

Community Gaming Grant Review Report

Options for improving the program and for
providing predictability to grant recipients

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Terms of Reference

Premier Clark and Community, Sport and Cultural Development Minister Chong appointed me to independently review the Community Gaming Grant program on July 11, 2011. They asked me to review pertinent facts and to develop options for improving the program based on these facts. They were particularly interested in providing recipient organizations with more predictability and sustainability.

Their terms of reference were to review:

- existing legislation governing community gaming grant funding;
- funding formula;
- criteria/eligibility for community gaming grants;
- multi-year funding model;
- processes involved with applying for and receiving community gaming grants; and
- future role of government in community gaming grants.

Context

1. Gaming grants were established in 1998 when the BC Lottery Corporation's mandate was expanded to include the operation of casinos. The grants replaced revenue charitable groups earned from running charitable casinos. Later, direct access and bingo affiliation grant programs were consolidated into the Community Gaming Grant program. Over the years, grant-eligibility rules have changed with new "sectors" being added or removed.

2. To the best of my knowledge, the purpose of the gaming grant program has never been formally defined. The closest statements of purpose I could find are in the guidelines for applying for a community gaming grant. They read: "The community gaming grant program (CGG), a consolidation of the former direct access and bingo affiliation grant programs, ensures all eligible community organizations in B.C. have fair and equitable access to gaming funding" and "Community gaming grants provide funding to eligible organizations for direct delivery of approved ongoing programs to their communities."

3. In 2008, the world experienced a financial crisis. Governments, both foreign and domestic, were not immune. In British Columbia, the government made difficult and uncomfortable decisions aimed at using its diminished financial resources more effectively for maximum public benefit. These decisions included the reallocation of gaming revenue in 2009. The reallocation reduced the funding available for community gaming grants to not-for-profit community groups. Subsequent cuts to community gaming grants made operations difficult for

organizations and led to the elimination or reduction of vital community services and staff layoffs.

4. Many BC communities supported the expansion of gaming from the mid-1980s until the present. Many local elected representatives gave their support with the belief that the provincial government would use approximately one-third of gaming revenues to develop the province's people and communities. They believed that not-for-profit community organizations would be funded to fill gaps in the services provided directly by the provincial government. Review participants later referred to this conditional community support for gaming expansion as a "social contract" on which successive governments have not delivered.

5. The BC Ministry of Finance projects provincial deficits of \$2,778 million in 2011/12, \$805 million in 2012/13 and \$458 million in 2013/14 – largely as a result of replacing the HST with a two-tax system. Since legislation requires a balanced budget in 2013/14 and beyond, and since European debt and other economic crises still threaten global financial stability, the BC government's fiscal planning remains constrained and challenged.

Interpretation and Approach

In light of this context, I interpreted my task as follows: to review the ways in which not-for-profit groups provide value by filling gaps in government services, to understand how current granting practices affect their operations, and to develop options for improvement that are viable in the current fiscal environment.

I approached this task with a plan that began by asking grant recipients to think broadly about the benefits they provide to British Columbians and the differences they make in the life of the province.

The plan next asked these groups to describe how current gaming grant practices helped or hindered them, about their concerns, and about their ideas for improvement.

A small support team, who had worked in government departments unrelated to any area of gaming, were assigned to help me with logistics and analytical work and with informing British Columbians about the review and encouraging them to participate.

We met with MLAs from both sides of the Legislature, several provincial associations, and a few public servants to discuss my plan, to get their feedback and to ask for their help in promoting participation.

Encouraged by the feedback from these meetings, we updated the Community Gaming Grant Review website, announced the Community Fora schedule, began the registration process for taking part in the fora, and provided information about making written submissions.

We fostered participation through emails to grant recipients' organizations, media releases, media interviews, Twitter, our website and media advertising. We accepted participation through multiple means: a fill-in-the-blanks template on our website, email, fax, post, personal phone calls, teleconferences, videoconferences, public fora and facilitated dialogue. We visited 19 communities (14 in-person and 5 via video and teleconference) chosen to provide me with personal exposure to BC's diverse community settings and the matters important to them. Appendix A lists the Community Fora and facilitated dialogue sessions, and shows participation in the review by region and sector.

Including 351 presenters, 1,229 people attended the Community Fora. I received 519 written submissions and attracted 152 Twitter "followers" (and commenters).

All of the oral presentations and written submissions received by September 16 were posted on the website for public viewing. Twitter entries were instantly public.

Time constraints prohibited posting submissions to the website received after the September deadline, but I continued to read and be informed by any received after the deadline. I ignored nothing. More than 1,700 people participated in the review – a wonderful and inspiring response!

Filling the Gaps: The Value of Not-for-Profit Groups

The charitable and non-profit sector is the silent, invisible army working 24 hours a day, 7 days a week, 365 days a year to ensure that our community needs are met. They tend to the bullied child, the brain injury sufferer, the lonely senior, the dislocated immigrant, the child amputee, the recovering addict, the young person lost in our forests, the depressed teenager reaching for help, the hockey player, gymnast, actor. They are volunteer firefighters, veterans, physio-therapists, artists, coaches, and janitors. They help us every day in ways we never see and know nothing about, until we need them. (S. Garossino, Written Submission)

An adult lifetime spent on the boards of community groups, coupled with compelling Community Gaming Grant Review input, convinces me that not-for-profit groups fill gaps in the services provided directly by the provincial government effectively and provide significantly more value than cost. Their value is high because of the passion, expertise and experience they bring to bear in their areas of interest. Their costs are low because of the volunteers they

attract and because their paid staff members work for modest wages and benefits, especially in comparison with for-profit and government enterprises.

More importantly, not-for-profits engage people in volunteerism and community. Through these groups citizens participate in service delivery in ways unmatched by the services government ministries and agencies deliver directly.

Together, these groups build vibrant, compassionate and cohesive communities. Communities that attract and retain the businesses and workers British Columbia needs for economic and social development. Communities that are safe and desirable for both work and family life. Communities in which visual and performing arts, festivals and sports events develop pride-of-place, generate income and create employment.

These groups are especially important in rural communities where fewer government services exist and economic difficulties (some of which precede the 2008 crisis) increase community needs. Poverty, lack of transportation, mental illness diagnosed and undiagnosed, increasing costs from rent to food, and rates of unemployment are more pronounced.

Community groups inspire individuals, develop leadership, perseverance, creativity and talent, and give youth the role models they need to grow. They provide alternatives to gang-life, substance abuse, vandalism, street riots and other social ills.

The gaps filled by grant recipients, and the value they provide, are many and varied. However, a formal description of the grant program's purpose would help to focus the distribution of funds and provide even more value to British Columbia. Even the notion of "filling gaps" is unofficial. Consequently, I have included defining a purpose as the first option in this report.

Participant Comments

During the review, participants expressed many concerns and ideas. Because participants' comments were the foundation for the options contained in the next section of this report, I have summarized them here. Further information on participants' comments may be found in Appendix B.

Eligibility

1. Consider reinstating environmental stewardship, animal welfare, adult sports and adult arts as eligible entities and pursuits.
2. Explore ways to establish stable, clear community gaming grant proposal criteria while retaining the ability to judge unusual initiatives on their own merits.

3. Consider the outcome merits of an application before checking its technical correctness and, when technical difficulties occur, communicate with the applicant to see if they can be resolved.

Funding

1. Consider restoring 2008 funding levels and, in the spirit of 1999 memoranda, the allocation of a fixed proportion of gaming revenue to the community gaming grant funding pool.
2. When considering how much gaming revenue to allocate to the community gaming grant pool, compare the benefits and costs associated with the services provided by grant recipients with the benefits and costs associated with providing the same or similar services by government entities.
3. Develop a funding formula (or decision-making criteria) that are easy for applicants to understand, and apply those criteria transparently.
4. Explore ways to provide stable, predictable funding over a multi-year period. Consider a three-year budgeting model that includes the ability to carry over unspent earmarked funds and that does not penalize successful fundraising.
5. Make capital funding, maintenance funding, operations funding, contingency funding and partnerships with other government funders eligible uses of community gaming grant funds.
6. Consider adjustments to funding caps (currently \$100,000 for local entities, \$225,000 for regional entities and \$250,000 for provincial entities) when two entities that both receive maximum grants merge or collaborate closely.
7. Align application-funding-spending-reporting cycles as much as possible with recipients' fiscal years and operational needs, or allow for appropriate flexibility.
8. Consider establishing a small innovation fund pool to which start-ups might apply.

Governance

1. Consider both legislative and regulatory approaches.
2. Explore ways to make community gaming grant decisions openly, as arm's length as possible from elected officials, and to hold the decision makers accountable.
3. Explore ways to make application and reporting processes more user-friendly and transparent while holding recipients accountable.
4. Consider useful practices from other jurisdictions.

Misconceptions

Upon completing the listening and reading phase of my review, I met with the Executive Director of the Gaming Grants Branch (the people who administer the grants) to discuss

concerns and ideas. Fortunately, several concerns are misconceptions about how the program is administered.

Due, in part, to the volunteer nature of leadership in community groups, and its associated human-resource turn over, many perceived constraints and requirements are hearsay and do not actually exist. For example, financial audits and reviews by professional accountants are not routinely required and reasonable contingency funding is allowed for.

Many of these misconceptions could be overcome with a clear statement on the program's web page and written documents to the effect that the Gaming Grants Branch is willing to consider any request for an explanation of, or an exception to, its operational regulations and practices.

A list of the common misconceptions appears in Appendix C.

Options

I developed the following options informed by participant input, by practices in other jurisdictions, by the BC government's current fiscal realities, and by the continuing climate of global economic uncertainty. Appendix D contains a summary of practices in other jurisdictions.

I tried to develop options that are workable in the current financial situation and respectful of the many submissions I reviewed.

The following list contains the options I consider feasible in this context. Accordingly, some can be implemented immediately while others might be phased in as resources become available. Some are mutually exclusive, some are combinative, and some may seed further ideas.

During the course of my review, I also heard many potentially useful ideas that either fall outside the scope of this review, or are operational matters best considered by operational staff. I did not include them as options, but I have included them at the end of this report.

I have also included, as Appendix E, a list of options I considered as a result of frequent participant comments, but did not consider feasible at this time.

1. Purpose of the Grants Options

In the "Context" section of this report, I noted that I was unable to find a clear statement of purpose for the Community Gaming Grant program. Since a clear statement of purpose would serve as the foundation for other options, I have addressed it first.

Option 1.1

Develop a clear statement describing the purpose of the Community Gaming Grant program.

Notes:

1. This option would become the first element in government's community gaming grant role: to determine the overall purpose of the grants.

2. As an example of "purpose," one of the world's largest and most respected granting entities, The Rotary Foundation, states that its mission, or purpose, is to "advance world understanding, goodwill, and peace through the improvement of health, the support of education, and the alleviation of poverty." It further states that its current areas of focus are:

- Peace and conflict prevention/resolution
- Disease prevention and treatment
- Water and sanitation
- Maternal and child health
- Basic education and literacy
- Economic and community development

3. A clear statement of purpose would help provide clarity about the aims of the program, reduce confusion, and inform eligibility and adjudication decisions.

4. A statement of purpose and areas of focus might be developed by government or by government in collaboration with others. A small group of people (respected for their knowledge of BC's social conditions or for their knowledge of the grant recipient community) could be invited to join government representatives in a two- or three-day "retreat" to help develop an overall statement of purpose and accompanying areas of focus.

5. A similar group might be convened every three years to review the grant program's purpose and areas of focus.

6. Sources such as "Social Determinants of Health: The Canadian Facts" and other references found in Appendix G might be used to inform the development of areas of focus.

Option 1.2

Maintain the status quo. Leave the overall purpose of the Community Gaming Grant program undefined.

Notes:

1. This option leaves the Community Gaming Grant program open to advocacy by groups and sectors about why they should be eligible for funding based on their own diverse rationales.
2. This option does not address the problems, controversies and rivalries associated with sector eligibility.

2. Eligibility Options

Eligibility can be considered on three levels: eligibility with respect to whether or not the purpose of an application aligns with the purpose of the Community Gaming Grant program, eligibility with respect to the qualifications of the applicant organization, and eligibility with respect to the types of expenditures proposed in the application. Current community gaming grant guidelines (<http://www.pssg.gov.bc.ca/gaming/grants/docs/guide-cgg.pdf>) deal with only the latter two levels.

Option 2.1:

Eliminate sectors and consider applications from any eligible organization where the objectives of its application align with the purpose of the Community Gaming Grant program mentioned in Option 1.1.

Notes:

1. Developing a clear statement of purpose and relating grant applications to that statement would eliminate the use of sectors. The Gaming Grants Branch could still assign applications to a classification scheme for the purpose of tracking and publishing what types of organizations apply for and receive grants.
2. This option would reduce the problems, controversies and rivalries associated with sector eligibility.
3. This option would also simplify the application process because applicants would no longer have to decide under which sectors their applications are most likely to succeed.

Option 2.2:

Add a “distinctive” or “multi-purpose” sector to the current list of eligible sectors.

Notes:

1. This new sector would be similar to Alberta’s Other Initiatives Program and New Zealand’s Minister’s Discretionary Fund. These enable community organizations that do not align with

stated eligibility criteria, or that align with more than one sector, to be considered on their distinct community-benefit merits.

2. This option would eliminate the need of some organizations to manipulate and adjust program information to meet current criteria.

3. This option would not be necessary if Option 2.1 is implemented.

Option 2.3

Phase in eligibility to sectors deemed ineligible in 2009.

1. This option would reinstate eligibility for the following: adult arts, adult sports, environmental stewardship, and animal welfare organizations. These organizations provide key benefits to their individual participants and to the community at large. Comments and references related to some of these benefits can be found in Appendices B and G.

2. Because implementing this option immediately would reduce the funding available to the current eligible sectors, it would be phased in as the community gaming grant funding pool approaches 2008 levels.

3. Unless and until these groups are reinstated, consider redefining youth. Participants noted that BC's current "under age 19" definition does not reflect the intense personal development that occurs in people's early or mid-twenties. An Alberta report recommends defining youth as people under the age of 22, but forum participants often suggested that "under the age of 26" would be more fitting. A community profiles document from the Ontario Trillium Foundation defines youth as 25 and under.

Option 2.4

Remove essential service organizations such as Parent Advisory Councils, District Parent Advisory Councils and public safety organizations from the Community Gaming Grant program and fund them directly from the appropriate ministries.

Notes:

1. Community groups, such as BC Search and Rescue, provide essential, life-saving services throughout the province. It may be more appropriate for government to fund these organizations directly (for example, through Emergency Management BC) rather than through gaming grants.

2. Similar to the public safety groups noted above, many participants expressed the view that Parent Advisory Councils and District Parent Advisory Councils are essential to education and

may be more appropriately funded directly through the BC Ministry of Education rather than through gaming grants.

3. This option could be phased in over a three-year transition period.

4. The inherent risk in this option is that direct funding might be vulnerable to ministry funding cuts.

Option 2.5

Maintain the status quo. Retain the current list of eligible sectors.

Notes:

1. Environmental stewardship, animal welfare, adult sports and adult arts groups help build vibrant, compassionate and cohesive communities with strong pride-of-place feelings. As noted earlier, communities need these characteristics to attract and retain the businesses and workers BC needs for economic and social development.

2. Maintaining the status quo does not support the community contributions these groups might make.

3. Funding Options

The amount of \$120 million is currently allocated to the community gaming grant pool in the 2011/12 provincial budget. Premier Clark added an additional \$15 million to the pool in 2011 as a one-time increase to the 2010/11 fiscal year. Without a revised allocation, the community gaming grant pool will revert to \$120 million in 2012 and may remain at that level in subsequent years.

Option 3.1:

Top up the current 2011/12 community gaming grant pool to \$135 million and allocate a minimum of \$135 million (more if finances permit) to the community gaming grant pool in the 2012/13 provincial budget.

Option 3.2:

A. Develop a plan to raise the community gaming grant pool to a minimum of \$156 million (adjusted for inflation from 2008) in 2014/15 or as quickly as the provincial economy enables the increase.

B. Develop a clear statement of purpose for the grants (see Option 1.1) as quickly as possible. Use this as the basis for determining the appropriateness of the \$156 million mentioned above

(or any other considered amount) by evaluating the value of this purpose in comparison with other government purposes competing for funds in any given budget year.

Notes:

1. Throughout my review, many participants expressed the view that the 2008 funding pool of \$156 million worked well.
2. Many participants called for a defined and legislated proportion of gaming revenue to be developed in consultation with the grant recipient community. However, there are inherent risks in so doing: changing times, tastes and technologies have had significant negative impacts on other large and seemingly untouchable consumer sectors. Gaming revenues are not immune from similar changes and associated revenue declines. For example, curtailing gaming expansion is an issue in the 2011 municipal elections.
3. Convening a group of non-government, community-savvy leaders (See Option 1.1, Note 4) would provide meaningful consultation (a “spirit of the 1999 memoranda” concept to which Community Gaming Grant Review participants often referred) and the potential for a resultant allocation workable for government and acceptable to the grant recipient community.

Option 3.3:

Use 100% of government gaming revenue for community services and programs delivered by both government ministries and grant recipients, and for municipal gaming consequence mitigation.

Notes:

1. In this option, no government gaming revenue would be allocated to General Revenue. Instead, all government gaming revenue would be used for community services and programs and municipal mitigation, and would be distributed as follows:

- An amount for programs and services delivered by Community Gaming Grant recipient organizations;
- An amount for municipal mitigation (to local governments that host casinos and community gaming centres);
- An amount for specific government ministries that deliver programs and services to communities.

2. This option would demonstrate that all government gaming revenue is used for purposes citizens consider appropriate for the proceeds of gaming. Many Community Gaming Grant

Review participants noted that while they remain concerned about the negative social impacts of gaming, they had been willing to accept its expansion because they believed the resultant new revenue would only be used to mitigate the negative effects of gaming and to improve services to communities and to people in need.

3. While General Revenue does fund these services now, and while the government does publish the sources and uses of General Revenue, this option would allocate gaming revenue only to ministries generally accepted to be integral to the social health of the province, for example, ministries that deliver services related to community services, education and training, social assistance, and health and safety.

4. Because this option would provide more funds to selected ministries from gaming revenue, these ministries would require fewer funds from General Revenue, which would free up these funds for other ministries. Thus, this option would have little or no impact on the overall provincial budget.

Option 3.4:

Provide for multi-year funding through a three-year budgeting model that includes the ability to carry over unspent earmarked funds.

Notes:

1. Both Premier Clark and Minister Chong specifically asked me to review this funding option. Review participants also focused on the cessation of multi-year funding as *the* major impediment to their stability and called for its reinstatement.

2. There are at least two ways to implement multi-year funding: either as a three-year rolling budget or as a three-year contract.

3. A three-year rolling budget would guarantee the first year of an organization's grant and provide estimates for years two and three. Each succeeding year, the second year's estimate would be firmed up, and fresh estimates would be provided for new second and third years.

4. Recipients would not need to reapply for grants. Instead they would submit annual monitoring reports to the Gaming Grants Branch. These reports would include information about results and about relevant changes to their organizations.

5. A three-year rolling budget would provide organizations with certainty for the year ahead and reasonable predictability for the following two years. It would enable sound financial planning and management.

6. A three-year contract model would involve an agreement between an organization and the Gaming Grants Branch and would set an amount to be provided at the beginning of each year, for three years. The organization would then be tied to this funding level and adjusting it to address changes that occur within the three years would be difficult. In my view, this model is less attractive than a three-year rolling budget.

7. Both the rolling budget and contract models would allow government to monitor and, if necessary, manage an organization's performance. For example, if performance problems occurred, the second or third year of the budget or contract could be suspended as a warning. For new recipient organizations, rolling budgets or contracts could be implemented incrementally as earned independence.

8. Both three-year funding models would reduce the administrative burden on the Gaming Grants Branch by reducing the number of applications staff receive and adjudicate. They would eliminate the need for annual application intake time periods and would free staff to provide enhanced communication and outreach services.

9. Single-year funding would be maintained for single-year projects.

10. This option would constrain government's ability to re-deploy funds quickly.

Option 3.5

Establish an extraordinary expenditures funding category.

Notes:

1. Several participants noted that, from time to time, their organizations required extraordinary expenditures, such as money for new construction or extensive maintenance projects. Currently, these projects are not eligible if they are greater than \$20,000.

2. This option would create a funding category to which organizations might apply, perhaps only once in five years.

3. This option might be phased in if and when the size of the community gaming grant funding pool is increased.

Option 3.6

Maintain the status quo. Allocate \$120 million (plus inflation) to the community gaming grant funding pool.

Notes:

1. This option would result in the elimination or reduction of community services vital to many communities, especially to smaller, more isolated communities with high unemployment.
2. This option would weaken the Province's current families-first and job creation initiatives.

4. Governance Options

The following governance options address issues related to the legislation, regulation, adjudication, accountability monitoring and administration of the Community Gaming Grant program. They also address the role of government in these matters.

Throughout the fora, participants mentioned that the Community Gaming Grant program worked well until 2009, when funding was cut and the rules were changed. Many participants complimented the Gaming Grants Branch on its helpfulness and professionalism. There was little criticism. The options below reflect opportunities for improvement rather than substantial change.

I have also included some ideas for operational improvements in the "Additional Ideas" section of this report. I am reluctant to offer procedural and operational "options" for two reasons. First, I do not have the operational experience to know what is feasible and what is not. Second, the people who work with procedures and practices on a daily basis are typically the people in the best position to develop improvements to them.

Option 4.1:

Maintain the status quo by continuing the adjudication of applications and the administration of grants by the Gaming Grants Branch and consider re-naming "community gaming grants" as "community investments."

Notes:

1. Most review participants were complimentary about the Branch's adjudication and administration work and were satisfied that politicians do not influence the Branch.
2. Several review participants expressed discontent with the notion that grants are "hand outs" for which they must apply "cap in hand." When one participant at a Community Forum suggested the grants be re-named "community investments," spontaneous applause broke out. When I mentioned this idea on Twitter, it immediately drew several positive responses.
3. In this option, funding would no longer be referred to as a grant, but would be called a community investment.

4. This change in terminology better reflects the value that community organizations provide, and reduces the feeling among recipients that they are asking for a “hand out.”

Option 4.2:

Retain existing gaming grant legislation but develop new policies, regulations and guidelines.

Notes:

1. I am not a lawyer, but I can see nothing in the *Gaming Control Act* that needs changing to implement the options contained in this report.

2. Section 41 of the Act empowers the General Manager to allocate grants to organizations that meet the prescribed standards of eligibility, providing that there is an appropriation under the *Financial Administration Act*. Section 19 of the Gaming Control Regulation sets out the eligibility standards.

3. One possible change to the Act would be to amend Section 41 to vest authority in the “Minister Responsible” rather than in the current “General Manager.” The ministry under which the Gaming Grants Branch operates has changed relatively frequently, leading to confusion about who the General Manager is. This would help address that confusion.

Option 4.3:

Create a foundation or trust to adjudicate and administer community gaming grants.

Notes:

1. Some participants mentioned Ontario’s Trillium Foundation, an agency that operates at arm’s length from the Ontario Ministry of Tourism and Culture. The foundation has a CEO, a volunteer board of directors, and 330 volunteers that make up Grant Review Teams. Alberta and Saskatchewan also have foundation and trust models.

2. The primary role of government in this option would be to define the purpose of the foundation (see Option 1.1) and, perhaps, its areas of focus. A secondary role might be for the Gaming Grants Branch to transition from its current adjudication and administration role to one of communication, education, advice and assistance to applicants. However, this secondary role might be better carried out by the new foundation.

3. A foundation or trust would take time to set up and may cost more to maintain than does the current structure of adjudication and administration by the Branch. Most participants considered the Branch to be efficient and fair.

4. This option would also require the reassignment or lay off of Branch staff.
5. The “arm’s length from government” advantage offered by a foundation is also addressed by maintaining the Branch as the program’s adjudication and administration body. Most review participants were satisfied that politicians do not influence the Branch.

Additional Ideas

During the course of my review, I heard many potentially useful ideas that either 1) fall outside the scope of this review, or 2) are operational matters best considered by operational staff. Consequently, I did not include them as options but I have listed them here for further consideration.

1. Create a special fund for organizations with strategic plans that help address current government issues.

An example is the Aboriginal Sport, Recreation and Physical Activity Strategy outlined in the submission from the Aboriginal Partners Council and mentioned at almost every forum (see Appendix F). It would promote sport, recreation and physical activity as a strategy for individual and community development, and may complement government Aboriginal reconciliation and human capacity-building initiatives.

2. Rather than requiring organizations to submit standardized reports, allow them to define, in advance and in consultation with the Gaming Grants Branch, what evidence will demonstrate that they are achieving intended results within agreed upon parameters.

This would require eligible organizations to develop ways to measure their results and provide evidence of their progress related to the goals and objectives of their strategic, service or business plans. If Option 1.1 is adopted, progress reports could be related to how the grant/investment is furthering the purpose and areas of focus of the grant/investment program.

3. Develop a simplified grant application for small grants to small organizations.

The Gaming Grants Branch is already considering this idea.

4. Develop a more interactive grant application process.

The Gaming Grants Branch would like to improve the current online process. This would require a budget allocation for the specialized IT development work. This BC Ministry of Social Development website is an example of the kind of interactive process this idea envisions:

<https://www.iaselfserve.gov.bc.ca/HomePage.aspx>.

5. Develop a two-step application process.

This idea takes the following into consideration:

- Proponents would first submit a short (one- or two-page) proposal and would quickly be advised of their proposal's apparent eligibility or "fit" with the grant/investment program's purpose and areas of focus.
- Successful proposal submitters would be invited to submit full applications that would be adjudicated against more detailed criteria.

6. Communicate grant/investment decisions publicly.

Successful applications are currently published on a quarterly basis on the gaming grants website. To enhance transparency, they could be published weekly or monthly. In addition, there could be media releases mentioning the publication and a short story on a couple of the grants/investments. Celebration events might be organized annually.

7. Implement the Parent Advisory Council "per-student" model with other groups by using a "per-participant" model.

Currently, Parent Advisory Councils receive fixed funding of \$20 per student (based on the previous year's enrolment). Implementing a similar model with other groups, such as sports and cadet groups would simplify the process for them and for the Gaming Grants Branch.

8. Create an innovation fund.

Currently, entities and programs must be operational for at least 12 months before an organization can apply for a community gaming grant. If a small percentage of gaming grant funds was set aside for innovation (with its higher risks), this could be used as seed money for new organizations or initiatives that the Gaming Grants Branch considers to have high potential for furthering the purpose and areas of focus of grant/investment programs (see Option 1.1), but have acceptable risks.

9. Communicate with applicants about collaboration opportunities.

When the Gaming Grants Branch becomes aware that two or more organizations are proposing similar programs in the same geographical area, the Branch might put these organizations in touch with one another to facilitate collaboration.

This might also be useful in situations where dissimilar organizations in the same community might be able to share physical facilities and/or administrative support.

10. Explore the possibility of a group insurance program.

Several participants mentioned the high cost of liability insurance required for facilities, events and boards of directors. The Gaming Grants Branch might explore the possibility of a group insurance program for grant/investment recipients with a private-sector firm.

Chambers of Commerce negotiate group insurance programs with private providers on behalf of Chamber members and a call to the BC Chamber of Commerce might be useful to explore the feasibility of this idea.

Acknowledgements

I am grateful to the over 1,700 British Columbians who took considerable time out of their work and personal schedules to participate in this review. Their work formed the basis of my work and seeded all of the ideas in this report. Their passion, dedication and perseverance are remarkable and inspirational.

A small support team, assigned from elsewhere in government, helped me in innumerable ways. They rearranged their vacations, worked very long hours – often through weekends, and made it possible for me to concentrate on listening, reading, reflecting, verifying and writing. I am in their debt.

Marnie Faust, Operations Manager – managed all financial and administration functions related to the project (travel, contracts, correspondence, IT support, etc.) She took care of everything at the office.

Justine Grist, Administrative Assistant – managed the registration process and ensured that we had everything we needed on the road. She “held down the fort.”

Katharine McCallion, Researcher – joined the group later to help handle the growing volume of submissions. She coded and analyzed submissions.

Ken McLean, Research Coordinator – led website development including online registration and the submission template. He managed all research related to the project, including the coding and analysis of all submissions.

Sandra Sajko, Executive Director – provided overall leadership to my support team and ensured that I had everything I needed. She served as MC and “official photographer” at Community Fora and helped me review my notes to ensure I did not miss or forget anything.

Greg Tonn, Researcher – Researched practices in other jurisdictions and helped code and analyze submissions.

Lesya Williams, Project Manager – managed logistics including venue, audiovisual and transcription requirements, managed “field” operations and resolved emerging problems. She took care of everything on the road.

The BC Ministry of Forests, Lands and Natural Resource Operations lent us the services of Larry Michaelsen, Jim Jensen, Miles Homer and Craig Tilander who led our discussion groups in Kamloops, Kelowna, Surrey, Vancouver and Victoria.

Finally, my thanks to the Ki-Low-Na Friendship Society and the Prince George Native Friendship Centre, and to Kwantlen Polytechnic, Thompson Rivers and Vancouver Island universities for the use of their facilities.

Appendix A: Summary of Participation

Speakers and Participants at Community Fora

Table 1 Community Fora Speakers and Participants by Location, August 11 to September 16, 2011

Location	Date	Speakers	Participants
Vancouver Island			
Campbell River	August 11	25	72
Nanaimo	August 12	30	112
Port McNeill*	August 17	0	3
Victoria	September 8	25	132
North			
Fort Nelson*	August 24	0	6
Fort St. John	August 23	17	42
Masset*	August 24	0	4
Prince George	September 15	22	102
Terrace	September 1	11	45
Valemount**	August 17	1	6
Interior			
Castlegar	August 15	30	70
Cranbrook	August 25	20	65
Kamloops	August 16	25	104
Kelowna	September 12	21	95
Revelstoke*	August 17	2	7
Williams Lake	August 18	29	63
Lower Mainland			
Abbotsford	August 29	27	74
Surrey	September 7	21	84
Vancouver	September 16	45	143
Total	-	351	1,229

*These Community Fora were held via videoconference. **This Community Forum was held via teleconference.

Facilitated Dialogue Session Participants

People who attended a Community Forum were also invited to participate in a companion facilitated dialogue session.

Table 2 Facilitated Dialogue Session Participants by Location

Location	Date	Participants
Kamloops	August 16	17
Kelowna	September 12	24
Surrey	September 7	35
Terrace	September 1	22
Vancouver	September 17	16
Victoria	September 8	36
Total	-	150

Overall Participation by Sector

Table 3 presents a break down, by sector, of the 923 participants who gave an oral presentation at a Community Forum, provided a written submission, and/or completed a voluntary survey. The voluntary survey, completed by 285 people, was designed to give additional information about participants and the organizations they represented.

Table 3 Participation by Sector for all Submissions

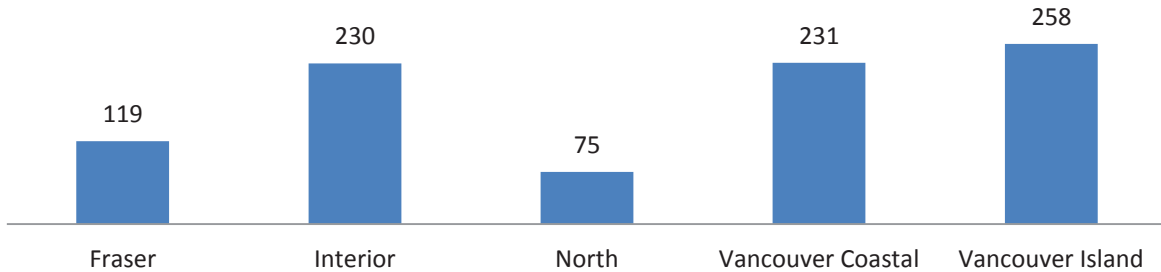
Sector	Participants	%
Adult arts, culture and sport	177	19.2
Animal welfare	8	0.9
Environment	44	4.8
Fairs, festivals and museums	59	6.4
Human and social services	299	32.4
Private individuals*	106	11.5
Other	25	2.7
Parent advisory councils	24	2.6
Public safety	17	1.8
Sports for youth and people with disabilities	78	8.5
Youth arts and culture	86	9.3
Total	923	100.0

*Private individuals were not assigned to a sector.

Overall Participation by Region

Chart 1 provides a regional break down of the 923 participants who gave an oral presentation at a Community Forum, provided a written submission, and/or completed a voluntary survey.

Chart 1 Participation by Region for all Submissions*



* Chart 1 excludes 7 participants who represented organizations that are based provincially and do not fall into a specific region, and 3 participants who did not specify their community of origin.

Of the Community Gaming Grant Review participants, 28% were from the Vancouver Island region, 26% from the Vancouver Coastal region, and another 25% were from the Interior of British Columbia. A further 13% of participants were from the Fraser region and 8% were from the North.

Appendix B: Summary of Participant Comments

The Community Gaming Grant Review attracted 923 British Columbians who participated in a variety of ways. They spoke at a Community Forum (n=351), provided a written submission (n=526), and/or completed a survey (n=285).¹ Participants most often represented a community organization (88.6%, n=818), and the largest proportion of them was from the Vancouver Island region (28.0%, n=258). Another 25.0% of participants were from the Vancouver Coastal region (n=231), 24.9% were from the Interior (n=230), 12.9% were from the Fraser (n=119), and 8.1% were from the North (n=75). We based our analysis on the comments they provided, on the sectors they represented, and on the regions and communities they were from.

Participants most often represented the **human and social services** sector (32.4%, n=299), followed by **adult arts, culture and sport** (19.2%, n=177), **youth arts and culture** (9.3%, n=86), and **sports for youth and people with disabilities** (8.5%, n=78). We also found representation from the following sectors: **fairs, festivals and museums** (6.4%, n=59), **environment** (4.8%, n=44), **parent advisory councils** (2.6%, n=24), **public safety** (1.8%, n=17), **animal welfare** (0.9%, n=8), and **other** (2.7%, n=25).

Examples of participants who fell into the “other” category included those representing First Nation bands and organizations, gaming associations, chambers of commerce, consulting firms and others. An additional 11.5% of participants were **private individuals** (n=106). Typically, these were concerned citizens or those who supported a particular organization or sector. Private individuals were not assigned to a sector.

In addition to region and sector, we also analyzed additional characteristics about participants, including the size of their community, whether they recently received community gaming grant funds, the trend in their organization’s annual community gaming grant funding, and the type of organization each participant represented.

In total, we extracted 7,495 discrete comments from oral presentations, written submissions and surveys. We grouped comments into a high-level category and assigned it a theme, which reflected the issues that participants recurrently discussed.

The greatest proportion of participant comments related to the theme of **Value**, which describes the value that community organizations offer (42.6%, n=3,193). **Governance** was next

¹ Depending on the context, the “n” values used in this appendix refer to a particular “number of comments,” or more frequently to the “number of participants” who commented on a particular theme, represented a particular sector, or came from a particular region.

most frequently commented on (26.9%, n=2,013), followed by **Funding** (16.7%, n=1,250) and **Eligibility** (13.9%, n=1,039).

Eligibility

During the review, 58.2% of respondents commented on the theme of eligibility, which represented 13.9% of all participant commentary. This theme includes comments related to the following two issues:

- Criteria – the criteria that should be used to determine who is eligible to receive community gaming grant funds (n=643 comments); and
- Restoration of eligibility/funding – calls for the restoration of eligibility/funding to specific organizations or sectors that were formerly eligible to receive community gaming grant funds (n=396 comments).

Of the participants who commented on the theme of eligibility, 33.1% originated from sectors that were recently determined to be ineligible for community gaming grant funds (**adult arts, culture and sport, animal welfare and environment**). These same sectors were represented by only 24.8% of the overall number of participants.

Here are some examples of eligibility comments and the sector that each participant represented:

<u>Sector</u>	<u>Comment</u>
Adult arts, culture and sport	“We urge the current government to consider the enormous contribution the performing arts — among all the other arts — make to both the economy and quality of life in the province of BC. And we urge the government to renew its support for the arts, and the large and diverse communities who depend on them, by once more making gaming monies available to the broadest possible range of charitable activities, including the performing arts.” ~ Wild Excursions Performance, Vancouver
Environment	“Don't tie the funding exclusively to projects. Without a healthy administration, it is almost impossible to effectively administer projects or to have the resources to develop new ones. Constantly trying to find new projects doesn't build and improve on current programs. In other words, trust charities to use their funding wisely.” ~ Burns Bog Conservation Society, Delta
Sports for youth and people with disabilities	“Raise the age for a youth application to 20 years of age and under.” ~Private individual, Surrey

Funding

During the review, 59.4% of participants (n=548) made comments that related to the high-level theme of funding, accounting for 16.7% (n=1,250) of all participant commentary. This theme includes comments related to the following four issues:

- Formula – the formula used to allocate community gaming grant funds (n=347 comments);
- Multi-year funding – calls for community gaming grants to be issued for periods longer than one year (n=564 comments);
- Calls for new or increased funding (n=110 comments); and
- Proportion – the proportion of gaming funds that should be allocated to community gaming grants or specific sectors of community gaming grant recipients (n=229 comments).

Of the funding issues, “multi-year funding” was most frequently commented on by participants, representing 7.5% of all participant comments and 45.1% of all funding comments. Comments relating to the “formula” that the government should use when determining how community gaming grant funds should be allocated, received the next-most comments, accounting for 27.8% of funding comments.

Participants made 229 comments relating to the “proportion” of gaming funds that should be allocated to community gaming grants and 110 comments calling for “new or increased funding” to be issued. We included participants’ comments under “new or increased funding” when they did not relate to the restoration of funds, but referred instead to what their organization needed, such as more money than previously entitled to under the community gaming grant program, or when comments called for the government to fund a new initiative not previously funded.

Some examples of funding comments and the sector that each participant represented are presented on the next page:

Community Gaming Grant Review Report

<u>Sector</u>	<u>Comment</u>
Adult arts, culture and sport	<p>“(our) first request is that the province of BC allocate an annual carve of \$2.5 million of provincial gaming funds to support the implementation of the BC Aboriginal Sports, Recreation and Physical Activities strategy.</p> <p>...This strategy is a long term plan that uses the benefits of sports, recreation and physical activity to increase the health and wellbeing of aboriginal youth, families and community members throughout BC. The action based program and initiatives within the strategy are designed to advance the core priorities within 5 pillars which include activity communities, leadership and capacity, excellence, system development and sustainability.”</p> <p>~ BC Aboriginal Sports, Recreation Physical Activities Partners Council, Comox</p>
Human and social services	<p>“(I recommend)...that the funding formula used to allocate gaming grant funds be easily accessible and available on the government's webpage for review by charities. If the funding formula was available, a charitable organization could use the formula to forecast whether it is eligible for the full amount of the proposed new \$100,000 Community Gaming Grant or a pro-rate portion of the grant.”</p> <p>~ Williams Lake Child Development Centre, Williams Lake</p>
Public safety	<p>“If gaming funds are to be used to replace sustainable funding from general revenue for important public safety programs, then parts of it need to be managed as if it were sustainable funding and not a one-time grant that has to be re-justified each contribution year.”</p> <p>~ British Columbia Search And Rescue, Vancouver</p>

Governance

During the review, 63.8% of participants (n=589) provided comments that related to the theme of governance, representing 26.9% of all participant comments (n=2,013). Governance includes comments related to the following five issues:

- Accountability – accountability that would show whether community gaming grant funds are being used appropriately by recipient organizations (n=351 comments);
- Legislation – changes or improvements that could or should be made to existing legislation governing community gaming grants (n=125 comments);
- Results – results that would show the successfulness of organizations receiving community gaming grants (n=189 comments);
- Role of government – the role that government should play in the administration of community gaming grants (n=417 comments); and
- Service – the actual administration and delivery of gaming grants by government, such as the administration of the existing application process (n=931 comments).

Of the governance issues, participants commented most frequently on “service.” Service-related comments represented 12.4% of all participant comments (n=931) and 46.2% of governance comments. The “role of government” in the administration of community gaming grants was the next most frequently commented on issue, receiving 20.7% of governance comments (n=417). The remainder of governance comments related to the following issues: “accountability” (17.4%, n=351); “legislation” (6.2%, n=125); and “results” (9.4%, n=189).

Here are some examples of governance comments and the sector that each participant represented:

<u>Sector</u>	<u>Comment</u>
Adult arts, culture and sport	“The actual application process is lengthy, time consuming and quite confusing if you haven't done it over and over and over several years. And with that being said, it tends to change also. So if you have experience with it, sometimes there's a new loop thrown in there.” ~ South Peace Art Society, Dawson Creek
Human and social services	“Enshrine in the legislature a minimum percentage of gaming revenue that will be directed to non-profits. As stated above, the historic 30% level would be appropriate. Non-profits are very cost effective and are helping vulnerable populations who are greatly in need of their services. Much of this work is accomplished by volunteers. The government receives excellent value for the dollars it directs to non-profits through gaming grants.” ~ John Howard Society Of The North Island, Campbell River
Human and social services	“The reporting should be streamlined so that each group accounts for the expenditures of the funds, once yearly. Now there are two accounting forms to fill out, which are basically the same. A summary report and for those who did receive the 3 year funding, the use of funds report. I think it is redundant and just a waste of time at the executive level.” ~ King George Seniors Affordable Housing, Powell River
Youth arts and culture	“We judge the success of our activities with regard to the difference they make in the lives of community members by the on-going feedback we receive from both audience members and participants. We have an expanding membership base, and are inundated by requests from people to become involved in our projects. We also receive word back from many young people who have been involved in our projects, describing how their time spent with us was a major factor in launching their professional careers.” ~ International Theatre Inconnu Society, Victoria

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Youth arts and culture “Transparency, fairness, consistency. These are all words that governments strive to achieve. Unfortunately, with gaming policy none of these words have applied over the past 10 years. We respectfully suggest that a third party, arms length body be created to administer and distribute arts and culture gaming funding free of retribution, partisan intervention, censorship and gamesmanship.”

~ Music BC Industry Association, Vancouver

Value

During the review, we captured 3,193 comments that 94.3% of participants made on the theme of value (n=870). Value was the most frequently commented on theme, accounting for 42.6% of all participant comments. Value includes comments related to the following three issues:

- Benefits – the benefits that not-for-profit organizations provide to their community (n=1,794 comments);
- How gaming grants can best serve the people of BC – what the philosophy or overall purpose of community gaming grants should be (n=289 comments); and
- Impact – the impact that community gaming grants, or their removal or reduction, has had on organizations and their efforts to make a difference (n=1,110 comments).

Here are some examples of value comments and the sector that each participant represented:

Sector

Comment

Adult arts, culture and sport

“Think about what you want your own community to look like. What are your priorities for your quality of life? There are groups out there that may not appear ‘essential’ but are providing important elements of what makes people happy. Maintaining arts and cultural services helps define us as a people. We don't want to lose our identity in the pursuit of just solving problems. It's a balance.”

~ Shuswap District Arts Council, Salmon Arm

Animal welfare

“People think of us often as an animal charity, but we are so much more than that, you really can't separate animals from people. Often when people think of the SPCA, they think of a place where you can leave your animals when you no longer want them, you can't look after them anymore, it might be a place to come when you are considering adopting a pet into your family, or the agency you call when you suspect that an animal is being neglected or mistreated or abused – you see a dog locked in a hot car. Or you may call us when you want some advice on your pet's health, looking for support. And we are all of those things.”

~BC Society for the Prevention of Cruelty to Animals, Nanaimo

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- Public safety “The BC Search and Rescue Association and its unpaid responders replace police officers and paramedics in circumstances that require specialized expertise and training, and do so in a cost effective manner. Professional programs are not only expensive, they require a commitment from the participants to maintain readiness and their funding partners to provide sufficient funding while reducing administrative burdens and inefficiencies.”
~BC Search and Rescue Association, New Westminster
- Youth arts and culture “As one of the only grant sources that can be applied to administration costs, the gaming grant means the organization can afford a professional administration who look after the financial, insurance, compliance, budgetary and strategic areas of the organization while keeping the organization relevant in the community through customer service, facilities management, public relations and marketing orientation. Quite simply, without the administration the gaming grant affords, the organization, and its community programs, would limp along pathetically and eventually die.”
~Chilliwack Academy of Music, Chilliwack

Appendix C: Common Misconceptions

Upon completing the listening and reading phase of my review, I met with the Executive Director of the Gaming Grants Branch (the people who administer the grants) to discuss concerns and ideas. Fortunately, several concerns are misconceptions about how the program is administered.

Due, in part, to the volunteer nature of leadership in community groups, and its associated human-resource turn over, many perceived constraints and requirements are hearsay and do not actually exist.

Many of these misconceptions could be overcome with a clear statement on the program's web page and written documents to the effect that the Gaming Grants Branch is willing to consider any request for an explanation of, or an exception to, its operational regulations and practices.

A list of common misconceptions follows:

Funding rules are too rigid and do not facilitate innovations, such as giving grocery store gift certificates (instead of cash) to needy people.

The Gaming Grants Branch will consider any expenditure connected with the pursuit of an approved project. Branch staff will question unusual expenditures, as they should, but will approve them when appropriate. The expenditure in the misconception cited above was questioned and subsequently approved.

Successful fundraising will be penalized by grant reductions.

Only proceeds from licensed gaming in excess of \$250,000 received in the last 12 months have an impact on grants. Other fundraising has no effect.

Capital funding, maintenance funding, operations funding, contingency funding, and partnerships with other government funders are not eligible uses of grant funds.

Capital expenditures in excess of \$20,000 are not eligible at this time. The other expenditures are eligible, although sometimes with reasonable restrictions. For example, contingency funds may not exceed six months' operating costs.

The Gaming Grants Branch will summarily reject any application that contains a technical error.

The Branch makes every effort to contact applicants to resolve problems. However, they are sometimes unable to do so because organizations' contact people, or their contact coordinates, change without notifying the Branch.

The Gaming Grants Branch is rigid in its requirement that grant funds be spent within 12 months of receipt.

The Branch will consider any reasonable request for an extension and frequently makes exceptions and grants extensions.

The Gaming Grants Branch requires financial statements that have been audited by a professional accountant. This is expensive and a poor use of a grant-recipient's funds.

The Branch neither requires nor prefers audited financial statements. The Branch encourages simplified financial statements and reports signed by an officer of the recipient organization.

Appendix D: Summary of Practices in Other Jurisdictions

To support the Community Gaming Grant Review process, a review examined how community gaming grants are distributed in seven other jurisdictions: the United Kingdom, New Zealand, the Canadian provinces of Alberta, Saskatchewan and Ontario, and the Australian states of Queensland and Western Australia. This appendix summarizes the key findings of this review.

Role of Government

Government plays a considerable role by setting the policy direction for the distribution of community gaming grants in all seven of the reviewed jurisdictions. In these jurisdictions, key grant funding decisions are made by grant committees/boards that operate, in varying degrees, at arm's length from government.

Sector-specific committees/boards (for example, sports, arts or heritage committees) make gaming grant funding decisions in Alberta and Saskatchewan, while regional committees make funding decisions in Ontario and Queensland. In the United Kingdom and New Zealand, gaming grant funding decisions are made by both regional committees and sector-specific committees. In Western Australia, one board makes all funding decisions. In Queensland and Western Australia, funding decisions made by the grant committees need to be ratified by the responsible Minister before funds are allocated to the community groups.

Eligibility Criteria

In all seven jurisdictions reviewed, community groups must be a registered not-for-profit organization, be in good standing with the grant-issuing authority, and meet all the reporting requirements for previous grants to be eligible to apply for a community gaming grant.

Adult (and youth) sports and arts as well as cultural organizations are eligible to apply for gaming grants in all seven jurisdictions. Local government authorities/municipalities are eligible to directly apply for gaming grants in Saskatchewan, Ontario (communities with populations less than 20,000), and Western Australia. Furthermore, Aboriginal, First Nation and Métis community groups are eligible to apply for gaming grants in Ontario and Saskatchewan. Indigenous and Maori community groups are eligible to apply for gaming grants in Queensland, Western Australia and New Zealand.

In Queensland, well-established, eligible not-for-profit community groups can sponsor unregistered groups to apply for community gaming grants, which provides eligibility for all community groups. Under this model, the sponsoring organization must accept all legal and financial responsibility for grants issued to the sponsored organization.

Grant Sectors

Although different jurisdictions may have different names for their gaming grant sectors, generally grants in the seven jurisdictions reviewed go to community groups in the following: sports, arts and culture; heritage; and human and social services. In Queensland, there are no grant sectors; any not-for-profit organization may apply for a grant. Ontario and New Zealand have a stand-alone environment grant sector, whereas environmental groups in other jurisdictions may be eligible to apply for funding through other, non-specific grant funding streams. New Zealand is the only jurisdiction included in this review with a specific grant sector for individuals with disabilities. None of the seven jurisdictions reviewed have a sector specifically for parent advisory councils.

The review determined that larger allocations of gaming grants are awarded to community organizations focused on advancing sports and recreation and arts and culture, and that less grant funding is allocated to the human and social services sector in Alberta, Saskatchewan, Ontario and New Zealand.

An “other” grant funding stream is available in New Zealand and Alberta that enables community programs or projects that do not fit into traditional grant sectors to apply for community gaming grants. Examples of beneficiaries for these grants include disaster relief or hockey equipment that benefit or are shared by the community.

Minimum and Maximum Grant Sizes

The numerous gaming grant foundations and programs reviewed offer a great variety of grant funding streams. While many of these funding streams have unique maximum and minimum amounts for grants, some do not impose a maximum at all – grant sizes are determined by, among other factors, the available funds and the applicants’ alignment with funding priorities.

Application Process

The review found that the application processes in all seven jurisdictions are similar. There are, however, some unique and notable aspects of the application processes of certain grant-distributing bodies. For example, the Ontario Trillium Foundation and three of the four Gambling Community Benefit Funds in Queensland offer two tiers of application processes: a simple process for smaller grants and a more complex process for larger grants that requires more supporting documentation.

In Queensland, the review found another unique approach to the application process. The four committees of the Gambling Community Benefit Funds distribute grants on a quarterly basis instead of annually. As a result, applicants can reapply up to three more times a year if they are initially unsuccessful. If they meet all eligibility criteria on the first round but do not receive a grant, their applications are automatically entered into the next round.

Grant Funding Formulas and Priorities

Gaming grant formulas are not always transparent or publicly available, and funding priorities can vary depending on the sector, region and/or specific grant funding stream. A common consideration for grant approval decisions in a number of the jurisdictions reviewed is the equitable distribution of funds among the different regions. Of particular note is the Ontario Trillium Foundation's relatively more complex funding model that involves target allocation percentage ranges for individual grant sectors, grant types and funding priorities.

Multi-Year Grants

Community gaming grants are only available on one-year terms in Queensland and Western Australia. In the other five jurisdictions, multi-year community gaming grants are an option for some of the gaming grant streams. In all five jurisdictions that offer multi-year grants, the recipient must complete an annual progress report for the grant distribution body before another annual disbursement can be made. Examples:

- Alberta Community Spirit Donation Grant Program – three-year rolling grant:
 - \$25,000 annual maximum grant
 - \$50,000 maximum over the three years
- Saskatchewan – up to two years for many grants
- Ontario – up to five years:
 - Community grants – \$75,000 maximum annual grant, \$375,000 maximum over five years
 - Province-wide grants – \$250,000 maximum annual grant, \$1.25 million maximum over five years
- United Kingdom – up to five years for large capital grants
- New Zealand – up to three years for large capital grants

Other Key Findings

The monitoring, evaluating and auditing of grant recipients is similar in all seven jurisdictions reviewed. Grant recipients must fill out a form, provide supporting documentation on how the grant was spent, and state the annual outcomes of the funded service, program or project before they can receive another grant or annual disbursement.

The review found notable and unique examples of how community groups and the benefits they provide are celebrated and recognized. The New Zealand Department of Internal Affairs publishes a free quarterly magazine that showcases the work of grant recipients and their achievements. A nationally televised awards ceremony is held every year in the United Kingdom where citizens vote for their favourite grant-funded services, programs and projects to determine winners.

There is considerable variety among the seven jurisdiction reviewed in how community gaming grants are distributed. This diversity in approach highlights the fact that there is no one correct or ideal system of distributing community gaming grants. Moreover, the variety in gaming grant distribution among the jurisdictions indicates that these grant systems have been and continue to be adapted to suit the changing needs and priorities of the people and communities they are intended to serve.

Appendix E: Options Not Pursued

During the course of my review, presenters at several fora, and writers of several submissions, addressed some common themes, often with identical wording. I considered all of these seriously. Some formed the foundations for the options presented in my report. Others, while passionately and rationally presented, did not seem feasible upon closer examination.

I describe the most prominent of these others below, with rationales for their exclusion.

Theme

Establish a new target (20% to 30%, with a minimum of \$200 million, was frequently suggested) for the proportion of gaming revenue to be made available for grants.

Rationale for Exclusion

The first problem with this idea is: what would constitute the base “gaming revenue” amount?

The British Columbia Lottery Corporation’s (BCLC’s) annual report for 2010/11 reveals:

Lottery operations (retail network, hospitality network, eGaming): \$289 million

Casino operations (slot machines, table games, poker): \$724.4 million

Community gaming operations (paper bingo, electronic bingo, slot machines): \$91.2 million

Total: \$1.104 billion

However, given that the current Community Gaming Grant program seems to have been designed to replace revenue from charitable casinos and bingo halls, and given that community groups are not directly involved in BCLC lotteries, it could be argued that lottery income should not be included.

Without lottery proceeds, the total becomes \$815.6 million.

Based on the \$815.6 million total:

The current base allocation of \$120 million is 14.7% of \$815.6 million.

The one-time enhanced allocation of \$135 million is 16.6% of \$815.6 million.

In addition, gaming revenue is also distributed to local government for gaming consequence mitigation in communities and to government ministries for community services and programs.

Adding in the \$82.3 million that goes back to local governments, which host casino and community gaming centres, the percentages become:

$\$120 \text{ million} + \$82.3 \text{ million} = \$202.3 \text{ million}$, or 24.8% of \$815.6 million

$\$135 \text{ million} + \$82.3 \text{ million} = \$217.3 \text{ million}$, or 26.6% of \$815.6 million

Adding in the \$147 million allocated to support health care services and research, the percentages become:

$\$120 \text{ million} + \$82.3 \text{ million} + \$147 \text{ million} = \349.3 million , or 42.8% of \$815.6 million

$\$135 \text{ million} + \$82.3 \text{ million} + \$147 \text{ million} = \364.3 million or 44.7% of \$815.6 million

I do not argue for this interpretation. Instead, I offer it as evidence that the numbers are subject to interpretation.

The second problem with the fixed-percentage idea is that it has inherent risks. Changing times, tastes and technologies provide many examples of decline in consumer pursuits once thought unassailable. Videotape rental stores are disappearing and young people are communicating via Twitter and Facebook instead of email. Gambling is not immune from decline.

For example, BCLC's annual report indicates the following declines in net income from casino operations (slot machines, table games and poker):

2007/08: \$761.8 million

2008/09: \$758.1million

2009/10: \$731.3 million

2010/11: \$724.4 million

Rather than pursue a fixed-percentage option, I chose to develop options related to establishing an overall purpose for community grants/investments and determining an allocation for the grants/investments based on that purpose in comparison with other pressing government purposes.

Theme

Adjudicate grant applications through an "arm's length from government" sectoral peer reviews or through regional committees.

Rationale for Exclusion

Many presentations and submissions called for peer reviews, often with identical wording. These tended to come from specific sectors within large cities. Contrarily, participants from the same sectors in smaller communities often asked, with vigour, that the idea of sectoral peer review be discarded.

I did not have time to study the pros and cons of these contradictory ideas about peer review in sufficient depth to come to a reasonable conclusion.

I gave the notion of regional review bodies considerable thought, but I was unable to develop models that would not be difficult and expensive to populate, train and administer.

Further, many participants were highly complimentary about the professionalism and neutrality of the Gaming Grant Branch that currently adjudicates and administers the grants. The complaints I heard tended to relate to specific incidents. They can likely be overcome by strengthening the human resource capacity of the Branch and do not require wholesale change.

Finally, no matter how carefully recruited and monitored, any adjudication body would be subject to the perception of being open to influence by friends and community “personalities.”

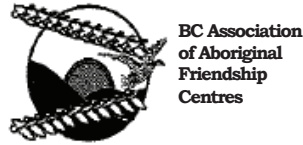
Theme

Develop a percentage-by-sector funding allocation.

Rationale for Exclusion

If government does not choose to pursue the options I developed related to establishing an overall purpose for community grants/investments, this theme might be worth pursuing. However, it would take considerable time and consultation to develop rationales for sectoral proportions, and it would be difficult to adjust them as circumstances change.

Appendix F: Aboriginal Sport, Recreation and Physical Activity Strategy



Aboriginal Sport, Recreation and Physical Activity Partners Council

Background of the Partners Council and ASRPA Strategy

The Partners Council

In 2007, several prominent provincial Aboriginal organizations came together to assess the state of Aboriginal sport, recreation and physical activity in BC and to develop a social legacy from the Cowichan 2008 North American Indigenous Games—a legacy that would lead to transformative change in the health and well-being of Aboriginal people across the province.

Drawing inspiration from the BC Aboriginal Youth Sport and Recreation Declaration, which was established during the 2008 Gathering Our Voices youth conference, the group undertook the task of developing a new and unified approach to community development and preventative health. This work resulted in the creation of a comprehensive, long-term plan called the Aboriginal Sport, Recreation and Physical Activity Strategy (ASRPA Strategy). The Strategy was developed around 5 pillars, which were endorsed by Aboriginal Leaders from across BC during the 2008 Leaders Gathering held a day prior to the Opening Ceremonies of the Cowichan 2008 North American Indigenous Games.

In the summer of 2009, the three founding organizations, the First Nations Health Council (FNHC), the BC Association of Aboriginal Friendship Centres (BCAAFC) and the Métis Nation BC (MNBC), signed a historic agreement to form the Aboriginal Sport, Recreation and Physical Activity Partners Council, pledging to work together as the stewards of the Strategy and begin a multi-year implementation process.

The ASRPA Strategy

The overarching mission of the Aboriginal Sport, Recreation and Physical Activity Strategy is to improve the health outcomes of Aboriginal people across British Columbia by supporting and encouraging physically active communities and expanding access to sports and recreation opportunities.

The Strategy takes a youth-centred approach. As the largest growing population sector in

Canada, Aboriginal youth represent the future for our communities. Through sport, recreation and physical activity, youth gain an understanding of the benefits of living healthy, active lifestyles. They develop enhanced self-esteem, self-confidence and life skills that translate into positive life choices.

The 5 Pillars

The Strategy is organized under 5 Pillars that, through the sum of their actions, will create responsive, adaptive and enduring programs for Aboriginal people across the province that will positively impact the health and well-being of the individuals, families and communities. The 5 Pillars include:

- Pillar 1:** Active Communities
- Pillar 2:** Leadership and Capacity
- Pillar 3:** Excellence
- Pillar 4:** System Development
- Pillar 5:** Sustainability

Regional Committees

A regional engagement process was first initiated in the spring of 2009 to provide community input to the ASRPA Strategy. That process helped to define the 5 Pillars and core priorities of the Strategy and reinforced the importance of building a regional infrastructure to ensure that those priorities stayed in focus.

Accordingly, the Partners Council renewed the regional engagement process in 2010, and this renewal served as the launching point for the ASRPA Strategy. Through a self-directed, credible, open and representative engagement process, six Regional Committees were established to represent and serve all the First Nations, Metis Chartered Communities and Aboriginal Friendship Centres within their geographic boundaries. These regional committees have, in turn, elected leaders from among themselves to coordinate the planning, communication, organization and implementation of activities that represent regionally relevant priorities within the ASRPA Strategy.

For more information on the Partners Council, the Regional Committees and current programs and initiatives, please visit:

Webpage: <http://www.locaafc.com/initiatives/asroa-partners-council>

FaceBook: <http://wwwfacebook.com/ASRPAPartnersCouncil>

Appendix G: References

Websites

Alberta Foundation for the Arts website:

<http://www.afta.ab.ca/default.aspx>

Arts Smarts website:

<http://www.artsmarts.ca/en/home.aspx>

British Columbia Gaming Policy and Enforcement Branch website:

<http://www.pssg.gov.bc.ca/gaming/about/index.htm>

Community Gaming Grant Review website:

<http://www.communitygaminggrantreview.gov.bc.ca/home/>

New Zealand Department of Internal Affairs, Community Matters magazine website:

<http://www.communitymatters.govt.nz/Publications-and-resources---community-matters-magazine>

Ontario Trillium Foundation website:

<http://www.trilliumfoundation.org/en/>

Saskatchewan Lotteries Trust Fund website:

http://www.sasklotteries.ca/sk/about_us/SLTF.html

Fact Pages

Americans for the Arts: Arts Education Facts:

http://www.artsusa.org/public_awareness/artsed_facts/001.asp

Americans for the Arts: Arts Facts – Arts Programs for At-Risk Youth:

http://www.in.gov/arts/files/AFTA_Youth_at_risk.pdf

Americans for the Arts: Arts Facts – Improved Academic Performance:

http://www.in.gov/arts/files/AFTA_AcademicPerformance.pdf

Americans for the Arts: Arts Facts – Spending by Arts Audiences:

<http://www.in.gov/arts/files/SpendingByArtsAudiences2007.pdf>

Social Determinants of Health: The Canadian Facts:

<http://www.thecanadianfacts.org/>

Statistics Canada: Participation in the Performing Arts – Educating and engaging Canada’s youth:

<http://www.canadacouncil.ca/aboutus/Promotion/fp127300660810000000.htm>

Reports and Reviews

2011 British Columbia Financial and Economic Review:

<http://www.fin.gov.bc.ca/tbs/F&Ereview11.pdf>

British Columbia First Quarterly Report, September 2011:

http://www.fin.gov.bc.ca/qrt-rpt/qr11/Q1_11.pdf

British Columbia Lottery Corporation Annual Service Plan Report 2010-2011:

<http://www.bclc.com/documents/annualreports/BCLCAnnualReport1011.pdf>

Investing in Prevention: Improving Health and Creating Sustainability – the Provincial Health Officer’s Special Report:

http://www.health.gov.bc.ca/library/publications/year/2010/Investing_in_prevention_improving_health_and_creating_sustainability.pdf

Articles

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Heath, S.B., Soep, E., & Roach, A. (November 1998). “Living the Arts Through Language+Learning: A report on community based youth organizations.” *Americans for the Arts Monographs*, 2(7). Retrieved online October 30, 2011 from:

[http://www.americansforthearts.org/NAPD/files/9603/Living%20the%20Arts%20Through%20Language%20and%20Learning%20\(November%20'98\).pdf](http://www.americansforthearts.org/NAPD/files/9603/Living%20the%20Arts%20Through%20Language%20and%20Learning%20(November%20'98).pdf)

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Sari, N. (August 2009). “Physical Inactivity and Its Impact on Healthcare Utilization.” *Health Economics*, 18/8: 885–901. Wiley Online Library database.

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