

**Nebraska Commission on Problem Gambling
May 17, 2019
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, Zohner and Bomberger.
Absent excused: Muelleman and Canada. (Monheiser has resigned).

Announcements: Vice-Chair Lutz made the following announcements:

The Meeting Notice and Agenda were published on the state events calendar, the program website and the website of the Charitable Gaming Division on May 8, 2019. The notice of meeting has also been continuously posted here at the office of the Gamblers Assistance Program, and available for public inspection.

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.

Approval of minutes of previous meeting: Vice-Chair Lutz called for amendments or corrections to the minutes of the meeting of November 16, 2018, and hearing none, the minutes were approved as distributed and posted on public websites.

Election of Officers: Vice-Chair Lutz reported that Mark Canada has resigned his position as Chairman of the Commission. Canada did not apply for reappointment to the Commission, but will remain a member of the Commission until his replacement is appointed. Lutz called for nominations to fill the position of chair. Upon motion by Commissioner Leckband, seconded by Commissioner Patterson, the Commission by unanimous consent elected Susan Lutz chair; Cameron Arch

vice-chair; Todd Zohner secretary; and Paul Leckband member-at-large of the executive committee.

Director's Report

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

Legislation: The director reported that several legislative proposals about gambling are pending. These are described in detail in the written report.

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

Summary of 2018-19 Operations: The director's report summarizes the results of operations during the period July 1, 2018-April 30, 2019. The Commission reviewed a spread sheet that itemizes contractor performance and reported on a comparison of the program's intake rates to recently published data from other state programs.

Other topics: The director's report covers status of the pending bill that would increase the Program's revenue starting July 1 and initial contacts with Behavioral Health Education Center of Nebraska to explore adding content about addiction to gambling to statewide post-secondary academic courses for students interested in behavioral health fields.

Agent Brand contract

Representatives of Agent Brand and Mediaspark presented a report on the multimedia contract performance for the first two years of this contract. A hard copy reproduction of their report was distributed. Due to the excellent results, Commissioner Leckband moved that the contractor should be offered a renewal of the contract for a second two-year term, to begin July 1, 2019, with an increase in the amount of the contract to \$300,000 for the first of the two years. Commissioner Bomberger seconded the motion, which was agreed to by unanimous vote. The Director is to implement the renewal through the Materiel Division of the Department of Administrative Services.

Increase Provider contracts

The Director reported on counselor contract increases that were approved by the Executive Committee of the Commission on March 18, 2019. After discussion, Commissioner Leckband moved for approval of the decisions by the

Executive Committee to increase the contract awards as listed. The motion was seconded by Commissioner Patterson, and agreed to by unanimous vote.

The Director then reported on the need to increase contract awards for a list of counselors experiencing demand that will required added funding to pay for services through June 30, 2019. After discussion, Commissioner Arch moved for approval of the increases. The motion was seconded by Commissioner Patterson, and agreed to by unanimous vote.

The consensus of the Commission was that any further increases in contract awards for the remainder of the current fiscal year shall be presented to the Executive Committee for consideration.

Buffy Cornish Application

The Commission has received the application by Aletha “Buffy” Cornish asking to be certified as a disordered gambling counselor. She has completed formal training and the required supervised practice hours as a provisional counselor, and has been approved for certification by the Commission Certification Advisory Board. Commissioner Leckband moved for approval of her application. The motion was seconded by Commissioner Patterson and agreed to by unanimous vote. Upon passing the national test, the Commission will issue her certification.

Next Fiscal Year Budget

The Commission reviewed the outline of a budget for the fiscal year July 1, 2019-June 30, 2020. After discussion, two revisions were proposed: the contract for data analyst increase to 49,000 per year, and the Director was given consent to expend up to \$2,500 of Program funds for travel, lodging and other expenses to attend the annual conference of the National Council on Problem Gambling in Denver July 17-20, 2019. The total proposed budget authorizes total expenditures for all Program activities of \$1,850,000. Commissioner Arch moved adoption of the proposed budget. Commissioner Leckband seconded the motion, which was agreed to by unanimous vote. The budget resolution is attached to these minutes.

The Director is authorized to offer counselor contracts for the year beginning July 1, 2019, on terms consistent with the current year contracts, in amounts up to the Program total of \$1 million for all counseling services, and from \$50,000-100,000 for prevention/education/outreach activities by contracted counselors.

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

The next meeting will be held on August 16, 2019, beginning at 9:30 a.m.

The meeting was adjourned at 12:30 p.m.

NEBRASKA COMMISSION ON PROBLEM GAMBLING
MAY 17, 2019
DIRECTOR'S REPORT

6.A. LEGISLATION

1. Casinos in Nebraska. A petition drive to legalize casino gambling in facilities located near licensed horse race tracks will begin soon. The promoters submitted documents to the Secretary of State that would amend the state constitution to allow the casinos, convert the Racing Commission into the Racing and Gaming Commission, and create the framework of laws governing this new form of gambling. The proposals include a 20% tax on casino profits. 2.5% of this tax would be transferred to the Compulsive Gamblers Assistance Fund. The promoters claim that these new casinos will generate \$50 million per year in tax revenue. This is probably an exaggeration, but if it turns out to be accurate, Gamblers Assistance would realize about \$1.25 million per year from this source to be added to existing revenue.

2. Touch Screen Skill Games. A bill by Omaha Senator Lathrop would severely restrict these games by prohibiting some features of the computer software that operates them. It puts the burden on the game operator to prove that the games in these consoles are skill-based and not games of chance. Our counselors have reported increasing problems resulting from play on these devices, which have spread all over the state and drawn attention from gambling enforcement staff. At this report the bill is on the waiting list for final debate. The bill has a complicated structure, has been amended several times, and is clearly the product of negotiations over several issues.

3. Publication of Lottery Games Odds of Winning. A bill by Senator Geist of Lincoln will require the State Lottery to clearly advertise the odds of winning prizes. This by itself is not likely to make much difference to habitual gamblers but it does illustrate the ongoing concern among legislators about the problems that gambling causes.

4. Fantasy Sports Games. LB 137 by Senator Blood of Bellevue was advanced by the General Affairs Committee on March 4 and is now on general file. Since the bill does not have a priority designation, it will not be debated this year, but will remain on file until next year.

6.B. FINANCE

The Department of Administrative Services Accounting Division reports dated April 30, 2019, show you the financial condition of the program from three different perspectives:

- (a) The Program Summary itemizes revenue and spending for the month of April and the fiscal year to date, beginning July 1. Year-to-date totals are on the second page of this report: revenue \$1.477 million, and spending \$1.525 million.
- (b) 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 the balance shown is 726,733.54. This is the cash on hand as of July 1 in the Gamblers Assistance Fund. Cash on April 30

is shown on the top line, page 1, second column from the right under the heading Account Balance Debit: 679,269.

- (c) The Budget Status Report shows a comparison of spending to the overall budget. In the upper right corner of the pages it shows that 83.29% of the fiscal year had elapsed as of April 30. The columns headed "Percent of Budget" show you that all but one spending category is below the budget schedule.

On the second page, about in the middle, it shows you that the program as a whole is at 72.34 percent of budget, so we are over 10% below budget. Note that the budgeted expenditures total, on page 2 in the middle of the page, right-hand column, equals the authorized appropriation set by the Legislature – \$1,934,784 - plus \$172,870 that was automatically added to that appropriation by the budget staff to cover payments in the month of July to pay the June bills.

- (d) The Commission's internal budget adopted last May calls for total program spending of \$1,789,000. This is to cover actual spending during this fiscal year for services and goods purchased during this fiscal year. Total spending so far this fiscal year for this fiscal year program activities is \$1.353 million. This is 75.6% of the Commission's internal budget.

6.C. SUMMARY OF 2018-19 OPERATIONS

(1) The Excel spreadsheet "Gamblers Assistance FY2018-19 Contracts Performance" shows you the itemized results by contractor of the counseling services. A second spreadsheet – "Itemized Cost of Counseling Service" - shows cost of the different items of counseling services at current rates of pay. The data report by J. P. Ramirez shows results of client characteristics and outcome of our program services for this fiscal year through March 31.

The spreadsheet total on the last line reports that 455 individuals have received our program's counseling services during the period July 1, 2018-March 31, 2018. This is the first year we have been tracking this total. It includes individuals admitted into care before July 1 who were counseled after July 1, and new clients receiving counseling after July 1. At this pace the Program will likely end the fiscal year having provided counseling service to nearly 500 individual Nebraskans.

How does this compare to other state programs? The latest data we have for other states is from the 2016 *Survey of Problem Gambling Services in the United States*, published jointly by NCPG and APGSA. Here is a comparison of the rates of service delivery per 100,000 of the population age 18 or over based on the 2016 report:

- California, 30 million age 18+; 1,562 receiving counseling - .5/100,000
- Indiana, 9.8 million age 18+; 1,611 receiving counseling – 16/100,000
- Iowa, 2.4 million age 18+; 698 receiving counseling – 29/100,000
- New Jersey, 6.9 million age 18+; 350 receiving counseling – 5/100,000
- New York, 15.5 million age 18+; 351 receiving counseling – 2/100,000

So far this year, in Nebraska, with a population of 1.4 million age 18+, 455 have received counseling – 32.5/100,000. The number of Nebraskans served will likely equal 475-500 by June 30.

(2) 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 from its beginnings in early 2018. Here are a few highlights:

- The various forms of ads have been seen or heard 18.6 million times.
- 25,399 new users have visited the Gamblers Assistance Program website.
- The Counseling Services page on the program website gives a brief description of the program services, and lists counselors. This webpage was visited 20 times for an average of 40 seconds in December, 2015, before the media campaign began. In December, 2018, this webpage was visited 101 times for an average of 4 minutes 15 seconds.
- Campaign videos have been watched 885,154 times.

The full report of outcomes for this first contract period will culminate in a proposal to renew the contract for another two years, and increase the total amount of the contract from the original \$150,000 per year to \$300,000 per year.

(3) The Commission has contracted with Zoom Video Communications for telehealth counseling. Individual counselors are listed as registered users, which allows them to conduct counseling at a distance with voice and video contact with their clients. The contract began in December, 2016, at a cost of \$599.70 per month, and was extended last July at a cost of \$299.85 per month. Zoom Video is the only vendor we have found that offers secure, confidential, HIPAA-compliant video conferencing. Since July 1, 2018, our counselors have provided 143 hours of counseling by this telehealth service. Renewal of this contract for an additional two years, from July 1, 2019 through June 30, 2021, will be part of the discussion on the budget.

(4) The Louisiana Association on Compulsive Gambling began operation of the new helpline (833-BET-OVER) on January 1, 2019. We have posted the new number on the program website and it is gradually being published by the state lottery as their new materials are distributed. Call volumes have been small. So far, there have been five help-seeking calls from Nebraska residents. Callers are referred to the nearest counselors based on zip codes. A mailer is sent to callers who prefer not to talk to a counselor immediately.

6.D. OTHER TOPICS

REVENUE PROPOSAL

Last fall we submitted a budget request asking for an appropriation increase in the amount of \$300,000 each year of the coming biennium. This request was not supported by the Governor or the Appropriations Committee. The Committee’s bill now on file would authorize spending \$1.94 million each year, about the same as the current year.

Appropriation is only the spending side of the budget. We also need to focus on the income side. LB41, the bill introduced by Senator Hilkemann on behalf of the Commission, started out requesting a new formula for the Program’s share of Charitable Gaming tax modeled on the formula that applies to Lottery profits: the first \$500,000 plus 1% of the remainder, with the balance divided between the Charitable Gaming Operations division and the state General Fund.

This new formula would have reduced the General Fund share of the charitable gaming tax income and that encountered opposition. Therefore Senator Hilkemann introduced an amendment that changed the formula to provide that Gamblers Assistance Fund would receive \$400,000 per year from the Charitable Gaming Tax. This would be an increase of \$300,000 over the current allocation, bringing total projected revenue up to \$1.86-1.88 million. The bill was advanced by the General Affairs Committee but not scheduled for first round debate this year. It will remain on file and may be reached for debate next year.

In order to avoid service cutbacks while waiting for action on LB41, a compromise was reached with the Appropriations Committee resulting in their recommendation of an additional cash fund transfer from the Charitable Gaming Tax each of the next two years. The appropriations bill that includes this proposal passed on first round and is pending further debate in the Legislature. If it passes, the Program will be able to continue at the current level without being forced to make significant reductions in services.

TRAINING NEW COUNSELORS

In 2013 this Commission entered a contract with the Nebraska Council on Compulsive Gambling to develop and present classes to train new counselors in the field of addiction to gambling. After several amendments and extensions the contract is now scheduled to end on October 31, 2019.

The original contract provided for financial aid for up to 10 Nebraska residents at a time. The nineteen-week training started on October 1, 2014. In 2015, 16 students completed the course; 8 took it in 2016; and 5 each year in 2017 and 2018. One more candidate is just finishing. This makes a total of 35 who have taken the course, not all of whom have entered contracts with the Commission to perform this counseling.

We have experienced some retirements and at least a couple of counselors who dropped contracts because they became discouraged about attracting clients with this disorder. We have added counselors in Kearney and North Platte who are drawing clients, but large areas of the state remain unserved. We are not experiencing enrollments of new trainees who decided on their own to learn about addiction to gambling without being encouraged to do so by one of our current counselors.

These concerns led me to investigate the Behavioral Health Education Center of Nebraska, located at UNMC in Omaha. This entity was created by the Legislature in 2009 to address the shortage of behavioral health professionals in rural and underserved areas of the state. You can learn more about this entity on its website: www.unmc.edu/bhec.n. Commissioner Muelleman and I met with their staff last month. They are enthusiastic about collaborating with us on a project to develop curriculum about addiction to gambling that could be incorporated into existing teaching programs. This subject matter would be all new in these programs.

I plan to work on this project and bring the results to the Commission at a meeting later this year. The Commission will need to decide about the training this program offers, since right now it is the only source of education about addiction to gambling offered in Nebraska.

Dated May 17, 2019

David Geier, Program Director

COMMISSION ON PROBLEM GAMBLING
GAMBLERS ASSISTANCE PROGRAM BUDGET RESOLUTION FYE 6/30/2020
ADOPTED 05/17/19

PROJECTED REVENUE

State Lottery profit	900,000
State Lottery 5% of advertising budget	300,000
Health Care Cash Fund	250,000
Charitable Gaming tax	400,000
Interest income	<u>20,000</u>
<u>TOTAL PROJECTED REVENUE</u>	<u>1,870,000</u>

PROJECTED EXPENDITURES

510000 PERSONAL SERVICES

511100 PERMANENT SALARIES-WAGES	117,000
---------------------------------	---------

David Geier salary: 75,000

Anne McCollister salary: 42,000 est.

Personal Services Salaries Subtotal	117,000
--	----------------

515100 RETIREMENT PLANS EXPENSE <i>Employer share 7.488%</i>	8,761
--	-------

515200 FICA EXPENSE <i>Employer share 7.65%</i>	8,951
---	-------

515400 LIFE & ACCIDENT INS EXPENSE	50
------------------------------------	----

515500 HEALTH INSURANCE EXPENSE <i>Employer share of premiums</i>	11,500
---	--------

516500 WORKERS COMP PREMIUMS	1,000
------------------------------	-------

Personal Services Total	147,262
--------------------------------	----------------

520000 OPERATING EXPENSES

521100 POSTAGE EXPENSE	250
------------------------	-----

521200 COMM EXP-VOICE/DATA <i>NE OCIO</i>	8,000
---	-------

521500 PUBLICATION & PRINT EXPENSE	1,000
------------------------------------	-------

524600 RENT EXPENSE-BUILDINGS <i>Net of Dept. Revenue share</i>	2,500
---	-------

531100 OFFICE SUPPLIES EXPENSE	500
541100 ACCTG & AUDITING SERVICES <i>NE Admin. Services</i>	2,500
554130 VIDEO SERVICES <i>Zoom telehealth</i>	3,600
554900 OTHER CONTRACTUAL SERVICES	50,200
<i>Data Analyst \$49,000; Bellevue Training \$1,200</i>	
559164 PROBLEM GAMBLING MESSAGES	350,000
Operating Expenses Total	418,550
570000 TRAVEL EXPENSES	
571100 BOARD & LODGING	500
<i>Audits travel</i>	
573100 STATE-OWNED TRANSPORT	300
<i>Audits travel</i>	
574500 PERSONAL VEHICLE MILEAGE	500
<i>Commissioner mileage expense</i>	
Travel Expenses Total	1,300
590000 GOVERNMENT AID	
595100 CONTRACTUAL AID	1,200,000
<i>Counseling services including Helpline service provided by LACG</i>	
OTHER	
UNOBLIGATED/UNCLASSIFIED/CONTINGENCIES	82,888
<i>Includes possible attendance by Director at national conference July 2019 at authorized expenditure up to \$2,500 for travel, hotel and other expenses.</i>	
<u>TOTAL PROJECTED EXPENDITURES</u>	<u>1,850,000</u>

RECAP

PROJECTED REVENUE	1,870,000
PROJECTED EXPENDITURES	
510000 PERSONAL SERVICES	147,262
520000 OPERATING EXPENSES	418,550
570000 TRAVEL EXPENSES	1,300
590000 GOVERNMENT AID	1,200,000
UNOBLIGATED/UNCLASSIFIED/CONTINGENCIES	<u>82,888</u>
PROGRAM EXPENDITURES TOTAL	1,850,000
NET OPERATING SURPLUS	20,000
PROJECTED CASH FUND POSITION	
PROJECTED BALANCE JUNE 30, 2019	538,507
PROJECTED SURPLUS FYE JUNE 30, 2020	+ <u>20,000</u>
PROJECTED FISCAL YEAR CASH FUND BALANCE	558,507