



December 29, 2022

Joint Committee on Economic Development and Emerging Technologies
Senator Eric P. Lesser, Chair (VIA EMAIL: Eric.Lesser@masenate.gov)
Representative Jerald A. Parisella, Chair (VIA EMAIL: Jerald.Parisella@mahouse.gov)
State House
Boston, MA 02133

RE: Research plans for studies on sports wagering

Dear Mr. Lesser and Mr. Parisella,

Please accept this filing as required in accordance with G.L. c.23N, §20 and the 2022 Act to Regulate Sports Wagering (House Bill No. 5164) §25. The Massachusetts Gaming Commission convened a public meeting on December 22, 2022 at which time it voted to approve the following research plans:

- G.L. c.23N, §20: Research study examining the feasibility of allowing retail locations in the Commonwealth to operate sports wagering kiosks. The attached document outlines a comprehensive scope for research to be undertaken following a competitive procurement process beginning in January 2023.
- Act to Regulate Sports Wagering (House Bill No. 5164) §25: A research study on the participation by minority business enterprises, women business enterprises, and veteran business enterprises in the sports wagering industry in the Commonwealth. The attached document outlines a comprehensive scope of research that can be undertaken after the launch of sports wagering in the Commonwealth, and sufficient time has passed to assess the industry.

We would be happy to provide any further information requested. Thank you for your consideration.

Cathy Judd-Stein

Cathy Judd-Stein
Massachusetts Gaming Chair

Eileen M. O'Brien

Eileen O'Brien
Massachusetts Gaming Commissioner

Bradford R. Hill

Bradford R. Hill
Massachusetts Gaming Commissioner

Nakisha Skinner

Nakisha Skinner
Massachusetts Gaming Commissioner

Jordan Maynard

Jordan Maynard
Massachusetts Gaming Commissioner



Massachusetts Gaming Commission



Research Plan for a Prospective Study of the Feasibility and Impact of Sports Wagering Kiosks in Retail Locations

Background

The Massachusetts Gaming Commission is responsible for creating a fair, transparent, and participatory process for implementing the expanded gaming law (2011) and Act to Regulate Sports Wagering (2022). In its creation, the commission established processes designed to:

- ensure that its decision-making and regulatory systems earn the confidence of the public and participants,
- provide the greatest possible economic development benefits and revenues to the people of the Commonwealth,
- reduce to the maximum extent possible the potentially negative or unintended consequences of gambling,
- allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

The 2011 Gaming Act required that the commission establish an “annual research agenda” to understand the social and economic effects of expanding gaming in the commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of gambling. For a full text of the Gaming Act please visit <http://massgaming.com/about/expanded-gaming-act/>. The 2022 Act to Regulate Sports Wagering (House Bill No. 5164) Section 23 extends the scope of the research agenda to include an understanding of the effects of sports wagering in the commonwealth.

Study of the Feasibility of Sports Wagering Kiosks

The Act to Regulate Sports Wagering Section 20 requires the MGC to conduct a study into the feasibility of allowing retail locations in the commonwealth to operate sports wagering kiosks.

As required by the new law, this study should address the feasibility, and the potential economic, public health, and safety impacts of such a decision. It should include a discussion and/or evidence-based recommendations that address whether to do so and how to do so in a way that will maximize benefits and minimize negative consequences, including ways to understand and incorporate diversity, equity and inclusion considerations for retailers, consumers, and communities.

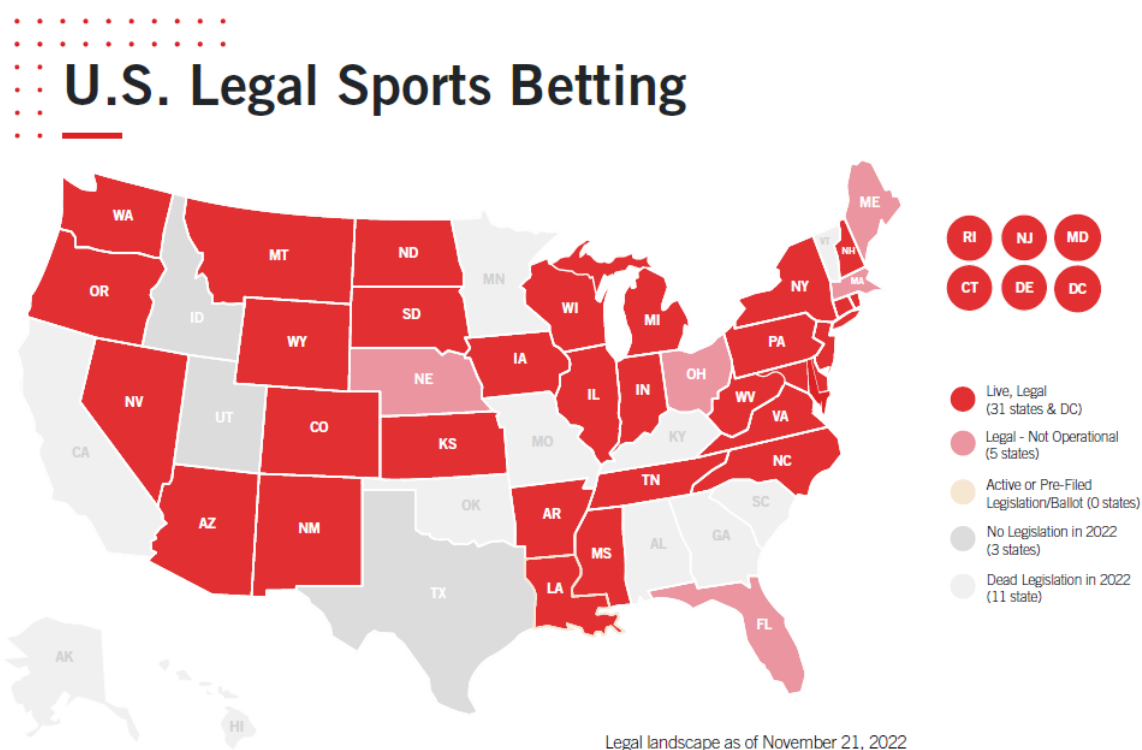
What is a Sports Wagering Kiosk

Sports Betting Kiosks provide users with a self-service way to legally place bets, access handicapping services, obtain sports information, and view locally advertised promotions. Traditional sports books have

limited hours of operation and a limited number of locations in high traffic areas. Customers may have to travel long distances and/or wait in long lines at peak betting times. Sports Betting Kiosks can deliver expanded (24/7) and more convenient access. Sports Betting Kiosks can accept cash, winning tickets, and vouchers, and grant full access to all sports propositions and pari-mutuel horse racing. The kiosks include tools for compliance with currency transaction reports and book wagering reports.¹

Survey of Sports Wagering Kiosks in the U.S. According to the American Gaming Association², as of November 21, 2022 sports betting is legal in 36 states and live in 31 states (see map below).

Only nine states (Arizona, Connecticut, Delaware, Kansas, Louisiana, Maryland, Montana, Ohio, and Washington DC) allow for kiosks in non-gaming settings such as a restaurants or bars. Please see the Appendix to this document for a review of relevant legislation in these jurisdictions.



Map from the American Gaming Association,
<https://www.americangaming.org/research/state-gaming-map/>

Study Requirements

The MGC will seek the services of at least one qualified entity to conduct a prospective study on the feasibility, and potential impact, of allowing retail locations in the commonwealth to operate sports wagering kiosks.

¹ <https://kiosk.com/applications/sports-betting/>

² <https://www.americangaming.org/research/state-gaming-map/>

The successful applicant should consider multiple sources of information including but not limited to studies conducted as part of the MGC research agenda, other academic and non-academic literature, key informant interviews, economic data from MGC licensees, and other economic reports and data. Applicants are also encouraged to think more expansively by including a review of studies showing the impacts of implementation of similar technology; for example, video lottery terminals. Methodology should include a review of jurisdictions with kiosk availability, including the structure, implementation and, where available, data or evaluations on the anticipated and actual impacts of such kiosks to date. Methodology should include consultation with retailers, convenience stores, restaurants, applicable business associations, veterans' organizations, fraternal organizations, the MGC Investigations and Enforcement Bureau, women and minority owned businesses, small business owners, experts from the Massachusetts Lottery, and experts from the Office of the Treasurer and Receiver General, including the Alcoholic Beverages Control Commission.

Research Questions

The study should answer, at a minimum, the following **research questions**:

1. What is the economic impact of the existing sports wagering market on retail establishments that serve alcoholic beverages for on premises consumption, such as restaurants and bars?
2. What are the essential requirements for a retail setting to host a sports wagering kiosk?
Including but not limited to:
 - Capacity to comply with social responsibility and other regulatory requirements, including monitoring and data collection requirements
 - Applicability of pre-existing licenses and related compliance infrastructure in retail locations that provide restricted products such as alcohol for on-premises consumption
 - Money-handling capacity and methods for accepting wagers and providing payouts and winnings
 - Human resources capacity and requirements, including skills and training
3. What types of retail settings may be best suited to hosting sports wagering kiosks?
4. What are the anticipated economic impacts of sports wagering kiosks at retail locations?
 - On various types of retail locations? For example, retail establishments that serve alcoholic beverages for on premises consumption, such as restaurants and bars; retail establishments that sell alcohol for off-premises consumption, such as package stores; veterans' and fraternal organizations, or retail establishments that do not sell alcohol?
 - For other population groups such as minority communities, or those living far from in-person wagering locations?
 - For minority-owned businesses?
 - For the Commonwealth?
 - For retail locations that do not offer sports wagering kiosks?
5. What are the anticipated impacts on the Massachusetts Lottery, particularly in the context that many of the potential retail locations would likely offer both lottery products and sports wagering?
 - Is there evidence indicating that cannibalization of the lottery by sports wagering kiosks may occur?
 - What is the projected impact on the Lottery's contribution to unrestricted local aid to cities and towns?

- What are recommendations to mitigate adverse impact to the Lottery's contribution to unrestricted local aid (if adverse impact is projected?)
6. What are the anticipated public health impacts of sports wagering kiosks at retail locations, and particularly public health impacts for populations most at-risk for problem gambling?
 - What kinds of measures should be considered to promote responsible gaming in order to minimize gambling-related harm and maximize player choice?
 - What kinds of measures should be considered to restrict access to kiosks for people on the Voluntary Self-Exclusion list?
 7. What are the anticipated security, safety, and potential crime-related impacts of sports wagering kiosks at retail locations?
 - Crime related to cash transactions both within retail locations and in the community?
 - For consumer protection and enforcement of age restrictions?
 8. What are the costs associated with regulation, monitoring, investigation, and enforcement related to sports wagering kiosks?
 - For the MGC Investigations and Enforcement Bureau?
 - For other agencies in the Commonwealth?
 9. What is the anticipated market recapture from the black market if sports wagering kiosks are available at retail locations?
 - What are the anticipated economic and public health impacts of market recapture, particularly in communities far from authorized in-person sports wagering?
 10. What is the anticipated impact on minors of sports wagering kiosks at retail locations which allow persons under the age of 21 to enter?
 - What measures should be considered to prevent persons under the age of 21 accessing a sports wagering kiosk in a restaurant or bar which permits persons under the age of 21 to enter?
 11. What if any, are the anticipated cannibalization effects on casino and sports wagering operators licensed by the MGC?
 12. If kiosks are implemented in retail settings, how frequently should public health, safety, and economic impacts of sports wagering kiosks be reassessed by the Commission?

Additional research questions or topics are welcome, provided they address the issues of feasibility and impact of sports wagering kiosks at retail locations.

The proposal should clearly detail how the proposed methods will answer each research question.

Budget

Anticipated funding available for this feasibility study will be approximately \$100,000-\$150,000.

Research Team Qualifications

The teams and individuals selected to carry out the research should have the following qualifications and experience:

- In-depth knowledge of research methods in the related subject areas
- Experience and expertise in qualitative and quantitative research
- Experience and expertise garnering community input and understanding for research impacting communities
- Experience and expertise in the analysis of factors and covariant indicators of economic development
- Understanding of the gambling landscape in Massachusetts
- Understanding the mission and goals of the Massachusetts Gaming Commission
- Demonstrated experience in knowledge translation for a range of target audiences
- Understanding the associations and influence of social determinants of health on behaviors, behavioral outcomes, and health outcomes
- Knowledge of other bodies of research work in the areas of problem gambling and economic development
- Demonstrated experience designing, managing and coordinating complex research projects
- Illustration of a commitment to diversity through composition of research team and/or participants, partnerships, and/or use of certified diverse vendors/subcontractors on the project

Timeline

This scoping document will inform the development of a competitive RFR with an anticipated release in January 2023.

Appendix: Statutes and Regulations Pertaining to Sports Wagering Kiosks in Non-Gaming Settings such as Restaurants and Bars

Methodology: A search was conducted using the “Odds on Compliance” database about what state statutes and regulations exist permitting sports wagering kiosks to be placed/used in a non-gaming setting like a restaurant or a bar. Research was limited to the following nine states that the American Gaming Association (AGA) identified as allowing these kinds of kiosks: Arizona, Connecticut, Delaware, Kansas, Louisiana, Maryland, Montana, Ohio, and Washington DC.

Each state’s individual page in the database and was reviewed, and the search focused on the documents listed under the headings, “Statute” and “Regulation.” Within those documents, there was a search for keywords that are relevant to this issue. “Kiosk” was referenced in different ways depending on the state, so also included is a column in the chart below about alternative terms used to reference “kiosk” in statutes and regulations. Examples include “equipment,” “machine,” and “electronic.” Then once language (if any) was found that referenced kiosks, a further search was completed for any mention of a “bar,” “restaurant” or “public accommodation.”

To be noted is that some states had minimal statutes and regulations referencing kiosks in non-casino settings, though the AGA initially identified them as allowing it.

State	Format	“Kiosk” Terms	Statute/Regulation RE: Kiosks	Statute/Regulation RE: Kiosks in Non-Casino Restaurants & Bars?
Arizona	Online & Retail	“Kiosk” “Event Wagering Devices”	<u>(Regulation) Article 1. Event Wagering</u> R19-4-101. Definitions 10. “Event Wagering System” means the hardware, software, firmware, communications technology or other equipment to allow patrons to place event wagers,	<u>(Statute) Title 5: Amusements and Sports. Chapters 5.1, 6, 10, 11</u> 5-1205. Prohibitions; Exceptions. C. A fantasy sports contest may not be offered on, at or from any of the following: 1. A kiosk or machine open to public use and physically located in a retail business location, bar, restaurant or other commercial establishment. 2. A kiosk or machine open to public use and physically located in a place of public accommodation, except that a

			regardless of whether event wagers are offered at retail, to include kiosks, and/or over the internet on an event wagering platform. 16. “Kiosk” means a device located within a retail wagering area that interfaces with an event wagering system and may be utilized by a patron to place event wagers, redeem winning tickets, redeem vouchers, open a player account, and make player account deposits and withdrawals.	fraternal organization or veterans' organization as defined in section 5-401 or a licensed racetrack may operate up to two kiosks for the sole purpose of offering fantasy sports. <u>(Statute) Title 5, Chapter 11: Event Wagering</u> 5-1303: Event Wagering; License Required; Exception. E. A person may not provide or make available event wagering devices in a place of public accommodation in this state, including a club or other association, to enable individuals to place wagers except as provided by this chapter. This subsection does not apply to an event wagering operator aggregating, providing or making available event wagering devices within its own event wagering facility.
Connecticut	Online & Retail	“Kiosk” “Automated wagering systems or machines”	<u>(Statute) Substitute HB No. 6451 – iGaming, Sports Betting, Fantasy and Online Lottery Act</u> Sec. 29. Section 12-806 of the General Statutes. (b) The corporation shall have the following powers: (4)(A) To introduce new lottery games, modify existing lottery games, utilize existing and new technologies, determine distribution channels for the sale of lottery tickets, introduce keno pursuant to	[None found]

			signed agreements with the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut, in accordance with section 12-806c, as amended by this act, or pursuant to section 4 of this act, and, to the extent specifically authorized by regulations adopted by the Department of Consumer Protection pursuant to chapter 54, introduce instant ticket vending machines, kiosks and automated wagering systems or machines , with all such rights being subject to regulatory oversight by the Department of Consumer Protection;...	
Delaware	Retail	"Sports lottery machine"	<u>(Statute) 204 Delaware Sports Lottery Rules and Regulations</u> 2.0 Definitions. "Sports lottery machine" or "terminal" means any machine in which bills, coins or tokens are deposited in order to play a sports lottery game. A machine shall be considered a sports lottery machine notwithstanding the use of an electronic credit system making the deposit of the bills, coins or tokens unnecessary.	<u>(Statute) 204 Delaware Sports Lottery Rules and Regulations</u> 3.0 Licensing of Agents (3.9 Site Evaluation Criteria). The Director shall weigh the following factors, as well as other objective business site evaluation criteria, to determine the suitability of the applicant's business site locations as licensed retailer locations for sports lottery games: 3.9.1 Customer traffic count; 3.9.2 Business hours; 3.9.3 Available parking; 3.9.4 Trade style (i.e., products sold); 3.9.5 Product exposure within the location; 3.9.6 Security of sports lottery machines and systems; 3.9.7 Nearest licensed retailer of similar trade style; and 3.9.8 Convenience of accessibility to Lottery products and services within a community or commercial cluster.

Kansas	Online & Retail	“Sports wagering kiosk”	<u>(Regulation) Sports Wagering Regulations</u> 112-201-1. Definitions. (u) “Sports wagering kiosk” means an automated device that may be used for sports wagering ticket processing and other automated functions as approved by the executive director.	<u>(Statute) SB84 – Sports Betting Bill</u> Sec. 24. K.S.A. 74-8702 is hereby amended to read as follows: 74-8702. As used in the Kansas lottery act, unless the context otherwise requires: (a) "Ancillary lottery gaming facility operations" means additional non-lottery facility game products and services not owned and operated by the state which that may be included in the overall development associated with the lottery gaming facility. Such operations may include, but are not limited to, restaurants, hotels, motels, museums or entertainment facilities. <u>(Regulation) Sports Wagering Regulations</u> 112-201.22. Sports Wagering Transactions (c) Sports wagering transactions shall be conducted from: (2) Sports wagering kiosks in locations as approved by the executive director.
Louisiana	Online & Retail	“Kiosk” “Sports wagering mechanism”	<u>(Statute) Title 27. Louisiana Gaming Control Law., Chapters 1-10</u> RS 27:602 – §602. Definitions. (25) "Sports wagering mechanism" or "kiosk" means a board-approved self-service mechanical, electrical, or computerized terminal, device, apparatus, or piece of equipment that is directly tied to a licensee's approved sports wagering platform that allows a patron to place	<u>(Statute) Title 27. Louisiana Gaming Control Law., Chapters 1-10</u> RS 27:602 – §602. Definitions. (10) "Licensed establishment" means an establishment that has a Class A-General retail permit or a Class A-Restaurant permit as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950, for the sale of alcoholic beverages for on-premises consumption

			a sports wager in a board-approved location on a licensee's premises. "Sports wagering mechanism" does not include a personal computer, mobile phone, or other device owned and used by a player to wager on a sports event. RS 27:609 - §609. Electronic wagering; kiosk; mobile wagering. (B) Sports wagering mechanism. (1) A player may place a wager via a sports wagering mechanism with cash or vouchers or by utilizing the player's established sports wagering account. (2) Sports wagering mechanisms shall be located only on a licensee's premises in areas where accessibility is limited to patrons twenty-one years of age or older.	or a Louisiana state racing commission licensed race track, pari-mutuel wagering facility, or offtrack wagering facility, or a qualified truck stop facility as defined in R.S. 27:417. Licensed establishment shall not include any premises leased to or utilized by a bona fide nonprofit organization for the conducting of charitable gaming nor any convenience store, quick-stop, food-mart, service station, grocery store, barber shop, laundromat/washateria, package or discount liquor/cigarette establishment, movie theater, or beauty shop. (14) "Restaurant, bar, tavern, cocktail lounge, or club" means an operating establishment primarily engaged in the retail sale of prepared foods or the sale of alcoholic beverages for on-premises or immediate consumption that has been granted a Class A-General retail permit or a Class A-Restaurant permit, as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950, for the sale of alcoholic beverages for on-premises consumption. <u>(Regulation) Title 42. Louisiana Gaming</u> §2415. Gaming Establishments. 1. The division may issue a license to qualified applicants based on the type of business being conducted. The
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				types of licenses and the requirements for these licenses are as follows: a. Type "I" License—any bar, tavern, cocktail lounge, or club only, as defined in R.S. 27:402(14) shall be designated as a type "I" establishment; b. Type "II" License—any restaurant, as defined in R.S. 27:402(14) shall be designated as a type "II" establishment...
Maryland	Online & Retail	"Kiosk" "Sports wagering equipment"	<u>(Regulation) Title 36 Maryland State Lottery and Gaming Control Agency, Subtitles 01-10</u> .02 Definitions. (36) "Kiosk" means a Commission-approved device that may be used by a bettor to place a wager and may be used to redeem a winning wager. (76) "Sports wagering equipment" means any mechanical, electronic or other device, mechanism, software or equipment, and related supplies used or consumed in the operation of sports wagering, including a self-service kiosk on the premises of a sports wagering facility.	<u>(Regulation) Title 36 Maryland State Lottery and Gaming Control Agency, Subtitles 01-10</u> .08 In-person Wagering at Sports Wagering Facilities. B. A sports wagering facility licensee may accept a wager made by an individual who is physically present at a sports wagering facility on sports wagering equipment that is a self-service device approved by the Commission including a: (1) Kiosk; (2) Machine; or (3) Other device.
Montana	Online & Retail	[None found]	[None found]	[None found]
Ohio	Online & Retail	"Sports gaming terminal"	<u>(Statute) Sports Gaming Act</u> Sec. 3775.01. (P) "Sports gaming equipment" means any of the following that directly relate to or affect, or are used or consumed in, the	<u>(Statute) Sports Gaming Act</u> Sec. 3775.07. (A)(1) The owner of a facility with a D-1, D-2, or D-5 liquor permit issued under Chapter 4303. of the Revised Code who offers

			operation of sports gaming: (1) Any mechanical, electronic, or other device, mechanism, or equipment, including a self-service sports gaming terminal...	sports gaming through a type C sports gaming proprietor using self-service or clerk-operated sports gaming terminals located at the facility shall hold an appropriate and valid type C sports gaming host license issued by the Ohio casino control commission at all times.
Washington D.C.	Online & Retail	“Kiosk” “Sports wagering equipment” “Self-service betting terminal”	<u>(Statute) Sports Wagering Lottery Amendment Act of 2018</u> (18) "Sports wagering equipment" means a mechanical, electronic, or other device, mechanism, or other gaming equipment, and related supplies used or consumed in the operation of sports wagering at a licensed sports wagering facility, including a self-service terminal installed to accept sports wagers. <u>(Regulation) Notice of Final Rulemaking (Privately Operated Sports Wagering)</u> 2199.1 Definitions. “Sports Wagering Equipment” means any mechanical, electronic or other device, mechanism, or equipment, and related supplies used or consumed in the operation of sports wagering at a licensed Sports Wagering Facility including, but not limited to, a Self-Service Betting Terminal or kiosk installed to accept sports wagers.	<u>(Regulation) Sports Wagering Minimum Internal Control Standards (MICS)</u> Section 14.0 – Self-Service Betting Terminals (SSBTs/Kiosk). 14.3 – Access to SSBTs. 14.3. Access to SSBT. The internal controls in respect of access to SSBTs must include, but not be limited to, the following: a. Control measures to ensure that only authorized, registered employees of the Licensee, registered employees on a Sports Wagering Facility, and an OLG licensed Supplier, may access the secure area of a SSBT. b. The requirement that all doors of the SSBTs are secured at all times. c. The requirement of recording of relevant entries in a log each time a SSBT is accessed (MEAL).



Research Plan for a Study of the Participation by Minority, Women, and Veteran Business Enterprises in the Sports Wagering Industry in Massachusetts

Background

The Massachusetts Gaming Commission (MGC) is responsible for creating a fair, transparent, and participatory process for implementing the expanded gaming law (2011) and Act to Regulate Sports Wagering (2022). In its creation, the commission established processes designed to:

- ensure that its decision-making and regulatory systems earn the confidence of the public and participants,
- provide the greatest possible economic development benefits and revenues to the people of the Commonwealth,
- reduce to the maximum extent possible the potentially negative or unintended consequences of gambling,
- allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

The 2011 Gaming Act required that the commission establish an “annual research agenda” to understand the social and economic effects of expanding gaming in the commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of gambling. For a full text of the Gaming Act please visit <http://massgaming.com/about/expanded-gaming-act/>. The 2022 Act to Regulate Sports Wagering (House Bill No. 5164) Section 23 extends the scope of the research agenda to include an understanding of the effects of sports wagering in the commonwealth.

Global and National Context

Several initiatives have involved monitoring diversity, equity, and inclusion initiatives across the gaming industry. The All-In Diversity Project, an industry-led not-for-profit initiative seeking to benchmark diversity, equality and inclusion across the global betting and gaming industry, released a report concerning the sector’s workforce covering the period 2020-2021 (to account for the impact of the pandemic). This report noted that the number of males (56%) exceeded the number of females (43%) for the first time in 5 years, that the biggest gap was at entry level, and noted this was a “real cause for

concern when looking at long term prospects for role models, mentors and talent pools.”¹ Globally, of note for sports wagering is the projection that “women’s sport is growing at a faster rate” than men’s- “cue an increase in female sports betting markets and female sports-bettors.”²

In 2018, the U.S. Chamber of Commerce Foundation’s Corporate Citizenship Center, in conjunction with the American Gaming Association (AGA) conducted a survey of 15 AGA member respondents representing 168 United States member properties concerning corporate social responsibilities. While the survey speaks to the gaming industry vs. sports wagering specifically, the survey found that 69% of respondents reported having “an institutionalized diversity and inclusion hiring effort,”³ 45% reported having diversity and inclusion retention strategies, and 29% reported having employee affinity or resource groups. They compared these results to findings from a 2014 Diversity and Inclusion survey of human resources professionals from many different industries conducted by the Society for Human Resource Management indicating percentages of 57%, 38%, and 15% respectively. ⁴ In 2021, the AGA conducted an industry-wide assessment of member activities related to Environment, Social and Governance issues, which captured how member organizations were prioritizing strengthening diversity, equity, and inclusion initiatives. While not specific to the sports wagering industry, the AGA report provided case examples from member organizations that offer sports wagering products.⁵

Study of the Participation by Minority, Women, and Veteran Business Enterprises in the Sports Wagering Industry in the Commonwealth

The Massachusetts Gaming Commission is working with licensees, their contractors, vendors, and community leaders to ensure that the state’s new expanded gaming industry is inclusive and provides opportunities that reflect the diversity of the Commonwealth.

The 2011 Expanded Gaming Act required casino applicants to establish training programs that promote the development of a skilled and diverse workforce. The casino application process required all gaming applicants to set diversity hiring goals and submit strategic plans for the inclusion of minorities, women and veterans in the workforce. Applicants were also required to formulate their own specific diversity goals related to minority-, women- and veteran-owned businesses to participate as contractors in all stages of building their gaming establishments (design, construction, and operation). Casinos are also required to regularly provide to the Commission detailed, statistical reports on the diversity of their workforce and vendor contracting. In July 2021, the Diversity and Legislative Affairs division of the MGC released its third report chronicling industry insights regarding impacts to local businesses, workforce and diversity measures covering the 2019 calendar year. According to this report:

- Of casino construction and operations employees, more than 4,300 were minority, 3,200 were women, and nearly 400 were veterans;
- Casino licensees spent more than \$64 million with diverse vendors and suppliers.⁶

¹ All-In Diversity Project (2022). Gen Z, Great Resignation and the Menopause all reflected in latest All-Index® industry report (allindiversityproject.com). Available from: [Gen Z, Great Resignation and the Menopause all reflected in latest All-Index® industry report \(allindiversityproject.com\)](https://www.allindiversityproject.com/_files/ugd/b41121_d2357e0c40cf4c258203000af38306a9.pdf)

² All-In Diversity Project (2022). All-Index ® 2021/22 Annual Report. Available from: [https://www.allindiversityproject.com/_files/ugd/ b41121_d2357e0c40cf4c258203000af38306a9.pdf](https://www.allindiversityproject.com/_files/ugd/b41121_d2357e0c40cf4c258203000af38306a9.pdf)

³ [Responsibility in the Gaming Industry - American Gaming Association](#)

⁴ American Gaming Association (2019). Corporate Social Responsibility in the Gaming Industry. Retrieved from: [CSR Gaming Industry Report.pdf \(americangaming.org\)](#)

⁵ American Gaming Association (2022). Responsibility in Gaming: The Path Toward ESG. Available from: [AGA ESGCompendiumSpring22.pdf \(americangaming.org\)](#)

⁶ Massachusetts Gaming Commission (2022). Massachusetts Gaming Commission Annual Report 2021. Available from: [MGC-Annual-Report-2021.pdf \(massgaming.com\)](#)

The 2021 Massachusetts Gaming Commission Annual Report also included information concerning licensee workforce and supplier diversity goals:⁷

Results on Licensee Workforce and Supplier Diversity Goals

All data is provided from the 2021 Q2 reporting period.

MGC staff continue to monitor the impact the closures had on the local workforce and procurement.

Operational Diversity

WORKFORCE						
	MBE		VBE		WBE	
	Goal	Result	Goal	Result	Goal	Result
Encore Boston Harbor	40%	55%	3%	3%	50%	43%
MGM Springfield	50%	52%	2%	7%	50%	42%
Plainridge Park	15%	24%	2%	6%	50%	40%

SUPPLIER						
	MBE		VBE		WBE	
	Goal	Result	Goal	Result	Goal	Result
Encore Boston Harbor	8%	12%	3%	2%	14%	14%
MGM Springfield	10%	1.2%	2%	1.5%	15%	4.4%
Plainridge Park	6%	5%	3%	3%	12%	19%

The 2022 Act to Regulate Sports Wagering Section 25 requires the MGC to build upon the existing research, and conduct a study on the participation by minority, women, and veteran business enterprises in the sports wagering industry in the commonwealth.

Study Requirements

The MGC will seek the services of at least one qualified entity to conduct a study on the participation by minority, women, and veteran business enterprises in the sports wagering industry in the commonwealth. The study must include methods for increasing racial and gender diversity, as well as diversity in terms of veteran status, in the workforce in the sports wagering industry, including whether to set reasonable and appropriate goals and procedures for increasing the number of minority business enterprises, women business enterprises, and veteran business enterprises providing sports wagering industry-related services to sports wagering licensees and employers.

The successful applicant should consider multiple sources of information including but not limited to information from licensees; licensee, industry-specific, local, state, and national employment data stratified by gender, race/ethnicity, and veteran status; studies conducted as part of the MGC research agenda; other academic and non-academic literature; key informant interviews; and economic reports and data.

Research Questions

The study should answer, at a minimum, the following **research questions**:

- What is the participation of minority, women, and veteran business enterprises in the commonwealth in activities related to the regulation, licensing and promotion of sports wagering operators?

⁷ See footnote 6 for reference.

- As a percentage of total participation and dollars spent?
- As mean and median contract size compared to total?
- Compared to similar industries?
- What kinds of organizational policies and practices are in place related to solicitation of and contracting with minority, women, and veteran business enterprises in the commonwealth for organizations and agencies engaging in these activities?
- What is the level of participation of women, minority and veteran employees working for sports wagering licensees and employers?
 - As a percentage of total participation?
 - At different levels of employment within organizations?
 - Compared to similar industries?
 - What kinds of organizational policies and practices are in place related to recruitment and retention of a diverse workforce?
 - What kinds of considerations are there related to employment impact, compensation, benefits, trajectory, and turnover for women, minority, and veteran employees compared to employees from other groups?
- What is the level of participation by minority-owned, veteran-owned, and women-owned businesses that contract with or provide services to sports wagering licensees and employers?
 - As a percentage of total participation and dollars spent?
 - As mean and median contract size compared to total?
 - Compared to similar industries?
 - What kinds of organizational policies and practices are in place related to solicitation of and contracting with minority, women, and veteran business enterprises in the commonwealth?
- What are the barriers to employment of women, minorities, and veterans in the sports wagering industry?

The proposal should clearly detail how the proposed methods will answer each research question.

Timeline

An evaluation of participation by minority, women, and veteran business enterprises in the sports wagering industry should take place long enough after implementation of sports wagering that preliminary findings may be assessed, but early enough to inform and maximize potential improvements in processes. We thus anticipate engaging in a procurement process to select an entity to conduct this evaluation by July 2023, with initiation of the evaluation by September 2023. We anticipate including this study in the gaming research agenda in FY24 with advice from the Gaming Policy Advisory Committee and approval from the Massachusetts Gaming Commission.

Budget

Anticipated funding available for this study will be approximately \$100,000-150,000.

Research Team Qualifications

The preferred teams and individuals providing selected to carry out the research will have the following qualifications and experience:

- In-depth knowledge of qualitative and quantitative methods in the related subject areas
- Knowledge of other bodies of research in related areas
- Specific experience and expertise in conducting diversity, equity and inclusion research within the gaming and hospitality/resorts industry

- Illustration of a commitment to diversity through composition of research team and/or participants, partnerships, and/or use of certified diverse vendors/subcontractors on the project
- Experience and expertise in the analysis of factors and covariant indicators of economic development
- Demonstrated experience in knowledge translation for audiences of different backgrounds and diverse skills
- Understanding of the Massachusetts Gaming Act and Act Regulating Sports Wagering
- Understanding the mission and goals of the Massachusetts Gaming Commission
- Demonstrated experience designing, managing and coordinating complex, multi-disciplinary research projects like the one proposed in this RFR