



MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #297

April 9, 2020
10:00 a.m.

Via Conference Call Number: 1-646-741-5293
Meeting I.D. Number: 111 512 4467



Massachusetts Gaming Commission

101 Federal Street, 12th Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



**AMENDED
NOTICE OF MEETING and AGENDA
April 9, 2020 – 10:00 a.m.**

PLEASE NOTE: Given the unprecedented circumstances resulting from the global Coronavirus pandemic, Governor Charles Baker issued an order to provide limited relief from certain provisions of the Open Meeting Law to protect the health and safety of individuals interested in attending public meetings. In keeping with the guidance provided, the Commission will conduct a public meeting utilizing remote collaboration technology. If there is any technical problem with our remote connection, an alternative conference line will be noticed immediately on our website: MassGaming.com.

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, April 9, 2020
10:00 a.m.**

Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5293
PARTICIPANT CODE: 111 512 4467

All documents and presentations related to this agenda will be available for your review on the morning of April 9 by [clicking here](#).

PUBLIC MEETING - #297

1. Call to order
2. Approval of Minutes
 - a. March 12, 2020
 - b. March 14, 2020
 - c. March 16, 2020
3. Administrative Update – Karen Wells, Interim Executive Director
 - a. Department Reports
 - b. Legislative Activities Report – Joe Delaney, Construction Project Oversight Manager; Jill Griffin, Director of Workforce, Supplier and Diversity Development
4. Accounting and Finance – Derek Lennon, Chief Financial and Accounting Officer
 - a. Budget Updates – Derek Lennon, Chief Financial and Accounting Officer; Agnes Beaulieu, Finance and Budget Office Manager; Doug O'Donnell, Revenue Manager; Enrique Zuniga, Commissioner

VOTE



Massachusetts Gaming Commission

5. Research and Responsible Gaming – Mark Vander Linden, Director of Research and Responsible Gaming
 - a. Springfield Lottery Impact Study – Mark Vander Linden, Dir. of Research and Responsible Gaming; Dr. Mark Nichols, SEIGMA Research Team
6. Investigative and Enforcement Bureau – Loretta Lillios, Chief Enforcement Counsel/Deputy Director
 - a. MGM Qualifier **VOTE**
 - b. Encore Boston Harbor Qualifier **VOTE**
7. Legal Division – Todd Grossman, Interim General Counsel
 - a. Initial review for emergency adoption and commencement of promulgation process: **205 CMR 138.68: Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund**- addressing the calculation of 1 year time period **VOTE**
8. Workforce Supplier and Diversity Development – Jill Griffin, Director
 - a. Hampden Prep Amendment Request (Community Mitigation Fund – Workforce Development Grant 2019) – Jill Griffin, Director of Workforce Supplier and Diversity Development; Crystal Howard, Program Manager **VOTE**
9. 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 and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

April 8, 2020

Cathy Judd-Stein, Chair

Date Posted to Website: April 8, 2020 at 1:00 p.m.



Massachusetts Gaming Commission

101 Federal Street, 12th Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



Massachusetts Gaming Commission Meeting Minutes

Date/Time: March 12, 2020 –10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, Floor 12
Boston, MA 02110

Present: Chair Cathy Judd-Stein
Commissioner Gayle Cameron
Commissioner Enrique Zuniga
Commissioner Bruce Stebbins
Commissioner Eileen O'Brien

Hyperlinks to closed-captioned video
footage of discussions and the
meeting transcript are provided
throughout this document.



Call to Order

See [transcript](#) pages 1 – 2

10:06 a.m. Chair Cathy Judd-Stein called to order public meeting #291 of the Massachusetts Gaming Commission (“Commission”). She stated that external meeting participants are participating remotely via telephone today. She commended the Commission’s internal team for their efforts in the past weeks assessing and fact-gathering regarding the COVID-19 pandemic, working collaboratively to ensure that health and safety is the top priority.

With her initial comments addressing current circumstances, the Chair stated that the format of this meeting is aligned with the current advisory from Governor Baker’s office. The Commission and its staff stand ready to adapt to changing circumstances as the state, and the nation considers how to most effectively deal with the many difficult challenges involving the spread of COVID-19.

Administrative Update

See [transcript](#) pages 2 – 19

10:13 a.m. **General Update**

Interim Executive Director/Director of the Investigations and Enforcement Bureau (“IEB”) Karen Wells stated that the Commission has been coordinating with experts at the Department of Public Health (DPH), as they focus on the health and well-being of the Commonwealth. Ms. Wells then described the Commission’s new webpage: <https://massgaming.com/news-events/covid19/> that staff and the public can now use to access Commission-related updates and advisories. She commended Communications Director Elaine Driscoll for expeditiously creating the webpage, and specified that The Commission is actively engaged in frequent communications with gaming licensees and state officials to share information, monitor developments and determine appropriate next steps.

The Commission reviewed an advisory memorandum regarding COVID-19 dated March 10, 2020, from Assistant Secretary and Chief Human Resources Officer of the State Human Resources Division Jeff McCue, directed to all Executive Branch employees. Ms. Wells recommended that the Commission formally adopt the precautionary measures outlined in this memo as the policy for the Commission.

10:18 a.m. *Commissioner Cameron moved to adopt the precautionary measures outlined in the memorandum entitled, “Coronavirus Advisory” dated March 10, 2020, from the Assistant Secretary and Chief Human Resources Officer of the State Human Resources Division as the policy for the Massachusetts Gaming Commission. Commissioner O’Brien seconded the motion. The motion passed unanimously.*

Ms. Wells then recommended that Commission staff presumptively follow any additional directives from the governor and remain flexible in setting up further communication and further Commission meetings to address any changing circumstances. The Commission agreed that Ms. Wells will notify the Chair and commissioners advising on any new policies or recommendations, and the Commission will convene for a public meeting and follow suit as quickly as possible.

Next, Ms. Wells turned the focus to operational planning, policy, and prevention. She stated that an internal departmental team has been convened and is actively engaged in monitoring the rapidly evolving situation. The team has also been tasked with developing contingency readiness, operational redundancy, and overall preparedness planning. The Commission has instituted precautionary measures, including enhanced sanitization in the Boston office as well as at all GameSense locations.

10:43 a.m. **Update on Promotional Gaming Meter**

CFO Derek Lennon, with IEB Assistant Director/Gaming Agents Division Chief Bruce Band, Gaming Technical Compliance Manager Scott Helwig, and Revenue Manager Doug O'Donnell, reviewed a memorandum with the Commission. The memorandum described the circumstances surrounding MGM Springfield's previous request to use a Cashable Electronic Promotion In ("CEPI") meter for promotional play calculations rather than the Cashable Promotion Played meter.

The Commission's IEB, Finance, and I.T. staff have determined that converting to the CEPI meter is the most viable and economically sound decision to meet the statutory and regulatory requirements best and provide the same benefit to the customer. The team's course of action will be to work on a project timeline to implement these changes with both MGM Springfield and Encore Boston Harbor.

10:52 a.m. At the Chair's request, Mr. Helwig explained the three technical options they considered in the memorandum entitled, "Promotional Gaming Meter Change" in the [Commissioner's Packet](#).

10:56 a.m. Mr. O'Donnell provided clarification that the Cashable Electronic Promotion was miscalculated and has cost the licensees additional tax revenue, prompting a needed system change. The Chair further identified that this request is to address an issue noted by the licensees, and they are asking for relief. Mr. Lennon affirmed and noted that the team intends to implement the plan slowly and deliberately to ensure each new meter is reporting correctly.

11:01 a.m. **MGC Employee and GEU Casino Dining Policy**

Ms. Wells reviewed a memorandum with the Commission that outlined a new policy for Commission employees. It is the policy of the Commission to provide employees working onsite at a casino with an opportunity to purchase food in that licensee's employee cafeteria or dining room on the condition that all such purchases are priced at market rate, to comply with the Commission's Enhanced Code of Ethics. Ms. Wells recommended that the Commission approve this employee dining policy for Commission staff.

Mr. Grossman corroborated that the Commission's Enhanced Code of Ethics allows employees to purchase food at casino property establishments at the posted menu prices to ensure that there is no gift or unwarranted privilege.

11:12 a.m. The Commission discussed whether staff (particularly overnight) should be encouraged to take meals out of the cafeteria area and back to a conference room/dedicated space until further notice.

[11:15 a.m.](#) In addition to the Enhanced Code of ethics, Commissioner O'Brien advised gaming agents to be mindful of the nature of their discussions with employees, in the context of sharing specific types of information.

[11:19 a.m.](#) Commissioner Cameron suggested that the updated guideline is implemented in a way that MGC staff is reminded of their responsibilities, having oversight for those employees who are sharing the dining facility, to reinforce that the expectation to behave professionally. She added that if this approach is not successful, the Commission can revisit this.

The Chair made remarks in favor of this plan and asked that staff add language also to reflect that all MGC employees are in the public setting in all forms and fashions, and the Commission expects all employees to exercise that professionalism.

[11:21 a.m.](#) *Commissioner Zuniga moved to amend the Commission's Personnel Manual to include the MGC Employee and GEU Casino Dining Policy as discussed here today and as included in the Commissioner's Packet, subject to any grammatical or immaterial changes. Commissioner O'Brien seconded the motion. The motion passed unanimously.*

Approval of Minutes

See [transcript](#) pages 19 – 20

[11:22 a.m.](#) *Commissioner Stebbins moved to approve the minutes from the Commission meeting of February 27, 2020, subject to correction for typographical errors and other nonmaterial matters. Commissioner Zuniga seconded the motion. The motion passed unanimously.*

Ombudsman

See [transcript](#) pages 20 – 32

[11:23 a.m.](#) Plainridge Park Casino ("PPC") Quarterly Report

Ombudsman John Ziemba presented PPC's quarterly report for the fourth quarter of 2019, ending on December 31. Participating remotely via conference call to present their report was PPC's Vice President of Finance Dana Fortney, Vice President of Operations Mike Mueller, and Vice President of Human Resources Kathy Lucas and Compliance Manager Lisa McKinney.

The Chair thanked all of the participants, stating that she appreciates their fulfilling their statutory obligations and providing a timely report during this very critical period.

[11:26 a.m.](#) PPC's Director of Security Greg DeMarco provided the Commission with all measures and precautions administered by PPC to provide a safe and clean environment for guests and team members amidst the COVID-19 virus. He added

that they are continuing to monitor information from local public health officials as well as from the Center for Disease Control.

11:28 a.m.

The Commission reviewed PowerPoint slides that illustrated totals for gaming revenue and taxes, spending by state, local spending, spending with diverse vendors, and compliance figures by category, marketing highlights, employment numbers, and the Women Leading at Penn program.

Ms. Fortney clarified for Commissioner Stebbins that PPC's overall local spending in 2018 was around \$700,000, and stated that this number included multiple large projects that were one-time projects in that year.

Upon her review of the slide illustrating employment numbers with the Commission, Ms. Lucas noted that the MassHire job fair was canceled for this morning and that there will be new dates posted for this event.

Ms. Lucas will provide the Commission with updated information regarding PPC's number of employees, categorized by full and part-time. She also stated that there are currently 22 open positions posted, with around 15 percent being in the supervisory or above capacity.

PPC's Human Resource team is working with a small core group on a job-recruitment program to target reverse-commuters coming into the Greater Boston area from the Foxboro/Wrentham/Plainville area.

11:57 a.m.

Encore Boston Harbor Quarterly Report

Encore Boston Harbor ("Encore") Vice President and General Counsel Jacqui Krum updated the Commission on safety procedures that Encore is implementing in response to the COVID-19 virus. In addition to monitoring developments of the virus and advisements from the Center for Disease Control and Massachusetts Department of Public Health, Encore is working with the City of Everett health inspector to ensure they uphold the highest hygiene standards possible during this time. Encore is following the guidelines regarding COVID-19 issued by the governor's office.

In response to a suggestion made by Commissioner Stebbins, Ms. Krum stated that her team is considering revising Encore's new website to reflect that guests should not go to the casino if they are susceptible or experiencing illness. She added that they are continually updating the site to post new information.

Next, the Commission reviewed Encore's PowerPoint slide presentation that reported on their gaming revenue and taxes, lottery sales, compliance items by category, operating spending with diverse vendors, local operating spending, employment numbers by category, public promotions, community outreach events, and community impact highlights.

With regard to the compliance slide, the Chair asked if Encore is providing targeted training to security staff on intercepting minors who enter the floor. Ms. Krum replied that Encore continually provides training to the security team, encouraging them to check I.D.s and to run I.D.s. They have also have implemented enhanced procedures for checking false I.D.s.

In response to Commissioner Cameron's inquiry regarding any efforts being made to raise the number of women employed at Encore to 50 percent, Ms. Krum stated that they are working on this by focusing more on female applicants and organizing specifically to recruit women.

Ms. Krum then confirmed for Commissioner Stebbins that Encore has resolved all issues with the bartender transition.

[12:13 p.m.](#)

At Commissioner Stebbins' request, Ms. Krum described Encore's involvement with 133 local non-profit organizations. Specifically, she stated that Encore provides funding, assistance with events, donates space in the hotel for events, gives to silent auctions, and hosts on-property volunteer events.

Regarding compliance items, Commissioner O'Brien asked that if moving forward, Encore would provide a breakdown of age group 18-21 compared to under-18 when addressing statistics for identifying false I.D.s and minors on the gaming floor. She then asked Ms. Krum to describe a specific incident where a minor was on the gaming floor for three hours and five minutes. Ms. Krum responded that she can provide details on that incident in their next quarterly report, or she can offer it in the interim.

Research and Responsible Gaming

See [transcript](#) pages 32 – 39

[12:16 p.m.](#)

GameSense Update Report Plainridge Park Casino

Program Manager of Research and Responsible Gaming Teresa Fiore presented the division's quarterly update for Encore and PPC with the Commission. She also described the Logic Model used to conduct their work.

Director of Research and Responsible Gaming Mark Vander Linden updated the Commission on GameSense operations and their response to the COVID-19 pandemic. He stated that he and Ms. Fiore have been in very close contact multiple times a day this week regarding program changes that they need to make. The Massachusetts Council on Compulsive Gambling operates the GameSense information center and has mostly followed the same direction that the Commission is giving its staff. They are expected to reduce the number of hours that they can provide GameSense services. Mr. Vander Linden stated that Problem Gambling Awareness month activities will also be reduced. They currently have a standing meeting with the licensees regarding this fluid situation.

Ms. Fiore and Mr. Vander Linden described the R.G. Enabled Casino Workforce program. They then led the Commission through a slide presentation, describing the three impacts they are striving for, which are promoting positive play, reducing gambling-related harm, and ensuring a Responsible Gaming (“RG”) enabled workforce.

Next, Mr. Vander Linden noted that this year GameSense has developed a partnership with the Massachusetts Lottery, where GameSense advisors plan to visit all six regional outlets twice per month. He also indicated that his team is currently working with MGM and Encore right to extend the PlayMyWay program to those two properties.

12:32 p.m. **GameSense Update Report Encore Boston Harbor**

Mr. Vander Linden then stated that there are currently 483 Encore Boston staff for every GameSense adviser stationed at the casino. These GameSense advisors are planning on moving to a 24/7 model rather than 16 hours per day.

12:42 p.m. Commissioner Zuniga suggested that for one future report, Mr. Vander Linden include the actual Logic Model as an appendix.

12:45 p.m. The Commission took a 30-minute lunch break.

1:24 p.m. The meeting reconvened. The Chair announced that circumstances related to ongoing public health issues continue to evolve rapidly, and an emerging issue has come to the Commission's attention that demands immediate assessment.

Commissioner Cameron motioned to adjourn. Commissioner Stebbins seconded the motion.

The motion passed unanimously.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated February 27, 2020
2. Draft Commission Meeting Minutes dated February 27, 2019
3. Memorandum re: Promotional Gaming Meter Change dated March 12, 2020
4. Letter re: Cashable Electronic Promotion In (CEPI) Meter Use dated March 6, 2020
5. PowerPoint Presentation: MGM Promotional Played to Transfer In
6. Policy Statement: Use of Casino Employee Dining Rooms
7. Memorandum re: Coronavirus Advisory dated March 10, 2020
8. PowerPoint Presentation: PPC Q4 & Year-End 2019 Report
9. PowerPoint Presentation: Encore Q4 2019 Report
10. PowerPoint Presentation: GameSense at Encore and PPC from July 1 – December 31, 2019

/s/ Bruce Stebbins
Secretary



Massachusetts Gaming Commission Meeting Minutes

Date/Time: March 14, 2020 –10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, Floor 12
Boston, MA 02110

Present: Chair Cathy Judd-Stein
Commissioner Gayle Cameron
Commissioner Enrique Zuniga
Commissioner Bruce Stebbins
Commissioner Eileen O'Brien

The Commission held this public meeting utilizing remote collaboration technology.

Call to Order

10:00 a.m. Chair Cathy Judd-Stein called to order public meeting #292 of the Massachusetts Gaming Commission. This is an emergency meeting in response to the unprecedented circumstances resulting from the global Coronavirus pandemic. This meeting is being held pursuant to [M.G.L. c. 30A, § 20\(b\)](#).

Executive Staff Update

10:00 a.m. **Operational Status of Gaming Licensees in light of the Coronavirus: Representatives from Encore Boston Harbor, MGM Springfield, and Plainridge Park Casino**
Interim Executive Director / IEB Director Karen Wells stated that there has been ongoing communication with staff and licensees on this issue and that Encore Boston Harbor (Encore), MGM Springfield (MGM), and Plainridge Park Casino (PPC) have agreed to suspend operations. Ms. Wells asked that each of these licensees comment with any statements they may have, and stated that due to the emergency nature of the situation, the Commission and licensees will have frequent communication going forward. She indicated that this meeting is a

preliminary matter to determine the next steps, and a subsequent meeting regarding logistics will follow.

President of Encore Boston Harbor Brian Gullbrants stated that with the rise in Coronavirus cases in the Commonwealth and the recently announced school closures, it is prudent at this time to pause operations and put the safety and health of their guests and employees first. Mr. Gullbrants recommends a two-week shutdown to evaluate the circumstances, during which time Encore would continue to pay all full-time employees.

General Manager of PPC Lance George General stated that PPC will agree to take any steps that the Commission deems necessary and follow its direction.

Vice President and General Counsel of MGM Seth Stratton stated that MGM is also happy to comply and work collaboratively toward an orderly closure, in the best interest of public health, and the health and safety of their employees and patrons.

The Chair asked the commissioners for any questions they may have for the licensees or Ms. Wells.

10:10 a.m. Commissioner O'Brien stated that she affirms the [declarations of] the Federal Centers for Disease Control, Center for Disease Control and Prevention, Governor Baker, and the guidance issued by the (Massachusetts) Department of Public Health. She added that at this time, the only prudent action is to suspend operations for at least two weeks, with ongoing assessment of the situation.

Commissioner O'Brien then asked whether MGM or PPC could comment regarding their employee pay, as well as any licensees' comment on any possible funds to pay part-time employees. [No response heard]

10:12 a.m. Commissioner Stebbins stated that the Commission welcomes the opportunity to hear from the licensees during this time regarding preparations they are making to inform staff. The Commission will also take into consideration any questions from local officials and host and surrounding communities and will work with licensees to answer those questions in the most precise manner.

10:14 a.m. Commissioner Zuniga noted for the Chair that the call dropped in the middle of Commissioner O'Brien's comments, causing him to miss a small portion of the conversation. However, he expressed that he agrees that it is warranted and prudent to have a temporary closure and continue to assess this fluid situation on a daily or even an hourly basis.

10:16 a.m. Commissioner Cameron stated that she concurs that it is prudent to take at least a two-week closure at this point and then reassess. She added that it is important that the Commission follow suit with all five licensees, including Raynham Park

and Suffolk Downs simulcasting centers, to ensure those facilities do not face overcrowding due to the closing of the casinos.

- 10:18 a.m. The Chair expressed concern that representatives from Raynham Park and Suffolk Downs are not in attendance at this meeting, and noted that the Commission could hold another emergency meeting for those facilities.

Acting General Counsel Todd Grossman stated that as the Commission has broad superintendent authority over all licensees, it is prudent to ensure that all five facilities are included in any directive issued by the Commission. Ms. Wells expressed her concern that the two licensees are not in attendance and that she has not had contact with them. Mr. Grossman agrees that Raynham Park and Suffolk Downs should be included in the discussion. Ms. Wells confirmed with the commissioners and Mr. Grossman that there will be a subsequent meeting/call with the remaining two licensees to provide them with proper notice, forthwith.

The Chair asked the commissioners for any further questions or comments for the licensees.

- 10:25 a.m. Commissioner Zuniga then asked if the rest of the facilities (restaurants, etc.) are subject to the discretion of the licensees. The Chair made note of the governor's issued order and asked for comments from the licensees. Mr. Gullbrants stated that Encore is a fully integrated resort, and to isolate only the gaming floor would prove difficult. He proposed that to prepare for an orderly and well-orchestrated closing fully, at least 24-48 hours is needed to communicate effectively with guests, employees, partners, and suppliers. Ms. Wells acknowledged the process needed for a closure includes the gaming agents as well.

- 10:27 a.m. Commissioner O'Brien asked for a timeline from the licensees present and the Investigations and Enforcement Bureau (IEB) concerning the closing process. Mr. Gullbrants confirmed that Encore could close the gaming floor by this evening, and non-gaming and full operations can close by Sunday night. Encore will also need to reassign and contact expected incoming as well as present guests.

Ms. Wells affirmed that gaming agents are ready and have a plan in place, per confirmation from Assistant Director of IEB / Gaming Agents Division Chief Bruce Band.

- 10:30 a.m. Commissioner Zuniga asked for comment from MGM regarding their approach relative to the hotel and other non-gaming areas in the resort. Mr. Stratton replied that he believes that MGM's approach is aligned with Wynn. Lance George of PPC stated that staff will need a few hours to communicate with employees prior to an announcement.

10:33 a.m. President of MGM Chris Kelly stated that MGM's approach to suspending operations is aligned with Wynn, also with respect to paying the employees over the two weeks.

Next, there was discussion around setting a specific time for closing all casinos simultaneously at midnight. Encore Boston Harbor President Brian Gullbrants recommended closing at the end of the gaming day at 5:59 a.m. There was also discussion of closing the gaming floor at midnight and then closing the non-gaming facilities on Sunday at midnight.

10:35 a.m. In response to an inquiry by Commissioner Stebbins, Mr. Kelly stated that MGM has had preliminary conversations with the business partners operating in the facilities connected to the casino and that MGM has left the decision for temporary closures to them. Mr. Kelly will follow-up with them and report back to Ms. Wells.

Massachusetts State Police Captain Brian Connors expressed concern about closing the gaming floors at midnight, as that will pose a public safety challenge due to the casinos potentially being full, as opposed to a more orderly exit with fewer patrons at the scheduled close of the gaming floors at 5:59 a.m.

The Chair concurred with Captain Connors' recommendation and stated that the goal is to keep order, and it is a public safety challenge due to a larger crowd at midnight. Ms. Wells stated that upon consulting with Mr. Band who has experience with casino closings, he has also advised that it will be best to close the casino with a smaller crowd present. Commissioner Cameron also agreed with Captain Connors and stated that public safety is paramount.

The Chair again asked the commissioners for any further questions or comments for the licensees.

10:43 a.m. Commissioner O'Brien readdressed her question regarding employee pay during the suspension of operations, specifically to PPC. Mr. George responded, stating that PPC intends to pay employees for the two weeks and then will reevaluate, consistent with the approach of the other licensees present.

Commissioner O'Brien also commented that she will defer to Captain Connors and Mr. Band to close the casinos expeditiously but in the safest way possible. The commissioners all concur with Captain Connors and Mr. Band's recommendation for the timing of closure.

10:44 a.m. Commissioner Zuniga asked about conduct during the casino's closure to include any remaining working staff, security cameras, etc. Mr. Gullbrants stipulated that Encore will have a management team, security and surveillance personnel, a crew to disinfect and clean, call center personnel, and a small crew of Human Resource leaders to protect the asset and inform everyone of what is happening. Captain

Connors added that the Gaming Enforcement Unit will remain operational 24-7. PPC and MGM both have similar plans that also include security staff and cleaning and disinfecting of the facility.

The Chair expressed gratitude to all commission staff and licensees during this trying time for all of their work on these matters, while continuing their daily obligations to which they are so committed.

Commissioner O'Brien clarified for the upcoming motion that the timeline for the casinos' two-week closure will technically begin on March 15, 2020, and should, therefore, conclude in 15 days on March 29, 2020.

10:49 a.m. *Commissioner Stebbins moved, in light of the present public health emergency, that the Commission authorize executive staff to work in collaboration with Encore Boston Harbor, MGM Springfield, and Plainridge Park Casino to prepare a written agreement for Commission review as soon as possible effectuating a safe and orderly suspension of operations of the respective gaming establishments for a period ending on March 29th. The Commission shall reserve the right to revisit the matter periodically, but no later than March 29th. Commissioner O'Brien seconded the motion.*

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Cameron: Aye.

Commissioner Stebbins: Aye.

Commissioner Zuniga: Aye.

Chair Judd-Stein: Yes.

The motion passed unanimously.

10:53 a.m. *With no further business, Commissioner Stebbins moved to adjourn. Commissioner Cameron seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Stebbins: Aye.

Commissioner Zuniga: Aye.

Chair Judd-Stein: Yes.

The motion passed unanimously.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated March 13, 2020

/s/ Bruce Stebbins
Secretary



Massachusetts Gaming Commission Meeting Minutes

Date/Time: March 16, 2020 –10:00 a.m.

Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5293
MEETING ID: 111 844 0957

Present: Chair Cathy Judd-Stein
Commissioner Gayle Cameron
Commissioner Enrique Zuniga
Commissioner Bruce Stebbins
Commissioner Eileen O'Brien

The Commission held this public meeting utilizing remote collaboration technology. Hyperlinks to the corresponding audio are in each time entry.

Call to Order

[10:00 a.m.](#) Chair Cathy Judd-Stein called to order public meeting #293 of the Massachusetts Gaming Commission. This is an emergency meeting in response to the unprecedented circumstances resulting from the global Coronavirus pandemic. This meeting is being held pursuant to [M.G.L. c. 30A, § 20\(b\)](#).

The Chair stated that the agenda-setting meeting for Wednesday, March 18th, is canceled and will be rescheduled.

The governor's office has issued several orders regarding COVID-19 that include the closing of businesses and schools for three weeks, as well as limiting gatherings to no more than 25 people. From this, the Commission determined a need for an emergency public meeting regarding the licensees.

Executive Staff Update

10:03 a.m. **Update on the Temporary Suspension of Operations of Gaming Licensees in light of the Coronavirus**

Interim Executive Director Karen Wells thanked the licensees for working so expediently and quickly with preparations for closing their operations. With her on the call are Massachusetts State Police (“MSP”) Captain/Commanding Officer of the MSP Gaming Enforcement Unit (“GEU”) Brian Connors; Investigations and Enforcement Unit (“IEB”) Assistant Director/Gaming Agents Division Chief Bruce Band, and representatives from Encore Boston Harbor, MGM Springfield, and Plainridge Park Casino.

10:06 a.m. Captain Connors updated the Commission on closing operations from Saturday evening through Sunday morning. Planning and implementing of closing procedures proved smooth across all three properties. Captain Connors also reported that there were significantly fewer crowds at each property than anticipated, which was beneficial. He commended the licensees' staff, security departments, managers, and executives for their collaborative, efficient work.

10:08 a.m. The licensees made remarks regarding the closing process at each property. President of Encore Boston Harbor Brian Gullbrants, Vice President/General Counsel of MGM Springfield Seth Stratton, and General Manager of Plainridge Park Casino (“PPC”) Lance George each stated that their casino’s closing was executed as planned, and all went smoothly.

10:12 a.m. Field Manager of Gaming Operations/Deputy Gaming Agent Division Chief Burke Cain stated that the closings went successfully. He reported all steps taken to secure gaming equipment, alcohol outlets, and commercial outlets. Security and surveillance are staffed and onsite. GEU security will be onsite 24/7 with casino security.

10:14 a.m. Commissioner Stebbins thanked all of the team members and licensees for working well together. He asked whether the MGM Springfield parking garage will stay available for community workers. Mr. Stratton replied that the garage is closed to the public along with the rest of the facility. Proper notice has been issued.

The Chair thanked the IEB, GEU, and casino licensees for all of their collaboration and efforts.

10:19 a.m. **Report on the Operational Status of Simulcasting and Advance Deposit Wagering (ADW) in light of the Coronavirus**

Director of Racing Dr. Alexandra Lightbown reported on the closing operations for racing. With her on the call are Plainridge Racecourse General Manager Steve O’Toole, Suffolk Downs COO Chip Tuttle, and Raynham Park Owner George Carney.

Dr. Lightbown reported that Plainridge Racecourse conducted parallel closing operations with PPC. Suffolk Downs discontinued its operations Saturday at 6:00 p.m., and Raynham Park continued to operate yesterday.

10:20 a.m. Mr. O'Toole reported that staff members were onsite to inform patrons that they would not be simulcasting for at least a few weeks. He requested an update from the Commission for guidance regarding the upcoming live meet. The Chair noted that she would like this on the agenda to be addressed at a Commission meeting.

Dr. Lightbown stated that there have been cases of COVID-19 in the racing community, now resulting in two deaths. She said that there is a great deal of interaction between the harness horsemen at the tracks throughout the New York and New Jersey region, raising concern about opening day, currently scheduled for April 6th. Dr. Lightbown added that there are also preliminary races to prepare for opening day as well. Mr. O'Toole stated he is concerned that there are numerous horsemen that work in a confined, closed area together. He opined that programs should be postponed at least throughout the month of April, and noted that professional sports have delayed activities as far out as June.

10:28 a.m. Commissioner Cameron will hold a virtual meeting with Mr. O'Toole and Dr. Lightbown, and be prepared to give a recommendation to the full Commission in the near future by means of a public Commission meeting.

Next, Mr. O'Toole addressed simulcasting. He stated that Plainridge Racecourse's Advance-Deposit Wagering ("ADW") online wagering platform is [Hollywood Races](#), and is still taking wagers at this time unless the Commission feels that they should not do so.

10:31 a.m. At the Chair's request, IEB Lillios explained the functionality of the ADW online platform. She stated that there might be some tellers working onsite in Massachusetts for telephone betting; however, the number of tellers is below 25. Dr. Lightbown stated that it might be only Raynham Park that conducts telephone betting. Mr. O'Toole affirmed that Plainridge Racetrack's call center is located in Oregon.

10:33 a.m. Mr. Tuttle stated that Suffolk Downs executed an orderly transition, similar to the other licensees, continuing ADW operations similar to Plainridge Racetrack, as it does not require any employees onsite for that to continue. Employees are all home except for some management and accounting employees, as well as some cleaning staff.

10:40 a.m. Dr. Lightbown stated that Raynham Park has a small clientele under 250; however, the new directive from the governor's office restricting gatherings no more than 25 people, along with closing restaurants, will affect Raynham Park. Mr. Carney stated that the park will shut down as a result.

10:40 a.m. In response to Commissioner Cameron's inquiry regarding the closing of Raynham Park, Mr. Carney replied that the operation did not open for business today. ADW operations are also shut down.

Other Business

10:43 a.m. **Request for Deadline Extension for (Wynn) Independent Monitor's Report**
The Chair stated that the Commission had extended the reporting deadline for Encore regarding the independent monitor to the end of March. Commissioner O'Brien stated that Encore reached out this morning for clarification on this deadline, under the circumstances. She then moved to extend the deadline to April 30th.

Commissioner O'Brien affirmed that the reason for her motion to extend a courtesy to the independent monitor, as they are experiencing similar circumstances at their location in Las Vegas.

10:47 a.m. *Commissioner O'Brien moved that the current deadline for the six-month baseline presentation by the independent monitor to the Gaming Commission be extended from its current date to no later than April 30, 2020. The Commission shall reserve the right to revisit the matter periodically, but no later than March 29, 2020. Commissioner Zuniga seconded the motion.*

Roll call vote:

Commissioner Stebbins: Aye.

Commissioner Zuniga: Aye.

Commissioner O'Brien: Aye.

Commissioner Cameron: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

10:48 a.m. *With no further business, Commissioner Stebbins moved to adjourn. Commissioner Zuniga seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated March 15, 2020

/s/ Bruce Stebbins
Secretary



MASSACHUSETTS GAMING COMMISSION

MEMORANDUM

To: Chair Judd-Stein and Commissioners Cameron, O'Brien, Stebbins, and Zuniga
From: Karen Wells, Interim Executive Director and Derek Lennon, CFAO
Date: 4/9/2020
Re: Fiscal Year 2020 (FY20) Second and Third Budget Update

Summary:

The Massachusetts Gaming Commission approved a FY20 budget for the Gaming Control Fund of \$34.2M, composed of \$28.4M in regulatory costs and \$5.78M in statutorily required costs. Additionally, for the first time, the entire Research and Responsible Gaming budget will be funded from the Public Health Trust Fund (PHTF), at an added \$6.5M. After balancing forward \$1.44M in FY19 excess revenue, the Gaming Control Fund requires an assessment of \$28.39M on licensees. Licensees were also assessed an additional \$5M for the PHTF. The combination of the assessments for the Gaming Control Fund and the PHTF result in a total assessment of \$33.39M on licensees.

The approved FY20 budget does not include funding for additional costs of on-going litigation and, as discussed at the first quarterly update, has a built in deficiency for public safety overtime costs. Due to the COVID-19 pandemic, staff has worked to review the previously identified deficiencies, as well as any additional areas where the MGC could reduce spending, without impacting core services. We have also reviewed revenue and made assumptions in a worse-case scenario, where: the revenue received as of the end of March (not inclusive of mandatory payments from casino licensees) would be final revenues for fiscal year 2020. The combination of the aforementioned two exercises result in proposed spending of \$33.78M and revenue of \$35.93M in the Gaming Control Fund, which represents a possible \$2.15M reduction in the assessment on licensees.

Spending Update:

Second Quarter—

When the Commission approved the initial FY20 budget it was with the knowledge that only the bare minimum required for the MGC's insurance policy was funded in the litigation budget. In addition, the FY20 funding level included a 25% increase for public safety overtime (OT) to account for the opening of EBH, however, this was half of the amount requested. Funding for the Gaming Enforcement Unit (GEU) OT at EBH was an aspirational goal.

Through the first six months of FY20, GEU spent approximately 90% of the \$1.25M OT budget. However, the GEU State Police straight time had underspent its allocation by \$225K. At the midyear timing, staff suggests that straight time underspending, combined with an additional \$600K for OT would be a realistic target to complete the fiscal year. Additionally, the legal department spent the



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entirety of its litigation budget, as of the end of the second quarter. Staff is recommending increasing that budget by \$560K to complete litigation matters for the fiscal year.

The MGC experienced some attrition, as well as delays in hiring, which resulted in a savings of \$600K in payroll and ~\$228K in fringe and payroll tax savings. These savings will help to offset some of the additional costs mentioned above.

Third Quarter—

On March 14, 2020 the Commission, with the cooperation of our licensees, unanimously voted to suspend gaming operations in response to the COVID-19 pandemic. On March 15, 2020 Governor Baker issued an emergency order limiting gatherings to 25 people and prohibiting on premises consumption of food or drink at bars and restaurants, beginning on March 17 and ending on April 7. Additionally, on March 23, 2020 Governor Baker issued an emergency order requiring all employers that do not provide COVID-19 Essential Services to close their physical workplaces and facilities to workers, customers, and the public. The Governor has extended these emergency closure orders until May 4, 2020. The Commission has voted to extend the closure of casinos to align with Governor Baker's orders.

In response to the changing environment, MGC staff has prepared a series of recommendations for spending reductions. These recommendations are based in sound fiscal policy and focus on: stopping projects that have a natural stop point, not beginning projects that do not have the necessary resources available to start, and reducing budgets where spending most likely cannot happen. The majority of these initiatives represent reduced spending levels for the months of April, May, and June. Therefore, if facilities open and business is resumed, the full savings may not be realized. The total amounts of spending reductions identified are summarized below, and total ~\$1.5M:

Account	Name	Object Class	Description	Amount
10500001	Gaming Control Fund	AA	Pulled Postings	144,936.80
		BB	Travel Reductions--T Passes and Mileage	36,196.50
		CC	Contract Employees	60,000.00
		DD	Fringe and Payroll Taxes on Pulled Postings	55,061.49
		EE	Indirect on pulled postings, parking, credit cards, training and travel	96,741.46
		HH	Outside Counsel Litigation, Grant Database, Reports and Media	294,900.00
		JJ	GEU OT (April), Catalant/Jira for Grant Database	159,000.00
		UU	LMS, Moving to Cloud, Other IT contracts	423,260.51
	Subtotal Gaming			1,270,096.76
40001101	Public Health Trust Fund	HH	GameSense Operations	186,991.00
		PP	Research Agenda Savings	63,000.00
	Subtotal PHTF			249,991.00
	Total Reductions			1,520,087.76



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In addition to the identified reductions above, staff has included: the ~\$833K expenses incurred for the independent monitor through the end of the third quarter, as well as a corresponding anticipated offsetting revenue figure. Encore Boston Harbor, a licensee, is directly responsible for these costs.

The net impact of the recommendations for spending increases and decreases, for the second and third quarter of FY20, result in: a projected savings of \$427K for the Gaming Control Fund and \$268.69K for the Public Health Trust Fund.

Revenue Update:

The FY20 Budget for the Gaming Control Fund relies on fees from licensing and slots of ~\$4.26M, and an assessment of \$28.39M, to fund the spending needs. Licensing fees have already exceeded initial projections for FY20 by \$220K. Staff has added a line for direct billing for any increased security costs related to the GEU for Encore Boston Harbor, which has resulted in \$118.5K increase in revenue through the end of March. In addition, the MGC received approximately \$449K in final payments, related to the on-going Wynn suitability investigation that was completed last fiscal year. We have also received ~\$220K in vendor primary billings, in excess of the initial fee. The Commonwealth operates on a modified cash basis of accounting; therefore, the revenue for the Wynn Suitability review, as well as the vendor primary billings, is realized when received. In addition, the MGC has added a line for ~\$833K, as an offset the spending for the Independent Monitoring contract. The net impact of revenue adjustments for the second and third quarters results in a \$1.7M increase to projected revenues for the MGC.

The combined impact of the decrease in spending and increase in revenues is a projected surplus of \$2.15M in the Gaming Control Fund.

Assessment on Licensees:

205 CMR 121.00 describes how the Commission shall assess its operational costs on casino licensees, including: any increases or decreases that are the result of over or under spending. 205 CMR 121.05, paragraph (2) specifically states:

“(2) In the event that actual revenues exceed actual costs for a given fiscal year, the commission, in its sole discretion may either return any excess revenue (Excess Assessment) in the same manner in which Excess Assessment was assessed or the commission may credit such Excess Assessment to the Annual Assessment due for the next fiscal year.”

The Commission has determined that once a year, on or about January 1, it will revise the number of gaming positions utilized for determining licensee’s proportional share of the assessment and use that percentage for the billing of the second half of the annual assessment. The second tables below show reported gaming positions at each facility as of January 1, 2020. The change in gaming positions impacts each licensee’s proportional share of the second half assessment.

The third table below demonstrates the combined impact of a projected surplus of \$2.15M in the Gaming Control Fund, and how it would effect licensee assessments for the second half of 2020. As of the writing of this memorandum, the Commission has billed for all four quarters and received full assessments from each licensee for three quarters, which left an outstanding amount of ~\$7.1M for the Gaming Control Fund assessment and \$1.25M for the Public Health Trust Fund.



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Gaming Control Fund Assessment						
Licensee	FY20 Percentage of Gaming Positions First 1/2 Year	FY20 Initial Annual Assessment	FY19 Percentage of Assessment	FY19 Reversion	Revised FY20 Assessment	First 1/2 Year Portion
MGM	32.57%	9,716,641.12	37.80%	544,009.17	9,172,631.95	4,586,315.98
Encore	52.92%	15,786,695.47	46.93%	675,477.23	15,111,218.24	7,555,609.12
Penn	14.51%	4,329,711.86	15.27%	219,816.86	4,109,895.00	2,054,947.50
		29,833,048.45		1,439,303.26	28,393,745.19	14,196,872.60
January 1, 2020 Gaming Positions						
Licensee	Slots	Table Games	Table Gaming Positions*	Total Gaming Positions *	Percentage of Gaming Positions	
MGM	1,791	102	756	2,547	30.20%	
Encore	2,829	241	1,728	4,557	54.02%	
Penn	1,250	-	-	1,331	15.78%	
TOTAL	5,870	343	2,484	8,435	100.00%	
MGM	79 tables-526 seats Poker 23 tables-230 seats (10/table)					
Encore	167 tables-1062 seats Poker 74 tables-666 seats (9/table)					
Licensee	FY20 Percentage of Gaming Positions Second 1/2 Year	FY20 Remaining Assessment	FY20 Projected Surplus Revenue	Revised FY20 Second Half Assessment		
MGM	30.20%	4,286,832.78	\$651,818.90	3,635,013.88		
Encore	54.02%	7,669,845.69	\$1,166,210.73	6,503,634.96		
Penn	15.78%	2,240,194.12	\$340,624.64	1,899,569.48		
		14,196,872.60	\$2,158,654.27	12,038,218.33		
Public Health Trust Fund Assessment						
Licensee	FY20 Percentage of Gaming Positions First 1/2 Year	FY20 First 1/2 Assessment	1/2 Year Portion	FY20 Percentage of Gaming Positions Second 1/2 Year	Second 1/2 Year Portion	
MGM	32.57%	1,628,502.89	814,251.44	30.20%	754,890.34	
Encore	52.92%	2,645,840.15	1,322,920.07	54.02%	1,350,622.41	
Penn	14.51%	725,656.96	362,828.48	15.78%	394,487.26	
		5,000,000.00	2,500,000.00		2,500,000.00	

Options:

On March 26, 2020 MGC staff conducted a call with representatives from Plainridge Park Casino (PPC), MGM Springfield, and Encore Boston Harbor (EBH) (referred to as licensees as a whole). During the call the licensees asked MGC staff to consider any options that would assist in cash flow during the period where the licensees are unable to generate any revenue due to closure of the facilities. One of the main discussion points that pertain to this budget presentation was the timing of payment for the assessments. The licensees requested the possibility to pay their final assessment for the Gaming Control Fund on a monthly basis, rather than the full quarterly amount at once and a delay and/or possible reprieve from paying the final assessment for the Public Health Trust Fund



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205 CMR 121 provides sole discretion to the Commission to: approve or deny any budget recommendations from staff, as well as any schedule for timing of payment of assessments. The details of staff recommendations for budget adjustments, in both the second and third quarters, can be found in Attachments B and C to this document.

Given the information presented today, the Commission has multiple options on how to proceed. Staff has laid out multiple possible options below:

Spending and Revenue Options

- Accept all spending recommendations and revenue adjustments which would result in a projected \$2.15M surplus
- Accept some or all spending recommendations and revenue adjustments which likely would result in a projected surplus
- Use the projected surplus for other initiatives
- Accept all spending recommendations and require staff to find more spending reductions
- Continue looking for budget adjustments

Gaming Control Fund Assessment Options

- Credit the \$2.15M surplus to the FY2020 Gaming Control Fund licensee assessment:
 - Adjust the final quarterly billing for the Gaming Control Fund to be billed over three equal installments as long as the facilities remain closed
 - Require licensees to pay the revised amount all at once
- Continue to bill the full amount of the remaining assessment to licensees:
 - Bill the full amount in three equal monthly installments
 - Require licensees to pay the full quarterly assessment for the Gaming Control Fund at once

Public Health Trust Fund Assessment Options

- Require licensees to pay the full amount of the last quarterly PHTF assessment at once
- Continue to assess for the PHTF on a monthly basis in three equal installments as long as the facilities remain closed
- Defer payment of the final quarterly PHTF assessment to a later date

Recommendation:

The MGC's Office of Finance is recommending the following combination of options:

- Accept all spending recommendations and revenue adjustments which would result in a projected \$2.15M surplus
- Continue looking for budget adjustments
- Credit the \$2.15M surplus to the FY2020 Gaming Control Fund licensee assessment
 - Adjust the final quarterly billing for the Gaming Control Fund to be billed over three equal installments as long as the facilities remain closed
- Continue to assess for the PHTF on a monthly basis in three equal installments as long as the facilities remain closed



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It is the opinion of the CFAO that this combination balances the difficulty licensees are experiencing regarding cash flow, while ensuring they are compliant with their obligations under 205 CMR 121 to: pay both the annual operating costs of the Gaming Control Fund, as well as the statutorily required minimum assessment of \$5M for the PHTF.

Conclusion:

MGC Staff seeks either approval of the recommendation above or a vote to enact any alternate combination of options.

Attachment: A FY20 Actuals Spending and Revenue as of 4/1/2020
 B QRY--Step 16A Budget Amendment Requests 2nd Qtr by Obj Class
 C QRY--Step 16A Budget Amendment Requests 3rd Qtr by Obj Class



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2020		Budget Projections						
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date		% BFY Passed	
					Total	%Spent		
10500001--Gaming Control Fund								
MGC Regulatory Cost								
AA REGULAR EMPLOYEE COMPENSATION	\$ 8,295,338.72	\$ -	\$ (886,394.50)	\$ 8,295,338.72	\$ 5,574,088.01	67%	75%	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 95,700.00	\$ -	\$ (36,196.50)	\$ 95,700.00	\$ 32,335.48	34%	75%	
CC SPECIAL EMPLOYEES	\$ 236,000.00	\$ -	\$ (60,000.00)	\$ 236,000.00	\$ 111,192.50	47%	75%	
DD PENSION & INSURANCE RELATED EX	\$ 3,082,939.57	\$ -	\$ (336,741.27)	\$ 3,082,939.57	\$ 1,752,880.45	57%	75%	
EE ADMINISTRATIVE EXPENSES	\$ 638,539.84	\$ -	\$ (79,741.46)	\$ 638,539.84	\$ 281,343.42	44%	75%	
FF PROGRAM, FACILITY, OPERATIONAL SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ 8,672.99	#DIV/0!	75%	
GG ENERGY COSTS AND SPACE RENTAL	\$ 1,295,301.30	\$ -	\$ 8,716.05	\$ 1,295,301.30	\$ 973,822.97	75%	75%	
HH CONSULTANT SVCS (TO DEPTS)	\$ 792,094.48	\$ -	\$ 1,100,028.08	\$ 792,094.48	\$ 1,556,073.11	196%	75%	
JJ OPERATIONAL SERVICES	\$ 9,554,800.27	\$ -	\$ 444,000.00	\$ 9,554,800.27	\$ 5,041,076.03	53%	75%	
KK Equipment Purchase	\$ 50,500.00	\$ -	\$ -	\$ 50,500.00	\$ 737.47	1%	75%	
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 35,450.98	\$ -	\$ -	\$ 35,450.98	\$ 29,168.16	82%	75%	
NN NON-MAJOR FACILITY MAINTENANCE REPAIR	\$ 33,318.00	\$ -	\$ -	\$ 33,318.00	\$ -	0%	75%	
PP STATE AID/POL SUB/OSD	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00	\$ 192,055.00	96%	75%	
TT PAYMENTS & REFUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	75%	
UU IT Non-Payroll Expenses	\$ 4,114,393.44	\$ -	\$ (354,976.56)	\$ 4,114,393.44	\$ 2,279,980.01	55%	75%	
MGC Regulatory Cost Subtotal:	\$ 28,424,376.60	\$ -	\$ (201,306.16)	\$ 28,424,376.60	\$ 17,833,425.60			
EE--Indirect Costs	\$ 2,037,294.23	\$ -	\$ 24,265.70	\$ 2,037,294.23	\$ 1,418,102.59	70%	75%	
Office of Attorney General								
ISA to AGO	\$ 2,760,000.00	\$ -	\$ (250,000.00)	\$ 2,760,000.00	\$ 1,310,636.41	47%	75%	
TT Reimbursement for AGO 0810-1024	\$ -			\$ -	\$ 182,263.40		75%	
AGO State Police	\$ 908,277.62			\$ 908,277.62	\$ 375,674.27	41%	75%	
Office of Attorney General Subtotal:	\$ 3,668,277.62	\$ -	\$ (250,000.00)	\$ 3,668,277.62	\$ 1,868,574.08	51%	75%	
ISA to ABCC	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00	\$ -	0%	75%	
Gaming Control Fund Total Costs	\$ 34,204,948.45	\$ -	\$ (427,040.46)	\$ 34,204,948.45	\$ 21,120,102.27	62%	75%	
Revenue Projections								
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date			
					Total			
Gaming Control Fund Beginning Balance 0500	\$ -	\$ 1,439,303.25		\$ 1,439,303.25	\$ 1,439,303.26			
EBH Security Fees 0500	\$ -	\$ -	\$ 118,535.16	\$ -	\$ 118,535.16			
IEB background / investigative collections 0500	\$ -	\$ -	\$ 669,040.99	\$ -	\$ 669,040.99			
Category / Region _collection Fees 0500	\$ -	\$ -	\$ -		\$ -			
Independent Monitoring Fees	\$ -	\$ -	\$ 832,928.08	\$ -	\$ -			
Phase 1 Refunds 0500	\$ -	\$ -	\$ -	\$ -	\$ -			
Phase 2 Category 1 Collections (restricted) 0500	\$ -	\$ -	\$ -	\$ -	\$ -			
Region C Phase 1 Investigation Collections 0500	\$ -	\$ -	\$ -	\$ -	\$ -			
Region C Phase 2 Category 1 Collections 0500	\$ -	\$ -	\$ -	\$ -	\$ -			
Grant Collections (restricted) 0500	\$ -	\$ -	\$ -	\$ -	\$ -			
Region A slot Machine Fee 0500	\$ 1,894,800.00	\$ -	\$ (30,600.00)	\$ 1,894,800.00	\$ 1,864,200.00			
Region B Slot Machine Fee 0500	\$ 1,320,000.00	\$ -	\$ (13,800.00)	\$ 1,320,000.00	\$ 1,306,200.00			
Slots Parlor Slot Machine Fee 0500	\$ 750,000.00	\$ -	\$ -	\$ 750,000.00	\$ 750,000.00			
Gaming Employee License Fees (GEL) 3000	\$ 300,000.00	\$ -	\$ 122,050.00	\$ 300,000.00	\$ 422,050.00			
Key Gaming Executive (GKE) 3000	\$ 4,000.00	\$ -	\$ (3,000.00)	\$ 4,000.00	\$ 1,000.00			
Key Gaming Employee (GKS) 3000	\$ 15,000.00	\$ -	\$ (7,900.00)	\$ 15,000.00	\$ 7,100.00			
Non-Gaming Vendor (NGV) 3000	\$ 20,000.00	\$ -	\$ 14,000.00	\$ 20,000.00	\$ 34,000.00			
Vendor Gaming Primary (VGP) 3000	\$ 45,000.00	\$ -	\$ 15,000.00	\$ 45,000.00	\$ 60,000.00			
Vendor Gaming Secondary (VGS) 3000	\$ 15,000.00	\$ -	\$ 5,000.00	\$ 15,000.00	\$ 20,000.00			
Gaming School License (GSB)	\$ -	\$ -	\$ -	\$ -	\$ -			
Gaming Service Employee License (SER) 3000	\$ 52,500.00	\$ -	\$ (24,450.00)	\$ 52,500.00	\$ 28,050.00			
Subcontractor ID Initial License (SUB) 3000	\$ -	\$ -	\$ -	\$ -	\$ -			
Temporary License Initial License (TEM) 3000	\$ -	\$ -	\$ -	\$ -	\$ -			
Veterans Initial License (VET) 3000	\$ -	\$ -	\$ -	\$ -	\$ -			
Assessment for PHTF	\$ 5,000,000.00	\$ -	\$ -	\$ 5,000,000.00	\$ 3,750,000.00			
Transfer PHTF Assessment to PHTF	\$ (5,000,000.00)	\$ -	\$ -	\$ (5,000,000.00)	\$ (3,750,000.00)			
Transfer of Licensing Fees to CMF 0500	\$ -	\$ -	\$ -	\$ -	\$ -			
Assessment 0500 (adjustment)	\$ 29,788,648.45	\$ (1,439,303.25)	\$ -	\$ 28,349,345.20	\$ 20,935,483.11			
Misc/Bank Interest 0500	\$ -	\$ -	\$ 34,809.58	\$ -	\$ 34,809.58			
Grand Total	\$ 34,204,948.45	\$ -	\$ 1,731,613.81	\$ 34,204,948.45	\$ 27,689,772.10			
2020 Budget Projections								
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date		% BFY Passed	
					Total	%Spent		
4000-1101 Research and Responsible Gaming/Public Health Trust Fund								
AA REGULAR EMPLOYEE COMPENSATION	\$ 314,445.80	\$ -	\$ -	\$ 314,445.80	\$ 157,984.96	50%	75%	
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ 4,724.96	47%	75%	
CC SPECIAL EMPLOYEES	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	75%	
DD PENSION & INSURANCE RELATED EX	\$ 72,520.04	\$ -	\$ -	\$ 72,520.04	\$ 50,698.45	70%	75%	
EE ADMINISTRATIVE EXPENSES	\$ 475,100.00	\$ -	\$ (18,699.10)	\$ 475,100.00	\$ 46,885.59	10%	75%	
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ -	0%	75%	
HH CONSULTANT SVCS (TO DEPTS)	\$ 3,369,010.00	\$ -	\$ (186,991.00)	\$ 3,369,010.00	\$ 2,530,360.94	75%	75%	
JJ OPERATIONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ 2,166.19	#DIV/0!	75%	
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ -	0%	75%	

PP STATE AID/POL SUB	\$ 2,298,000.00	\$ -	\$ (63,000.00)	\$ 2,298,000.00	\$ 693,855.98	30%	75%
UU IT Non-Payroll Expenses	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ 5,057.67	169%	75%
ISA to DPH	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	75%
Research and Responsible Gaming/Public Health Trust							
Fund Subtotal:	\$ 6,554,075.84	\$ -	\$ (268,690.10)	\$ 6,554,075.84	\$ 3,491,734.74	53%	75%
Revenue Projections							
				Current Budget			
				(Initial+Apvd			
				Adjmts)			
Revenues	Initial Projection	Approved	Proposed		Actuals To Date		
		Adjustments	Adjustments		Total		
Public Health Trust Fund ISA	\$ 2,237,639.00	\$ 4,316,436.84		\$ 6,554,075.84	\$ 6,554,075.84		
				Current Budget			
				(Initial+Bal			
				Fwd+Apvd Adjmts)			
Row Labels	Initial Projection	Approved	Proposed		Actuals To Date	%Spent	% BFY
		Adjustments	Adjustments		Total		Passed
10500002							
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ -	\$ -			75%
Revenue Projections							
				Current Budget			
				(Initial+Apvd			
				Adjmts)			
Revenues	Initial Projection	Approved	Proposed		Actuals To Date	%Spent	% BFY
		Adjustments	Adjustments		Total		Passed
Greyhound Balance Forward Simulcast 7200	\$ 331,209.53	\$ -	\$ -	\$ 331,209.53	\$ 304,458.62		
Plainridge Greyhound Import Simulcast 7200	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 19,913.70		
Raynham Greyhound Import Simulcast 7200	\$ 105,000.00	\$ -	\$ -	\$ 105,000.00	\$ 60,032.75		
TVG Greyhound Import Simulcast 7200	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ 13,266.96		
TWS Greyhound Import Simulcast 7200	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	\$ 3,715.44		
Suffolk Greyhound Import Simulcast 7200	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ 14,499.55		
Wonderland Greyhound Import Simulcast 7200	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00	\$ 3,375.70		
	\$ 496,709.53	\$ -	\$ -	\$ 496,709.53	\$ 419,262.72		
Budget Projections							
				Current Budget			
				(Initial+Bal			
				Fwd+Apvd Adjmts)			
Row Labels	Initial Projection	Approved	Proposed		Actuals To Date	%Spent	% BFY
		Adjustments	Adjustments		Total		Passed
10500003							
AA REGULAR EMPLOYEE COMPENSATION	\$ 779,111.86	\$ -	\$ -	\$ 779,111.86	\$ 535,755.35	69%	75%
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00	\$ 3,276.29	27%	75%
CC SPECIAL EMPLOYEES	\$ 425,000.00	\$ -	\$ -	\$ 425,000.00	\$ 259,841.46	61%	75%
DD PENSION & INSURANCE RELATED EX	\$ 279,030.65	\$ -	\$ -	\$ 279,030.65	\$ 177,162.42	63%	75%
EE ADMINISTRATIVE EXPENSES	\$ 42,485.00	\$ -	\$ -	\$ 42,485.00	\$ 23,735.81	56%	75%
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ -	0%	75%
HH CONSULTANT SVCS (TO DEPTS)	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 9,750.00	39%	75%
JJ OPERATIONAL SERVICES	\$ 727,758.73	\$ -	\$ -	\$ 727,758.73	\$ 384,014.63	53%	75%
KK EQUIPMENT PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	0%	75%
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 915.00	\$ -	\$ -	\$ 915.00	\$ -	0%	75%
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 155,000.00	\$ -	\$ -	\$ 155,000.00	\$ -	0%	75%
NN INFRASTRUCTURE:	\$ -	\$ -	\$ -	\$ -	\$ -	0%	75%
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ -	\$ -	\$ 187,252.47	0%	75%
UU IT Non-Payroll Expenses	\$ -	\$ -	\$ -	\$ -	\$ 1,338.08	0%	75%
EE --Indirect Costs	\$ 202,687.10	\$ -	\$ -	\$ 202,687.10	\$ 106,716.92	53%	75%
ISA to DPH	\$ 70,000.00	\$ -	\$ -	\$ 70,000.00	\$ -	0%	75%
Grand Total	\$ 2,720,988.34	\$ -	\$ -	\$ 2,720,988.34	\$ 1,688,843.43	62%	75%
Revenue Projections							
				Current Budget			
				(Initial+Apvd			
				Adjmts)			
Revenues	Initial Projection	Approved	Proposed		Actuals To Date		
		Adjustments	Adjustments		Total		
Racing Oversight and Development Balance Forward 0131	\$ 400,000.00	\$ -	\$ -	\$ 400,000.00	\$ 1,024,078.77		
Plainridge Assessment 4800	\$ 150,000.00	\$ -	\$ -	\$ 150,000.00	\$ 91,426.50		
Plainridge Daily License Fee 3003	\$ 106,500.00	\$ -	\$ -	\$ 106,500.00	\$ 88,790.00		
Plainridge Occupational License 3003/3004	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00	\$ 9,780.00		
Plainridge Racing Development Oversight Live 0131	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	\$ 10,312.28		
Plainridge Racing Development Oversight Simulcast 0131	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00	\$ 95,555.04		
Raynham Assessment 4800	\$ 90,000.00	\$ -	\$ -	\$ 90,000.00	\$ 81,759.48		
Raynham Daily License Fee 3003	\$ 93,000.00	\$ -	\$ -	\$ 93,000.00	\$ 82,200.00		
Raynham Racing Development Oversight Simulcast 0131	\$ 90,000.00	\$ -	\$ -	\$ 90,000.00	\$ 70,434.27		
Suffolk Assessment 4800	\$ 550,000.00	\$ -	\$ -	\$ 550,000.00	\$ 407,378.83		
Suffolk Commission Racing Development Oversight Simulcast 0131	\$ 150,000.00	\$ -	\$ -	\$ 150,000.00	\$ 108,520.67		
Suffolk Daily License Fee 3003	\$ 76,500.00	\$ -	\$ -	\$ 76,500.00	\$ 59,690.00		
Suffolk Occupational License 3003/3004	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ 1,615.00		
Suffolk Racing Development Oversight Live 0131	\$ -	\$ -	\$ -	\$ -	\$ 9,569.43		
Suffolk TVG Commission Live 0131	\$ -	\$ -	\$ -	\$ -	\$ 584.81		
Suffolk TVG Commission Simulcast 0131	\$ 175,000.00	\$ -	\$ -	\$ 175,000.00	\$ 172,295.09		
Suffolk Twin Spires Commission Live 0131	\$ -	\$ -	\$ -	\$ -	\$ 355.94		
Suffolk Twin Spires Commission Simulcast 0131	\$ 105,000.00	\$ -	\$ -	\$ 105,000.00	\$ 88,355.91		
Suffolk Xpress Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	\$ 198.01		
Suffolk Xpress Bet Commission Simulcast 0131	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	\$ 44,055.93		
Suffolk NYRA Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	\$ 142.86		
Suffolk NYRA Bet Commission Simulcast 0131	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00	\$ 40,396.88		

Transfer to General Fund 10500140 0000		\$ -		\$ -	\$ -	
Wonderland Assessment 4800	\$ 6,000.00	\$ -	\$ -	\$ 6,000.00	\$ 3,008.52	
Wonderland Daily License Fee 3003	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00	\$ 65,400.00	
Wonderland Racing Development Oversight Simulcast 0131	\$ 22,500.00	\$ -	\$ -	\$ 22,500.00	\$ 1,783.63	
Plainridge fine 2700	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	\$ 10,800.00	
Suffolk Fine 2700	\$ -	\$ -	\$ -	\$ -	\$ -	
Plainridge Unclaimed wagers 5009	\$ 160,000.00	\$ -	\$ -	\$ 160,000.00	\$ -	
Suffolk Unclaimed wagers 5009	\$ 240,000.00	\$ -	\$ -	\$ 240,000.00	\$ -	
Raynham Unclaimed wagers 5009	\$ 150,000.00	\$ -	\$ -	\$ 150,000.00	\$ -	
Wonderland Unclaimed wagers 5009	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	
Misc/Bank Interest 0131	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ 0.64	
Grand Total	\$2,947,000.00	\$0.00	\$0.00	\$2,947,000.00	\$2,568,488.49	

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500004							
PP Grants and Subsidies (Community Mitigation Fund)	\$ -			\$ -	\$ 991,723.44		75%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date Total		
Balance forward prior year	\$ -	\$ -	\$ -	\$ -			
Grand Total	\$ -	\$ -	\$ -	\$ -			

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500005							
TT LOANS AND SPECIAL PAYMENTS (Race Horse Dev Fund)	\$ 14,400,000.00	\$ -	\$ -	\$ 14,400,000.00	\$ 7,680,482.99		75%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date Total		
Balance forward prior year 3003				\$ -	\$ 13,318,580.06		
Race Horse Development Fund assessment 3003	\$ 15,000,000.00			\$ 15,000,000.00			
Grand Total	\$ 15,000,000.00	\$ -	\$ -	\$ 15,000,000.00			

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500008							
Casino forfeited money MGC Trust MGL 267A 54	\$ 7,500.00			\$ 7,500.00	\$ 7,229.00		75%
Grand Total	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00			

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500012/ P promo							
TT LOANS AND SPECIAL PAYMENTS	\$ -	\$ -	\$ -	\$ -			75%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date Total		
Plainridge Racecourse Promo Fund Beginning Balance							
7205	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	\$ 108,012.22		
Plainridge Import Harness Horse Simulcast 0131	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ 11,663.03		
Plainridge Racing Harness Horse Live 0131	\$ 9,000.00	\$ -	\$ -	\$ 9,000.00	\$ 9,466.67		
Raynham Import Plainridge Simulcast 0131	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ 1,937.18		
Suffolk Import Plainridge Simulcast 0131	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 1,565.98		
TVG Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -		
TVG Simulcast 0131	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00	\$ 7,822.71		
Twin Spires Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -		
Twin Spires Simulcast 0131	\$ 14,500.00	\$ -	\$ -	\$ 14,500.00	\$ 4,983.47		
Xpress Bets Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -		
Xpress Bets Simulcast 0131	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ 1,625.52		
NYRA Live 0131	\$ -	\$ -	\$ -	\$ -	\$ 439.97		
NYRA Simulcast 0131	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 884.06		
Grand Total	\$ 122,000.00	\$ -	\$ -	\$ 122,000.00	\$ 148,400.81		

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500013/ P Cap							
TT LOANS AND SPECIAL PAYMENTS	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00			75%
Revenue Projections							

Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date Total
Plainridge Capital Improvement Fund Beginning Balance 7205	\$ 425,034.39	\$ -	\$ -	\$ 425,034.39	\$ 475,928.74
Plainridge Import Harness Horse Simulcast 0131	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 22,929.69
Plainridge Racing Harness Horse Live 0131	\$ 7,000.00	\$ -	\$ -	\$ 7,000.00	\$ 16,274.15
Raynham Import Plainridge Simulcast 0131	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ 3,034.43
Suffolk Import Plainridge Simulcast 0131	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ 3,393.67
TVG Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -
TVG Simulcast 0131	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ 19,244.02
Twin Spires Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -
Twin Spires Simulcast 0131	\$ 35,000.00	\$ -	\$ -	\$ 35,000.00	\$ 14,068.68
Xpress Bets Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -
Xpress Bets Simulcast 0131	\$ 7,000.00	\$ -	\$ -	\$ 7,000.00	\$ 4,251.44
NYRA Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -
NYRA Simulcast 0131	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ 3,235.50
Grand Total	\$547,234.39	\$0.00	\$0.00	\$547,234.39	\$562,360.32

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500021/ S promo							
TT LOANS AND SPECIAL PAYMENTS	\$ 146,000.00	\$ -	\$ -	\$ 146,000.00	\$ 192,971.10		75%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date Total		
Suffolk Promotional Fund Beginning Balance 7205	\$ 75,776.00	\$ -	\$ -	\$ 75,776.00	\$ 144,787.71		
Plainridge Import Suffolk Simulcast 0131	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 20,275.16		
Raynham Import Suffolk Simulcast 0131	\$ 16,000.00	\$ -	\$ -	\$ 16,000.00	\$ 10,733.08		
Suffolk Import Running Horse Simulcast 0131	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	\$ 32,040.66		
Suffolk Racing Running Horse Live 0131	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ 3,189.81		
TVG Live 0131	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ 194.94		
TVG Simulcast 0131	\$ 55,000.00	\$ -	\$ -	\$ 55,000.00	\$ 50,719.39		
Twin Spires Live 0131	\$ 100.00	\$ -	\$ -	\$ 100.00	\$ 118.65		
Twin Spires Simulcast 0131	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00	\$ 26,365.34		
Xpress Bets Live 0131	\$ 50.00	\$ -	\$ -	\$ 50.00	\$ 66.00		
Xpress Bets Simulcast 0131	\$ 13,000.00	\$ -	\$ -	\$ 13,000.00	\$ 13,912.26		
NYRA Live 0131	\$ 3.00	\$ -	\$ -	\$ 3.00	\$ 47.62		
NYRA Simulcast 0131	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ 13,035.12		
Grand Total	\$270,129.00	\$0.00	\$0.00	\$270,129.00	\$315,485.74		

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500022/ S Cap							
TT LOANS AND SPECIAL PAYMENTS	\$ 525,500.00	\$ -	\$ -	\$ 525,500.00	\$ 108,964.20		75%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals To Date Total		
Suffolk Capital Improvement Fund Beginning Balance 7205	\$ 848,696.04	\$ -	\$ -	\$ 848,696.04	\$ 2,249,896.86		
Plainridge Import Suffolk Simulcast 0131	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	\$ 75,402.16		
Raynham Import Suffolk Simulcast 0131	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	\$ 33,590.23		
Suffolk Import Running Horse Simulcast 0131	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00	\$ 121,845.07		
Suffolk Racing Running Horse Live 0131	\$ 9,000.00	\$ -	\$ -	\$ 9,000.00	\$ 9,131.30		
TVG Live 0131	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ 455.98		
TVG Simulcast 0131	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00	\$ 175,775.34		
Twin Spires Live 0131	\$ 400.00	\$ -	\$ -	\$ 400.00	\$ 284.12		
Twin Spires Simulcast 0131	\$ 120,000.00	\$ -	\$ -	\$ 120,000.00	\$ 97,487.53		
Xpress Bets Live 0131	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 172.73		
Xpress Bets Simulcast 0131	\$ 45,000.00	\$ -	\$ -	\$ 45,000.00	\$ 46,698.17		
NYRA Live 0131	\$ 30.00	\$ -	\$ -	\$ 30.00	\$ 104.92		
NYRA Simulcast 0131	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ 47,292.51		
Grand Total	\$1,584,726.04	\$0.00	\$0.00	\$1,584,726.04	\$2,858,136.92		

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
10500140							
TT LOANS AND SPECIAL PAYMENTS	\$ 721,350.00	\$ -	\$ -	\$ 721,350.00	\$ 423,852.90		75%

QRY--Step 16A Budget Amendment Requests by Qtr and Object Class

Amendments for Quarter: **2**

Approp	Type	Obj Class	Division	Obj Code	Description of Change	Date Requested	Aprvd	Denied	Date Approved (Denied)	Approved Denied By	Comments	Change Amount
10500001	Amendment	AA										
			1100	A01	Raises/No backfill	4/2/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$200,000.00)
			1300	A01	Backfills	4/2/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$150,000.00)
			1400	A01	Backfills	4/2/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$100,000.00)
			5000	A01	Backfills	4/2/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$100,000.00)
			7000	A01	Backfills	4/2/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$50,000.00)
Apvd/Pending Subtotal												(\$600,000.00)
Obj Class Totals												(\$600,000.00)
		DD										
			All	D09	Fringe Savings on Payroll Reductions	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$227,940.00)
Apvd/Pending Subtotal												(\$227,940.00)
Obj Class Totals												(\$227,940.00)
		HH										
			1200	H09	Outside Counsel Litigation Defense	3/4/2020	<input type="checkbox"/>	<input type="checkbox"/>				\$562,000.00
Apvd/Pending Subtotal												\$562,000.00
Obj Class Totals												\$562,000.00
		JJ										
			5000	J23	GEU OT	4/2/2020	<input type="checkbox"/>	<input type="checkbox"/>				\$620,000.00
Apvd/Pending Subtotal												\$620,000.00
Obj Class Totals												\$620,000.00
		OO										
			9000	O99	Revision in Attorney General's Spending Based on Current Conditions	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$250,000.00)
Apvd/Pending Subtotal												(\$250,000.00)
Obj Class Totals												(\$250,000.00)
Type Totals												\$104,060.00
Appropriation Totals												\$104,060.00

QRY--Step 16A Budget Amendment Requests by Qtr and Object Class

Amendments for Quarter: **3**

Approp	Type	Obj Class	Division	Obj Code	Description of Change	Date Requested	Aprvd	Denied	Date Approved (Denied)	Approved Denied By	Comments	Change Amount
10500001	Amendment	AA										
			1400	A01	Zero balance transfer to U05	2/7/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>				(\$85,000.00)
					Apvd/Pending Subtotal							(\$85,000.00)
			1100	A01	Salary Increases to divisions for Raises	2/24/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$56,457.70)
			All	A01	Backfills and Postings Pulled	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$144,936.80)
					Apvd/Pending Subtotal							(\$201,394.50)
		Obj Class Totals										(\$286,394.50)
		BB										
			All	B01	Employee Reimbursement Passes Reduction (April-June)	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$6,196.50)
			All	B01	Travel Reimbursements--Mileage April-June	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$30,000.00)
					Apvd/Pending Subtotal							(\$36,196.50)
		Obj Class Totals										(\$36,196.50)
		CC										
			5000	C01	Contract Employee Reductions	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$60,000.00)
					Apvd/Pending Subtotal							(\$60,000.00)
		Obj Class Totals										(\$60,000.00)
		DD										
			All	D09	Backfills and Postings Pulled	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$50,727.88)
					Apvd/Pending Subtotal							(\$50,727.88)
		Obj Class Totals										(\$50,727.88)
		EE										
			1100	E12	Subscriptions Linkden Net Zero change	3/6/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>				\$17,000.00
					Apvd/Pending Subtotal							\$17,000.00
			2000	E16	Backfills and Postings Pulled	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$14,493.68)
			1000	E22	Parking at 33 Arch St--Decrease for April-June	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$9,600.00)
			All	E30	Credit Card Purchases	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$5,000.00)
			5000	E41	Travel Agent For Trainings and Investigations	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>				(\$40,000.00)

Amendments for Quarter: 3

Approp	Type	Obj Class	Division	Obj Code	Description of Change	Date Requested	Aprvd	Denied	Date Approved	Approved (Denied)	Approved Denied By	Comments	Change Amount
			5000	EE2	Training/Conference Registration Fees	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$10,000.00)
			5000	EEE	Cuts Across All Contracts	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$17,647.78)
Apvd/Pending Subtotal													(\$96,741.46)
Obj Class Totals													(\$79,741.46)
		GG											
			1400	G01	Zero Balance transfer Markley lease extension from U03	2/7/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					\$8,716.05
Apvd/Pending Subtotal													\$8,716.05
Obj Class Totals													\$8,716.05
		HH											
			1200	H09	Outside Counsel Litigation Defense	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$250,000.00)
			1300	H23	General Consultant Decrease was for a grant database	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$20,000.00)
			1500	H23	Independent Monitor	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					\$832,928.08
			1600	HH3	Workforce Development Reports and Media	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$24,900.00)
Apvd/Pending Subtotal													\$538,028.08
Obj Class Totals													\$538,028.08
		JJ											
			1100	J46	Temp Help Services Net Zero Change	3/6/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					(\$17,000.00)
Apvd/Pending Subtotal													(\$17,000.00)
			5000	J23	GEU OT (April)	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$150,000.00)
			1300	J50	Catalant/Jira was going to be used for grant database	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$9,000.00)
Apvd/Pending Subtotal													(\$159,000.00)
Obj Class Totals													(\$176,000.00)
		UU											
			1400	U03	Zero Balance transfer from SHI Licenses	2/7/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					(\$8,716.05)
			1400	U05	Zero Balance transfer from A01 Cloud Specialist	2/7/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					\$85,000.00
Apvd/Pending Subtotal													\$76,283.95
			1400	All	Reduction in Contracts for Services	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$77,260.51)
			1000	U05	PCI Compliance Testing	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$8,000.00)
			1400	U11	Pause in LMS additional functionality	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$176,000.00)

Amendments for Quarter: 3

Approp	Type	Obj Class	Division	Obj Code	Description of Change	Date Requested	Aprvd	Denied	Date Approved	Approved (Denied)	Approved Denied By	Comments	Change Amount
			1400	U13	Move to Cloud--Azure, Microsoft Licenses	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$170,000.00)
Apvd/Pending Subtotal													(\$431,260.51)
Obj Class Totals													(\$354,976.56)
Type Totals													(\$497,292.77)
Appropriation Totals													(\$497,292.77)
40001101													
Amendment													
		AA											
			1700	A01	Net Zero Change	2/20/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					(\$7,000.00)
Apvd/Pending Subtotal													(\$7,000.00)
Obj Class Totals													(\$7,000.00)
HH													
			1700	H23	Decreases to GameSense Operations--Attrition/Not Backfilling, State Conference, Travel/Mileage, Program Supplies and Swag	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$186,991.00)
Apvd/Pending Subtotal													(\$186,991.00)
Obj Class Totals													(\$186,991.00)
JJ													
			1700	JJ1	Translation Services Net Zero Change	2/24/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					\$7,000.00
Apvd/Pending Subtotal													\$7,000.00
Obj Class Totals													\$7,000.00
PP													
			1700	P01	Community Engagement Research net zero	2/24/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					(\$7,000.00)
			1700	PP1	Play My Way Incentives net zero change	2/20/2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>					\$7,000.00
Apvd/Pending Subtotal													\$0.00
			1700	P01	Decreases to Research Agenda	4/3/2020	<input type="checkbox"/>	<input type="checkbox"/>					(\$63,000.00)
Apvd/Pending Subtotal													(\$63,000.00)
Obj Class Totals													(\$63,000.00)
Type Totals													(\$249,991.00)
Appropriation Totals													(\$249,991.00)

Lottery Revenue and MGM Springfield: Statewide and Local Analysis

Mark W. Nichols
Professor of Economics
University of Nevada, Reno

February 27, 2020

Research Objective and Outline

Describe Changes in Lottery Revenue During First Year of Operation of MGM Springfield

- Describe sales trends in lottery revenue statewide
- Describe changes in lottery revenue after opening of MGM Springfield
 - Statewide
 - In Springfield
 - In designated surrounding communities
- Purpose is to identify potential impacts associated with opening of MGM Springfield

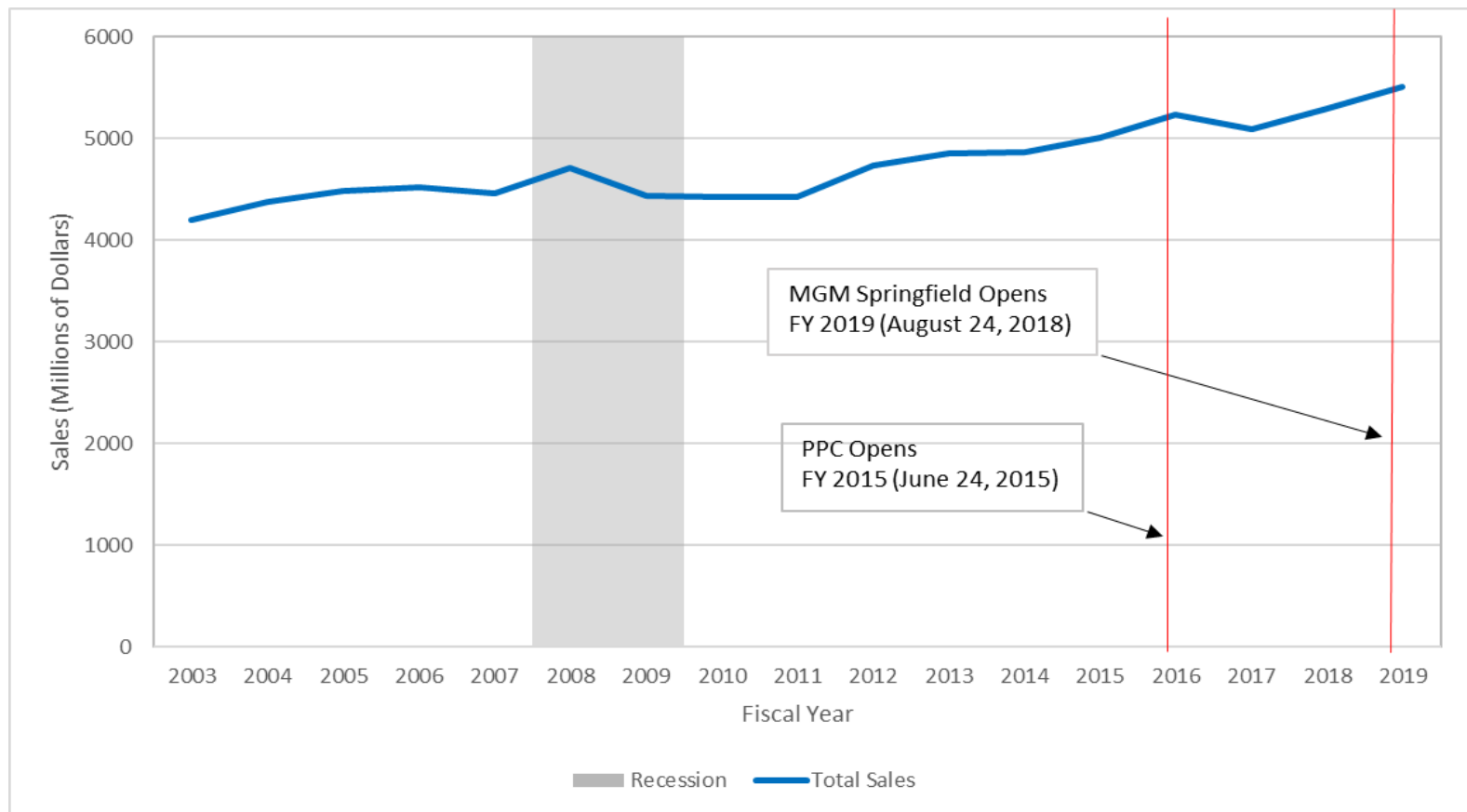
Importance of Research

Why Do Changes in Lottery Sales Matter?

- Lottery sales statewide are the largest source of local aid for communities.
- Potential impacts on lottery revenue likely to be greater in Springfield and surrounding communities due to closer proximity to the casino.
- Local aid for communities is not tied to lottery sales in those communities.
- MGM Springfield is first resort-style casino to open in Massachusetts. Economic impact may be different than PPC.

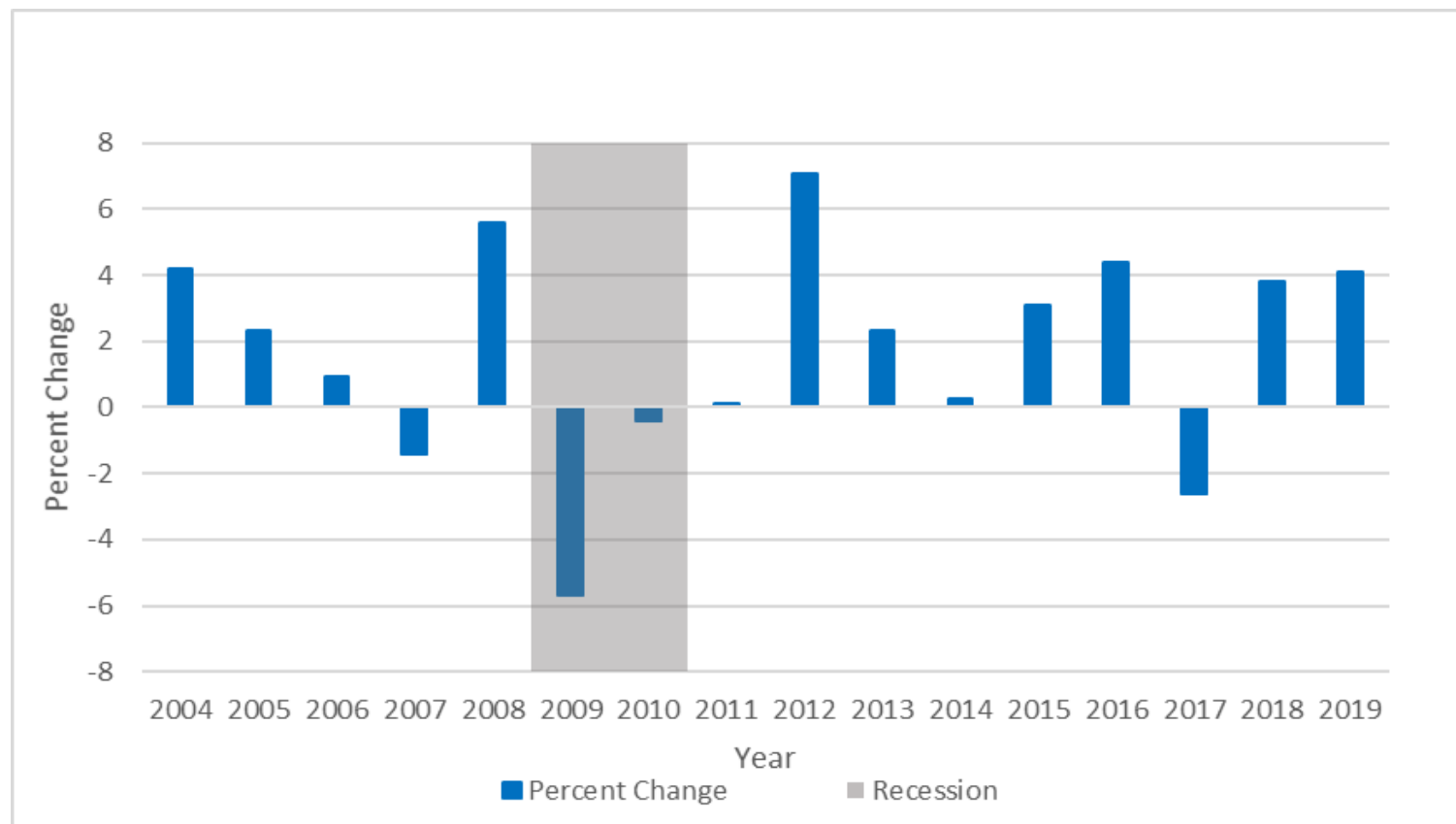
Lottery Sales Trend Statewide

Lottery Sales, Fiscal Years 2003-2019



Year-to-Year Changes Statewide

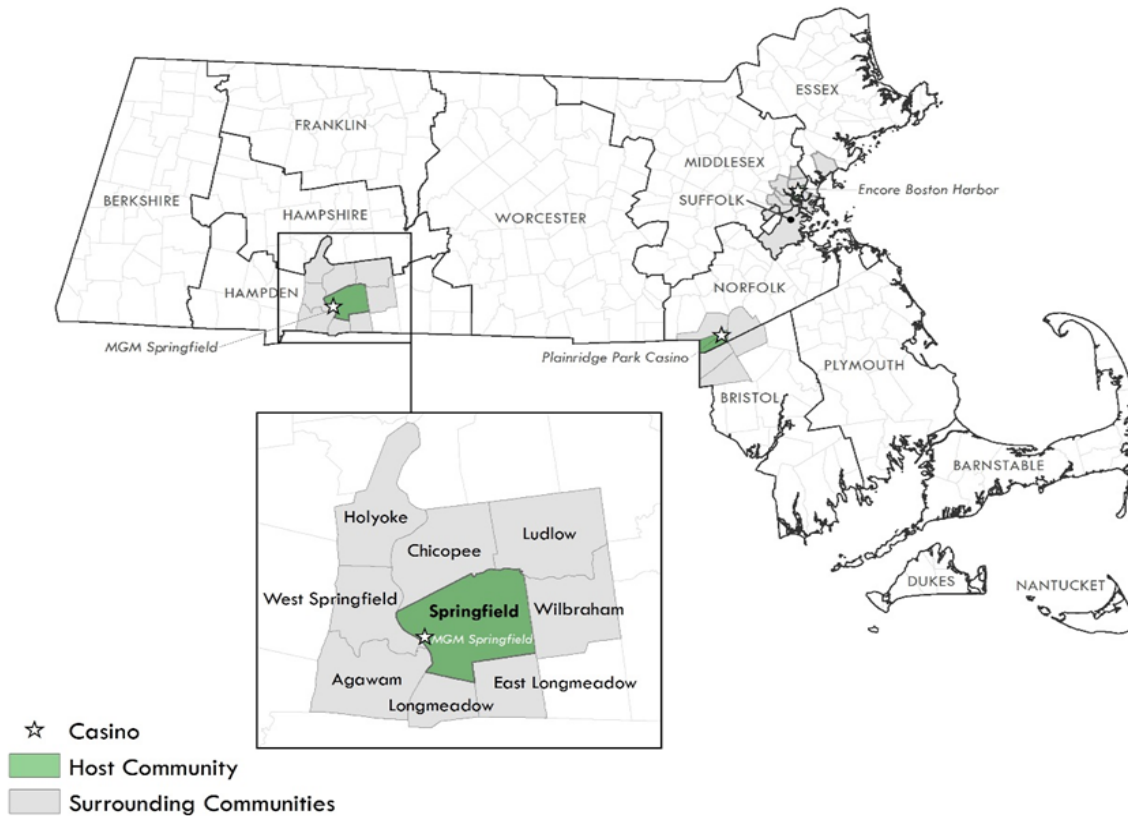
Lottery Sales, Percentage Change, 2004-2019



Summary of Statewide Impacts

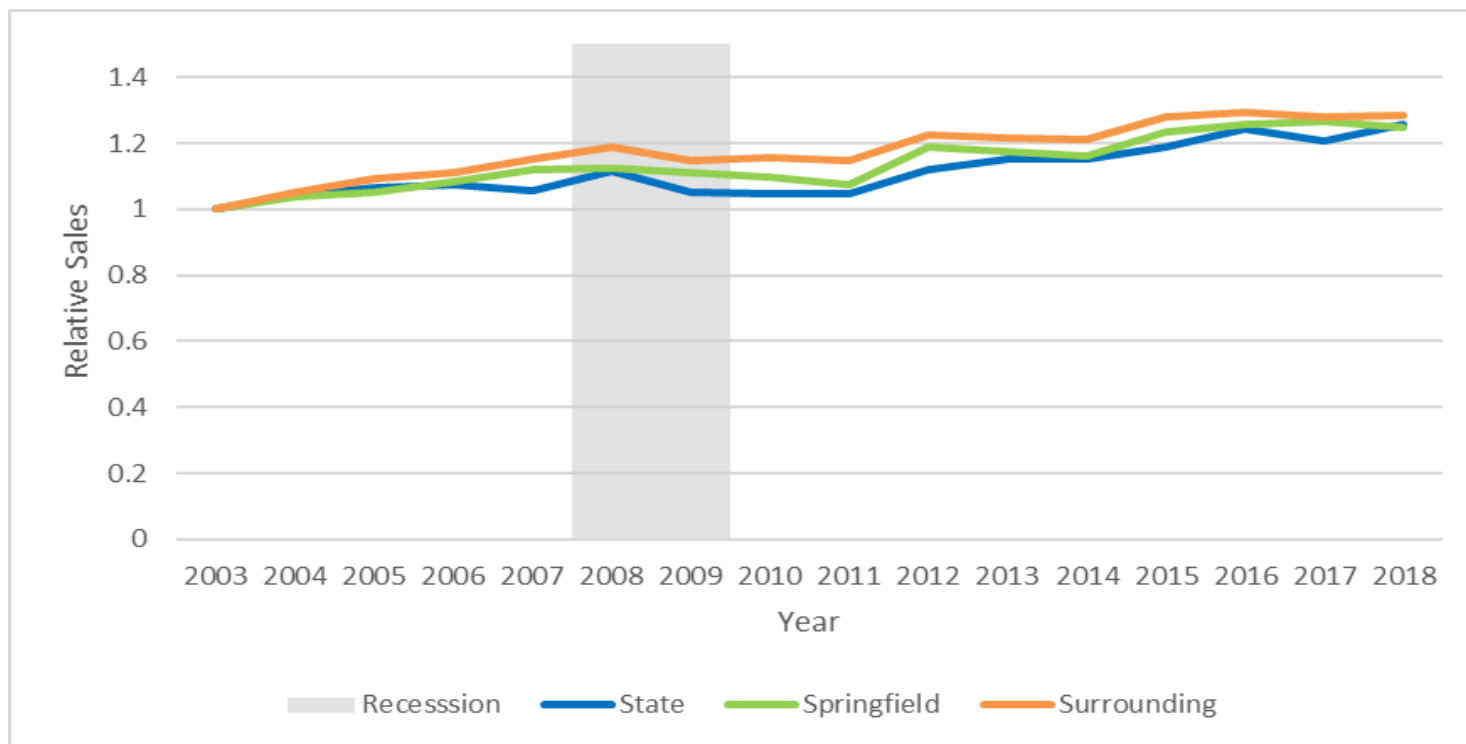
- Lottery sales vary year to year.
- Important to not make conclusions from changes in single year.
- No sign that lottery revenue statewide declines after opening of casinos in Massachusetts. Since PPC opened, lottery sales increased in every year except FY 2017.

Description of Lottery Sales in Springfield and Surrounding Communities



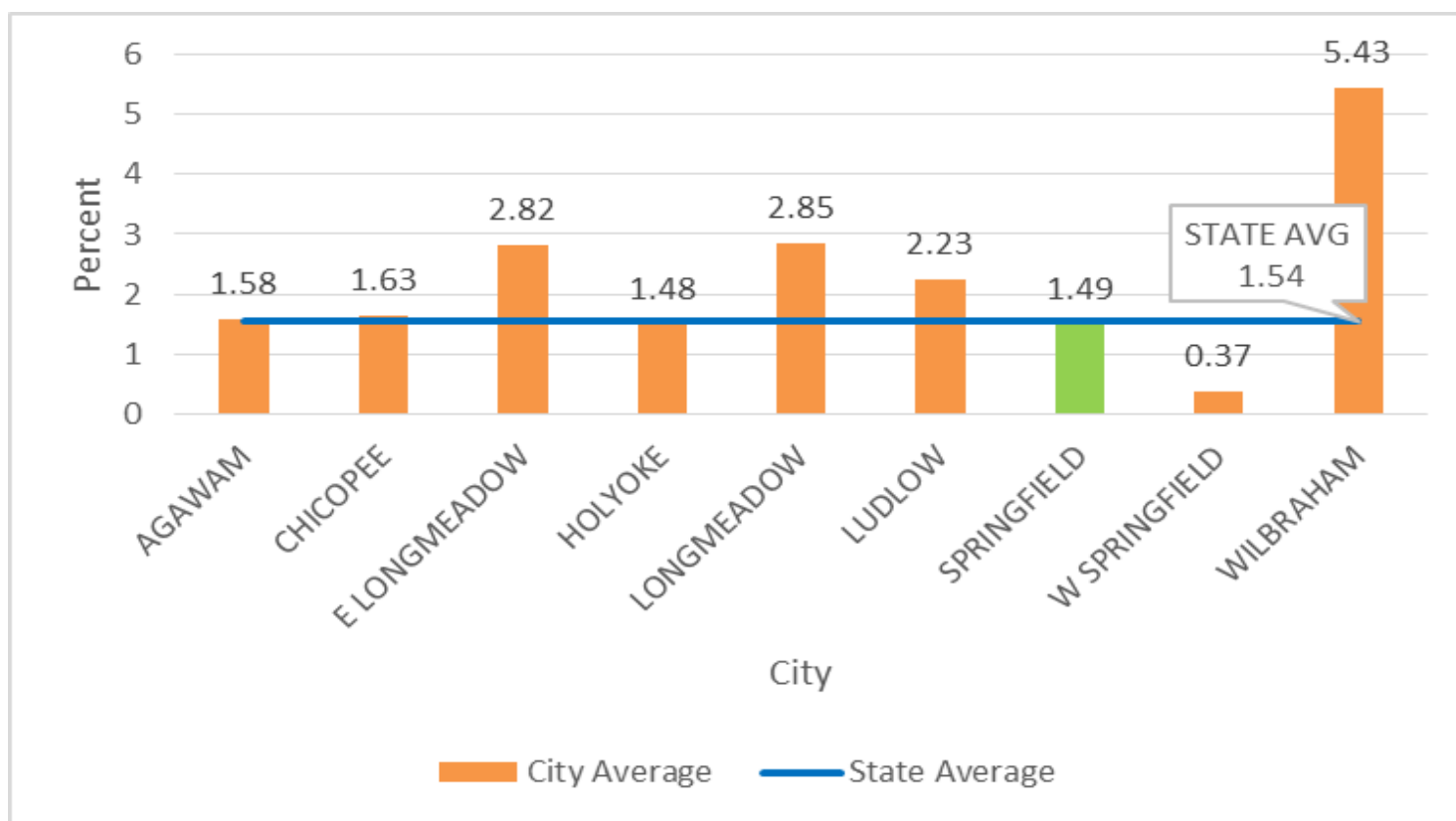
Springfield and Surrounding Communities

Growth in lottery revenue historically similar.
Growth for state slightly faster in recent years.



Springfield and Surrounding Communities

Average annual growth rates, 2004-2018

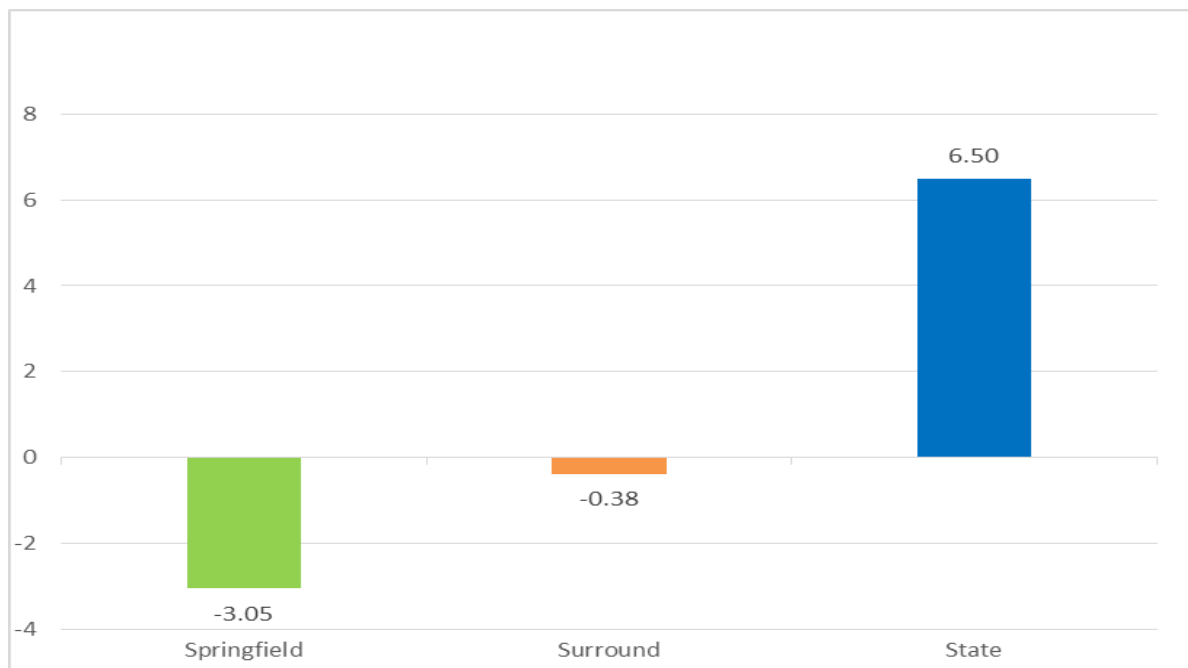


Lottery Sales over First Year of Operation

- MGM Springfield opens August 24, 2018.
- We analyze weekly lottery sales data for all lottery agents.
- An early comparison of Springfield and surrounding communities over time and versus rest of state. Recall, historically Springfield and rest of state grew at nearly identical rate.

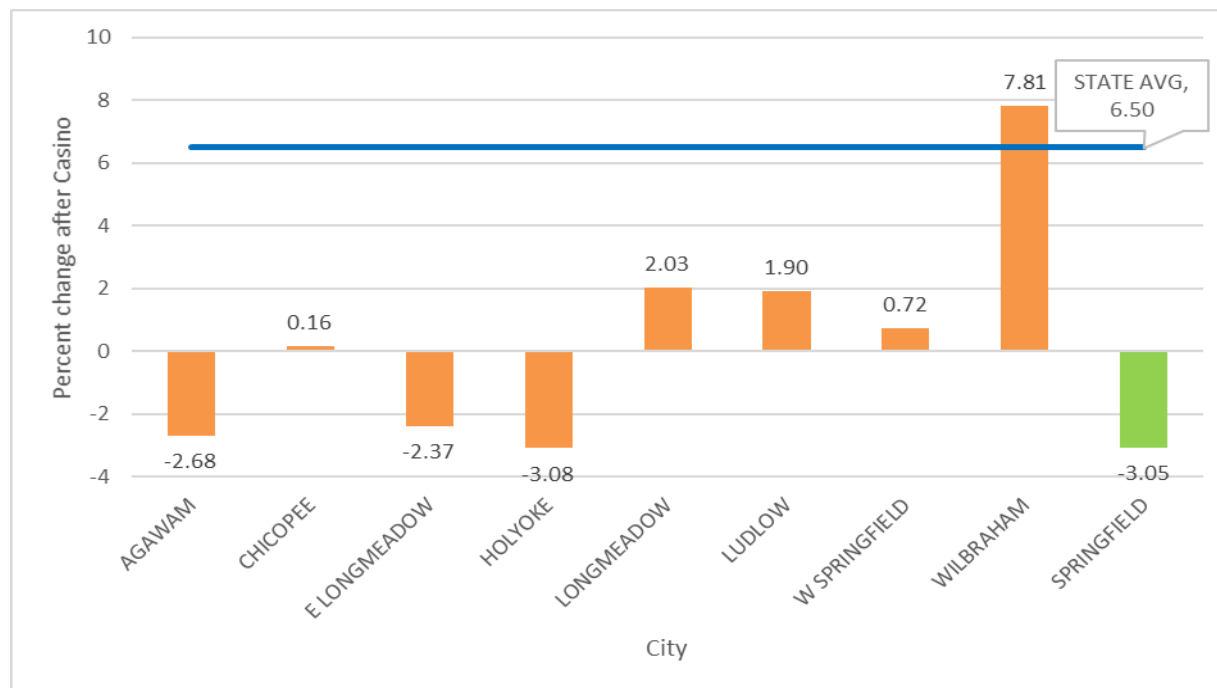
What happened to lottery sales in Springfield and Surrounding Communities During the First Year of Operation of MGM Springfield?

- **Lottery Sales in Springfield decreased 3.05% in first year of MGM operation compared to year prior.**
- **Statewide Lottery Sales increased 6.5% over same period.**



What happened to lottery sales in Springfield and Surrounding Communities During the First Year of Operation of MGM Springfield?

- **Surrounding communities collectively decrease (0.38%), but varies by community.**



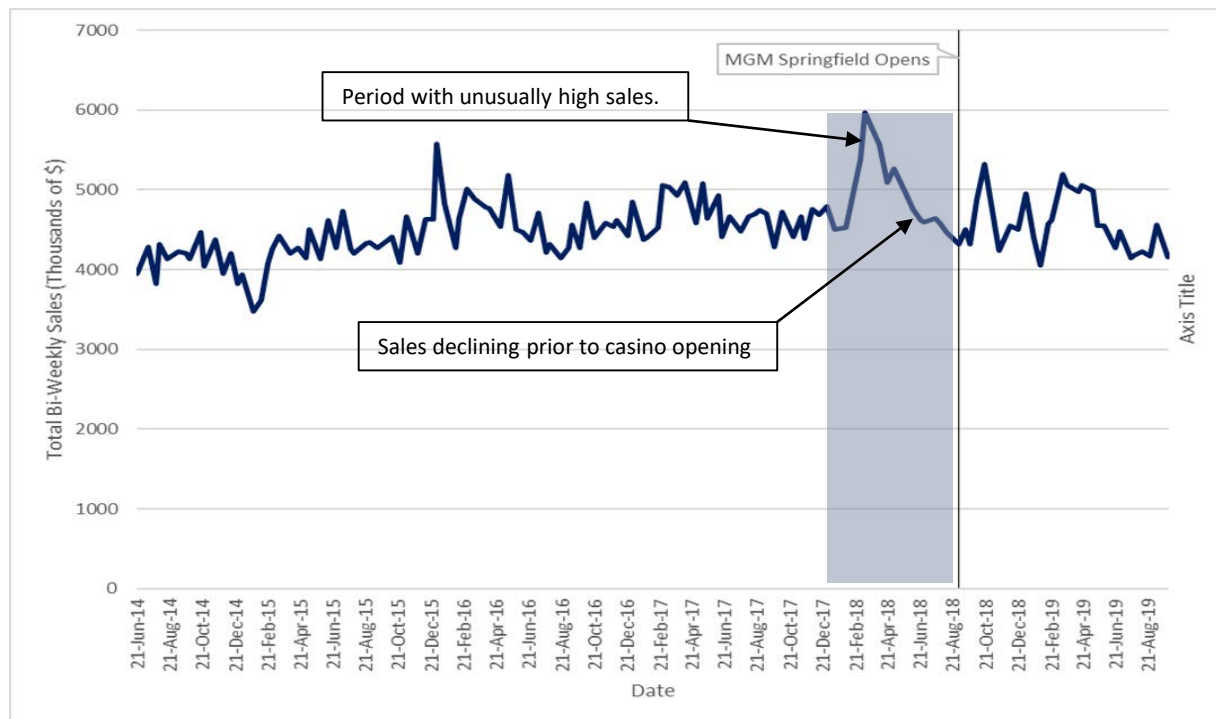
What happened to lottery sales in Springfield and Surrounding Communities During the First Year of Operation of MGM Springfield?

Are the Changes in Lottery Revenue Related to the Casino?

- It is too early to link the decline in revenue with the casino opening.
- Not possible to determine a trend using single year of data or single year-over-year comparison.
- The decline in sales in Springfield may reflect random annual fluctuation in lottery sales or unusually high sales in Springfield in the year just prior to the casino opening.
- Subsequent reports when additional data become available will allow clearer distinction between random fluctuation and a longer term trend.

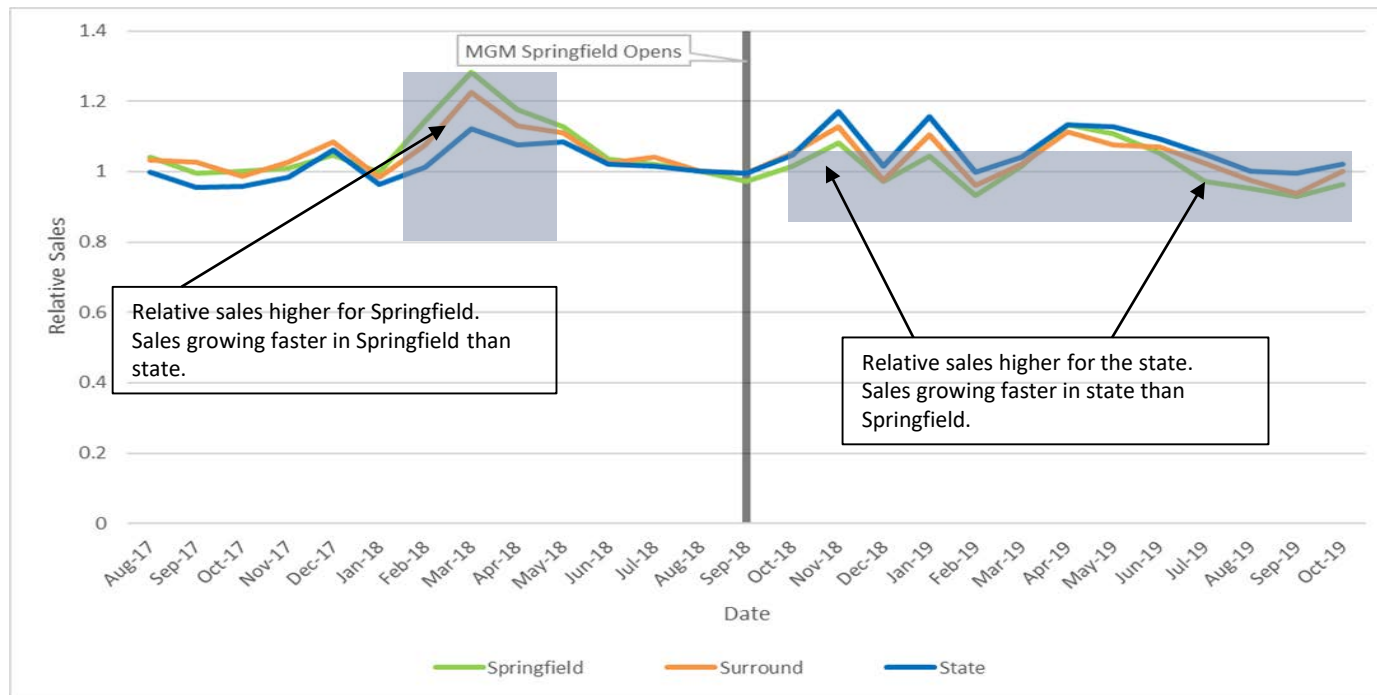
What happened to lottery sales in Springfield During the First Year of Operation of MGM Springfield?

- High sales in year prior. Sales declining before the casino opens. Decline may reflect a return to trend.



What happened to lottery sales in Springfield During the First Year of Operation of MGM Springfield?

- **Lottery sales relative to month prior to opening. Month prior to opening=1**



First Year Summary and Future Analysis

- No evidence that casinos have harmed lottery sales statewide. Important for local aid.
- Lottery sales in Springfield decreased 3% in first year of MGM casino operation, after unusually high sales the year prior to opening.
- Lottery sales in rest of state increased 6.5% in first year of MGM casino operation.
- First year change in Springfield is different than historical growth rates in lottery revenue where state and Springfield were nearly identical.

First Year Summary and Future Analysis

- First year change in Springfield is different change in Plainville in first year.
 - Excluding PPC, lottery sales in Plainville increased 1.96% (versus 5.19% increase in rest of state).
 - Excluding MGM Springfield sales, sales in Springfield decrease 4.25%.
- With one year of data, we cannot attribute the decrease in lottery revenue in Springfield to the casino.
- Decrease in lottery sales in Springfield may reflect unusually high sales in year prior to casino opening.
- Decrease in Springfield does not affect local aid in Springfield.

First Year Summary and Future Analysis

- Divergent sales in Springfield versus the rest of the state warrants future monitoring of lottery sales.
- Additional data in future will distinguish between a longer-term, casino-induced, change in revenue from normal year-to-year variation.
- Patron survey data should also clarify whether money spent in the casino would have been spent on lottery.

Thank You!

Questions?

Contact: Mark Nichols (mnichols@unr.edu)



UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

Lottery Revenue and MGM Springfield: Statewide and Local Analysis

February 6, 2020

Mark W. Nichols, Ph.D., University of Nevada, Reno with
University of Massachusetts Donahue Institute, Economic and Public Policy Research Group

Acknowledgements

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A PDF OF THIS REPORT CAN BE DOWNLOADED AT: www.umass.edu/seigma

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Executive Summary

Research Objective

The objective of this research is to monitor and describe changes in lottery revenue statewide, in Springfield, and in the communities surrounding MGM Springfield for the purpose of identifying potential impacts associated with expanded casino gambling. This report first briefly describes overall sales trends in Massachusetts during the first year of operation of MGM Springfield. This is important because lottery sales statewide are the largest source of local aid for all communities. This is followed by a more detailed analysis of Springfield and the designated surrounding communities. While the amount of local aid going to these communities is not based on local lottery sales, but instead statewide sales overall, a more detailed local analysis is important since any potential impact on lottery sales from the casino may be more pronounced and have greater economic impact (on the earnings of local lottery vendors, for example) nearer the casino if gamblers that live near the casino are more likely to visit than those living at greater distance.

This research is undertaken due to the Commonwealth's concern that expanded casino gambling may decrease lottery revenue, and therefore local aid. The 2011 Expanded Gaming Act explicitly declares that "enhancing and supporting the performance of the state lottery and continuing the commonwealth's dedication to local aid is imperative to the policy objectives of this chapter."¹ Moreover, casino license eligibility required the applicant to "demonstrate to the commission how the applicant proposes to address lottery mitigation, compulsive gambling problems, workforce development and community development and host and surrounding community impact and mitigation issues as set forth in the memoranda of understanding required under this chapter." Consequently, the Massachusetts Gaming Commission has requested an analysis of the lottery as part of its research program. In order to assess whether there is an impact from the casino, it is first necessary to know what happened to lottery sales after the opening of the casino. Our data allows for accurate estimation of the change in lottery sales following the opening of the MGM Springfield casino and this report presents that information.

Whether any change in lottery sales in Springfield and the surrounding communities was caused by the casino cannot be determined at this point. Our research identifies correlation between the opening of casinos and changes in lottery revenue. It does not establish causation. Simply because lottery revenue decreased after the casino opened does not mean the casino caused the decrease. We do not know if decreased lottery expenditures were spent inside the casino. In addition, we only have one year of lottery sales after the opening of MGM Springfield. Because it is not possible to determine a trend in lottery sales based on a single year of data or a simple year-over-year comparison, this report describes the changes that occurred in lottery revenue during the first year of operation. We provide different comparisons such as year over year, comparable time periods, and others. However, based on the volatility of the lottery sales data and the relatively brief period of time since the MGM Springfield casino opened, it is unwise to expect or explore meaningful differences. Subsequent reports will examine these important trends when further years of data become available and allow a clearer distinction between a longer-term change in lottery sales from year-to-year variation.

¹ The Expanded Gaming Act can be found at <https://malegislature.gov/Laws/SessionLaws/Acts/2011/Chapter194>.

Key Findings

What happened to lottery sales statewide during the first year of operation of MGM Springfield?

- Lottery sales statewide increased 6.50% in the first year after the opening of MGM Springfield compared to the year before.
- Over fiscal years 2003-2019, lottery revenue has increased at a 1.70% annual rate; recent growth is above the historical average.
- The Lottery generated \$1.1 billion in profit (the key source of local aid) in fiscal year 2019; an all-time record.

What happened to lottery sales in Springfield during the first year of operation of MGM Springfield?

- Total lottery sales in Springfield decreased 3.05% in the first year after the opening of MGM Springfield compared to the year before.
- The decline in sales in Springfield may reflect random annual fluctuation in lottery sales or unusually high sales in Springfield in the year just prior to the casino opening.
- Further years of data will be used to establish trends in the data after the opening of MGM Springfield in order to better distinguish random fluctuation in lottery sales from a casino impact.

What happened to lottery sales in the MGC designated surrounding communities during the first year of operation of MGM Springfield?

- Total lottery sales in the designated surrounding communities decreased 0.38% in the first year after the opening of MGM Springfield compared to the year before.
- Lottery sales increased in five of the designated communities in the first year after the opening of MGM Springfield compared to the year before.
- Lottery sales decreased in three of the designated communities in the first year after the opening of MGM Springfield compared to the year before.
- Total lottery sales increased in Chicopee (0.16%), Longmeadow (2.03%), Ludlow (1.90%), West Springfield (0.72%), and Wilbraham (7.81%).
- Total lottery sales decreased in Agawam (-2.68%), East Longmeadow (-2.37%), and Holyoke (-3.08%).

Introduction

The Massachusetts State Lottery has been operating since 1972. In fiscal year 2018, lottery tickets could be purchased at over 8,000 licensed lottery vendors throughout the Commonwealth and total sales were nearly \$5.3 billion, an increase of 3.81% compared to fiscal year 2017, and in fiscal year 2019 total sales were \$5.5 billion, an increase of 4.09% over fiscal year 2018. For fiscal year 2019, instant games (scratch-off tickets) accounted for 66.7% of lottery sales. Keno, the next most popular game, contributed 19.1% of total sales.

Lottery revenues are the largest source of unrestricted local aid in Massachusetts and the second largest source of all municipal support, after Chapter 70 education aid. Local Aid is distributed from a single pool according to a formula devised by the Legislature; local sales do not determine the amount of local aid that a municipality receives. In fiscal year 2019, the Lottery netted \$1.1 billion, an increase of 10.7% compared to fiscal year 2018, which went to Local Aid to cities and towns, with a small portion going to the Massachusetts Cultural Council and Massachusetts Council on Compulsive Gambling.² In fiscal year 2019, Springfield received \$40,199,748 in local aid, which represents 10.2% of the town's total state aid and 6.0% of total municipal receipts.

What are Local Aid Lottery Disbursements?

Local Aid lottery disbursements to cities and towns come from a combination of Lottery “net profit distributed to the Commonwealth”—essentially all the money Lottery makes after expenses—plus casino operator Local Aid assessments, which are combined into one pot and then distributed according to a formula by the Massachusetts Legislature to the cities and towns. Since gaming venues opened in 2015, Lottery contributions have typically represented 90% or more of the Local Aid pool.

The significance of direct local aid varies across communities based on the magnitude of their other sources of revenue – from 0.04% of total receipts in Chilmark to 15.1% in Adams. As reported on the Lottery website, Everett received \$7,336,124 in local aid in fiscal year 2019 (9.5% of Everett's total state aid and 2.9% of its total municipal receipts), and Plainville received \$805,600 (17.8% of the town's total state aid and 2.0% of total municipal receipts).³ Lottery revenues are the largest source of the statewide Local Aid pool, typically accounting for more than 90% of the total distributed to municipalities. The other source of income into the statewide Local Aid pool is from assessments on casino operators.

With the introduction of expanded gambling in Massachusetts, the Commonwealth has made the protection of the Lottery and its vendors a priority. Chapter 23K, Section 1 of the 2011 Expanded

² Total amount of lottery profits distributed to towns in the form of local aid comes from the Statutory Basis Financial Report from the Massachusetts Comptroller. FY 2019 was not available at the time of analysis, but see <http://www.macomptroller.info/comptroller/docs/reports-audits/sbfr/2018/2018sbfr.pdf> for FY18 detail and breakdown of typical proportions.

³ Data on State lottery disbursements comes from the Massachusetts Lottery and can be found at [http://www.masslottery.com/about/communities/with Local Aid by town listed at](http://www.masslottery.com/about/communities/with%20Local%20Aid%20by%20town%20listed%20at) <http://www.masslottery.com/about/communities/complete-list.html>. Data on state aid and total receipts for Massachusetts communities comes from the Massachusetts Department of Revenue, Division of Local Services and can be found at <http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/data-bank-reports/municipal-budgeted-revenues.html>.

Gaming Act states that “enhancing and supporting the performance of the state lottery and continuing the commonwealth’s dedication to local aid is imperative to the policy objectives of this chapter.”⁴ Section 4 gives the newly created Massachusetts Gaming Commission the power to “coordinate with the office of the treasurer and receiver general on implementing any measures necessary to protect the commonwealth’s lottery and gaming interests.”

The Legislature also placed conditions on all prospective casino operators, aimed at protecting the Lottery. Section 15 (1) of the Expanded Gaming Act states that any applicant for a gaming license must “agree to be a licensed state lottery sales agent under chapter 10 to sell or operate the lottery, multi-jurisdictional and keno games; demonstrate that the lottery and keno games shall be readily accessible to the guests of the gaming establishment and agree that, as a condition of its license to operate a gaming establishment, it will not create, promote, operate or sell games that are similar to or in direct competition, as determined by the commission, with games offered by the state lottery commission, including the lottery instant games or its lotto style games such as keno or its multi-jurisdictional games.” Section 15 (6) requires any applicant to “demonstrate to the commission how the applicant proposes to address lottery mitigation” in order to be eligible for a casino license.

As Massachusetts moves forward with the introduction of casino gambling, one priority of the Massachusetts Gaming Commission and the SEIGMA project is to determine how lottery-product-buying behavior may be affected by the introduction of casino gambling in Massachusetts. There are a handful of academic and professional papers examining the impact of casino legalization on lottery sales or tax revenue. Nearly all of these studies, none of which have been conducted in Massachusetts, find the introduction of casino gambling to be associated with a modest negative impact on lottery expenditures. However, there is evidence that the negative association between casino gambling and lottery expenditures is not permanent, with negative impacts decreasing over time, and dependent on distance, with lottery sales closer to a casino more negatively impacted than those more distant.⁵ In 2018, at \$765, Massachusetts has the highest per capita lottery sales in the nation amongst states without video lottery terminals (VLTs), with the next highest non-VLT state being Georgia at \$407 per capita.⁶ This may be in part because of the prize structures offered by the Massachusetts Lottery. In fiscal year 2018, Massachusetts paid back 73.5% of revenue as prizes, considerably higher than the U.S. average of 63%. The relative popularity of the Massachusetts Lottery, to some extent, may insulate it from potential negative impacts as casino gambling continues to expand. Yet, the lottery’s prominent role in Massachusetts local aid also means that the consequences of a reallocation of spending towards the casinos and away from the lottery are potentially greater.

In the event that the expansion of casino gambling in Massachusetts leads individuals to spend less money on lottery and more money at the casinos, this will not necessarily lead to a reduction in local aid funds. As detailed in Figure 1, the Category 2 slots parlor that opened in Plainville in the summer of 2015 allocates 82% of its tax revenue to local aid, while the Category 1 resort casinos located in Springfield

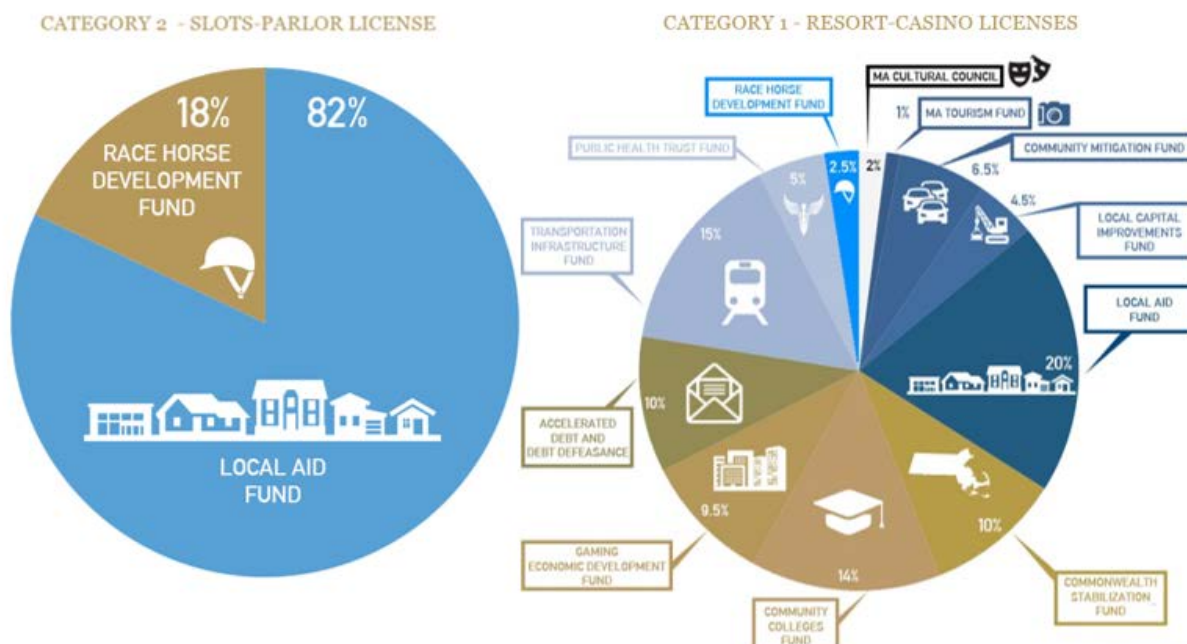
⁴ The Expanded Gaming Act can be found at <https://malegislature.gov/Laws/SessionLaws/Acts/2011/Chapter194>.

⁵ For a summary of these studies, see Nichols (2017), Lottery Revenue and Plainridge Park Casino: Analysis of First Year of Casino Operation. Available at [https://www.umass.edu/seigma/sites/default/files/MA%20Lottery%20Revenue%20and%20Plainridge%20Park%201%20Year%20Analysis%20\(final\).pdf](https://www.umass.edu/seigma/sites/default/files/MA%20Lottery%20Revenue%20and%20Plainridge%20Park%201%20Year%20Analysis%20(final).pdf).

⁶ La Fleur’s 2019 World Lottery Almanac.

and Everett allocate 20% of their tax revenue to local aid.⁷ Thus the net impact on local aid will depend on changes in both casino and lottery revenue. In order to determine the impact of expanded gambling on Massachusetts, the monitoring of lottery performance, statewide, and in the communities near the new casinos, is a priority of the SEIGMA team. With the context of its significance to the Commonwealth in mind, this report details the work that the SEIGMA team has done to date to monitor the impact of expanded gambling on the Massachusetts Lottery.

Figure 1: Allocation of Gross Gaming Revenue Taxes for Category 1 and 2 Casinos



Source: The Massachusetts Gaming Commission.

MGM Springfield was the first resort-style casino to open in Massachusetts on August 24, 2018. This followed three years after the opening of Plainridge Park Casino (a slot parlor) in Plainville on June 24, 2015. Encore Boston Harbor, in Everett, Massachusetts, held its grand opening on June 23, 2019.

MGM Springfield is located in downtown Springfield near I-91. There was previously a collection of buildings, many of which were demolished to make way for the casino. Other buildings and facades were preserved, including a state armory originally constructed in 1895. The construction of MGM Springfield began in March 2015 and the casino opened August 24, 2018. MGM Springfield casino contributes 20% of tax revenue to local aid. As of December 2019, a total of \$88,531,426 has been collected in state taxes from MGM Springfield.⁸

⁷ From the Massachusetts Gaming Commission. More information can be found at <http://massgaming.com/the-commission/budget/>

⁸ <https://massgaming.com/wp-content/uploads/Revenue-MGM-12-2019.pdf>

Strengths and Limitations of Data

Before presenting our results, it is important to recognize both the strength and limitations of our data. We have data on lottery sales. Sales are reported for the state and for individual cities on a fiscal year basis. Fiscal year data allow an examination of longer-term trends and variability and provide context and a reference point for changes in lottery revenue after the casino opening. We also have data on sales for each lottery agent. The agent-level data allow for a more detailed geographical analysis, such as distance from the casino or by zip code. The agent-level data are weekly, more current, and allow for a more precise before and after comparison than fiscal year data, which does not coincide with the casino opening dates. Finally, our data are actual lottery sales and therefore provide an accurate account of total expenditures. In order to assess whether there is an impact from the casino, it is first necessary to know precisely what happened to lottery sales. Our data allow us to determine this with complete accuracy.

This said, our data are not perfect and have limitations. First and foremost, while we have data on total sales at a very granular level, this research identifies correlation between the opening of casinos and changes in lottery revenue. It does not establish causation. We do not know if any changes that occur in lottery revenue result from spending in the casino. In addition, we only have one year of lottery sales after the opening of MGM Springfield. Because it is not possible to determine a trend in lottery sales based on a single year of data or a simple year-over-year comparison, this report describes the changes that occurred in lottery revenue during the first year of operation. However, based on the volatility of the lottery sales data and the relatively brief period of time since the MGM Springfield casino opened, it is unwise to expect or explore meaningful differences. Subsequent reports will examine these important trends when further years of data become available and allow a clearer distinction between a longer-term change in lottery sales from year-to-year variation.

Massachusetts Overall Sales Trends

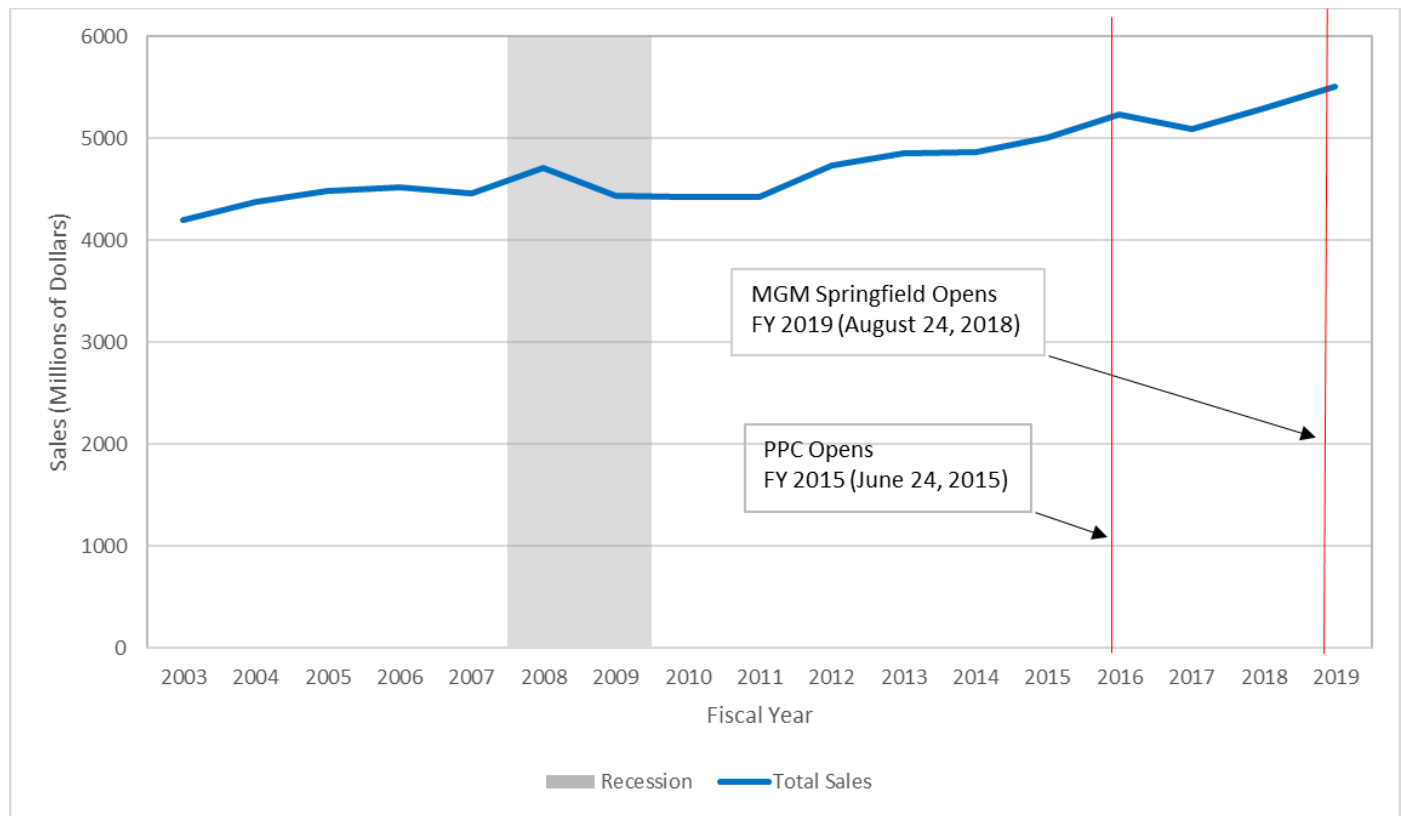
Statewide Sales Trends (2003-2019)

In this section, we examine sales trends in Massachusetts over time and relative to the New England and national averages. We also examine the annual percentage change in lottery sales. This not only provides context and a reference point for changes that occur following the opening of the MGM Springfield casino but is important because lottery sales statewide are the largest source of local aid for all communities.

Lottery sales in Massachusetts over the 2003-2019 fiscal year period have generally grown slowly but steadily (see Figure 2). Average annual sales growth over this period is 1.70%.⁹ Like many states, lottery sales during the recession flattened or decreased. Since 2012, lottery sales have generally increased year-over-year and are trending upward.

⁹ Sales are in nominal dollars and not adjusted for inflation, which averaged 2.04% over the sample period. In inflation adjusted dollars, revenue for fiscal year 2019 was approximately the same as revenue for fiscal year 2015 and is below revenue for fiscal year 2003. In inflation adjusted dollars, the annualized growth rate from 2003-2019 was -0.33%. See Appendix A, Figure A1, for inflation-adjusted (real dollar) lottery sales.

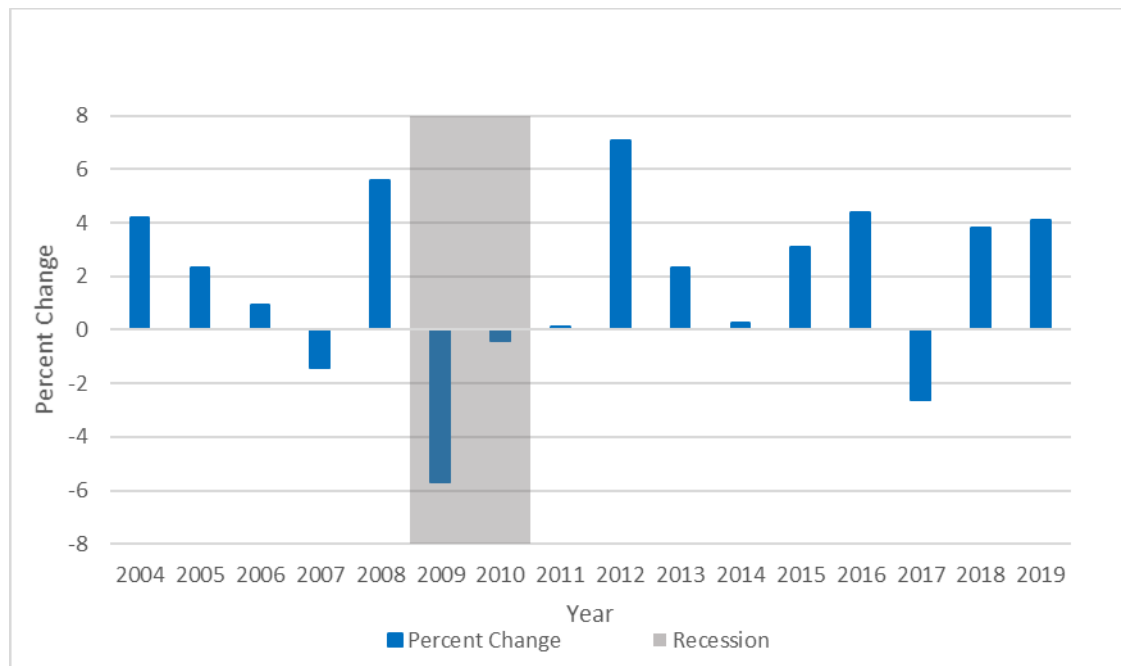
Figure 2: MA Lottery Sales, FY 2003-2019, Not Adjusted for Inflation



Source: MA Lottery, FY 2003-2019, nominal dollars. Lottery revenues declined during the recession, were relatively flat until 2011, but have generally increased since 2012. The average annual growth in nominal lottery revenue between 2003 and 2019 was 1.70%.

Figure 3 presents the annual percentage change in lottery revenues between 2004 and 2019 in more detail (see Appendix A for annual percentage changes of inflation-adjusted dollars). Massachusetts lottery sales decreased 5.5% between 2008 and 2009, followed by several years of little to no growth. In 2012, sales growth increased over 7.0%, followed by two years of slower growth before rebounding again in fiscal years 2015 and 2016. Sales in fiscal year 2017 decreased by 2.6%, but increased again in 2018 by 3.8% and 4.1% in 2019. Figure 3 also demonstrates the year-to-year variation that occurs in lottery revenue growth, even in non-recession years, reinforcing the prudence in not placing too much emphasis on a single year of increased or decreased revenue.

Figure 3: Percent Change in Lottery Sales, FY 2003-2019

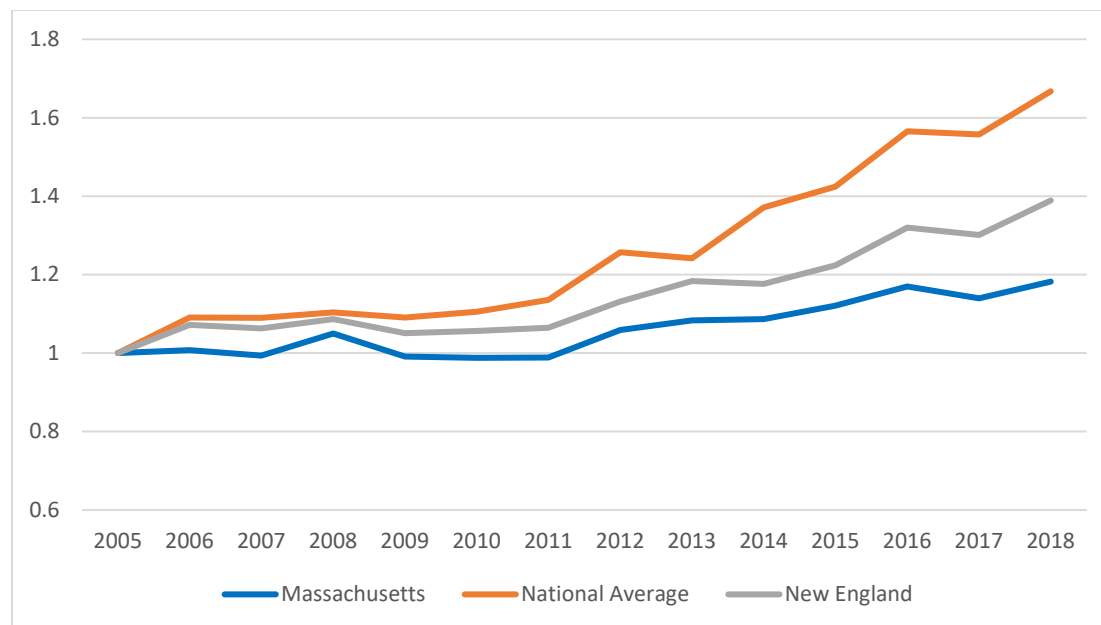


Source: MA Lottery, FY 2003-2019, nominal dollars. This figure shows annual growth rates. The declines in revenue during the recession are evident. After declining 2.16% in FY 2017, lottery revenue increased 3.80% in FY 2018 and 4.09% in FY 2019.

Massachusetts Sales Trends by Region and Relative to Other States (2003-2018)

Figure 4 shows fiscal year lottery sales for Massachusetts relative to other states in the US and New England for the period from 2005-2018. Lottery sales for 2019 in other states are not yet available. To make the sales values comparable, all sales are relative to sales in fiscal year 2005 (2005=1). Only states that had lotteries in existence since 2005 and states without video lottery terminals (VLTs) are included. VLTs are a different product more similar to slot machines than traditional lottery games that comprise the Massachusetts Lottery. For this reason, New England states in Figure 4 are represented by Maine, Vermont, New Hampshire, and Connecticut. Rhode Island, which has VLTs, is excluded.

Figure 4: Relative Lottery Sales, Massachusetts, National Average, and New England, FY 2005-2018

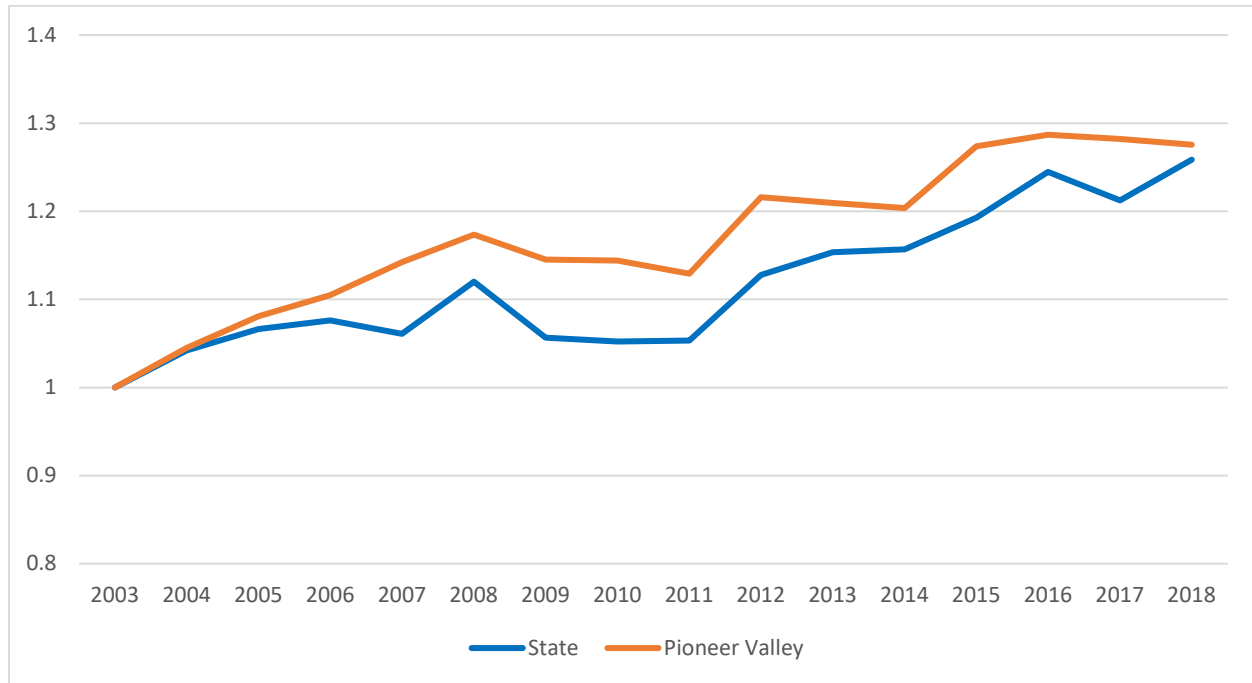


Source: LaFleur's World Lottery Almanac, 2005-2019. Sales relative to sales in 2005 (2005=1). States recover following the recession. Growth in Massachusetts less than national average and other New England states.

Figure 4 demonstrates that sales in other states have recovered and grown faster than Massachusetts since fiscal year 2012. The exact reasons for this are not clear, but it should be noted that states with the fastest growth include Arizona, California, and Florida. These states have experienced marked population growth, including a growing retirement population. However, growth in Massachusetts has also lagged behind the other New England states, although the gap is less pronounced. Finally, while revenue *growth* in Massachusetts has lagged the nation as a whole and other New England states, the Massachusetts Lottery is one of the largest in the nation in terms of total sales, not just per capita sales. As late as fiscal years 2012 and 2013, total annual sales in Massachusetts exceeded those in Florida and California. In fiscal year 2018, Massachusetts had the third highest non-VLT lottery revenue, behind only California (\$6.9 billion) and Florida (\$6.7 billion).¹⁰ While growth has been slower in Massachusetts, the lottery is still one of the largest and most mature in the nation, both in per capita and absolute terms.

¹⁰ La Fleur's 2019 World Lottery Almanac.

Figure 5: Relative Lottery Sales, Massachusetts and Pioneer Valley Region, FY 2003-2018



Source: MA Lottery, FY 2003-2018, nominal dollars. Sales are relative to sales in 2003 (2003=1). This figure shows relative lottery sales for Massachusetts and the Pioneer Valley region. Lottery revenue in the Pioneer Valley grew faster than the state as a whole but has slowed in recent years.

Lottery sales for fiscal years 2003 to 2018 for the entire state and for the Pioneer Valley region (Franklin, Hampden, and Hampshire Counties) are presented in Figure 5. All sales are relative to sales in 2003 (2003=1). Sales in the Pioneer Valley have grown at an annual rate of 1.63% over 2003-2018, slightly higher than the state as a whole. However, Figure 5 also demonstrates a slowdown in sales growth in the Pioneer Valley beginning in 2015, with sales remaining relatively unchanged or declining.

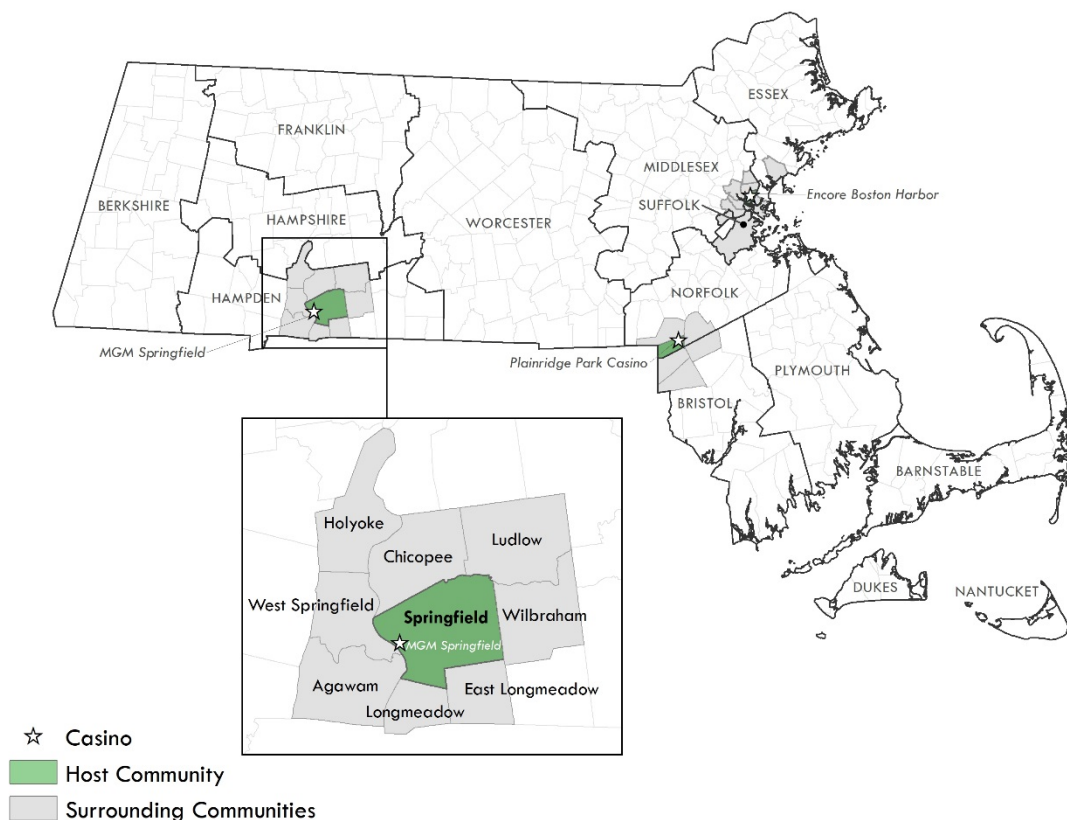
Massachusetts, Springfield, and Surrounding Community Sales Trends (2003-2018)

In order to provide context for how growth in lottery revenue in Springfield and the surrounding communities compares historically with the rest of Massachusetts, this section presents long-term trends and annual growth rates in lottery sales in Springfield and the Massachusetts Gaming Commission's (MGC) designated surrounding communities of Agawam, Chicopee, East Longmeadow, Holyoke, Longmeadow, Ludlow, West Springfield and Wilbraham (see Figure 6).¹¹ It shows how these areas have generally grown at a rate similar to the state but also shows how growth rates vary across each individual community. Springfield and the surrounding communities are not included in the state totals or growth rates.

¹¹ Surrounding community selection by the MGC was based on an application process where cities had to successfully argue anticipated impacts.

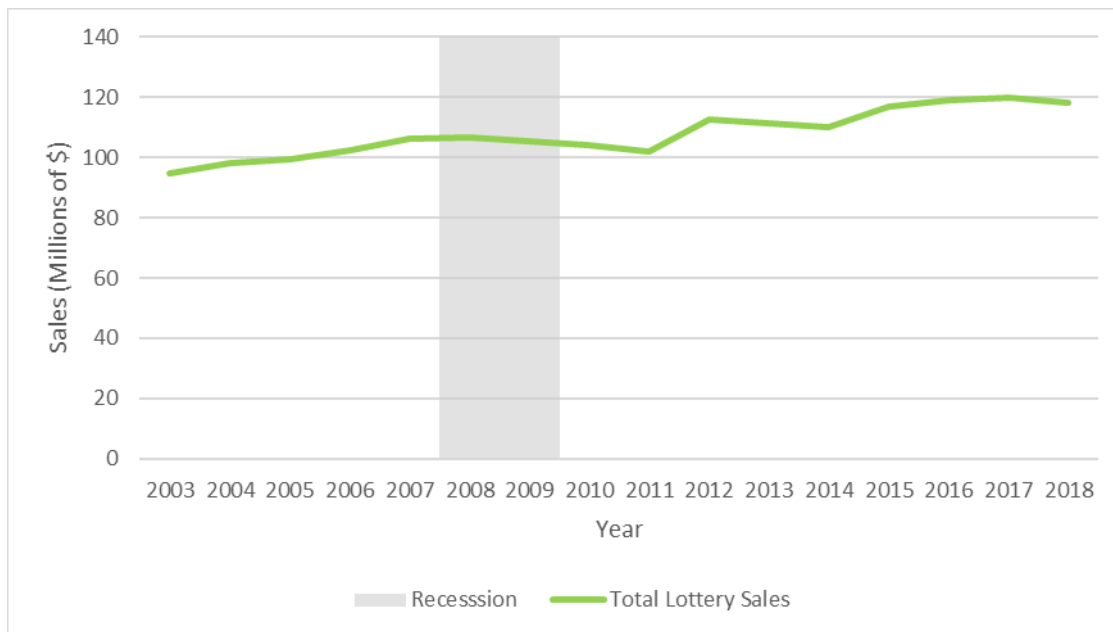
Total lottery sales in Springfield and the surrounding communities in fiscal year 2018 were \$305.5 million, 5.7% of the state total. Not surprisingly given its larger population, Springfield accounted for the largest share of sales at \$118.3 million; 2.2% of total sales statewide. During 2018, approximately 196 lottery vendors/agents operated in Springfield and approximately 327 operated in the designated surrounding communities, although this number varies over time as agents open and close.

Figure 6: Springfield and MGC-designated Surrounding Communities



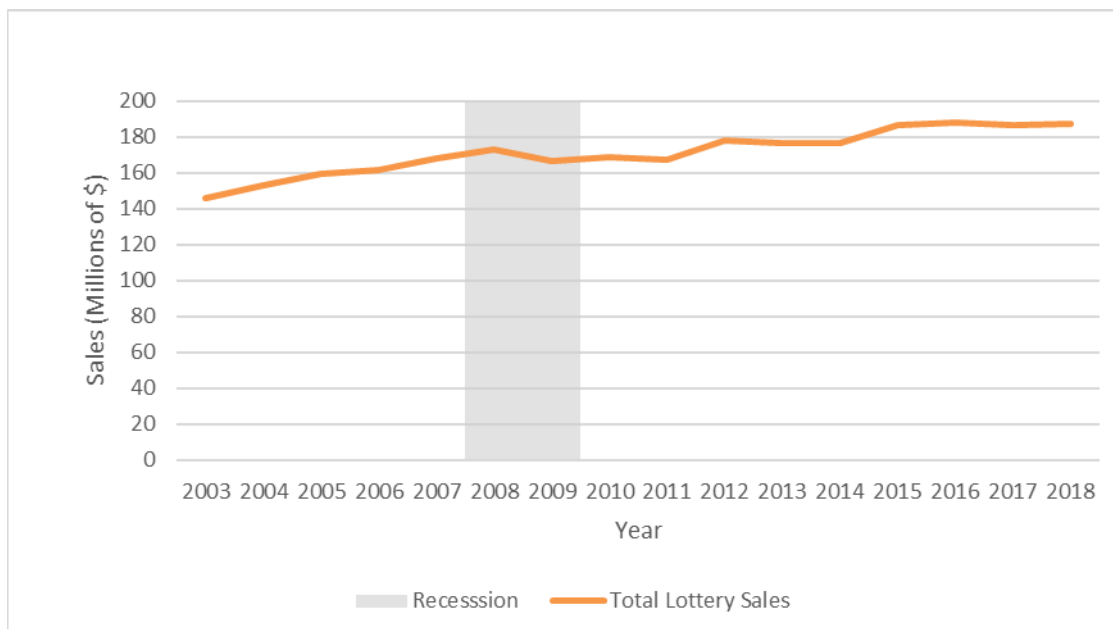
Figures 7 and 8 show total lottery sales in Springfield and the designated surrounding communities over fiscal years 2003 to 2018. In both cases, lottery sales have grown slowly. The average annual growth rates over this time are 1.49% and 1.69% for Springfield and the surrounding communities, respectively. This growth is nearly identical to the 1.54% growth rate for the state as can be seen in Figure 9, which shows relative sales (2003=1) for Springfield, the surrounding communities and Massachusetts.

Figure 7: Nominal City of Springfield Lottery Sales, FY 2003-2018



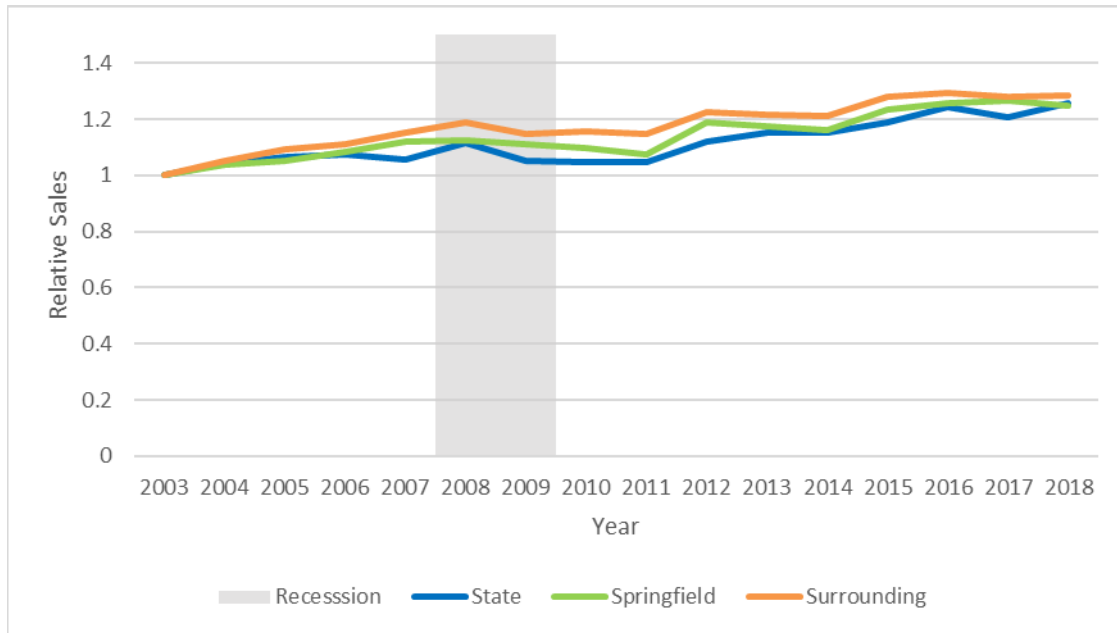
Source: MA Lottery, FY 2003-2018, nominal dollars. Lottery sales in Springfield have been slow but have followed the state.

Figure 8: Nominal Lottery Sales for Springfield's MGC designated Surrounding Communities, FY 2003-2018



Source: MA Lottery, FY 2003-2018, nominal dollars. The surrounding communities of Agawam, Chicopee, East Longmeadow, Holyoke, Longmeadow, Ludlow, West Springfield, and Wilbraham grew slightly faster than Springfield and the state.

Figure 9: Relative Lottery Sales in Springfield and Surrounding Communities vs. Massachusetts, FY 2003-2018

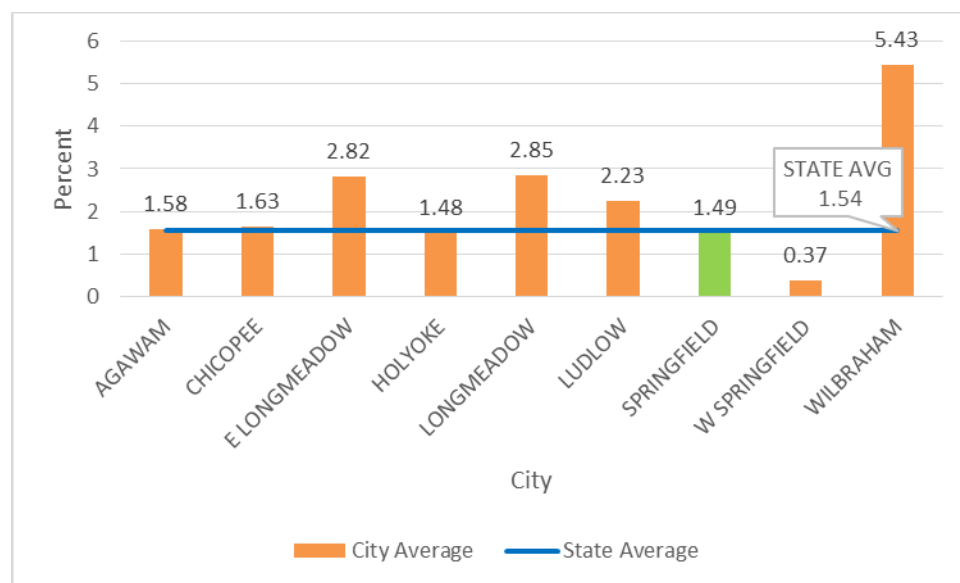


Source: MA Lottery, FY 2003-2018, nominal dollars. Sales are relative to sales in 2003 (2003=1). Lottery Sales in Springfield and the designated surrounding communities have grown at nearly the same rate. Annual growth for the state is 1.54% versus 1.49% for Springfield and 1.69% for the surrounding communities.

Figure 10 shows average annual growth rates over fiscal years 2003-2018 for Springfield and each designated surrounding community. For comparison, the state average growth rate is also shown. Lottery growth in Springfield has been nearly identical to the state average over this time period as have the surrounding communities of Agawam, Chicopee, and Holyoke. East Longmeadow, Longmeadow, Ludlow, and Wilbraham have all grown more rapidly than the state as a whole with Wilbraham exhibiting the most rapid growth (5.40%).¹² Lottery revenue growth in West Springfield, at 0.37%, has been noticeably lower than either Springfield or any of the other designated surrounding communities.

¹² Wilbraham's annualized growth, in part, reflects a large 33% increase in sales in 2010, a level that was maintained as sales continued to increase in later years. We are not certain of the exact reason for this.

Figure 10: Average Annual Growth Rates in Springfield and Surrounding Communities vs. Massachusetts, FY2003-2018



Source: MA Lottery, FY 2003-2018, nominal dollars. Lottery Sales in Springfield have grown at nearly the same rate as the state. Annual growth for the state is 1.54% versus 1.49% for Springfield.

Springfield and Surrounding Community Analysis: First Year of MGM Springfield Operation

Host and Surrounding Community Analysis

The analysis so far has examined fiscal year data to provide an overview of trends in lottery revenue growth in Massachusetts, Springfield, and the designated surrounding communities. The analysis below focuses on agent-level sales before and after the opening of MGM Springfield casino. This allows a more detailed examination by agent and time period and provides more precise insight into changes in lottery revenue over time. The MGM Springfield casino opened August 24, 2018. We compare lottery revenue for the first year after the casino opened with the year before. Specifically, the period after the casino opens consists of lottery sales from August 19, 2018 to August 24, 2019. The pre-casino-opening year is August 20, 2017 to August 18, 2018.

A few things to note about the agent-level lottery data. Firstly, lottery data are aggregated to bi-weekly or monthly sales data rather than analyzed weekly. This is because Instant ticket sales are only reported every two weeks. Examining the data weekly would introduce false variation in the data since Instant sales appear as zero for the weeks when sales are not recorded. Secondly, there is a lottery agent within the MGM Springfield casino. That agent did not exist prior to the opening of the casino, unlike the agent in Plainridge Park Casino which operated at the racetrack prior to the casino opening. Earlier reports examining Plainridge Park Casino revealed large, significant increases in lottery sales for that agent (Nichols, 2018; Nichols, 2017). No such comparison is possible for MGM Springfield.

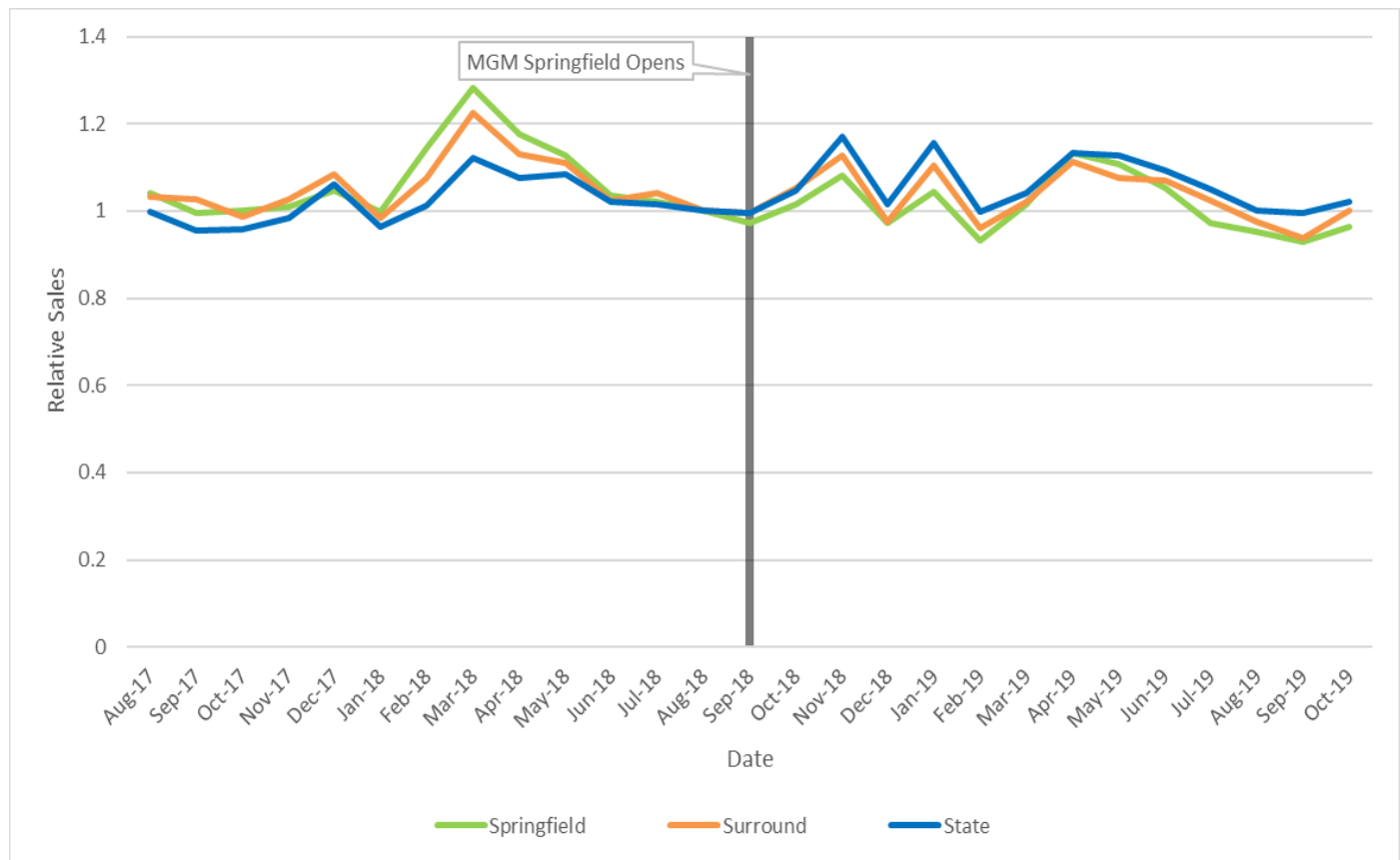
Figure 11 shows monthly total lottery sales over the period August 20, 2017 to September 28, 2019 for the communities of Springfield, the MGC-designated surrounding communities, and the rest of Massachusetts excluding Springfield and the surrounding communities. Because lottery sales in these areas are vastly different in size (total lottery sales in the rest of Massachusetts are obviously much greater than total sales in Springfield, for example), an index is created and all sales data are reported relative to total sales during the month prior to the casino opening (July 22-August 18, 2018). Thus, relative monthly sales equal 1 for all areas for the July 22-August 18, 2018 period. Values greater than 1 signify monthly sales data that exceed sales during the July 22-August 18 period, whereas values less than 1 signify lower monthly sales compared to the July 22-August 18 period. This index allows for meaningful comparison of lottery sales and growth across the different geographic areas. Additionally, sales are reported monthly rather than bi-weekly to reduce the variability in the data, making visualization of the data easier.

Figure 11 demonstrates that the trend of lottery sales in Springfield and the rest of the state are generally similar, consistent with the fiscal year sales data discussed above. Lottery sales in Springfield, however, are generally above or equal to relative sales for the state level prior to the casino opening but below afterwards. In fact, the average value of relative sales for Springfield the year prior to the casino opening is 1.07, implying lottery sales, on average, are 7% higher in the year prior to opening *relative to the monthly period of July 22-August 18, 2018*. The average value for the state over the same period is 1.02. After the casino opens the average value for Springfield is 1.02 compared to 1.07 for the state. Thus, sales in Springfield are lower on average after the opening of the casino but higher in the rest of the state relative to sales the month prior to the casino opening.

Sales for the surrounding communities also demonstrate a trend that follows the state as a whole. As in Springfield, relative sales also decline in the surrounding communities after the opening of the casino although to a lesser extent than Springfield. The average value of relative sales for the surrounding communities during the year prior to opening is 1.06, implying sales, on average, are 6% higher than the month prior to the casino opening. For the year after the casino opening relative sales average 1.04.

It is important to remember that the relative sales index reported above is normalized on a single, one-month period in order to demonstrate trends and patterns in the sales data. Overall, Figure 11 shows no strong evidence of a large and significant negative impact on lottery sales after the opening of the casino. If the opening of the casino had a large negative impact on sales in either Springfield or the surrounding communities, we would expect to see a “break” in the data where relative sales decline and diverge from the rest of the state. This is not evident. However, because relative sales in Springfield are on average lower after the casino opened, more analysis of the changes in revenue before and after the casino are presented in Figure 12 and the following section.

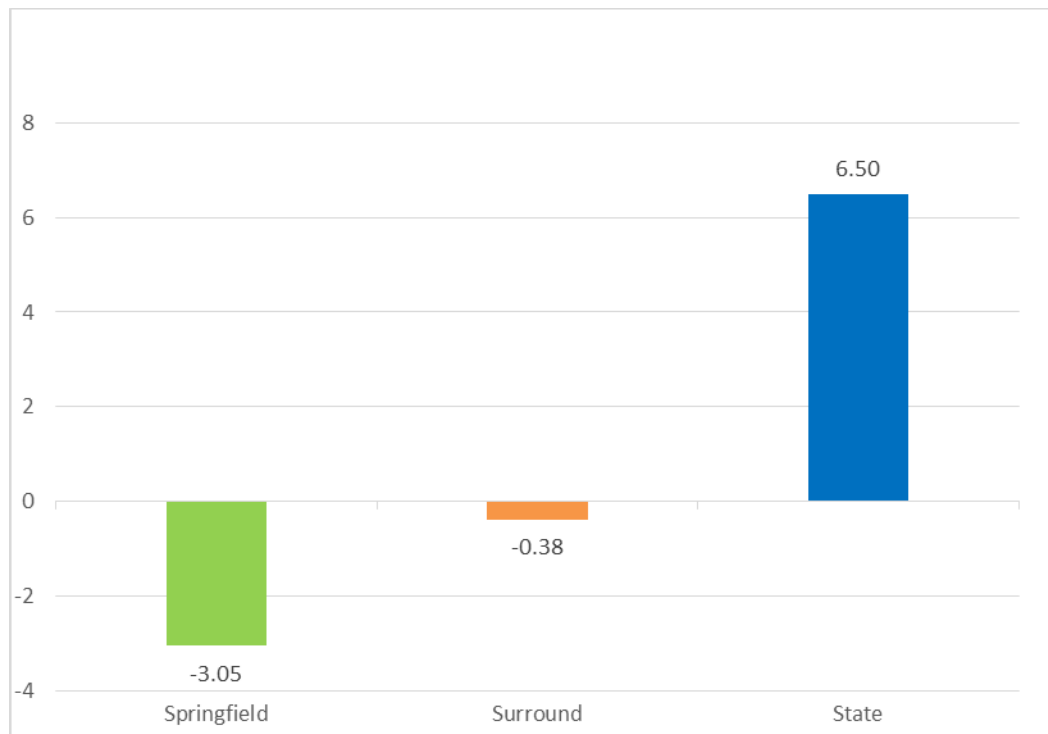
Figure 11: Relative Monthly Lottery Revenue over Time in Springfield, Surrounding Communities, & Rest of Massachusetts



Source: MA Lottery, monthly sales relative to the month prior to opening (July 22-August 18, 2018), nominal dollars. A value of 1 implies that sales during that period were equal to sales during July 22-August 18, 2018. A value greater than 1 represents higher sales, less than 1 lower sales. Relative sales in Springfield, the surrounding communities, and the rest of the state follow a similar trend. No large, noticeable change in any location occurs following the opening of the casino.

Figure 12 shows the percentage change in total lottery sales for the year after the opening of MGM Springfield from the year prior for Springfield, the surrounding communities collectively, and the remainder of the state. In the first year after the opening of MGM Springfield casino, total lottery sales in Springfield decreased on average 3.05% compared to the year before. Total lottery sales in surrounding communities decreased 0.38%. In contrast, sales in the remainder of the state, excluding Springfield and the surrounding communities, increased 6.50%.

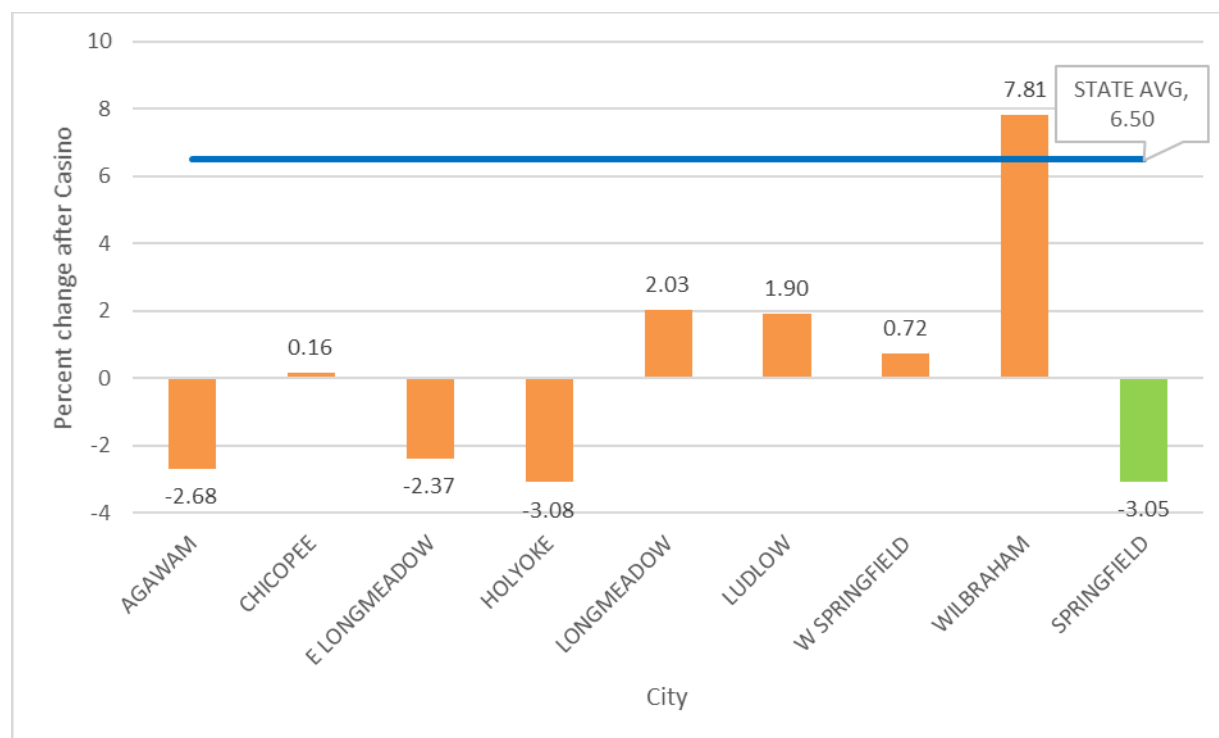
Figure 12: Percent Change in Total Lottery Sales After MGM Springfield Opening



Source: MA Lottery, bi-weekly sales data August 19, 2018 to August 24, 2019 compared to same period the year before (August 20, 2017 to August 18, 2018). Sales in Springfield and the surrounding communities decline whereas sales in the remainder of the state increase.

Whether the decrease in revenue in Springfield is related to the opening of the MGM Springfield casino or other unobserved factors such as normal variation in lottery data or varying local economic conditions cannot be determined at this stage. That will require more data across years and confirmation from other sources, for example, patron surveys, to determine if any change in lottery spending is caused by the casino. Nevertheless, additional inquiry into lottery activity by agent and community in the host and surrounding communities provides useful context to the decrease in total sales exhibited in Figure 12. Figure 13 shows results for the surrounding communities individually, followed by a more detailed examination of Springfield.

Figure 13: Percent Change in Total Lottery Sales After MGM Springfield Opening by Community



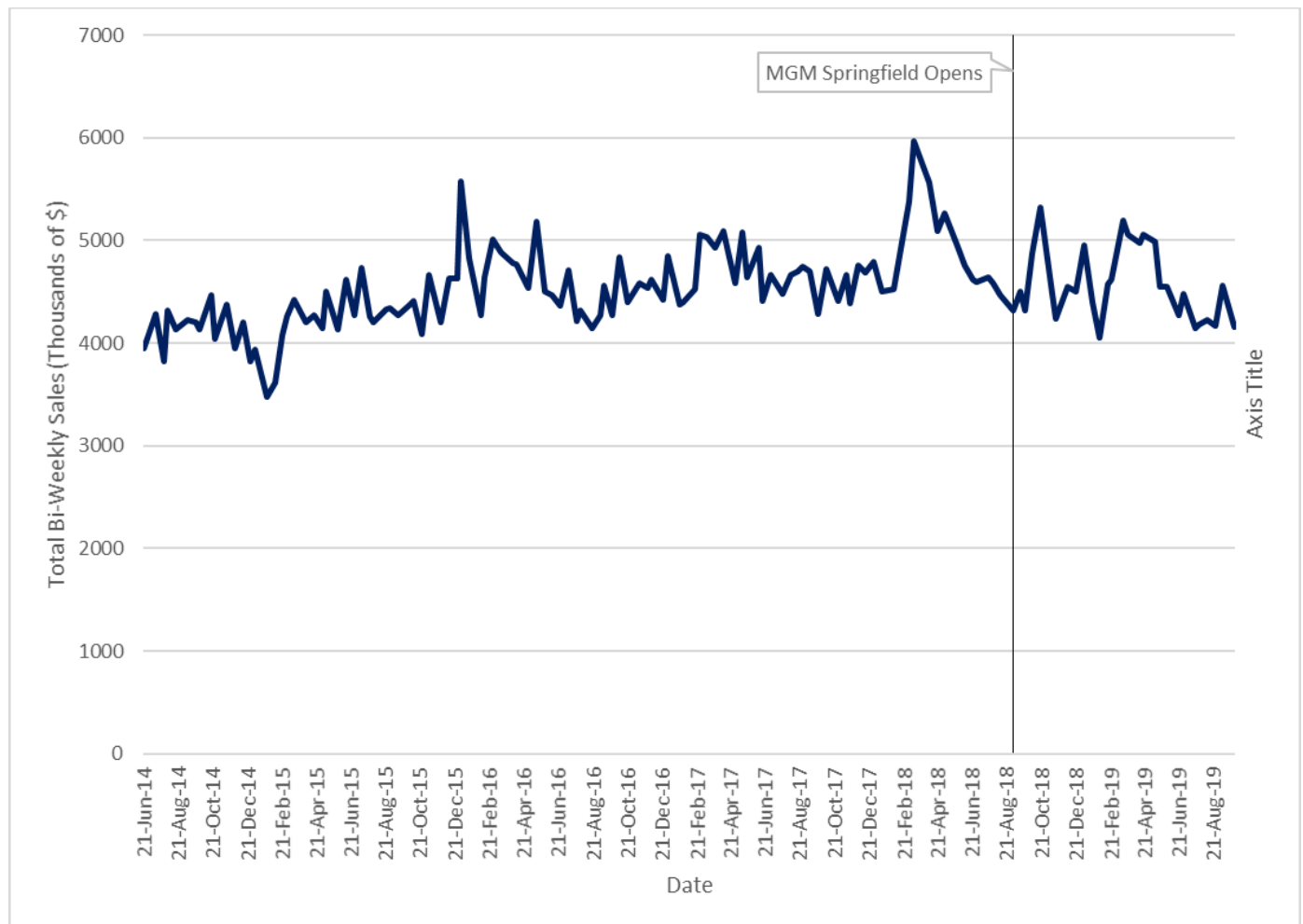
Source: MA Lottery, bi-weekly sales data August 19, 2018 to August 24, 2019 compared to same period the year before (August 20, 2017 to August 18, 2018). Sales in surrounding communities vary, with three of the communities experiencing decreased lottery revenue and five increased lottery revenue.

Figure 13 reveals that the 0.38% decrease in total sales in the designated surrounding communities is not distributed evenly. Five of the surrounding communities experienced increases in lottery revenue during the first year after the casino opening relative to the year prior to opening, whereas three experienced decreases in revenue. Decreases in revenue range from 2.37% in East Longmeadow to 3.08% in Holyoke. Wilbraham experienced the largest increase in lottery revenue, 7.81%, and the only community where the increase in sales exceeded the state average. The smallest increase, 0.16%, occurred in Chicopee. Whether these changes reflect a softening of the lottery market in the surrounding communities (with the exception of Wilbraham) cannot be determined, but there is no evidence of lottery sales systematically decreasing across all surrounding communities.

A Detailed Examination of Springfield

Because Springfield is the casino host community and the initial contrasting change in lottery sales in Springfield compared to the rest of the state, we take a more detailed examination of other aspects of lottery activity in Springfield in order to better understand whether the observed changes are possibly a result of the casino. Specifically, this section reports the results from the following analyses: a difference-in-differences analysis of Springfield compared to the rest of the state over various time periods; the number of lottery agents closing versus opening in order to gauge whether there is a widespread decrease in demand for lottery tickets resulting in numerous agents no longer selling lottery tickets; and the geographic distribution of lottery sales, to determine if larger decreases in lottery sales occur closer to the casino as suggested by a simple gravity model of economic activity.

Figure 14: Bi-Weekly Lottery Revenue in Springfield, June 2014-September 2019.



Source: MA Lottery, bi-weekly sales data June 2014 to September 2019 for Springfield. Lottery sales exhibit little growth but are volatile over time.

Figure 14 presents bi-weekly, total lottery sales in Springfield for the period June 2014 to September 2019. The opening of the MGM Springfield casino is also indicated. Lottery sales exhibit no obvious trend in terms of growth, but do exhibit volatility over time. Lottery revenue was declining prior to the opening of the MGM Springfield casino, beginning in April 2018 after reaching a peak in late February/March 2018. There is no obvious “break” or change in the series after the opening of the casino. Figure 14 confirms that the year-over-year decrease exhibited in Figure 12 above may be partly due to the higher sales in early 2018. Lottery sales reach a clear peak over February-April, 2018. Moreover, the volatility in lottery sales exhibited in Figure 14 suggest a change in sales over time is not unexpected.

Difference-in-Differences Analysis of Year-Over-Year and Longer Trend

Difference-in-differences analysis involves comparing average bi-weekly agent-level lottery sales in Springfield and the rest of the state after the casino opened with a time period before the casino opened. Results of this difference-in-differences analysis are provided in the Appendix (Tables A1 and A2). This analysis reveals two things. First, that average bi-weekly sales for agents in Springfield are below the rest of Massachusetts both before and after the opening of the MGM Springfield casino. Second, when comparing *the change* in average bi-weekly sales after the opening of the casino with the year prior to opening, average bi-weekly sales in Springfield decreased by approximately \$1,300 (4.8%) whereas sales in the rest of the state increased by nearly \$900 (3.3%). However, when comparing the change in sales after the opening of the MGM Springfield casino with average bi-weekly sales over the entire June 2014 to August 2018 period, average bi-weekly sales for agents in Springfield are \$1,070 (4.3%) higher. Thus, lottery sales in the year after the opening of the casino are in line with historical sales levels. While the state as a whole experienced a larger increase in sales, \$1,856 (7.0%) over this time period, this re-affirms that the year-over-year decrease in sales in Springfield after the opening of the MGM Springfield casino is partly due to higher sales the year prior to opening.¹³

Changes in Lottery Agent Activity: Openings, Closing, and Sales

Table 1 reports agent-level sales and opening/closing activity for the year after the MGM Springfield casino opened compared to the year prior. Springfield had 176 lottery agents in continuous operation, defined as reporting sales both before and after MGM Springfield opened. Of those agents in continuous operation, 73, or 41%, experienced an increase in total sales during the year after MGM Springfield opened compared to the year before. In contrast, 99, or 56%, of agents had lower total sales for the year after MGM Springfield opened compared with the year before.

Table 1: Agent Activity in the City of Springfield, Year After MGM Springfield Opens vs. Year Before

Number of Agents in Continuous Operation	176
Number of Agents in Continuous Operation with Increased Sales After MGM Springfield	73 (41%)
Number of Agents in Continuous Operation with Decreased Sales After MGM Springfield	99 (56%)
Number of Agents in Continuous Operation with No Change in Sales After MGM Springfield	4 (2%)
Number of Agents Closing ^a After MGM Springfield	18
Number of Agents Opening ^b After MGM Springfield	15
^a Closing refers to agents that had sales prior to the opening of MGM Springfield casino but had no sales after the opening of MGM Springfield casino. ^b Opening refers to agents that had no sales prior to the opening of MGM Springfield casino but had sales after the opening of MGM Springfield casino.	

¹³ A difference-in-differences analysis beginning June 2015 and June 2016 reveal a similar conclusion. In both cases, the change in Springfield (\$171 increase from 2015, \$344 decrease from 2016) are statistically insignificant, suggesting no significant difference in sales after the opening of the casino. In both instances, the state grew more rapidly.

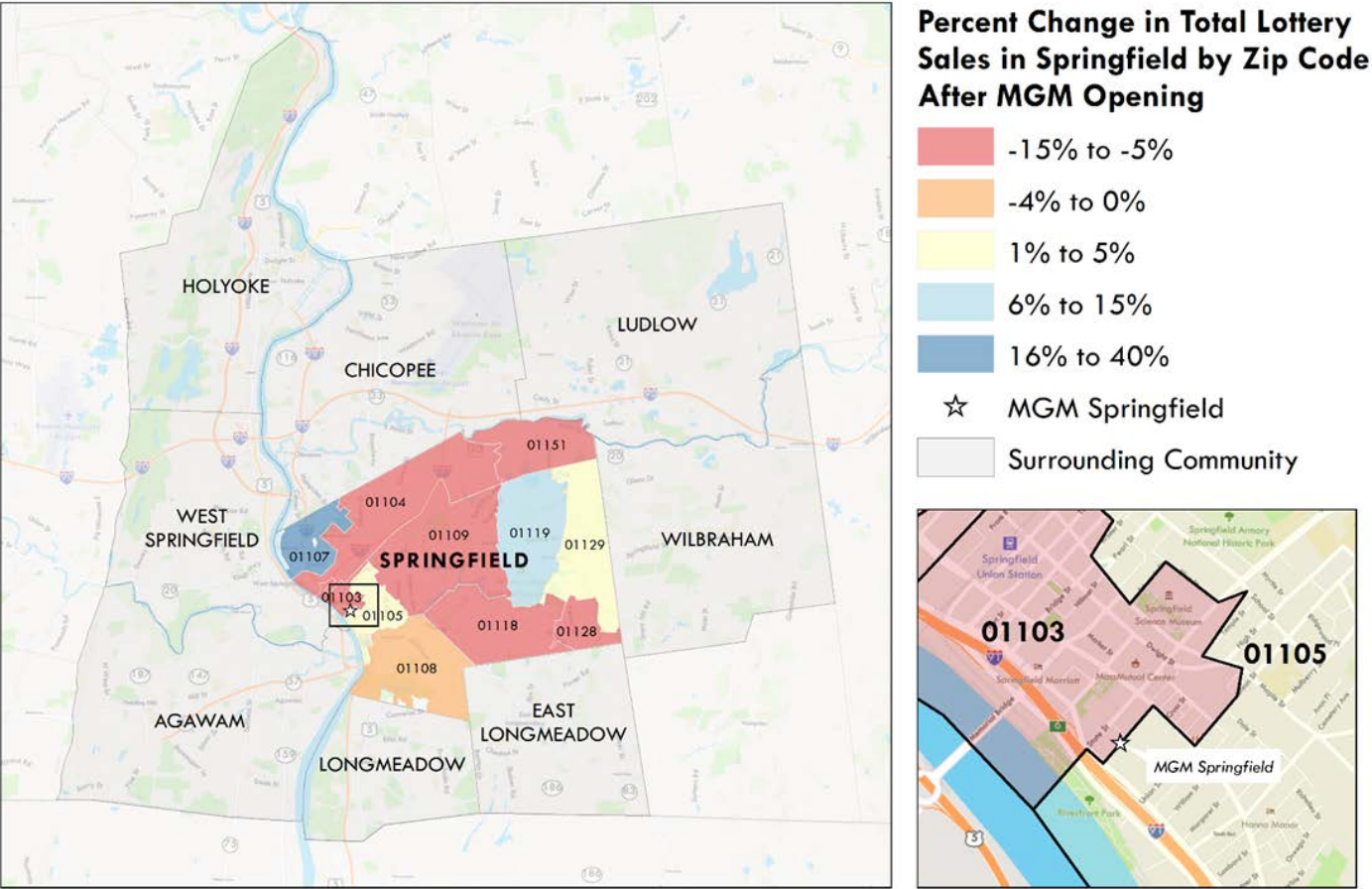
Table 1 also reports the number of agents closing, defined as having sales during the year before the casino opened but not after, and opening, defined as having sales after the casino opened but not before. While 18 agents closed, 15 opened.

Table 1 does not exhibit any evidence of a widespread negative impact of the MGM Springfield casino on lottery sales. While a majority of agents had lower sales after the casino opened, it is not a large majority. While we cannot ascertain why sales decreased, or increased for that matter, it does not appear that there was a widespread impact across all agents.

Year-Over-Year Change in Sales in Springfield by Zip Code

Figure 15 illustrates the year-over-year change in total lottery sales in the city of Springfield by zip code for lottery agents that were in operation over the entire two-year period (year after opening vs year before). This is done in order to analyze changes in existing sales as opposed to changes that may occur due to agents opening or closing. The lottery agent located inside the MGM Springfield casino is therefore not included in the results shown in Figure 15. The casino is located in zip code 01103 but near the border of 01105 (see inset in Figure 15). Sales in zip code 01103 decreased by 12.90% after the casino opened compared to the year before. When including sales from the MGM Springfield casino sales still decline in 01103 by 8.43%, so there is no evidence that the decline in sales is solely due to increased sales by the agent located within the casino. While sales in several zip codes of the immediate neighborhoods surrounding the casino decline year-over-year, sales within zip code 01105 directly adjacent to the casino increase by 2.94%. Moreover, these are averages, and do not reflect the experience of every agent. The correlation between an agent's percent change in sales and distance (in miles) from the casino is 0.00021, or practically zero, suggesting that lottery agents located closer to the casino are not uniformly experiencing larger decreases (or increases) in sales than those located further away.

Figure 15: Percent Change in Total Lottery Sales in the City of Springfield by Zip Code, Year After Opening vs Year Before.



Summary and Future Work

The MGM Springfield casino opened August 24, 2018. Lottery sales statewide increased 6.50% statewide in the first year after the opening of MGM Springfield compared to the year before. Over fiscal years 2003-2019, lottery revenue has increased at a 1.70% annual rate, so the recent growth in lottery revenue is well above the historical average. Moreover, the Lottery generated \$1.1 billion in profit in fiscal year 2019, an all-time record. Clearly, the opening of MGM Springfield and the continued operation of Plainridge Park Casino has not resulted in a statewide decrease in lottery sales. This is important because lottery sales statewide are the largest source of local aid for all communities.

In contrast, total lottery sales in Springfield in the first year after the opening of the casino decreased 3.05% compared to the year prior to opening. Sales in the designated surrounding communities decreased 0.38% but varied by community. With the exception of Wilbraham, however, where sales increased 7.80%, each of the designated surrounding communities fared worse than the state as a whole. Lottery revenue decreased in Agawam (-2.68%), East Longmeadow (-2.37%), and Holyoke (-3.08%) after the opening of the casino. Lottery revenue in Chicopee (0.16%), Longmeadow (2.03%), Ludlow (1.90%), and West Springfield (0.72%) increased, but at rates below the state.

The decrease in sales in Springfield stands in contrast to the experience of Plainville one year after the opening of Plainridge Park Casino where, excluding sales from the agent in Plainridge Park Casino, sales increased 1.96%, but were below the state average increase of 5.19%. So, while lottery sales were “softer” in Plainville following the opening of the casino, they did not decrease. Moreover, if sales from Plainridge Park Casino are included, lottery sales in Plainville increased significantly more (25.78%) in Plainville than the rest of the state (Nichols, 2017). As has been noted in previous reports, the MGM Springfield casino is larger and has more amenities than Plainridge Park Casino, while Springfield is a larger place and the casino may therefore have a different economic relationship to the community. Continued monitoring of lottery sales in Springfield will reveal whether the decrease in lottery sales is a longer-term change or unique to the first year of operation. The opening of Encore, which is also a resort-style casino, will also be monitored to examine impacts on lottery revenue in Everett and the surrounding communities.

At this point, given that we only have one year of data, we cannot attribute the decrease in lottery revenue in Springfield to the casino. There is evidence that the decrease could reflect random fluctuation or unusually high sales in Springfield in the year just prior to the casino opening. And of course, we do not know if the money not spent on lottery was spent in the casino. Additional data and analysis, including patron spending behavior, should allow for more definitive conclusions to be made and distinguish between a longer-term, casino-induced change in revenue from normal year-to-year variation. Going forward, the Massachusetts Lottery has generously agreed to continue to provide us agent-specific data. This will allow us to continue to analyze the impact of MGM Springfield casino over time. Moreover, now that all three casinos are opened in Massachusetts, further analysis of statewide versus regional impacts will be possible.

References

Nichols, M. (2018), *Lottery Revenue and Plainridge Park Casino: Analysis After Two Years of Casino Operation*. Amherst, MA: University of Massachusetts Donahue Institute, Economic and Public Policy Research Group.

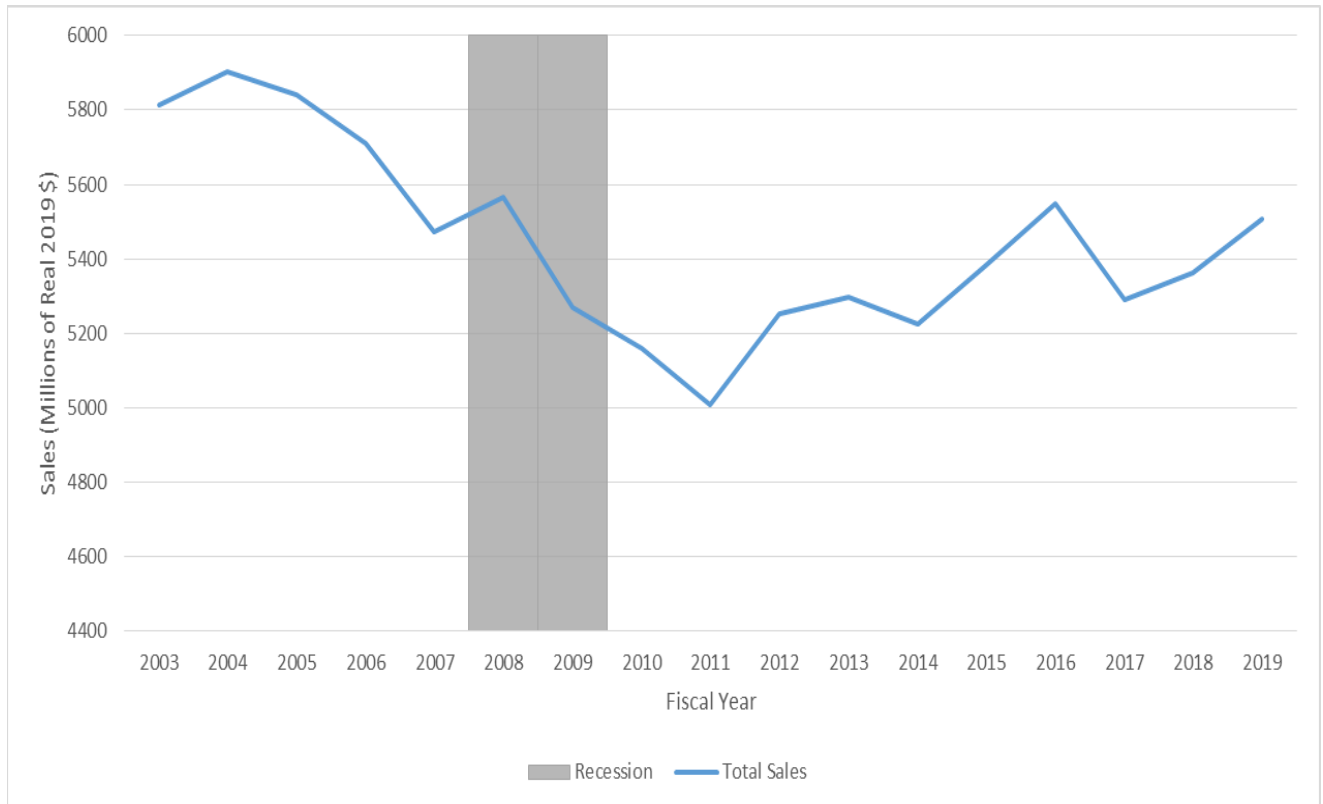
Nichols, M. (2017), *Lottery Revenue and Plainridge Park Casino: Analysis of First Year of Casino Operation*. Amherst, MA: University of Massachusetts Donahue Institute, Economic and Public Policy Research Group.

Appendix A

Inflation Adjusted Lottery Sales

Figure A1 shows total lottery sales expressed in real 2019 dollars. Nominal dollars have been adjusted for inflation using the Bureau of Labor Statistics CPI-U, the Consumer Price Index for all Urban Consumers.

Figure A1: Total Lottery Sales, 2003-2019 (in 2019 Dollars)

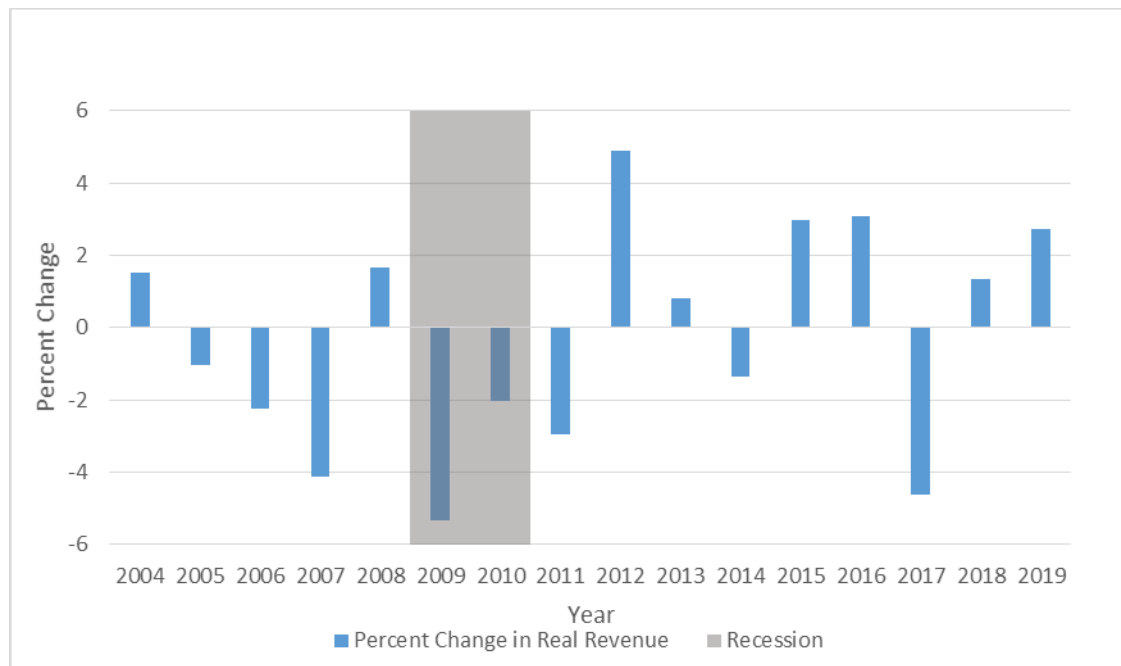


Source: MA Lottery and Bureau of Labor Statistics

Figure A1 shows that nominal lottery sales growth over the period of 2003 to 2019 has not kept up with inflation. The annualized inflation rate over this period was 2.04%, which exceeded the 1.70% annualized growth in nominal revenues. Figure A1 demonstrates the notable decline in sales resulting from the recession and economic slowdown as well as the recovery in lottery sales beginning in fiscal year 2011. In real terms, lottery sales have recovered from the Great Recession and are approximately equivalent to real expenditures in fiscal year 2009 and 2015 but remain below expenditures prior to 2008. Inflation adjusted lottery revenue was at its lowest in Fiscal Year 2011 and has been slowly growing since.

Figure A2 illustrates the annual percentage change in inflation adjusted (2019) dollars. Adjusting for inflation, total lottery sales increased 1.31% in fiscal year 2018 and 2.74% in fiscal year 2019.

Figure A2: Annual Percent Change in Total Lottery Sales, 2003-2019 (in 2018 Dollars)



Source: MA Lottery and Bureau of Labor Statistics

Table A1: Average Bi-Weekly Lottery Sales by Agent, Springfield vs Rest of Massachusetts, Year After Opening vs. Year Before Opening

	Before MGM Springfield Casino	After MGM Springfield Casino	Difference ^a
Springfield	26,825.02 (438.56)	25,516.59 (382.36)	-1,308.43** (579.31)
Rest of State	27,347.63 (68.47)	28,250.86 (67.73)	903.22*** (96.57)
Difference in Differences			-2211.65*** (619.86)

^aA *, **, and *** represent statistical significance at the 10, 5, and 1 % level, respectively. Standard errors in parentheses.

Table A1 shows that average bi-weekly sales for agents in Springfield are lower than the rest of the state both before and after the opening of MGM Springfield casino. Average bi-weekly sales per agent decrease by just over \$1,300 during the year after the casino opened compared to the year before. Average bi-weekly sales for the rest of the state in contrast increased nearly \$900. The difference between the two, approximately \$2,200, is statistically significant at the 1% level.

Table A2: Average Bi-Weekly Lottery Sales by Agent, Springfield vs Rest of Massachusetts, June 2014-September 2019

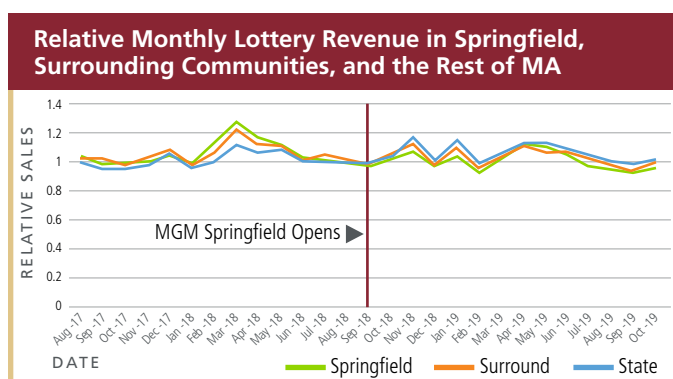
	Before MGM	After MGM	
	Springfield Casino	Springfield Casino	Difference^a
Springfield	24,446.29 (198.33)	25,516.59 (382.36)	1,070.30** (437.10)
Rest of State	26,394.78 (32.42)	28,250.86 (67.73)	1,856.08*** (71.96)
Difference in Differences			-785.78* (461.93)

^aA *, **, and *** represent statistical significance at the 10, 5, and 1 % level, respectively. Standard errors in parentheses.

Table A2 shows average bi-weekly sales per agent in Springfield and the rest of the state, but now the pre-casino period is extended back to June 2014 (the beginning of our sample). Here too it is evident that average bi-weekly sales per agent are lower in Springfield compared to the rest of the state both before and after the casino opening. However, average bi-weekly sales in Springfield after the casino opens are now nearly \$1,000 higher when compared to the June 2014-August 2018 period. Statewide average bi-weekly sales per agent increase nearly \$1,800. The difference, \$785 is barely significant at the 10% level. This shows that the change in average bi-weekly sales in Table A1 partially reflects a higher level of sales in the year immediately prior to the casino opening and that sales in Springfield after the opening of the casino are consistent with lottery sales longer term.

What happened to lottery sales during the first year of operation of MGM Springfield?

Given the importance of lottery revenue to state local aid, the Commonwealth is committed to protecting the state lottery. The UMASS Donahue Institute's Economic and Public Policy Research team, as part of the SEIGMA research team, is monitoring lottery revenues in Massachusetts, Springfield, and the communities surrounding MGM Springfield and identifying potential impacts associated with expanded casino gambling. MGM Springfield opened August 24, 2018. Lottery sales statewide increased in the first year of operation of MGM Springfield while decreasing over the same period in Springfield and surrounding communities (Agawam, Chicopee, East Longmeadow, Holyoke, Longmeadow, Ludlow, West Springfield, and Wilbraham), indicating a potentially negative local economic effect. The volatility of lottery sales data and relatively brief period of time since MGM Springfield opened leaves the link between the decline in revenue and the casino unclear. Subsequent reports with additional years of data will examine these important trends and allow a clearer distinction between longer-term change in lottery sales and year-to-year variation. Detailed findings are available from [Lottery Revenue and MGM Springfield: Statewide and Local Analysis](#).



Source: MA Lottery, monthly sales relative to the month prior to opening (July 22, 2018 – August 18, 2018), not adjusted for inflation.

Massachusetts

- Total lottery sales in MA increased 6.50% in the first year after MGM Springfield opened versus the year before.
- The Lottery generated \$1.1 billion in profit (the key source of local aid) in fiscal year 2019; an all-time record.

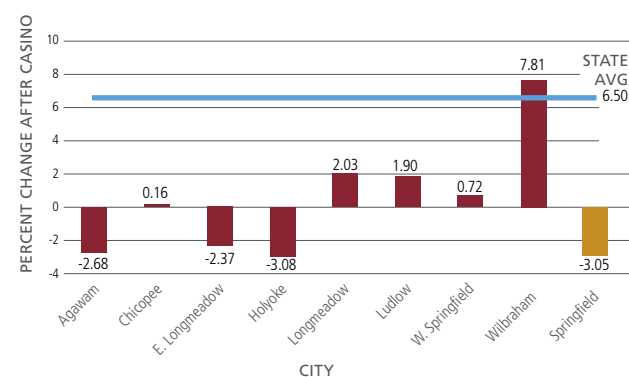
Springfield

- Total lottery sales in Springfield decreased 3.05% in the first year after MGM Springfield opened versus the year before.
- This decline in sales may reflect random annual fluctuation in lottery sales or unusually high sales in Springfield in the year just prior to the casino opening.

Surrounding Communities

- Total lottery sales in the surrounding communities decreased 0.38% in the first year after MGM Springfield opened compared to the year before.
- Lottery sales increased in five and decreased in three of the surrounding communities in the first year after MGM Springfield opened compared to the year before.

Percent Change in Total Lottery Sales after MGM Springfield Opening by Community



Source: MA Lottery, bi-weekly sales data August 19, 2018 to August 24, 2019 compared to same period the year before (August 20, 2017 to August 18, 2018).

SEIGMA PROJECT OVERVIEW

SEIGMA is a project that uses experts from several disciplines to carry out the different parts of the Massachusetts Gaming Commission's research effort. The project team is dedicated to working closely with many other groups throughout the Commonwealth. The study uses a state-of-the-art design, rigorous data collection and research methods, and a careful analytic approach to establish the effects of casino gambling at state, regional, and local levels. The SEIGMA team collects its own data as well as using data gathered by other organizations. The SEIGMA study is funded by the Massachusetts Gaming Commission.



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 amendment to **205 CMR 138.68: Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund**; notice of which was filed with the Secretary of the Commonwealth. This regulation was developed as part of the process of promulgating regulations governing the operation of gaming establishments in the Commonwealth.

The proposed amendment clarifies that the one-year period a casino patron has to claim winnings shall not include any period of time that a casino is not in operation. This amendment is primarily governed by G.L. c.23K, §4(28), 5.

The amendment to 205 CMR 138.68 applies to the gaming establishments and patrons. Accordingly, this regulation is unlikely to have an impact on small businesses. Under G.L. c.30A, §2, the Commission offers the following responses to the statutory questions:

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

As a general matter, no small businesses are subject to this regulation.

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

There are no projected reporting, recordkeeping, or other administrative costs required for small businesses to comply with this regulation or the proposed amendment therein.

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

A specific design standard is required in this situation to ensure clarity of the calculation.

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:

This amendment is unlikely to have any impact on the formation of new businesses in the Commonwealth.

Massachusetts Gaming Commission
By:

Shara Bedard
Paralegal

Dated: _____



Massachusetts Gaming Commission

Regulation Review Checklist

Agency Contacts for This Specific Regulation		
Name	Email	Phone
Todd Grossman		
Overview		
CMR Number	205 CMR 138.68	
Regulation Title	Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund	
<input checked="" type="checkbox"/> Draft Regulation		<input type="checkbox"/> Final Regulation
Type of Proposed Action		
<input checked="" type="checkbox"/> Please check all that apply		
<input type="checkbox"/> Retain the regulation in the current form.		
<input type="checkbox"/> New regulation (Please provide statutory cite requiring regulation):		
<input checked="" type="checkbox"/> Emergency regulation (Please indicate the date regulation must be adopted): 4/9/2020		
<input checked="" type="checkbox"/> Amended regulation (Please indicate the date regulation was last revised): 2/8/2019		
<input type="checkbox"/> Technical correction		
<input type="checkbox"/> Other Explain:		

Summary of Proposed Action
The proposed amendment clarifies that the one-year period a casino patron has to claim winnings shall not include any period of time that a casino is not in operation.
Nature of and Reason for the Proposed Action
This amendment is being proposed for emergency adoption in an effort to fairly remedy an issue that emerged as a result of the unanticipated closures of the gaming establishments.

Regulation Review Checklist

Additional Comments or Issues Not Earlier Addressed by this Review	
Required Attachments	
✓ Please check all that apply	
<input checked="" type="checkbox"/> Redlined version of the proposed amendment to the regulation, including repeals	<input type="checkbox"/> Clean copy of the regulation if it is a new chapter or if there is a recommendation to retain as-is
<input type="checkbox"/> Text of statute or other legal bases for regulation	
<input checked="" type="checkbox"/> Small Business Impact Statement (SBIS)	<input type="checkbox"/> Amended SBIS

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 138.00: UNIFORM STANDARDS OF ACCOUNTING PROCEDURES
AND INTERNAL CONTROLS

138.68: Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the expiration of gaming-related obligations, and unclaimed cash and prizes that provide, at a minimum, that:

(a) Any money that is owed to a patron by a gaming licensee as a result of a gaming transaction must be claimed within one year of the date of the gaming transaction or the obligation of the gaming licensee to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, §§ 53 and 59. **In calculating the one year period referenced herein and in M.G.L. c. 23K, § 53, any period of time for which the gaming establishment was not in operation shall be excluded;**

(b) Any unsecured funds that did not register on a slot machine's coin-in meter, as described in 205 CMR 138.33(7), must be claimed by the owner within one year of the date the funds are located or the obligation of the gaming licensee to pay the patron will expire. Provided, verification procedures designed to prevent fraudulent claims shall be included in the provision. Upon expiration of the obligation, the cash or equivalent cash value of the subject funds shall be transferred to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, §§ 53 and 59. **In calculating the one year period referenced herein and in M.G.L. c. 23K, § 53, any period of time for which the gaming establishment was not in operation shall be excluded;** and

(c) A gaming licensee shall maintain a record of all unclaimed cash and prizes and gaming-related obligations that have expired.

(2) Before the end of each calendar month the gaming licensee shall report the total value of gaming debts owed to its patrons that expired during the preceding calendar month in a format prescribed by the commission.

(3) Each gaming licensee shall submit a check with its monthly report payable to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, § 59 in the amount of the gaming debts owed to its patrons that expired during the preceding month as stated in the report.

(4) Upon the payment of the expired debt, the gaming licensee shall post the payment and remove the amount from its records as an outstanding debt.

(5) Failure to make the payment to the Gaming Revenue Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR.

(6) Nothing in 205 CMR 138.68 shall preclude the gaming licensee from, in its discretion, issuing cash or other form of complimentary to a patron to compensate the patron for a gaming debt that has expired.



TO: Chairwoman Judd-Stein, MGC Commissioners

FROM: Crystal Howard, Jill Lacey Griffin

CC: Karen Wells, Joseph Delaney, Mary Thurlow

DATE: April 8, 2020

RE: 2019 Workforce Development Community Mitigation Fund Grant:
Amendment Request for Hampden Prep

Request Summary: In the face of a rapidly changing Higher Education climate due to COVID-19, Springfield Technical Community College's Hampden Prep program requests approval to reallocate their budget, primarily using rollover funding, to allow for the program to run via Zoom Pro Meeting and accommodate students to achieve their Hi-Set learning and computer literacy achievements, digitally. The amendment to the original budget will allow for the purchase of ZoomPro accounts, Chromebooks and Hotspots.

MGC staff and Hampden Prep Staff request the Commission's approval to move to the new learning model and to allow for the purchase of necessary technology to support it.

This program is part of the Holyoke Community College grant through the 2019 Community Mitigation Funds.

Specific Amendment Request:

The Hampden Prep program seeks to implement digital programming for their cycle of students beginning April 13, 2020, focused on building math and reading skills, as well as digital literacy and career exploration. The program had already been delayed from beginning on March 30 due to campus closures and needing to prepare new syllabus and get instructors and advisors prepared for new learning model.

In order to move to this format, they are looking to purchase:

Two (2) ZoomPro accounts-

One (1) for the instructors and one (1) for the advisors

[\$15/month]

Fifteen (15) Chromebooks for students

[@\$200 each]

Fifteen (15) Hotspots for students

[@\$200 each]



Massachusetts Gaming Commission

Approximate total cost¹: \$6,200

Hampden Prep intends to use rollover funding that was originally allocated toward additional in-person classes, as well as remaining bus token funding which was originally approved in the budget to fund this request. This is not a request for additional funding.

Hampden Prep Request Justification:

- COVID-19 has shut down the campus, but Hampden Prep believes they can still serve the upcoming cohort of students successfully while achieving social distancing guidelines if they move to a digital learning format.
- No additional funding is requested. Funding for the technology will primarily be allocated via rollover funding that was being held for additional cohorts. A formal budget will be submitted once the final costs are determined.
- This format allows for 20-25 or more students, (all without high school diplomas,) to continue their learning within the program. Additionally, Hampden Prep has indicated that previous cohorts will be invited.
- Chromebooks and Hot Spots ensure that students will have necessary access and that the program delivery will be equitable for those with no internet access, no technology or other challenges.
- This grant period heavily focused on students who are not nearly prepared to take hi-set exam and would need a couple more semesters of learning. This plan allows for them to continue building their education and skills despite needing to close the school to formal education settings because of COVID-19 restrictions.
- Hampden Prep intends to run this session until the campus can resume opening and a new cohort of students can be admitted, since the admissions process can only be done in-person, and no new students could be registered at this time.
- All instructors and advisors will continue to work as previously intended. Two part-time instructors and two part-time advisors will cover the AM and PM class offerings.
- Zoom Pro allows for all-day access, giving students more flexibility if they cannot attend a morning session- they could attend during the evening, or attend the morning instruction and meet with an advisor during the evening.

¹ The cost at this point is estimated based on quotes received, however hotspot costs may significantly increase as the vendor that the school has a significant discount from is currently out of stock

- This plan has no negative impacts on the program in terms of changes to instructors, advisors or students.

Staff Analysis: MGC staff found that the proposed changes meet the general goals and original purpose of the funding set aside in Hampden Prep's original plan for closing education gaps, achieving greater literacy levels and introducing students to the hospitality industry, as slated via the 2019 Community Mitigation Fund proposal and approved scope. Moving to a digital learning platform allows students to continue their skill development without interruption, despite the closure of traditional campus meetings. MGC staff applauds STCC's interest in evolving the program structure during the COVID-19 challenges that we are currently facing to meet the needs of their students.

Request for Motion: We move that the Commission approve Springfield Community College's request to move to the new digital learning model, and to allow for the purchase of necessary technology, including Chromebooks and Hotspots, to support it.