

**Nebraska Commission on Problem Gambling  
May 29, 2020  
700 South 16<sup>th</sup> Street  
Lincoln Nebraska**

**MEETING MINUTES**

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

**Roll Call:** Present in person: Lutz, Leckband, Patterson, Bomberger, Zohner and Moore. Present by telephone conference call: Arch, Lambert and Canada.

**Announcements:**

Chairperson Lutz made the following announcements:

The notice of this meeting was posted publicly on May 26, 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 16<sup>th</sup> street, Lincoln, Nebraska.

This meeting of the Commission on Problem Gambling is conducted according to the requirements of the Nebraska Open Meetings Act as modified by the Governor's Executive Order 20-03. 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.

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 February 28, 2020, and hearing none, Commissioner Arch moved approval, seconded by Commissioner Patterson. 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 legislative session which is scheduled to resume for four weeks starting July 20.

**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-April 30, 2020. The Commission reviewed a spread sheet that itemizes contractor performance and overall cost of services.

## **Adoption of Program Budget for Fiscal Year 2020-21**

A proposed budget for the fiscal year starting July 1, 2020, was reviewed along with proposed budget control measures to deal with financial issues resulting from heavy counseling usage and declining revenue. The budget control measures to be implemented effective June 1 are attached to the budget outline. After discussion, Commissioner Leckband moved for adoption of the proposed budget with the budget control measures attachment, including authority to the Director to make adjustments between counseling awards and prevention/education/outreach awards as needed in order to pay invoices. Commissioner Patterson seconded the motion which was adopted by unanimous vote.

## **Agent Brand Contract Amendment**

Staff from Agent Brand submitted a proposed media contract for the year beginning July 1 for the amended amount of \$300,000, to include creative development and digital and social media distribution of the "lifeafterbet" campaign. Commissioner Bomberger moved for approval of the proposal to include amendment of the Agent Brand contract to increase the total award to \$300,000. Commissioner Leckband seconded the motion. After discussion, the motion was adopted by unanimous vote.

## **Increase current year counselor contract awards**

Commissioners discussed the current financial condition of the program and concluded that further study of issues concerning contract terms and utilization standards is necessary in order to develop a coherent, reasonable and

manageable contract provider manual with updated terms of service. In view of the current financial condition, no increases in current awards were granted.

**Extension of counselor certificates**

The Commission discussed the current difficulty that counselors experience obtaining continuing education credits in the current pandemic. Commissioner Patterson moved to extend the duration of all counselor certificates for one year, until August 31, 2021. Commissioner Bomberger seconded the motion which was adopted by unanimous vote.

**Next meeting date**

The next meeting of the Commission will be held at Ferguson House on August 28, 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 11:13 a.m.**

**NEBRASKA COMMISSION ON PROBLEM GAMBLING  
MAY 29, 2020  
DIRECTOR'S NARRATIVE REPORT**

**LEGISLATION**

1. **LB 826** The Legislature will resume on July 20. Our revenue bill will be included in an Appropriations Committee bill that is expected to pass before final adjournment.

2. **Casinos in Nebraska.** The petition drive to legalize casino gambling at licensed horse race tracks is in progress. Public news reports say that petition sponsors expect to complete signature gathering in time to get the issue on the ballot for the November election.

3. **Touch Screen Skill Games.** The Department of Revenue regulations and testing procedures are not yet in effect.

**ADMINISTRATIVE SERVICES BUDGET AND FINANCIAL REPORTS**

The attached Department of Administrative Services Accounting and Budget Division reports dated **May 28, 2020**, show you the financial condition of the program from three different perspectives:

The **Program Summary** itemizes revenue and spending for the period July 1- May 28. Totals are on the second page of this report: **revenue \$1,599,544, and spending \$1,771,784**. Two points to keep in mind: (1) spending includes payment of \$145,383 in July, 2019, for services provided in June, and (2) 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
\$	293,497	1% of lottery profit remaining after first \$500,000
\$	243,395	5% of lottery advertising budget
\$	300,000	first three-fourths distribution from charitable gaming
\$	250,000	one time annual allocation from health care cash fund
\$	1,122	registration fees (cancelled online gaming workshop; 1,096 refunded)
\$	<u>11,531</u>	interest earned on the cash fund balance
\$	1,599,545	total program revenue (\$1 difference due to rounding)

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 May 28, 2020 is shown on the top line, page 1, second column from the right under the heading **Account Balance Debit: \$434,311**. **Note that this cash balance is reduced by \$15,441 accrued liabilities. These will be paid shortly and therefore available cash is \$418,870.**

The **Allotment Status Report** shows a comparison of spending to the overall Legislative-approved budget. In the upper right corner of the page it shows that **91.23%** of the fiscal year had elapsed as of May 28, 2020. In the center of the page this report shows you that the program as a whole has spent **85%** of the Legislature's approved budget.

Points to keep in mind:

1. Total revenue from the state lottery profits depends on sales volumes. Lottery managers are predicting a 10% decrease in distributions to the beneficiary programs, including Gamblers Assistance.

2. On the spending side of the budget, note that contractual aid, which is the accounting classification for counseling services, is averaging about \$116,000 per month.

3. The accounting division allotment status report lists the program's budgeted amount at \$2,084,748. This is more than the Legislature's 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**

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**

**Item 6** is adoption of the Commission's budget for the fiscal year beginning July 1, 2020. An outline of a possible budget, based on the prediction for reduced revenue from state lottery, is included in the Commission's materials.

**Item 7** is amendment of the Agent Brand contract for the coming year. The original contract was in the amount of \$150,000 per year. The results of the media campaign have led the Commission to increase the contract amount in order to expand geographical coverage. This year's contract is in the amount of \$300,000. If the Commission decides to continue at \$300,000, the contract will have to be amended.

**Item 8** is proposed increases in the contracts for counseling services for several counselors as listed on the document included with the Commission's materials.

**Item 9** is extension of counselor certificates. Certificates expire on August 31 and are subject to renewal upon presentation of proof of continuing education. Suitable continuing education programs in gambling addiction are not generally available. Our counselors depend on the annual Midwest Conference on Problem Gambling and Substance Abuse and the National Conference on Problem Gambling as sources for their advanced training. With these programs cancelled or postponed, our counselors will be unable to comply with the continuing education requirements in time for renewals. The Commission should consider extending the expiration dates on certificates for one year.

Dated May 29, 2020.

David Geier, Program Director

**COMMISSION ON PROBLEM GAMBLING  
 GAMBLERS ASSISTANCE PROGRAM BUDGET RESOLUTION FYE 6/30/2021  
 PROPOSED**

**PROJECTED REVENUE**

State Lottery profit	860,000
State Lottery 5% of advertising budget	270,000
Health Care Cash Fund	250,000
Charitable Gaming tax	400,000
Interest income	<u>10,000</u>
<b><u>TOTAL PROJECTED REVENUE</u></b>	<b><u>1,790,000</u></b>

**PROJECTED EXPENDITURES**

**510000 PERSONAL SERVICES**

511100 PERMANENT SALARIES-WAGES	120,000
<i>David Geier salary: 77,000</i>	
<i>Anne McCollister salary: 43,000 est.</i>	

**Personal Services Salaries Subtotal** **120,000**

515100 RETIREMENT PLANS EXPENSE <i>Employer share 7.488%</i>	8,986
515200 FICA EXPENSE <i>Employer share 7.65%</i>	9,180
515500 HEALTH INSURANCE EXPENSE <i>Employer share of premiums</i>	12,100
516500 WORKERS COMP PREMIUMS	1,000

**Personal Services Total** **151,266**

**520000 OPERATING EXPENSES**

521100 POSTAGE EXPENSE	100
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

*Data Analyst \$49,000; Bellevue Training \$1,200*

559164 PROBLEM GAMBLING MESSAGES <i>Agent Brand</i>	300,000
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**Operating Expenses Total** **368,400**

**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	<b>1,100,000</b>
<i>Counseling services including Helpline service provided by LACG</i>	
<b>OTHER</b>	
UNOBLIGATED/UNCLASSIFIED/CONTINGENCIES	<b>169,034</b>
<b><u>TOTAL PROJECTED EXPENDITURES</u></b>	<b><u>1,790,000</u></b>

**RECAP**

<b>PROJECTED REVENUE</b>	<b>1,790,000</b>
<b>PROJECTED EXPENDITURES</b>	
510000 PERSONAL SERVICES	151,266
520000 OPERATING EXPENSES	368,400
570000 TRAVEL EXPENSES	1,300
590000 GOVERNMENT AID	1,100,000
UNOBLIGATED/UNCLASSIFIED/CONTINGENCIES	<u>169,034</u>
<b>PROGRAM EXPENDITURES TOTAL</b>	<b>1,790,000</b>

**LEGISLATIVE APPROPRIATION**

<b>PROGRAM TOTAL</b>	<b>1,942,906</b>
<b>SALARY LIMIT</b>	<b>121,977</b>

**COMMISSION ON PROBLEM GAMBLING  
BUDGET CONTROL MEASURES 05/29/2020**

1. Payment during June for goods and services provided in May

Pay these in full. No retroactive amendment to contract terms.

2. Payment during July for goods and services provided in June

The remaining balance of the Legislature-approved budget is \$305,621. Spending for the balance of the fiscal period cannot exceed an average of \$152,000 each month for May and June. Invoke funding out clause in contracts to achieve the following savings:

A. Cancel payment of 5% overhead allowance. Estimated savings: \$5,000.

B. Reduce rate paid for new admission assessments to \$250. Estimated savings: \$1000.

C. Reduce number of hours of “urgent care” services to 2 hours per 6 months per individual client. Estimated savings: unknown

D. Reduce amount allowed for prevention/education/outreach by 50%. Estimated savings: \$2500.

E. If necessary, reduce all counseling payment invoices by equal percentages in order to lower spending to remain within the level allowed by the Legislature and preserve cash fund balance.

3. New contract terms for the fiscal year beginning July 1

Effective immediately:

- Eliminate all amounts paid to counselors for prevention/education/outreach.
- Eliminate 5% automatic allowance for overhead.
- Reduce allowed payment for new intake assessments to \$250.
- Reduce allowed urgent care services to 2 hours per client in a 6 month period.

No later than August 31, develop clear standards for counseling services to become effective September 1:

- Limit counseling sessions to 1 hour for each service.
- Develop progression schedule establishing terms for frequency of counseling sessions and duration of service.
- Develop standard for required discharge of client from service.