

REGULATORY OVERSIGHT

Under §1212 of the Pennsylvania Race Horse Development and Gaming Act (“ the Act ”), the PGCB is charged with promoting and ensuring diversity in all aspects of gaming activities. The PGCB developed diversity rules and regulations, 58 Pa. Code § 481a, to assist the agency in accomplishing its goals. The diversity regulations established the policies and procedures for promoting and ensuring that the regulated entities foster participation and diversity in all aspects of their operations in the Commonwealth. Regulatory oversight by the PGCB includes the following:

Diversity Participation.

- (a) The list of minority and women’s business enterprises that are certified by the Bureau of Minority and Women’s Business Enterprises of the Department of General Services (“DGS”) under 62 Pa. C.S. Part 1 (relating to the Commonwealth Procurement Code) may be used by a regulated entity to establish the eligibility of an enterprise as a minority or women’s business enterprise for the purpose of promoting and ensuring minority and women’s business participation.
- (b) The regulated entity is responsible for ensuring that a minority or women’s business enterprise that is not certified by the Bureau of Minority and Women’s Business Enterprises of DGS is a minority or women’s business enterprise.

Establishment of a Diversity Plan.

- (a) Each regulated entity is required to provide a diversity plan in its application for licensure or certification that establishes a separate goal of diversity in ownership, participation, operation and employment at the regulated entity. The PGCB will determine whether the stated goals set forth in each diversity plan are reasonable and represent a good faith effort to assure that all persons are accorded equality of opportunity in contracting and employment by the regulated entity and its contractors, subcontractors, assignees, lessees and agents.
- (b) A regulated entity may demonstrate achievement of its diversity goals through one or both of the following:
 - (1) contracting or transacting directly with minority and women’s business enterprises.
 - (2) contracting with a non-minority business enterprise under terms and conditions that establish a participation plan.

Report of Participation.

- (a) As part of an application to **renew** a license or certification, a regulated entity shall file a report with the PGCB concerning the performance of its diversity plan. The report must contain the following:
 - (1) Employment data (i.e. job classifications, salary information, recruitment and training);
 - (2) The total number and value of all contracts or transactions awarded for goods and services;
 - (3) The total number and value of all contracts awarded to minority and women’s business enterprises;
 - (4) A list of each contract or transaction awarded to minority and women’s business enterprises and the actual value of each contract or transaction;
 - (5) The total number and value of all contracts awarded that contain a participation plan;

- (6) The total number and value of all subcontracts awarded to minority and women's business enterprises under contracts containing a participation plan;
- (7) A list of each subcontract awarded to minority or women's business enterprises under contracts containing a participation plan and the actual value of each subcontract;
- (8) A comprehensive description of all efforts made by the regulated entity to monitor and enforce the participation plan;
- (9) Information on minority and women investment, equity ownership and other ownership or management opportunities initiated or promoted by the regulated entity; and
- (10) Other information requested in writing by the PGCB to ensure compliance with the Act.

(b) In addition to the reports required under subsection (a), slot machine licensees, manufacturer licensees and supplier licensees shall file updated versions of the reports required under subsection (a) quarterly;

(c) The PGCB will use the reports required under subsection (a) and (b) to monitor compliance with the Act . A regulated entity may request that proprietary information required to be submitted to the PGCB be treated as confidential information.

Audits.

- (a) Onsite audits may be performed on an annual basis or at the discretion of the PGCB to ensure compliance with diversity requirements set forth in the Act.
- (b) Advanced written notice will be provided to a regulated entity prior to the conduct of an onsite audit by the PGCB.

Additional Eligibility Considerations and Labor Hiring Preferences.

(a) Section 1325 of the Act permits a Licensee to consider "the degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular."

(b) Section 1510 of the Act requires the Licensee to monitor its labor hiring practices. This section provides that "each licensed gaming entity shall prepare a hiring plan for employees of its respective licensed facility which promotes a diverse work force, minority participation and personnel from within the surrounding geographical area."

In addition to the statute and the regulatory policies and procedures set forth above, the PGCB's Bureau of Licensing requires each Licensee to execute a "Statement of Conditions" of licensure. In the Statement of Conditions of licensure, the Licensee agrees to provide the PGCB with an updated version of its diversity plan on an annual basis. The Licensee also agrees to provide the PGCB with a quarterly diversity report that serves as a performance assessment of the entity's diversity plan for the preceding quarter and provides data and other supporting evidence that demonstrates a good faith effort on the part of the Licensee to comply with the requirements set forth in §§ 1212, 1325 and 1510 of the Act.