

**Nebraska Commission on Problem Gambling
February 28, 2020
700 South 16th Street
Lincoln Nebraska**

MEETING MINUTES

The meeting was called to order at 9:30 a.m.

Roll Call: Present: Lutz, Leckband, Patterson, Arch, Bomberger, Zohner, Lambert, Barthold and Canada.

Announcements:

Chairperson Lutz made the following announcements:

The notice of this meeting was posted publicly on February 14, 2020, on the state events calendar and on the website of the Gamblers Assistance Program. The notice of meeting with the agenda has been available continuously here in the office of the Gamblers Assistance Program in the Ferguson House, 700 South 16th street, Lincoln, Nebraska.

This meeting of the Commission on Problem Gambling is conducted according to the requirements of the Nebraska Open Meetings Act. A copy of the Open Meetings Act is available on the table toward the rear of this room.

Copies of other printed materials that may be considered by the Commission during the meeting are also available to the public on the table toward the rear of this room.

Public comments on issues presented during this meeting will be allowed by the chair from time to time during the meeting and may also be requested by any member of the commission at any time.

I am grateful to Mark Canada, Cam Arch and Kelly Lambert for their decisions to apply for reappointment to the Commission. And to Dr. Claudia Barthold who joins us today for the first time.

Let us now pause for a moment of reflection before we move on to the next item on the agenda.

Approval of minutes of previous meeting: Chairperson Lutz called for amendments or corrections to the minutes of the meeting of November 15, 2019,

and hearing none, Commissioner Arch moved approval, seconded by Commissioner Leckband. The motion was adopted by unanimous vote.

Director's Report

The written Director's narrative report was distributed and is attached to these minutes.

Legislation: The director reported on the status of LB 826 which has been approved by the Appropriations Committee, and will be advanced along with another bill providing cash fund transfers.

Finance: Several financial reports were distributed and reviewed with the Commission. These are referred to in the written report.

Summary of Fiscal Year-to-Date Operations: The director's report summarizes the results of operations during the period July 1, 2019-January 31, 2020. The Commission reviewed a spread sheet that itemizes contractor performance and overall cost of services.

Amended Training Standards

Bellevue University has developed a specialty training program to be offered to counselors with advanced training in mental and behavioral health fields and State DHHS licenses. The program will require 30 hours of training in modules extracted from the 72 hour training that has been offered since 2014. Implementation requires an amendment to the certification manual to allow a Program certificate to be issued to a candidate who fits the prerequisites and completes the 30 hour course. Commissioner Canada moved approval of the amendment to the Certification and Training standards. Commissioner Patterson seconded the motion, which was adopted by unanimous vote.

Amended Training Contract for Bellevue University online training

The current contract with Nebraska Council on Compulsive Gambling provides terms for the 72-hour core training course offered for candidates seeking the Commission certificate as a qualified disordered gambling counselor. The reduced hours training for already licensed candidates will be offered based on an amended contract with the Nebraska Council, which collaborates with Bellevue University for these offerings. Commissioner Canada moved approval of the amended contract. Commissioner Leckband seconded the motion, which was adopted by unanimous vote.

Agent Brand Contract Report

Staff from Agent Brand presented their report of results of the current prevention campaign for the month of January, 2020 and for calendar year 2019. New user program website traffic for calendar year 2019 increased by 54% over the previous calendar year, approaching 3,000 new users per month. Other details are included in the written report.

New Creative Concepts Contract

Staff from Agent Brand presented the results of research and development of the new digital media campaign focused on informing the public about treatment resources that are available in Nebraska. The campaign will include a new URL: lifeafterbet.com and a new message: "There's a way out. Help for problem gambling is free." Further development of the content of the campaign will be deferred until program funding is assured. Commission action on the second phase of this campaign will be discussed at the May meeting of the Commission.

Affirm Executive Committee Action re: Schroeder contract

On February 14, 2020, the Executive Committee approved an increase in the counseling contract for Ron Schroeder in the amount of \$400 in order to pay an invoice. Minutes of the Committee were presented to the Commission. Commissioner Canada moved for approval of the action by the Executive Committee. Commissioner Arch seconded the motion which was approved by unanimous vote.

Counseling contract increases

The director presented a list of counselor contract increases to take effect for the remainder of the current fiscal year. The increases are indicated by counseling demand that eleven counselors have experienced through January, 2020. Total proposed increases equals \$208,000. The increases will result in counseling awards totaling \$1,175,100. This is approximately equal to annual counseling services for the past three fiscal years. Commissioner Canada moved for approval of the increases as itemized on the list provided by the director. Commissioner Bomberger seconded the motion which was approved by unanimous vote.

New contract award for Justin Antons

The director proposed a new contract with Justin Antons who will use the Beatrice office to expand services in the southeastern counties. Justin has been approved for certification and is registered to take the national certification test. Contract award to start with include \$10,000 for counseling services plus the remaining balance for outreach in the contract issued to Jerry Bauerkemper, who is retiring from active counseling as of March 31. Commissioner Arch moved to approve the issuance of the contract. Commissioner Leckband seconded the motion which was approved by unanimous vote.

Data analysis report

J. P. Ramirez presented his report of data accumulated by program counselors during 2019 with comparison of certain statistics over time since 2013. The data shows increased enrollments of clients in the North Platte / Kearney / Grand Island area.

Game Quitters Program

Anne McCollister reported on the status of the Game Quitters professional workshop and public program that will be presented on March 13. Preregistration is still open. The program has been publicized on websites of professional groups statewide.

Upcoming budgets

The director distributed materials for Commissioners to review and study before the next meeting when budgets for the fiscal year beginning July 1 and for the next biennium beginning July 1, 2021, will need to be developed. Long range planning will be on the agenda for the next meeting of the Commission.

Next meeting date

The next meeting of the Commission will be held at Ferguson House on May 8, 2020, beginning at 9:30 a.m.

Copies of all printed materials distributed to the Commissioners are retained in the records of the program at the program office.

The meeting was adjourned at 1:00 p.m.

NEBRASKA COMMISSION ON PROBLEM GAMBLING
FEBRUARY 28, 2020
DIRECTOR'S NARRATIVE REPORT

LEGISLATION

1. **LB 826** This is our funding bill about the revenue to the Program from the charitable gaming tax. A copy of the bill is in the commissioner binders.

This proposal would eliminate resistance among senators who seem to focus on the statutory language establishing a fixed amount to be transferred to the Gamblers Assistance Fund. In place of a fixed amount, the Legislature would be given flexibility to transfer the appropriate amount at the time.

The Appropriations Committee has decided to add our bill as an amendment to another bill of theirs that deals with cash fund transfers. The bill will be on an agenda for passage soon.

Once this proposal becomes law, the Gamblers Assistance Program will be expected to appear before the Appropriations Committee at budget hearings and justify the program's budget requests with facts and figures that prove the program's value.

2. **Casinos in Nebraska.** The petition drive to legalize casino gambling at licensed horse race tracks is in progress. There is no public information yet about the promoter's success gathering valid signatures. If the petition succeeds, the issue will be on the ballot for the general election next November.

If the amendment passes, the six Nebraska race tracks would be eligible to establish casinos. Four casinos now operated by native tribes would also become eligible to offer all forms of casino gambling. Nebraska could, very quickly, see development of ten casinos offering all forms of gambling.

The Nebraska racino petition provides for a state gaming tax of 20% of casino gross profit. Petition sponsors predict \$50 million of tax revenue per year. Most of the tax would go to local governments and state property tax relief. Problem Gamblers Assistance Fund would receive 2.5% of the tax, which if the prediction comes true would mean about \$1.25 million per year.

3. **Touch Screen Skill Games.** Senator Lathrop's bill that was meant to severely restrict these games went into effect on January 1, 2020. Department of Revenue regulations have been published. A hearing to receive public comments was held yesterday. Game devices were issued temporary licenses which allow operations until regulations are in force and testing has been performed. Licenses were issued to 1,047 applicants for 2,376 devices as of January 1.

4. **Other gambling legislation.** Three legislative bills and one proposed constitutional amendment expanding gambling were introduced during this legislature. None of them has been designated as priority, so all will likely expire when the session ends in April.

ADMINISTRATIVE SERVICES FINANCIAL REPORTS

The attached Department of Administrative Services Accounting Division reports dated January 31, 2020, behind Tab 4 in the binders show you the financial condition of the program from three different perspectives:

The **Program Summary** itemizes revenue and spending for the period July 1- January 31. Totals are on the second page of this report: **revenue \$1,310,991, and spending \$1,107,927**. Two points to keep in mind: spending includes payment in July for services provided in June, and revenue includes one-time payments: \$500,000 lump sum from state lottery and \$250,000 lump sum from health care cash fund.

Revenue breakdown for the period was:

\$	500,000	one time distribution from state lottery profits
\$	187,087	1% of lottery profit remaining after first \$500,000
\$	166,652	5% of lottery advertising budget
\$	200,000	first half distribution from charitable gaming
\$	250,000	one time annual allocation from health care cash fund
\$	<u>7,252</u>	interest earned on the cash fund balance
\$	1,310,991	total program revenue

The **Fund Summary by Fund** shows you the status of the Gamblers Assistance Fund, which is the main vehicle for the Program’s revenue and spending. On the first page, far right column, on the line **Fund Equity Undesignated** shows cash on hand as of July 1, 2019 was **\$591,110**. Cash on hand on January 31, 2020 is shown on the top line, page 1, second column from the right under the heading **Account Balance Debit: \$655,382**.

The **Budget Status Report** shows a comparison of spending to the overall Legislative-approved budget. In the upper right corner of the pages it shows that **58.9%** of the fiscal year had elapsed as of January 31, 2020. The columns headed “Percent of Budget” show the status of the individual accounts.

On the second page, about in the middle, this report shows you that the program as a whole was at **53.14%** of the Legislature’s approved budget.

Points to keep in mind:

1. Total revenue from the state lottery profits depends on sales volumes. In general, large Powerball or MegaMillions jackpots lead to higher ticket sales, and therefore higher profits. The first half profit distribution to four beneficiary funds indicates that total annual profit from the State Lottery will be down by 5-10% from previous years.
2. On the spending side of the budget, note that contractual aid, which is the accounting classification for counseling services, is averaging about \$100,000 per month.
3. The accounting division budget status report lists the program’s budgeted amount at \$2,084,748. This is more than the approved budget for this year because state accounting allocates extra dollars to allow payment of expenses that were incurred before July 1. The approved budget amount in this report includes \$145,383 authorized to pay prior year expenses, plus \$1,939,365 appropriated for this fiscal year expenditures.

YEAR-TO-DATE OPERATIONS SPREAD SHEETS BEHIND TAB 5 IN THE BINDERS

The Excel spreadsheet **Gamblers Assistance FY2019-20 Contracts Performance** shows you the itemized results by contractor for the major categories of service. A second spreadsheet – **Itemized Cost of Counseling Service** - shows cost of the different items of counseling services at current rates of pay.

OTHER TOPICS ON TODAY’S AGENDA

The agenda includes amendment of training standards. Bellevue University staff have revised our basic training that is offered to prospective counselors. The new training offers shorter hours for candidates who already have mental or behavioral health licenses. This includes a revision of our current training contract.

The agenda includes a presentation by representatives of Agent Brand and Mediaspark, our media campaign contractors. Their presentation will give a detailed report on the results of the “BetCareful” media campaign and an introduction to the new campaign that will be intended to motivate more Nebraskans to come to our counseling offices for help.

Next on the agenda are three items applicable to contract awards for counseling services. The materials include itemized proposals for these contract awards.

The data report by J. P. Ramirez shows results of client characteristics and outcome of our program services.

Item 15 on the agenda is a discussion of budgets that the Commission must adopt for the next fiscal year and the next two years after that. Materials distributed to the Commission illustrate the budget process.

Dated February 28, 2020.

David Geier, Program Director

FISCAL YEAR 2019-20 BUDGET PROJECTIONS

02/28/2020

REVENUE

State Lottery Profits Distribution 900,000
Share of Lottery Advertising Budget 300,000
Share of Charitable Gaming Tax 400,000
Health Care Cash Fund 250,000
Interest on Gamblers Assistance Cash Fund 15,000
TOTAL PROJECTED REVENUE 1,865,000

EXPENDITURES

Staff salaries and benefits 150,000
Data Analyst 49,000
Louisiana Helpline Service 20,000
Zoom telehealth service 3,600
General office overhead 25,000
First round counseling services contract awards 967,100
Counselor outreach awards 118,700
Agent Brand 325,000
Cam Adair Game Quitters 10,000
TOTAL PROJECTED EXPENDITURES 1,668,400

LEGISLATIVE APPROPRIATION 1,939,365

UNOBLIGATED FUNDS: AS ALLOWED BY APPROPRIATION 270,965

UNOBLIGATED FUNDS: TO BALANCE SPENDING WITH REVENUE 196,600

FISCAL YEAR 2019-20 BUDGET PROJECTIONS IF CONTRACT INCREASES ALLOWED

02/28/2020

REVENUE

State Lottery Profits Distribution	900,000
Share of Lottery Advertising Budget	300,000
Share of Charitable Gaming Tax	400,000
Health Care Cash Fund	250,000
Interest on Gamblers Assistance Cash Fund	<u>15,000</u>
TOTAL PROJECTED REVENUE	1,865,000

EXPENDITURES

Staff salaries and benefits	150,000
Data Analyst	49,000
Louisiana Helpline Service	20,000
Zoom telehealth service	3,600
General office overhead	25,000
First round counseling services contract awards	1,173,600
Counselor outreach awards	118,700
Agent Brand	325,000
Cam Adair Game Quitters	<u>10,000</u>
TOTAL PROJECTED EXPENDITURES	1,874,900

LEGISLATIVE APPROPRIATION 1,939,365

UNOBLIGATED FUNDS: AS ALLOWED BY APPROPRIATION 64,465

UNOBLIGATED FUNDS: TO BALANCE SPENDING WITH REVENUE (9,900)