



COMMUNITY MITIGATION FUND 2023 POLICY QUESTIONS

Review of Policy Questions to be discussed by the Local Community Mitigation Advisory Committees and the Subcommittee on Community Mitigation relative to the 2023 Community Mitigation Fund ("CMF") Guidelines

The Community Mitigation Fund is covered under MGL c. 23K Section 61 which states: *"to assist the host community and surrounding communities in offsetting costs related to the construction and operation of a gaming establishment including, but not limited to, communities and water and sewer districts in the vicinity of a gaming establishment, local and regional education, transportation, infrastructure, housing, environmental issues and public safety, including the office of the county district attorney, police, fire and emergency services."*

Policy Questions for 2023

1. NEW Should the Commission consider a new Gambling Harm Reduction Grant?

Background: In 2022 the Commission received a CMF application to develop a program to address problem gambling. This application was ultimately withdrawn, but it caused staff to consider whether the CMF should provide funds specifically for a community to study the impact of a gaming establishment within its community.

MGC staff has had several discussions with the MGC research team to help identify what a program like this might look like and how it could be implemented. Currently, MGC's Research and Responsible Gaming Division conducts a limited amount of Community Engaged Research with funding from the Public Health Trust Fund. Since the broad parameters of this program are well established, staff felt that this type of program could be expanded to allow eligible communities to access funds specifically to help identify gaming related impacts and design programs that would help mitigate these impacts. We look at this as analogous to our transportation programs where a transportation planning grant often leads to a transportation construction grant. In this case, our hope is that conducting community-based research would lead to identifying solutions that could be implemented in future grant rounds.

If we move ahead with this program, staff recommends that it be done on a pilot basis with a maximum of one grant in each region and a cap of \$200,000 for each study.

In our discussions, we also realized that many of the eligible communities might not be ready to jump into a full-blown research project. In order to create a pipeline of projects in future years, staff felt that dedicating some resources towards development of a research plan might also be appropriate. These funds would be used to help communities identify issues and further develop the scope of these research projects. We expect these types of grants to be around



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\$20,000. This could be done under the existing Community Planning Grant or as a subset of this new category.

2. NEW Should the Commission consider a new grant for Projects of Regional Significance?

Background: Over the last several years, the Community Affairs Division has become aware of a number of proposed large-scale construction projects in the vicinity of the gaming establishments that have the potential to further mitigate casino related impacts. These projects are typically associated with transportation related improvements that are intended to relieve congestion, improve safety, or provide alternative modes of transportation (e.g., transit projects, bike paths, etc.) to help remove traffic from the roads. These projects tend to be regional in nature, often crossing through multiple jurisdictions, and also tend to be very expensive. If constructed, these types of projects would generally provide benefits for a wide variety of users but would also further mitigate traffic related impacts generated by the gaming establishments. In a brief review of the draft 2023-2027 State Transportation Improvement Program (STIP), there are literally dozens of projects that might qualify as mitigating casino related impacts. In looking at this universe of projects, the costs ranged from around \$10 million to nearly \$200 million.

We have been working with MassDOT, the Metropolitan Area Planning Council, and the Pioneer Valley Planning Commission to help us identify the universe of projects that might be eligible for this type of program. We have asked them to think not only about transportation projects, but also the possibility of planning/design projects, housing related projects, or any other types of projects that would be eligible under the CMF. We are also reaching out to the local communities to help identify any other large-scale project that might not have been identified through the state transportation and planning agencies.

The intent of a program of this nature is not to attempt to pay for entire projects, but to provide a portion of the funding that is commensurate with the impact that is being mitigated. For our Transportation Construction Grants, we provide a maximum of 33% of the project funds. For something like this it might be on the order of 10-15% of the funds as these will have a much larger regional impact. All projects that appear on the STIP have funding sources identified. If this program were to move ahead, the funding provided by the CMF could offset some of these costs, thereby stretching the state's dollars further to allow additional projects to move ahead.

Instituting a program like this would allow the CMF to participate in more transformational projects while ensuring that CMF funds are targeted to mitigate casino related impacts.

Based on the amount of funding currently available a program of this nature could be funded at \$3M – \$5M per region for at least the next few years.

3. Should the Guidelines be more prescriptive with respect to the types of projects that are eligible to be funded under any specific category?

Background: In the 2022 grant round, several applicants applied for funds in what appeared to be the incorrect category. There were a couple of projects that on their face appeared to be

Transportation Construction but applied under the Public Safety category. MGC also received numerous Specific Impact Grants that should have been classified under Public Safety.

If we pursue these changes, we will modify the Guidelines to be more specific with what entities are eligible for each category and what types of projects would be eligible under the categories.

4. Should the Commission set a limit on repeat applications? Should there be a time limit by which the project needs to be self-sufficient or incorporated into the state or municipal budget?

Background: There have been several instances where eligible entities have submitted applications on an annual basis for essentially the same grant. These include Specific Impact Grants, Public Safety Grants, and Community Planning Grants. In all of these cases, the Commission has agreed that the applicant has identified a casino related impact and the grants were awarded. But the question remains, at what point is the impact mitigated? Arguments could certainly be made on both sides of this issue.

The options in this area are to continue to deal with each of these on a case-by-case basis, establish a policy for each of the categories that outlines how many grant rounds can be awarded, or develop some type of a phasing out of grants to allow the entities to establish alternative funding sources.

5. Should limitations on grant amounts be increased?

Current limits are:

| Grant Type | 2022 Funding | 2023 Funding |
|----------------------------------------|--------------|--------------|
| Community Planning | \$100,000 | \$200,000 |
| Public Safety | \$200,000 | \$200,000 |
| Specific Impact | \$500,000 | \$500,000 |
| Transportation Construction | \$1,500,000 | \$1,500,000 |
| Transportation Planning | \$200,000 | \$250,000 |
| Workforce Development (one per Region) | \$500,000 | \$500,000 |

Background: Limitations on grant amounts were established to give communities some guidelines on what types of things could be funded by the CMF. Given the current availability of funds, some of these caps could be raised to encourage further use of the CMF. Last year Transportation Construction and Workforce Grants were increased.

6. Should the Commission raise the Regional Incentive Awards to encourage more regional projects?

Background: Regional Incentive Awards are included in the Transportation Planning and Community Planning categories to encourage more regional solutions to problems. While we have had some successes with regional applications, additional incentives might encourage more multi-community applications.

The incentives in the Community Planning category are \$10,000 for two communities and \$15,000 for three or more communities. The Transportation Planning category has an incentive of \$25,000 for two communities and \$50,000 for three or more communities. These could easily be raised to \$25,000 and \$50,000 for Community Planning and \$50,000 and \$100,000 for the Transportation Planning category.

7. Should the Commission pursue an expansion of CMF eligibility via either a statute change or within the current framework?

Background: For the last several years, staff has been evaluating the ability to expand CMF eligibility within the existing framework of MGL c. 23K. We have had some success in this area in the revisions to the Community Planning category in 2022, which established that there were certain negative and positive impacts associated with the casinos. In doing this, communities no longer had to compile data or statistics that quantified certain impacts of the casino. Staff believes that there may be opportunities to do the same with other grant categories.

We are working with MassDOT to see if there might be opportunities to streamline the impact justification in the Transportation Planning category and are investigating possibilities in other categories as well. In addition, we are investigating adding new categories of Community-based Impact Research and Projects of Regional Significance as described above.

The recent changes to the CMF resulted in the Commission awarding approximately \$10.6 million in grants in 2022, which was the highest amount ever awarded. However, there are still significant opportunities to fund projects that engage in capitalizing on the presence of gaming facilities. If the Commission decides to pursue some of the changes proposed in this memo, staff believes that the CMF can award grants that come closer in line with the revenues generated.

While staff is looking for innovative programs and projects to distribute these revenues across Massachusetts, the current statute dictates specific eligibility requirements that limit what projects are able to receive funding. The Commission may want to consider a legislative amendment expanding the eligibility criteria of the Community Mitigation Fund.

Items Under Consideration Each Year

The following items are considered each year and are generally uncontroversial and agreed upon by the various parties that review these policy questions. If there are any particular concerns with any of these items, please comment as appropriate.

1. **Overall limit on Grants** – The overall limit on Grants is the amount of CMF funds generated from casino taxes through the end of 2022 plus any uncommitted funds from previous years. The early estimate for the 2023 Grant round is just over \$30 million.
2. **Should the Commission increase the Category 2 Spending?** The Commission has set aside on an annual basis \$500,000 to cover the Category 2 area of impacted communities. In 2022 MGC received applications totaling \$1,000,610 in Category 2. Given the availability of funds, this target could easily be raised to \$1,000,000. Since the Category 2 facility does not contribute to the CMF, any grant awards are charged equally to Region A and Region B.
3. **Should the Commission continue the following grant categories: Workforce Development; Transportation Construction; Community Planning; Emergency Mitigation; and Tribal Grants?**
4. **Should the Commission revisit its Guidelines regarding grants involving private parties?** The 2022 Guidelines stated that “private non-governmental parties may not apply for Community Mitigation Funds.” This was included in the Guidelines several years ago to address issues that arose with respect to the “Anti-Aid” amendment to the State Constitution.
5. **Should local match provisions be reconsidered?** Each of the grant categories, except Transportation Construction, does not have a specific local match requirement. Each application must detail what the applicant will contribute to the project such as in-kind services, etc. For Transportation Construction Grants, CMF funds can make up no more than 1/3 of the total cost of the project. The other 2/3 must come from other federal, state, local or private sources of funding.
6. **Should the Commission continue with its policy to require funds generated in each Region remain in that Region for at least 3 years?** This policy was set up a few years ago to ensure that each Region received its fair share of CMF grants.