

**Nebraska Commission on Problem Gambling
August 17, 2018
700 South 16th Street
Lincoln Nebraska**

MEETING MINUTES

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

Roll Call: Lutz, Leckband, Patterson, Arch, Muelleman, Monheiser, Zohner and Bomberger. Absent excused Canada.

Announcements: Vice-Chair Lutz presided in the absence of commissioner Canada. Vice-Chair Lutz made the following announcements:

The Meeting Notice and Agenda were published on the state events calendar on August 6 and on the program website and the website of the Charitable Gaming Division on August 13, 2018. 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 May 11, 2018, and hearing none, the minutes were approved as distributed and posted on public websites.

Director's Report

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

Legislation The director reported that legislative proposals are typically not revealed until bill introduction in January. It is likely that there will be proposals aimed at further expansion of gambling.

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

Summary of 2017-18 Operations The director's report summarizes the results of last fiscal year operations. Counseling demand continues to increase.

Looking Ahead This Year The director's report outlines issues that the Commission needs to address, both at today's meeting and later this year.

Approve FY 2018-19 Contracts

A list of contracts that were entered based on the Commission's May 11 budget resolution was reviewed. Commissioner Leckband moved for approval of the contract awards as listed. Commissioner Muelleman seconded the motion. After discussion, the motion was approved by unanimous vote.

Agent Brand contract update

Representatives of Agent Brand and Mediaspark presented an update on the multimedia contract performance for the month of July. Responses to the website continue to increase over a year ago.

Public Discussion of Commission position on legislative proposals to expand gambling, and on program website content

The Commission received comments from the public regarding legislative proposals that would expand legal gambling and the content of the program's website. The consensus is that the program website should focus on the availability of therapy services without seeming to judge the person addicted to gambling. The Commission's position concerning proposals presented to the Legislature asking to expand legal gambling should be addressed on a case-by-case basis once any legislative proposals are announced.

Request legislation to increase revenue

The Commission reviewed program narratives that have been added to the Budget Request system. In order to continue expanding counseling services and also establish a prevention campaign based on education of youth, the program needs a greater appropriation from the charitable gaming tax revenue. After discussion, Commissioner Patterson moved adoption of a resolution to seek

added revenue in an amount that will allow for further expansion of therapy services and also pay for development of a statewide prevention and education curriculum for Nebraska schools. Commissioner Monheiser seconded the motion, which was adopted by unanimous vote.

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 November 16, beginning at 9:30 a.m.

The meeting was adjourned at 2:30 p.m.

**NEBRASKA COMMISSION ON PROBLEM GAMBLING
AUGUST 17, 2018**

DIRECTOR'S REPORT

A. LEGISLATION

Legislative proposals to expand legal gambling or change the way already legalized gambling is operated have been offered frequently in recent years. With the recent advent of sports betting, it is safe to assume that pro-gambling interests may persuade a senator to introduce a bill this year. There have also been repeated attempts to increase keno revenue by speeding up the rate of play and adding digital capability – a return of this proposal is possible. Senators usually do not announce their plans for legislation this early, so we probably will not know specifics until early January.

Later in this meeting the Commission will be asked to approve a request to the Legislature for an increase in the program's share of charitable gaming tax revenue. This would be in the form of an amendment of the statute that allocates \$100,000 to the Gamblers Assistance Fund. This is item 10 on today's agenda.

B. FINANCE

On **August 10** I sent to the Commission three documents that explain the program's finances for the fiscal year that ended on June 30:

- (1) **Fiscal Year 2017-18 Financial Results** shows the amounts and timing of revenue transfers to the program's account, and an outline of the way program funds were spent. We receive one annual transfer from Charitable Gaming and four each from Lottery sales profits and the 5% allocation of Lottery advertising budget. The transfers from Health Care Cash Fund and Charitable Gaming Operations Fund are in fixed amounts, and the others fluctuate from quarter to quarter.
- (2) **Program Summary** is the report prepared by Administrative Services Accounting Division that gives you more detail of the spending of program funds. These two reports show that revenue into the program's account was 1,571,806, and spending was 1,867,677, for a deficit of 295,870. This result has been about the same for three years.
- (3) **Fund Summary by Fund** is the accounting division report on the status of the Gamblers Assistance Fund. This is our primary account. All revenue except for the Health Care Cash Fund allocation is transferred into this account, and expenditures are paid out of it.

C. SUMMARY OF 2017-18 OPERATIONS

On August 9 I sent the Commission the spread sheet with the heading **Gamblers Assistance FY 2017-18 Contracts Performance**. This report shows month-by-month detail for 23 counselor contracts and 4 contracts for other services during the year. Reading across the page the document tabulates in order:

- (1) Name of contractor.

- (2) Amounts authorized to be paid for therapy and problem gambling messages.
- (3) The line "admin 5%" tabulates the totals for this money we allow to counselors for indirect cost of maintaining their practices.
- (4) The line "# Clients Seen" is just a total month-by-month of the number of clients including both long-term outpatient counseling and short-term "crisis interventions."
- (5) "# New Clients" is the total of clients admitted into counseling after complete assessment that resulted in a professional opinion that the individual has an addiction to gambling.
- (6) The next two lines show averages month-by-month for therapy services and problem gambling messages dissemination.
- (7) Across the page to the far right are totals for the top three lines. These combine therapy dollars and administrative dollars because that allows me to keep track of the remaining balances in the overall contract awards.
- (8) The next four lines down in the far right columns show averages for number of clients seen each month, amounts paid for therapy per month and amounts paid for "messages" each month. There is also an annual total of the new clients admitted to the counselor's services for the year.
- (9) On the bottom of the fourth page there are several annual totals and averages for several different elements of the program services.

Last year results are similar to recent years. The ten pages of documents "**Gamblers Assistance Program Budget History**" that I sent to Commissioners on July 26 give the totals for revenue and expenditures for the first five years under Commission management. The reports for the first two years overstate the amounts for counseling services -- accounting staff were not familiar with the details of operations in this program so some items were included in this expenditure code that needed to be reclassified. The reports for years three through five give a more accurate picture of the categories of expenditure. These show that expenditures are creeping up while revenue is staying the same. Spending for counseling services has gone from 1,157,864 in year 2015-16 to 1,258,926 in year 2017-18.

On Monday and Wednesday of this week I sent data reports prepared by J. P. Ramirez, in the form of Power Point slides. These reports provide summaries of selected data:

- (1) **GAP NEW ADMISSIONS** illustrates several characteristics of clients diagnosed with gambling addiction and admitted to outpatient therapy.
- (2) **CRISIS SESSION INTERVENTIONS** illustrates characteristics of clients receiving short-term urgent care, without completing the complete assessment procedure before admission to long-term therapy.
- (3) **GAP HELPLINE** shows results of operation of the program-sponsored telephone helpline service over a period of five years.
- (4) **GAP DISCHARGE-GAMBLER** shows selected measures of the outcome of therapy for gamblers (as opposed to family members of gamblers) who were discharged this past year.
- (5) **GAP PROGRESS REPORT-GAMBLER** shows selected measures of progress in therapy for gamblers still in therapy at intervals during the past year.

D. LOOKING AHEAD THIS YEAR

Item 7 on today's agenda is my request for your approval of the amounts awarded in the contracts for the year that started July 1. The May 11 resolution authorized 900,000 of counseling contracts plus 50,000 for counselor provided prevention, education and outreach. The **list of counselor contract awards** sent to commissioners on August 10 itemizes the awards that total 957,700 – a bit under the resolution for counseling, and a bit over the resolution for outreach. The individual amounts are the result of evaluation of experience over the past year, most recent quarter and counselor requests.

There are some changes from last year: Pine Lake Behavioral Health is the new name for First Step; Michael Arnold from Omaha and Jan Dobesh from Broken Bow are no longer under contract, although the door is open to them to come back if they decide to; and Wanda Swanson from Auburn has retired and is replaced by Jerry Bauerkemper who will be developing the program's services in the southeast corner of the state.

We also awarded contracts to:

- (1) Juan Paulo for data analysis: 45,000
- (2) Nebraska Council on Compulsive Gambling: 6 months Helpline service, 45,000
- (3) Agent Brand: 250,000 for continuing and enhancing the BetCareful campaign.

The contract for training services provided by Nebraska Council on Compulsive Gambling expires in November. 36 Nebraskans have completed these classes since we launched in the fall of 2014. At your meeting this fall we will review the performance of this contract in detail and decide what to do next. This year the contract requires a final payment on the development cost, which will be in the amount of 1,875 due in November, plus a tuition subsidy in the amount of 600 per Nebraska candidate who enrolls and completes the course.

The 6 month contract with the Nebraska Council for helpline service ends on December 31. Continuation of the helpline is a subject of ongoing discussion. The Commission will need to address this again by the time of the next meeting.

The documents sent to the Commission on August 9 include the budget resolution of May 11 and documents that the Commission considered when deciding to adopt that resolution. As the Commission will recall, the resolution calls for reduced spending overall, which means reductions in several categories of operations cost. Some expenditures were not cut: counseling services are subject to a Legislative earmark in the amount of 1,150,000, meaning that this portion of our budget cannot be used for any other purpose. Problem gambling messages budget is controlled by a statutory earmark; the amount is based on the historical allocation of 300,000 per year that the Lottery Division transfers to our program. This is another earmark that cannot be used for other purposes.

This year's budget resolution calls for an overall reduction of 95,000 from last year's spending level. In order to stay within that resolution, we will have to watch carefully as the year goes on. The initial counselor contract awards were low enough to leave room for additional amounts to meet demand for services. Other program initiatives may have to wait until we find out whether we can get more program revenue.

In addition to your budget resolution, we have to address the biennial state budget process. This will be item 10 on today's agenda. **On August 10 I sent you the narratives**

that describe the program. This is the first step in the submission of the biennial budget request. The next step is completion of the actual budget request document. This is due by **September 14**. Since you will not meet again before that date, you will need to confirm by a resolution that you wish to proceed with the budget increase that I outlined in the narrative documents. If this increase is granted, the annual program budget would be \$2.085 million each year. The increase would be coupled with an increase in program revenue. Revenue today is \$1.6 million, thus the increase would have to be in the amount of \$485,000 in order to balance the budget. A smaller increase would help to narrow the deficit – the cash fund balance of 726,000 could stretch a bit longer than the current projection if deficit spending continues. Commission discussions have indicated that a perpetual cash fund balance of approximately 400,000 is desirable. To achieve this, we must either have more revenue, or cut spending, or some combination of the two – all of which are standard concerns in government programs.

David Geier
August 17, 2018

**COMMISSION ON PROBLEM GAMBLING
 GAMBLERS ASSISTANCE PROGRAM BUDGET RESOLUTION FYE 6/30/2019
 ADOPTED MAY 11, 2018**

510000 PERSONAL SERVICES	
511100 PERMANENT SALARIES-WAGES	115,678
Personal Services Subtotal	115,678
515100 RETIREMENT PLANS EXPENSE	8,662
515200 FICA EXPENSE	8,849
515400 LIFE & ACCIDENT INS EXPENSE	50
515500 HEALTH INSURANCE EXPENSE	11,453
516500 WORKERS COMP PREMIUMS	1,000
Major Account 510000 Total	145,692
520000 OPERATING EXPENSES	
521100 POSTAGE EXPENSE	250
521200 COMM EXP-VOICE/DATA	10,500
521500 PUBLICATION & PRINT EXPENSE	2,000
524600 RENT EXPENSE-BUILDINGS	2,500
531100 OFFICE SUPPLIES EXPENSE	600
541100 ACCTG & AUDITING SERVICES	2,000
554900 OTHER CONTRACTUAL SERVICES	48,000
559164 PROBLEM GAMBLING MESSAGES	300,000
Operating Expenses Subtotal	365,850
570000 TRAVEL EXPENSES	
571100 BOARD & LODGING	500
573100 STATE-OWNED TRANSPORT	300
574500 PERSONAL VEHICLE MILEAGE	3,000
Major Account 570000 Total	3,800
590000 GOVERNMENT AID	
595100 CONTRACTUAL AID	1,150,000
OTHER	
UNOBLIGATED/UNCLASSIFIED CONTINGENCIES	123,658
PROGRAM EXPENDITURES TOTAL	1,789,000