

 <b>Lake County Policy</b>	<b>3.3.1 Video Gaming Revenue Policy</b>
	Approved by the County Board on: 11/10/2020

## Lake County Video Gaming Revenue Policy (Proposed Revision 32)

### 1. Purpose

~~This policy establishes a framework for:~~

- ~~1) Capturing video gaming administrative, legal, and enforcement costs; and~~
- ~~2) Evaluating and possibly funding social programs, projects (excluding capital improvements), and/or services that benefit Lake County residents.~~

1.1 The purpose and intent of this policy is to provide County staff with guidelines for allocating video gaming revenue to programs, projects, and/or services to address the community impact of problem gambling and to cover County costs associated with video gaming enforcement.

### 2. Background

2.1 The Video Gaming Act (230 ILCS 40) provides the Illinois Gaming Board with jurisdiction over and supervision of all gaming operations within the state. This Act establishes a 30-percent tax on gross terminal revenue, of which one-sixth is distributed to the governing body where the revenue was generated. On August 13, 2013, the Lake County Board adopted the Lake County Video Gaming Ordinance, thereby permitting lawful video gaming within unincorporated areas of Lake County. ~~At the direction of the Lake County Board, funds distributed by the Illinois Gaming Board shall be allocated into the Video Gaming Management Center. The County Board simultaneously restricted the use of the funds to the purposes outlined in this policy.~~

### 3. Scope

3.1 This policy applies to revenues received by the County from the Illinois Gaming Board from video gaming activities.

### 4. Authority

4.1 The Authority as stated in 3.1 Finance Policy, Section 4 applies.

## **5. Policy**

5.1 Starting in FY24, the County will apply the first \$800,000 of annual video gaming revenue to the Video Gaming Management Center Fund. Any revenue over \$800,000 with the balance to be applied will be allocated to the General Fund.

5.2 The Video Gaming Management Center funds Fund will be awarded to social programs, projects, and/or services that benefit Lake County residents, with preference to requests seeking to alleviate the negative effects of problem gambling.

5.3 Community Development will administer and manage the awarded monies from the Video Gaming Fund using their annual application round to assess community need, program effectiveness and agency capacity.

5.3 Community Development's costs associated with administration of the Video Gaming Funds will be calculated and assessed through the County's annual budget process.

5.4 The County will annually support 211 information and referral services with a \$125,000 award. The external award will be reduced by the amount of 211 software costs paid directly to the software vendor by Lake County.

5.5 The County will annually contract \$100,000 award for community awareness and education of problem gambling and a \$100,000 award for treatment of gambling disorders.

5.63 Community Development will administer and manage the rest of the annual funding from the Video Gaming Fund using their annual application round to assess community need, program effectiveness and agency capacity.

### **Eligibility**

~~At a minimum, the following criteria must be met to be considered for award of Video Gaming funds:~~

- ~~1) The request must be from an organization with a physical presence in Lake County.~~
- ~~2) The request must provide a measurable benefit to Lake County residents.~~
- ~~3) The request must meet at least one of the goals and/or values of the Community Action Plan for Behavioral Health in Lake County.~~
- ~~4) The request must be for no more than 12 months of program costs, unless a multi-year request is necessary.~~

- 5) ~~Multi-year requests will only be awarded to programs that:~~
  - ~~○ Have a clear benefit to the entire County population.~~
  - ~~○ Include clear evidence of long term financial viability supported by reality-based assumptions.~~
  - ~~○ Include matching funds greater than or equal to the requested award.~~
- 6) ~~Requests for real estate or capital improvements are ineligible and will not be considered.~~
- 7) ~~Agencies must commit to using ServicePoint for sending and receiving service referrals when practicable.~~

### **Submittal Requirements**

~~A request for Video Gaming funds must be submitted using the “Lake County Human Services Grant Application”. This application requires, but is not limited to, the following information:~~

- 1) ~~A brief description of the request;~~
- 2) ~~The amount of the request;~~
- 3) ~~Description of how the request meets one or more goals and/or values of the Community Action Plan for Behavioral Health in Lake County;~~
- 4) ~~Supporting documentation demonstrating how the funds will serve the need;~~
- 5) ~~A copy of the requesting organization’s budget; and 6) A summary of performance measures that will quantify the program’s estimated outcomes.~~

### **Evaluation Process**

~~Applications shall be submitted to Lake County Community Development no later than the date on which the Lake County Human Services Grant Application is due (typically the third week of October). There will be no cap on the number of applicants, nor will there be a cap on the award amount for a single applicant within a fiscal year. The requests will be evaluated by the Public Services Advisory and Recommendation Committee (ARC) that will make recommendations to the Housing and Community Development Commission (HCDC). The HCDC will make recommendations to the Housing and Community Services (HCS) Committee which will pass their recommendations on to the Financial & Administrative Committee for final approval by Lake County Board.~~

~~The funding recommendations will be subject to annual appropriations. Preference will be given to requests seeking to alleviate the negative effects of gambling addiction in~~

~~Lake County, although applications for other social programming, projects, and/or services will be considered as well. Lake County Community Development will reflect the preferences of the Board using a tiered scoring system that includes a threshold below which programs are ineligible for funding consideration. This threshold will be set at 70% of available points and is reflected in the table located in Appendix A of this policy.~~

~~Funding from other County sources may be considered during the evaluation process. Combined funding of a single program, project, or service may be allowed if the combined award received from all funding programs is less than or equal to the financial need. At its sole discretion, the Lake County Board shall determine whether funds, in full or in part, are granted and in what amounts. Nothing included in this policy shall be deemed to require and/or imply a guarantee of Video Gaming funds, even if all eligibility guidelines are met. Notwithstanding this competitive application round policy, the Lake County Board shall annually set aside funds from the Video Gaming Management Center to support the operation of 211 services in Lake County. Such funds shall be awarded to United Way of Lake County ("Program Administrator") on a contractual basis every 3 years on the basis of need (and subject to Program Administrator's submission of a 3-year budget of funds and performance measures per Submittal Requirements above) and in an amount determined appropriate by the Lake County Board. Such funds shall be disbursed to Program Administrator each year of the contract subject to funds availability through the County's annual receipt of video gaming revenue.~~

### **Administrative Standard Operating Procedures**

~~So that the County Board can more accurately budget for Video Gaming administrative costs, enforcement, and grants, these expenses will be budgeted using revenues received two fiscal years prior. This allows for State-shared Video Gaming to be fully reconciled, thereby making known the full amount available for grant awards.~~

~~Community Development will administer and manage the awarded monies from the Video Gaming Management Center, with assistance from the Finance and Administrative Services Department (FAS). The Liquor Commissioner, as part of the budgeting process, will determine the amount necessary for administration of the grants derived from video gaming revenue; however, these administrative costs shall not exceed 10 percent of the funds within the Video Gaming Management Center~~

~~Additionally, the Liquor Commissioner will determine the amounts withheld for video gaming and liquor enforcement inspections, if applicable. These enforcement costs—subject to the Lake County Video Gaming Ordinance, Section 5: Inspection of Premises—will be paid using the revenue generated from video gaming terminal permit stickers, as well as fines imposed on establishments found in violation of the Lake County Video Gaming Ordinance, Section 4: Regulations for Operating Video Gaming Terminals. If fee and fine revenue does not fund total enforcement costs as decided by the Liquor Commissioner, the remainder will be drawn from Video Gaming revenue.~~

~~Once administrative and enforcements costs are accounted for, the remaining balance within the Video Gaming Management Center will be available for grant awards.~~

~~Selected agencies will submit regular invoices to Community Development to recoup those costs as identified in their Lake County Human Services Grant Application. For agencies that do not spend the entirety of their grant during the fiscal year in which it was awarded, FAS may carry over the remaining balance into the next fiscal year for those agencies to use. If the Lake County Board does not award the entirety of the monies within the Video Gaming Management Center in a single fiscal year, the Board may carry the remaining balance into the next fiscal year.~~

5.7 Grants will include performance measures, and these will be reported quarterly to Community Development by the agency receiving the award. Each program will be monitored and progress towards their performance measures evaluated. Program awards may be rescinded if organizations are not making reasonable progress towards their outcomes.

~~Each year, no more than 40% of available grant funds will be retained for spending in future grant years. Contracts for multi-year awards shall not be written to obligate the County to more than an initial grant of two years subject to hold-back, at the County's discretion, of up to 40% of the year's total available funds; the County may thereafter consider the option of subsequent one-year awards. Such awards may also take the form of "step-down" grants. The nature of the request will determine how funds will be earmarked for multi-year awards.~~

5.8 The manner in which funds are set aside will be incorporated into funding recommendations at the ARC, HCDC and HCS meetings noted above with a final determination made by the Finance and Administrative Committee to be approved by the Lake County Board.

5.9 In the event that approved funding is returned or unused by the program, the balance of funds will be assigned to a program with a similar purpose. Repurposed funds will be approved as described in 5.8.

5.10 At least every three years, this video gaming revenue policy and the overall program progress shall be reviewed with the Finance and Administrative Committee of the Lake County Board to determine the need for any revision.

## **6. Severability**

6.1 If any section or provision of this document should be held invalid by operation of law, none of the remainder shall be affected.

## **7. Non-Discrimination**

7.1 Lake County prohibits the discriminatory application, implementation, or enforcement of any provision of this policy on the basis of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge

status, source of income, gender identity housing status, or any other protected category established by law, statute, or ordinance.

Policy History			
Version	Date Adopted	Legistar Item #	Notes
Original	September 13, 2016	16-0800	--
Amended	July 10, 2018	18-0760	Addition of a minimum eligible scoring threshold for funding awards, criteria for multi-year grants and clarification of the role of the Health and Community Services Committee and its delegates in the grant selection process.
Amended	November 10, 2020	20-1620	Revisions to the standardized process for the use of video gaming revenue to specifically provide a dedicated funding source for the operation of a countywide 211 system.
Reformatted Renumbered	n/a	n/a	02/15/2023 – to fit the Policy Framework
<u>Amended</u>	<u>Proposed</u>	<u>TBD</u>	<u>Substantial amendment to focus on funding timing, limit and remove operating procedures.</u>