

NEBRASKA COMMISSION ON PROBLEM GAMBLING



GAMBLERS ASSISTANCE PROGRAM

**ANNUAL REPORT TO THE GOVERNOR
AND THE LEGISLATURE
FISCAL YEAR ENDED JUNE 30, 2015**

Gamblers Assistance Program

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INTRODUCTION

Section 4(7) of LB6 (2013), now codified in Section 9-1004(7) of Nebraska Revised Statutes, requires the director of the Gamblers Assistance Program to file an annual report with the Governor and the Clerk of the Legislature. This report is to provide details of the administration of the Program and the distribution of funds from the Gamblers Assistance Fund.

The Legislature has given the Nebraska Commission on Problem Gambling responsibility for a range of activities. Program funds are to be used "primarily for counseling and treatment services for problem gamblers and their families who are residents of Nebraska." The Commission is to develop a process for evaluation and approval of contracts with treatment providers and other services vendors; develop standards for training and certification of counselors; review and use evaluation data; use funds for education regarding problem gambling and prevention of problem gambling; and create and implement outreach and education programs.

During the fiscal year that ended June 30, 2015, the Commission engaged in activities in all of these areas. This report summarizes the finances of the Program and describes the various activities with which the Commission has been engaged.

THE NEBRASKA COMMISSION ON PROBLEM GAMBLING

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I. GAMBLERS ASSISTANCE PROGRAM FINANCES

The Nebraska Gamblers Assistance Program receives funding from several state sources, none of which comes from income, sales or property taxes. The Program's expenditures are paid out of two cash funds, the Gamblers Assistance Fund and the Health Care Cash Fund.

The primary account from which the Program's expenditures are paid is the Gamblers Assistance Fund. The sources of revenue for the Gamblers Assistance Fund are:

- Profits generated by the Nebraska Lottery, based on requirements in the Constitution.
- A share of the advertising budget in the Lottery operations cash fund, based on requirements in a statute.
- A statutory appropriation from the Charitable Gaming operations cash fund.

The Program also receives an annual appropriation from the Health Care Cash Fund.

The following summaries are derived from the contents of monthly financial reports prepared by the accounting staff of the Department of Administrative Services.

(A) Gamblers Assistance Program Financial Performance 07/01/14-06/30/15

Total Program revenue (Gambler Assistance Fund + Health Care Cash Fund):	1,526,773
Total Program expenditures:	1,799,337
Net Program expenditures in excess of revenue:	(272,564)

NOTE: Actual program expenditures include payments approved during July 2015, for contract services received during June 2015. These encumber the program's fund balance by an additional \$195,000 that will be reflected in financial reports in later months.

(B) Gamblers Assistance Fund Performance During the Period 07/01/14-06/30/15

Revenue

Article III, Section 24 Constitutional Formula: 500,000 + 1% of Remaining Lottery Profit:

Transfer September 2014	576,790
Transfer December 2014	86,200

Transfer March 2015	108,598
Transfer June 2015	94,482
Total Received From Lottery Profits During the Period:	866,070
Section 9-831 5% of Lottery Ad Expenditures:	301,045
Section 9-1,101 Charitable Gaming Operations Fund:	50,000
Investment Income:	<u>34,658</u>
Total Revenue to Gamblers Assistance Fund During the Period:	1,251,773

Expenditures

Salaries and Benefits	58,699
Other Operations	104,872
Government Aid	<u>1,360,766</u>
Total	1,524,337

Recapitulation

Gamblers Assistance Fund Revenue:	1,251,773
Gamblers Assistance Fund Expenditures:	<u>-1,524,337</u>
Net Gamblers Assistance Fund Expenditures in Excess of Revenue:	(272,564)

Gamblers Assistance Fund Balance

Gamblers Assistance Fund Balance 07/01/14:	1,761,432
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NOTE: Fund balance is net of a received not vouchered invoice in the amount of \$900.

Gamblers Assistance Fund Balance 06/30/15:	1,488,868
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NOTE: Fund balance is net of a received not vouchered invoice in the amount of \$1,665.

Gamblers Assistance Fund Balance Decrease 07/01/14-06/30/15:	(272,564)
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Health Care Cash Fund

Appropriations:	275,000
Expenditures: Permanent Salaries and Wages	50,000
Expenditures: Gamblers Assistance Aid Programs	225,000
Net balance of Health Care Cash Fund Appropriation:	0

NOTE: Due to timing of the appropriation from the Health Care Cash Fund, 25,000 from the prior fiscal year was reappropriated for program funding and spent during this fiscal year.

II. PROGRAM ACTIVITIES DURING THE PERIOD

JULY 1, 2014-JUNE 30, 2015

1. Commission Meetings and Provider Workshops

The Commission met six times to consider issues in the operations of the program. These meetings included reviews of the financial status of the Program, consideration of new and renewed contracts with therapists and other vendors, development of new program activities, and development of the biennial budget. Meeting notices and minutes of the meetings were posted to the state events calendar, the website maintained by the Program and also the website of the Division of Charitable Gaming of the Department of Revenue. Therapists were invited to attend informal workshops to exchange ideas and give input to staff and commissioners to aid in the development of programs.

2. Therapist Contracts

The Commission performs its obligation to provide treatment services to Nebraskans dealing with the effects of disordered gambling by entering into contracts with therapists. During this fiscal year, the Commission had 12 contracts with agencies and individual therapists located in nine communities.

The Commission made payments to these therapists totaling \$1.463 million for this fiscal year. Of this total, a little more than \$1 million was allocated to outpatient therapy services, approximately \$306,000 was allocated to mandatory education and community outreach activities, and approximately \$155,000 was allowed for overhead costs that result from Program requirements. Therapists are required to comply with a guideline manual that defines types of therapy and utilization standards. They provided over 11,000 hours of therapy services to Nebraskans during the fiscal year.

The Commission continued to contract for a statewide telephone helpline, staffed around the clock by trained responders, who provide information about the program and encourage callers to seek help from nearby therapists.

3. Develop a Biennial Budget

The Commission developed and submitted to the Legislature and Governor the first ever stand-alone biennial budget for the program. This covers the period from July 1, 2015 through June 30, 2017. The budget request included a \$200,000 increase in appropriated funds for each year of the biennium. The final approved appropriation for the first year of the biennium is \$1,876,270, and for the second year is \$1,880,568. In each year the Program is directed to devote \$200,000 of the appropriated funds to expand direct counseling services to individuals with a gambling disorder.

4. Two Websites

The Program maintains a website that is included in the state of Nebraska all-agency web page, Nebraska.gov. It is found at problemgambling.nebraska.gov, and provides public information about the program and current understanding of gambling disorder. The Program also sponsors a second website, found at nebraskaproblemgambling.org. This website offers visitors additional information about problems associated with gambling.

5. Online Core Training

The Program continued to perform a contract with the Nebraska Council on Compulsive Gambling to create and present classes to train counselors to deliver therapy services. This is an online course presented by Bellevue University. It runs for 19 weeks and is repeated three times per year in overlapping sessions. The Commission provided underwriting to develop the program and supports Nebraska candidates for certification by subsidizing part of their tuition cost. Enrollments are limited to 10 students for each session. Nine candidates completed the first session of the course, and six completed the second session. The third session began in late June 2015, with seven Nebraskans registered. If all complete the training there will be a total of 22 newly-trained therapists ready to enter the Program.

Presentation of this training, including subsidized tuition for Nebraska residents, will continue through the fall of 2018.

6. In-Person Advanced Training

Advanced training in current topics in gambling disorder was delivered through three presentations in the spring of 2015. These new advanced training programs were presented in traditional, in-person classes and then recorded for online presentation through Bellevue University for future use by therapists. The Commission has also completed a contract for development of online courses to introduce pastors and court probation staffs to the subject matter of gambling disorder. These courses will be offered for free to those who are interested.

7. Database Development

The Commission contracted for development of a database that records six categories of information about clients of the program: basic demographics; financial and personal background; socio-economic and legal information; type of care, and social and employment history; gambling history; and gambling treatment and co-occurring disorders. This database is continuously up-to-date and enables the Commission to gather and analyze information about problem gambling in Nebraska.

8. Development of Training and Certification Standards

The Commission-appointed Certification Advisory Board developed a comprehensive set of standards to govern training and certification of therapists in the field of disordered gambling. Twenty-one certified therapists who applied for renewal in August, 2014, were renewed for another two years.

9. Problem Gambling Prevention, Education and Awareness Messages

By statute, 5 percent of the advertising budget of the state lottery is to be dedicated to presentation of messages and information to the public about problem gambling. The Commission has entered into an agreement with the Lottery Division of the Department of Revenue that will lead to preparation of an annual advertising plan. The plan will account for prior year expenditures and project coming year activities. For the fiscal year that ended June 30, 2015, this allocation was \$301,045.

For the fiscal year that ended June 30, 2015, the Commission expenditures on these activities totaled \$462,500. They include the Nebraska Council on Compulsive Gambling helpline contract that included provisions for information and outreach, community education and outreach by therapy contractors, a provider "toolkit" of informative materials to be

distributed around the state, and a series of 5 "webisodes" dramatizing the consequences of gambling disorder in typical family situations.

10. National Problem Gambling Awareness Month

On February 11, 2015, Governor Ricketts issued a proclamation declaring that March is Problem Gambling Awareness Month in Nebraska. The Legislature also adopted a resolution, LR66, and mayors and city councils from around the state issued similar proclamations.

11. New Therapy Providers

The program entered into a contract with Panhandle Mental Health Center to provide problem gambling services from its three locations that serve an 11 county area in western Nebraska. The Program also initiated contact with behavioral health providers in the Grand Island-Hastings-Kearney area to extend services to that region of the state. Current providers have expanded their service areas in the eastern counties. With this expansion, during the coming biennium the Commission expects to have service providers within convenient access for nearly all Nebraskans.

12. Contractors Audits

The director completed the first round of field audits of contracted vendors. Records were audited to verify delivery of services, and also compliance with program standards and policies. All therapy offices were found to be in reasonable compliance.

III. PROGRAM DATA

Gambler Assistance Program counselors admit clients into therapy if they satisfy the diagnostic criteria for Disordered Gambler specified in the American Psychiatric Association's *Diagnostic and Statistical Manual 5th ed.* When a new client is admitted for therapy, information is gathered for analysis. This information gives insights into the gambling behavior of Nebraskans who seek help for gambling problems. Experience shows that only a small proportion of troubled gamblers will seek this kind of help, and then only when they are overwhelmed by their problems.

The information that the Program gathers is constantly maintained. Data from the first two years under the Commission's management (July 1, 2013-June 30, 2015) show the following:

- Three hundred, seventy-three (373) new clients were admitted to therapy.
- On July 1, 2013, there were 166 active clients among the program's therapy offices. The number increased, after accounting for new admissions and discharges, to 279 active clients as of June 30, 2015.
- The program's clients came from 32 counties in Nebraska, with the largest numbers coming from Douglas, Lancaster and Sarpy counties.
- The average length of stay in therapy, from date of intake to date of last contact, was 4 months, 16 days.
- Nearly 58 percent of clients first gambled before the age of 20.
- Nearly 73 percent of them sought help after the age of 35.
- 54 percent of them owed gambling debts of \$10,000 or more.
- Nearly 40 percent have at least an associate degree, and over 30 percent have a four-year or higher college degree.
- Keno is second to slot machines as the most frequently used form of gambling among program clients during the 30 days before they are admitted to therapy.

IV. CONCLUSION

The Nebraska Gamblers Assistance Program is funded by a portion of the dollars spent by gamblers on government-sponsored games. In the fiscal year that ended on June 30, 2014, the latest full year for which figures are available, over \$400 million was wagered on these games. Since 1993 over \$15 million has been transferred to the Gamblers Assistance Fund. This money has been devoted to therapy programs, and expanding knowledge and understanding of the problem gambling disorder.

The Nebraska Commission on Problem Gambling is carrying out its mission by expanding and improving existing programs for training therapists, expanding geographical coverage of therapy services, and adding new therapists to the field. Therapy remains the primary goal of the Program. The Commission is also committed to prevention, education and outreach activities. These activities emphasize evidence-based programs that have been proven to produce expected results.

For the Commission

David Geier, Director

Nebraska Gamblers Assistance Program