

BCACG Symposium – September 30 – October 1, 2009

Day 2

WELCOME - Greg Halsey-Brandt, Acting Mayor of Richmond

He spoke on how gaming supports his community and commended BCACG for its recent media coverage including CBC on last night's news.

KEYNOTE SPEAKER - Derek Sturko Assistant Deputy Minister, Gaming Policy and Enforcement Branch

Mr. Sturko asked the television media (Global and CTV) to leave. He stated that he was not here to represent the province to the media. He was simply here to have a conversation with community organizations with regards to the recent cuts to gaming funding. The media left to accommodate Mr. Sturko's request. It should be noted that Mr. Sturko phoned BCACG to ask if media would be present. He was told they may be in attendance but not guaranteed.

Mr. Sturko spoke to the following topics (chosen from questions he received from BCACG in advance of the Symposium):

- 1) Decision making & priorities
- 2) Previous commitments
- 3) Memorandum of Agreement
- 4) Consultation
- 5) Rules for future years
- 6) Opportunity to have a decision reconsidered
- 7) Allow charities to conduct and manage gaming again
- 8) Risk of retaliation
- 9) Single year funding
- 10) Other ministries programs eg. CommunityLink, BC Arts Council
- 11) Payments to host local governments

Mr. Sturko stated that the government has had to make some tough decisions. They have tried to put resources where it was viewed they were most needed. They are honouring all three-year written commitments.

1) Decision Making and Priorities

- Budget cycle – Budget normally tabled in February was a preliminary budget
- September Budget presented after the election
 - Local and world economic circumstances led to consequences
 - Written three-year commitments made to community groups will be honoured
 - Trying to distribute funds so most groups get something, but some groups will get nothing.
- 2009-2010 Grant Priorities
 - Programs that support low income and disabled British Columbians
 - Programs that provide food, shelter and support to at risk individuals
 - Programs that support community health services

- Programs that fund nutritional and similar programs in schools for underprivileged kids
- Public safety programs
- A limited number of arts and culture activities
- Community education programs, daycares and preschools
- Public community facilities like community halls
- Youth and disabled sports
- Non sport youth groups such as scouts and cadets
- Environment – no funding unless they already have a three-year grant commitment

2) Previous Commitments

- All three-year written commitments will be honoured.
- No new three-year grants will be issued. All future grants will be for a one-year term.
- Affiliates who applied last year on or about February received a one year extension based on their previous application.

3) Memorandum Of Agreement

Mr. Sturko was most reluctant to speak on this topic due to pending BCACG legal action.

- Signed in 1999 by former provincial government and claimed it expired once Provincial Gaming Agreement was enacted.
- Provincial Gaming Agreement was enacted in 2002
- **NOTE “Bill 6”:** *In applying for a grant under this section, an organization must indicate whether it wishes to receive the grant under a certificate of affiliation or to receive the grant without any affiliation to a commercial hall.*
- Many of features of the agreement no longer exist, eg. charities having sole domain over gaming.
- The government still uses the “core formula” to determine the size of a grant.
- Contained no formal commitment as to how much would be given to charities. Was only a guide.

4) Consultation

MOA states that

- Government will consult in a meaningful way with charities in the development of gaming policy changes that may affect charities.
- Government will consult in a meaningful way with charities regarding the form and content of gaming legislation before it is introduced into the Legislature.

ANSWER:

- “I’m pretty confident I would have known your views if we had consulted with you.”
- Government had only a small window in which to act. Had to make quick decisions.
- There have been cuts across all government ministries.
- Huge shifts in provincial revenues almost daily.
- We know there is full support, some support, no support for some programs at this time.

5) Rules For Future

- Unknown at this point
- Currently supporting CommunityLink, BC Arts Council and three-year grants.

- Privatization of gaming? BCLC in place to conduct commercial gaming. Nothing in the works to change that.
- Long-term planning is difficult for government in the current economy.

6) Opportunity To Have A Decision Reconsidered

- No reconsideration of decisions unless it is because of a misunderstanding of information stated in the application.
- Environment groups – no point in seeking reconsideration because no environment groups are getting grant monies.

7) Allow Charities To Conduct And Manage Gaming Again?

- Gaming Policy and Enforcement Branch regulates all gaming in British Columbia.
- BCLC conducts and manages commercial gaming on behalf of the province.
- Horse racing is run by private groups.
- Bingo license – all net proceeds must stay with group.
- No plans to change model at present.

8) Risk Of Retaliation

- Charities are afraid if they challenge any decision by government they'd face retaliation in the form of funding cuts by the government.

ANSWER

- There will be no retaliation to organizations who have spoken out against the government.
- You have a right to express your views.
- Decisions are made on the basis of criteria and applications submitted.

9) Single Year Funding

- Economy too unstable and shift in government priorities.
- Inappropriate to make three-year agreements at this time.
- Yearly applications till full funding can be reinstated.

The BCACG contends government makes many multi-year P-3 commitments, why not charities?

10) Other Ministries

Some programs typically funded by other ministries are now being funded from gaming.

- **CommunityLink Schools** – *originally under the Ministry of Education*

NOTE: - The term "[CommunityLink Schools](#)" means schools with a significant percentage of vulnerable students. In determining vulnerability, school districts may consider: low income measures; involvement with the provincial social service ministries and related agencies; information obtained through community mapping; community socio-economic demographics, such as aboriginal ancestry, and other relevant information.

Education Minister Margaret MacDiarmid

The annual facility grants - worth about \$110 million - have been cancelled for 2009-10 and districts are being asked to use up the \$98.6 million surplus instead.

*She also advised that [CommunityLink](#) funding, which **provides about \$50 million** to help all districts provide services for vulnerable students, will be maintained but **transferred** from the Education Ministry **to the Social Development Ministry**.*

- **BC Arts Council** - originally under the Minister of Tourism, Culture and the Arts
NOTE: - A total of **\$10.9 million** in funding for the 2009/10 Arts Council budget, which includes this round of grants, has been provided through the Ministry of Housing and Social Development's Community Gaming Grants program.
- **\$60 Million taken from Gaming Grant money to support programs from other Ministries.**
 - In 2008/09, the Province distributed **\$156.3 million** in gaming grants to approximately 6,800 community organizations.
 - Leaves approximately **\$94 million** for the charities.

Questions from the Floor:

Q. - Why are the CommunityLink and the BC Arts Council now coming out of Gaming Funds when they originally came from other Ministries?

A. - Decisions had to be made

- CommunityLink is for disadvantaged kids
- As of April 1, 2010 - not sure where these programs are going.

Q. - Why was \$50 million funding given to CommunityLink when it is not a charity?

A. - Mr. Sturko could not provide an answer to that. He was not in the room when that decision was made.

It is a grant program

Q. - When there is no money and charities have to stop what will government do?

A. - Mr. Sturko could not provide an answer. He indicated that government is cognizant of the services charities provide and that the government has had to make some very difficult decisions.

Q. - Why does the government deem some charities more important than others?

A. - There is only a certain amount of money available. Decisions were made to put most emphasis on those areas like social services, and sports groups.

Province's share of gaming revenue

In 2008/09, the Province received about \$1.08 billion in net gaming revenue.

11) Payments to Host Local Governments

Q. - Why are local governments still receiving 100 per cent of their money?

A. Only 10 per cent of the revenue received from gaming goes to local governments.

These are established contracts. There are no contracts with charities.

QUESTIONS to DEREK STURKO:

- Q - Cheryl Ziola:** Is there a theme? How does government determine who is more important and how best to use the available resources?
- A - Derek Sturko:** Decisions are based on criteria – environment, for example. See the list of grant priorities. For example, the impact of not funding a shelter vs. the environment
- Q - Susan Marsden:** Gaming money – the community knows best what it needs but the charities are preempted by government.
- A - Derek Sturko:** Agreed that the communities know best. If the gaming money was going to the communities to be decided it would be a smaller pot and tough decisions would still have to be made in these economic times.
- Q - Susan Marsden:** \$50 million is not a big amount of money in the overall budget but it makes huge differences to the communities.
- A - Derek Sturko:** Observed the struggle with the deficit. Every Ministry feels they should not be cut but there was a strict process and a difficult challenge.
- Q - Cheryl Ziola:** How can the government justify spending \$100,000 on a wellness centre with foosball and pool tables for MLAs at the same time as they cut back charities?
- A - Derek Sturko:** I can't speak to that.
- Q - Susan Marsden:** \$30 million is going to communities for an "Olympic Torch Program" and promotion.
- A - Derek Sturko:** I can't speak to that.
- Q - Cheryl Ziola:** Once funding is lost and you lose volunteers you can't get them back. Can the government provide the services currently delivered by charity volunteers?
- A - Derek Sturko:** No, the province would not be able to provide those same programs and services. The government is aware that their decisions have great effects in the community.
- Q - Cheryl Ziola:** A News Release on March 3, 1998, when Premier Gordon Campbell was then the Leader of the Opposition, stated: "This report has only served to strengthen my resolve to fight for a charity-driven gaming system which prevents the NDP from being able to steal from charities any further." Why is the Premier going back on that position?
- A - Derek Sturko:** I can't tell you why the Premier said something years ago. Legislation in 2002 does not entrench this position.
- Q - Susan Marsden:** Our actual gaming pot is reduced to about \$90 million (due to other ministry programs) so, is there a plan to eliminate this type of grant distribution?
- A - Derek Sturko:** Not sure of the pot size. Minister of Finance increased the dollars due to the 3-year commitments but this also includes BC Arts and CommunityLink. ***He is not aware of plans to change the model for funding and will try to return it to the status quo.***

Q - Cheryl Ziola: \$125 million dollars should be adjusted to reflect the increase in the number of charities (from 3,000 to 6,800).

A - Derek Sturko:

- 3,000 did not include Direct Access
- Bingo groups have dropped to 1900 from 2500.
- There are more charities at the well.
- Shift in applications from Bingo to Direct Access
- Some bingo halls are just not viable.
- Some groups approached the government to move to Direct Access
- Not adding new affiliation groups to Bingo
- Able to generally manage

Q - Cheryl Ziola: Is it Derek's intent to ask the government for more money?

A - Derek Sturko: He intends to ask, but all monies come from the Consolidated Revenue Account
RENEWALS – 1 year terms only NO 3 years but existing 3 year terms will still be honored.

Q - Cheryl Ziola: Budget date for next year – when will the grant application deadlines be announced?

A - Derek Sturko: Provincial budget is usually tabled in February of each year but will be later next year (March probably) due to the Olympics.
Criteria could change upon the state of the budget.

Q - Cheryl Ziola: Will Bingo Affiliation be kept? Will Bingo and Direct Access be combined in the future?

A - Derek Sturko: A decision was made to stop requiring Bingo recipients to report their volunteer hours. They have been provided Direct Access applications instead. There are no plans at this time to merge Bingo Affiliation and Direct Access grant streams.

It should be noted that shortly after this, on October 27, Minister Coleman announced in the legislature his plan to amalgamate bingo affiliation with direct access.

Q - Susan Marsden: Is Derek's office interested in helping us push for legislation?

A - Derek Sturko:

- Cannot personally be involved in this.
- Decision making power is policy and the legislature
- Gaming Control Act 2002 – charities pushed for a guarantee but no revenue sharing was built into the Act.
- Can only personally convey the desire and reasons for this Act and recommend an approach.

Q - Susan Marsden: Charities need a voice and have a strong desire and to move in the same direction.

- If grants are cut again or only maintained at this level are you and the Ministers aware that we will lose charities and organizations that rely on gaming funds for core funding?
- The social fabric of the province will be reduced.

A - Derek Sturko: The Premier, his Ministers and staff are aware of this.

- Media coverage etc. has made things pretty clear to the government.
- Do not know at this point what will happen with the grants.

- **Objective is to restore funding the best we can for next year.**

Questions from Floor:

Q - For affiliations due now ... do we still send our applications December 15th?

A - Plan to submit your applications as planned.

Q - (Keith Jacobson – BCBC) BCBC came to see you in August with regards to keeping two streams of funding, role of volunteers and to talk of “Community Acceptance” to gaming. What happens now? Some Associations only got 10-month extensions, are they allowed to apply now or when?

- A** -
- Today, there are still two grant streams
 - Almost no revenue coming from Bingo
 - Timeline to apply for the three halls with extension is still December 15th.
 - After today new applications will only be for a one-year commitment
 - Use the same form to apply

Q - Meaningful Consultation – Would the government look at dealing with a working group? Who is the key stakeholder? What strategies would work?

A - The government was elected to make decisions.

- Present reasonable, thoughtful argument. State your case to who will listen.
- Speak as a collective – one organized way – not several.
- List your issues and consequences.
- 3 ways
 - Do it
 - Draft – out to the public
 - White paper
- No changes in applications guidelines at this time. Same timeline on process and schedules.