracts to perform any management or supervisory personnel other than those persons it directly employs and controls.
- (d) An applicant shall not be considered independent if it presents insufficient evidence of having the capability or capacity to perform, with its own workforce, equipment, facilities or other functional assets the work it contracts to perform.

2.02: continued

(e) The temporary employment or direct control by another person, business enterprise or organization of an applicant's employee(s) or workforce does not by itself constitute a lack of independence if the applicant is a temporary employment service and the temporary employment or control of the employee(s) or workforce occurs in the normal course of the applicant's business.

(f) Any one of the following conditions creates a rebuttable presumption that the applicant is not independent:

1. one or more eligible principals is currently an employee of a non-minority or non-woman owned or controlled business enterprise or organization which has a direct or indirect financial or controlling interest in, or influence on, the applicant; or
2. one or more of the governing body members, officers, management officials, key employees or supervisory personnel of the applicant are substantially the same as in a non-minority or non-woman owned or controlled business enterprise or organization which has a direct or indirect financial or controlling interest in, or influence on the applicant; or
3. the applicant is a subsidiary or affiliate of a non-minority or non-woman owned or controlled business enterprise or organization; or
4. one or more eligible principals, or the applicant, is a former employee, employer, affiliate or subsidiary of a person, business enterprise or organization that is in the same or related industry as the applicant and which:
  - a. has a direct or indirect financial or controlling interest in, or influence on, the applicant; or
  - b. assisted or assists one or more eligible principals or the applicant to obtain or utilize any of the financial or non-financial resources the applicant uses.

Minority means a person who meets one or more of the following definitions:

- (a) American Indian or Native American means: all persons having origins in any of the original peoples of North America and who are recognized as an Indian by a tribe or tribal organization.
- (b) Asian means: All persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands, including, but not limited to China, Japan, Korea, Samoa, India, and the Philippine Islands.
- (c) Black means: All persons having origins in any of the Black racial groups of Africa, including, but not limited to, African-Americans, and all persons having origins in any of the original peoples of the Cape Verdean Islands.
- (d) Eskimo or Aleut means: All persons having origins in any of the peoples of Northern Canada, Greenland, Alaska, and Eastern Siberia.
- (e) Hispanic means: All persons having their origins in any of the Spanish-speaking peoples of Mexico, Puerto Rico, Cuba, Central or South America, or the Caribbean Islands.
- (f) Portuguese means: All persons having Portuguese origin. Portuguese persons shall only be included in the definition of minority if specifically set forth in programs funded by state transportation bond statutes which include such persons as eligible participants

Ongoing means:

- (a) In all cases, that the applicant was not formed, reformulated, changed or reorganized solely for the purpose of taking advantage of a special program developed to assist minority, woman or minority/woman businesses or non-profit organizations; and
- (b) If the applicant is a business enterprise, it means being actively in business, and owning or leasing the resources that are typical for a business enterprise in its industry, that ensures applicant's ability to manufacture products or provide services in the field of requested certification without heavily relying on resources of any other person, business enterprise or organization, and having facilities that are appropriate for conducting a business of its type at the present stage of its development, and regularly and actively seeking contracts, orders, or sales of the applicant's products or services; or
- (c) If the applicant is a non-profit organization, it means regularly and actively engaging in the non-profit activities for which it was formed.

2.02: continued

Owned means:

- (a) 1. Corporation: one or more eligible principals have ownership of 51% or more of each type and class of outstanding stock of the corporation, including voting stock, and 51% or more of the aggregate of all types and classes of outstanding stock of the corporation.
2. Partnership, Limited Liability Company (LLC): one or more eligible principals have ownership of 51% or more of the total partnership (LLC or joint venture) interest, including all assets, benefits, distribution rights, tax credits, deductions and postponements, and a commensurate share of the partnership's (LLC's or joint venture's) liabilities and obligations.
3. Massachusetts Business Trust (established under M.G.L. c. 182): one or more eligible principals have ownership of 51% or more of transferable certificates of participation and serve as trustee(s).
4. Sole Proprietorship: the eligible principal has sole ownership of all of the proprietorship assets, and being personally and solely at risk and obligated for all of its losses and liabilities.
5. All Businesses: The eligible principal(s) must have the right to and actually receive the level and kind of profit and benefits and enjoy customary incidents of ownership, if any, that are commensurate with the level and kind of ownership reflected in the ownership documents; the eligible principal(s) must be at risk for, and actually incur, losses, if any, of the business enterprise in the manner and to the extent which is commensurate with the level and kind of ownership reflected in the ownership documents; the eligible principal's(s') ownership must be continuing; and the certification criteria must be met in substance as well as form. Profits, dividends, salaries, debt repayments, retained earnings and distributions of any kind (including distributions upon liquidation) are included among all of the indicators which may be considered.
- (b) The firm's ownership by eligible principals must be real, actual, genuine and meaningful, going beyond "paper" ownership as reflected in ownership documents. The eligible owners must enjoy the customary incidents of ownership, and share in risks and profits commensurate with their ownership interests, as demonstrated by the substance, not merely the form.
- (c) The contribution of capital or expertise by the eligible persons to acquire their ownership interests must be real and substantial. Debt instruments from financial institutions or other organizations that lend funds in the normal course of their business do not of themselves render a firm ineligible, even if the debtor's ownership interest is security for the loan.
- (d) In addition to a significant financial investment in the firm, including but not limited to capital, equipment, contribution of property, space, patents, or copyrights, eligible principal's irreplaceable expertise may be credited towards required contribution only if it is of outstanding quality, in the areas critical to the firm's operations and indispensable to the firm's potential success. Said expertise will be considered in light of the totality of all relevant circumstances and counted only if accompanied by a significant financial stake and clearly documented by the firm's records.
- (e) Contribution of capital shall not be regarded as lacking "real" and "substantial" attributes solely because an eligible person acquired his or her ownership interest as a result of a gift, or transfer without adequate consideration unless there is a reason to believe that transfer in question took place for the sole purpose of certification eligibility.

A particular thorough scrutiny to the ownership and control of the firm in light of totality of the circumstances shall be conducted to ensure that it is owned and controlled, in substance as well as in form, by an eligible person as opposed to a non-eligible transferor. In addition, where an ineligible transferor (whether or not an immediate family member) remains involved with the firm in any capacity, the eligible principal(s) now owning the firm must demonstrate that the transfer of ownership and/or control to the eligible individual was made for reasons other than obtaining certification.

Out-of-state Applicant or Entity means: An applicant or entity whose principal place of business is other than Massachusetts.

2.02: continued

(2) Certification. SOMWBA shall certify and include in its listing of certified minority, women and minority/women business enterprises and non-profit organizations every applicant which meets the applicable criteria. The burden of proof shall be on the applicant to show that it meets the certification criteria. SOMWBA shall review and act upon applications submitted to the agency within 30 business days of final submission of all necessary information or as promptly as administratively feasible. The Certification Committee shall be responsible for all certification related initial determinations except if the Executive Director specifically designates an alternate certification process for qualified firms. An entity's certification shall last for two years or until the entity is recertified, has its certification renewed or is decertified. No cause of action shall lie against the Commonwealth, or any employee or agent thereof, for failure to meet any projected time line. An out-of-state applicant or certified entity must be certified in its home-state and provide a copy of a home-state site visit report to become and remain eligible for SOMWBA certification.

(3) Business Enterprise Certification Criteria. For the certification of a business enterprise, the entity must:

- (a) Be both owned and controlled by the same eligible principal(s); and
- (b) Be free of any conversion rights; and
- (c) Be independent; and
- (d) Be ongoing.

(4) Criteria for the Certification of a Non-profit Organization. For the certification of a non-profit organization:

- (a) The applicant must be tax-exempt under either § 501(c)(3) or § 501(c)(4) of the United States Internal Revenue Code, and
- (b) The applicant must be in compliance with, and in good standing legally under, the laws of its governing jurisdiction and any filing requirements of the Public Charities Division of the Office of the Attorney General of Massachusetts, and
- (c) One or more eligible persons must constitute 51% or more of the applicant's voting membership, if any, and 51% or more of its board of directors, and
- (d) The applicant must be independent, and controlled by one or more, minorities, women or minority/women and
- (e) The applicant must be ongoing.

(5) Certification Category. SOMWBA will assign to certified entities a business description denoting the activity(ies) in which the entity is engaged. An entity may obtain an expansion or change of its business description provided it meets all relevant certification criteria for the new category of endeavor as well as the criteria for the company overall. Category listings are not intended to reflect the level of competency of any business, non-profit organization or joint venture to perform the activity(ies) in which it engages.

(6) Recertification and Certification Renewal. To remain in good standing, every firm must have its certification renewed every two years and undergo a substantive recertification review at least every six years. Certification renewal requires the submission of specified update information and does not ordinarily entail a full substantive review. SOMWBA retains the discretion to conduct such a review if circumstances dictate. If an entity is due for recertification or certification renewal and fails to submit the requested recertification or certification renewal information within the allotted time period after reasonable notice has been provided, that entity's certification automatically shall expire. An entity which is the subject of an investigation or show-cause proceeding may not be recertified or have its certification renewed while the investigation or proceeding is ongoing and until the entity is determined to continue to meet the certification requirements.

2.02: continued

(7) Duty to Cooperate and Requirements to Remain in Good Standing. Applicants and certified entities shall cooperate fully with the certification program and provide accurate, complete and non-misleading information in relation to its application or certification status. The failure of an applicant or certified entity to cooperate with an investigation, site visit, request for information or other certification-related matter or proceeding constitutes grounds for denial of certification or decertification. SOMWBA may request an applicant or certified entity to provide additional information when SOMWBA deems it necessary for a certification-related determination. SOMWBA may monitor, investigate and do random spot checks of any certified entity. If an entity fails to continue to meet the requirements for certification, SOMWBA may issue the entity notice to show cause why it should not be decertified and, after an opportunity for a hearing, SOMWBA may decertify the entity. SOMWBA may bar from the certification program for a period of up to five years any entity that is denied certification or is decertified for failure to cooperate or for the submission of false, materially incomplete or misleading information. SOMWBA may bar from the certification program for a period of up to one year any entity which is decertified for failure to meet the substantive requirements for certification. Any entity that is denied certification or decertified may take corrective action to meet the applicable certification criteria.

(8) SOMWBA Appeal Board. If an applicant or certified entity receives a determination of denial of a certification application, a determination to show cause or other adverse determination, it may appeal the determination by filing within ten(10) business days of the receipt of the aforementioned determination a request for an administrative appeal hearing before the SOMWBA Appeal Board (SAB). The SAB shall be comprised of the three appointees of the Director of the Department of Business and Technology. SAB hearings shall be held in accordance with 801 CMR 1.02, 801 CMR 1.03, and the applicable sections of M.G.L. c. 30A.

#### REGULATORY AUTHORITY

425 CMR 2.00: M.G.L. c. 23A, §§ 39 through 44; c. 7, § 40N; Executive Order No. 237 and Executive Order No. 390.



*Division of Racing*

TO: Steve Crosby, Chairman  
Gayle Cameron, Commissioner  
Lloyd Macdonald, Commissioner  
Bruce Stebbins, Commissioner  
Enrique Zuniga, Commissioner

FROM: Alexandra Lightbown, Director of Racing

CC: Edward Bedrosian, Executive Director  
Catherine Blue, General Counsel

DATE: June 6, 2016

RE: Suffolk Downs Request for Race Horse Development Funds

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Dear Commissioners:

Suffolk Downs COO Chip Tuttle has submitted a request for \$2.4 million from the Race Horse Development Fund to use for purses for their upcoming six days of racing. This is the same daily amount the Massachusetts Gaming Commission approved in 2015. The request also includes \$325,000 for the New England Horsemen's Benevolent and Protective Association. They have provided a letter explaining the \$225,000 is for administrative expenses, the same as the Massachusetts Gaming Commission approved last year for them. The other \$100,000 is to cover the cost of the Equine Park feasibility study, which the Commission did not approve of in 2015.

**Recommendation: That the Commission approve the request of Suffolk Downs for \$2.4 million from the Race Horse Development Fund for their purses. This money will be distributed monthly, as they race.**

**Recommendation: That the Commission approve the request of Suffolk Downs for \$225,000 from the Race Horse Development Fund for the New England Horsemen's Benevolent and Protective Association's administrative costs, and table the request for the \$100,000.**



Massachusetts Gaming Commission





Massachusetts Gaming Commission

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May 23, 2016

Dr. Alexandra R. Lightbown  
Director of Racing  
Massachusetts Gaming Commission  
101 Federal Street, 23<sup>rd</sup> Floor  
Boston, MA 02110

Re: Suffolk Downs 2016 RHDF Request

Dear Dr. Lightbown:

In conjunction with our upcoming six-day 2016 racing meeting, Sterling Suffolk Racecourse is hereby applying for a distribution of \$2.725 million from the Race Horse Development Fund. As discussed when we submitted our request for approval of racing dates last fall, funding purse payments from the Race Horse Development Fund is an integral part of our plan for the 2016 meet.

Our 2016 RHDF request is broken down into the same two categories that the Commission approved last year—purse payments and horsemen's operating expenses. More particularly, we seek \$2.4 million for program purses, or \$400,000 for each racing day. That per-day amount is same we requested, and the Commission approved, last year. The program purse distribution will be used primarily for overnight purses. Also, as we did last year, we intend to use it to fund participation bonuses to attract owners, trainers and horses to the meet and to pay the Massachusetts Thoroughbred Breeders Association any required percentage of purses, such as the 3.5% of purse payments currently required by General Laws Ch. 128A, § 5(j), in effect as of a live racing day.

We intend to also run additional races for the MTBA. Purses for those races will be paid not from the funds requested above but rather from the MTBA's own funds (which include some funding from the RHDF that the Commission distributes directly to the MTBA). With the addition of the MTBA purse funding, we expect total purses each day to be approximately \$500,000.

The New England Horsemen's Benevolent and Protective Association has also asked that we include in our request a distribution of \$325,000 to be paid over to it for its administrative expenses.

I have attached a copy of our 2016 purse agreement with the NEHBPA and I am happy to provide any additional details the Commission requires to act on this request.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts

# *New England Horsemen's Benevolent and Protective Association, Inc.*

*President*  
Anthony Spadea

*A National Organization*

*Acting Executive Director*  
Bruce P. Patten

*Directors: Owners*  
Randy Andrews  
Susan Clark  
Shirley Dullea  
Manfred Roos  
Paul Umbrello



*Directors: Trainers*  
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Alan Lockhart  
Kevin McCarthy  
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P.O. Box 388  
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WWW.NewEnglandHBPA.com

June 6, 2016

Dr. Alexandra Lightbown, Director of Racing  
Massachusetts Gaming Commission  
101 Federal Street 12th Floor  
Boston, MA 02110

Re: Sterling Suffolk Racecourse, LLC application for six race days.

Dear Dr. Lightbown:

On behalf of the New England HBPA Board of Directors and the owners and trainers of thoroughbred horses racing in Massachusetts, I am providing a breakdown of the NEHBPA expenses, which were included in the letter of request for RHDF purse funding recently submitted by Sterling Suffolk Racecourse, LLC (SSR).

The NEHBPA portion of SSR's request for funding from the RHDF is \$325,000, which consists of \$225,000 for the annual operation of the NEHBPA and \$100,000 to cover an extraordinary administrative expense for the engagement of a consulting firm to conduct a feasibility study regarding the construction of an equine park.

## NEHBPA (\$225,000)

The only funding source for all NEHBPA administrative expenses is the horsemen's purse account. The following is a breakdown of the NEHBPA administrative budget which is equal to the 2015 funding request.

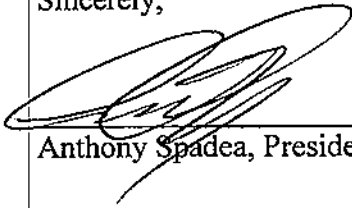
General & Administrative (including salary) - 73,000  
Consulting & Contract Services - 140,000  
Property & liability Insurance - 12,000

## Equine Park Feasibility Study (\$100,000)

The proposed equine park accommodates multiple horse breeds for recreational activities, equestrian events, 4H facilities, professional horse racing, re-training for horses to have a second career and retirement facilities for horses not able to be-retrained. The study is a necessary administrative expenditure to assure prospective lenders that the project is viable and self sustaining.

If you have additional questions or requests, please contact us.

Sincerely,



Anthony Spadea, President