

NEBRASKA COMMISSION ON PROBLEM GAMBLING



GAMBLERS ASSISTANCE PROGRAM

**ANNUAL REPORT TO THE GOVERNOR
AND THE LEGISLATURE
FISCAL YEAR ENDED JUNE 30, 2016**

Gamblers Assistance Program

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INTRODUCTION

Section 4(7) of LB 6 (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, 2016, 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 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 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 07/01/15-06/30/16

Total Program Revenue (Gambler Assistance Fund + Health Care Cash Fund):	1,563,834
Total Program Expenditures:	1,725,416
Net Program Expenditures in Excess of Revenue:	(161,582)

(B) Gamblers Assistance Fund Performance During the Period 07/01/15-06/30/16

Revenue Transferred Into the Fund

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

Transfer September 2015	577,129
Transfer December 2015	89,702
Transfer March 2016	144,845
Transfer June 2015	111,154
Total Received From Lottery Profits During the Period:	922,830

Section 9-831 5% of Lottery Ad Expenditures:	305,058
Section 9-1,101 Charitable Gaming Operations Fund:	50,000
Investment Income:	<u>35,946</u>
Total Revenue to Gamblers Assistance Fund During the Period:	1,313,834

Expenditures Paid From the Fund

Salaries and Benefits	113,710
Other Operations	453,896
Government Aid	<u>907,810</u>
Total	1,475,416

Recapitulation

Gamblers Assistance Fund Revenue:	1,313,834
Gamblers Assistance Fund Expenditures:	<u>-1,475,416</u>
Net Gamblers Assistance Fund Expenditures in Excess of Revenue:	(161,582)

Gamblers Assistance Fund Balance

Gamblers Assistance Fund Balance 07/01/15:	1,488,868
Gamblers Assistance Fund Balance 06/30/16:	1,327,286
Gamblers Assistance Fund Balance Decrease 07/01/15-06/30/16:	(161,582)

Health Care Cash Fund

Appropriations:	250,000
Expenditures: All for Government Aid (Counseling Services)	-250,000

II. PROGRAM ACTIVITIES DURING THE PERIOD

JULY 1, 2015-JUNE 30, 2016

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 budget for the biennium starting July 1, 2017. Meeting notices and minutes of the meetings were posted to the state events calendar, the website maintained by the Program, and also to 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 program activities.

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 22 therapist contracts with agencies and individual therapists located in 13 communities. Payments to therapists are based on fee-for-services rendered.

The Commission made payments to these therapists totaling \$1,285,315 during this fiscal year. Of this total, a little less than \$1.09 million was allocated to outpatient therapy services, and the balance was for community education, information and outreach, and disseminating problem gambling messages. 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 Nebraska-based therapists.

3. 2015-2016 Biennial Budget

In 2014, the Commission developed and submitted to the Legislature and Governor the first ever stand-alone biennial budget for the program. It covers the period from July 1, 2015 through June 30, 2017. The final approved appropriation for the first fiscal year of the biennium, ending June 30, 2016, was \$1,876,270. Of that, 64 percent was earmarked for therapy services, including \$200,000 for expansion of counseling; 16 percent was earmarked for dissemination of problem gambling messages, by both contracted vendors and program staff; and about 6 percent was allocated for staff salaries and benefits. The remaining 14 percent of the program's budget was available for all discretionary expenditures, such as data analysis and reports, creating and duplication of program materials, membership in national organizations, attendance at training, regional and national conferences, providing training opportunities for counselors, and general office overhead.

4. Website

The Program maintains an official State of Nebraska website for viewers to use as the primary path to help with problem gambling in Nebraska. It is located on the state home page at problemgambling.nebraska.gov. Visitors can find therapy locations near them, public information about the program elements, current understanding of gambling disorders, and public and professional resources. The website also serves as the primary notification board for meetings and events for the Nebraska Commission on Problem Gambling.

5. Online Core Training

The Program continued to perform a contract with the Nebraska Council on Compulsive Gambling to create and present core training classes for counselors who deliver therapy services. This is an online course presented by Bellevue University. It runs for 19 weeks and is repeated approximately three times per year. 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. During this fiscal year, twelve candidates completed the online core training.

Presentation of this training, including subsidized tuition for Nebraska residents, will continue through the fall of 2018. At that point, the Commission will be ready to evaluate the success of this program and plan for future education of counselors.

6. Advanced Training

In addition to basic or core training, counselors are required to stay up-to-date on developments in the field of problem gambling. Over 13 years ago, the Nebraska Gamblers

Assistance Program was instrumental in establishing the annual Midwest Conference on Problem Gambling and Substance Abuse. This conference attracts presentations from experts nationwide. The Commission supports the conference as a means of providing continuing education programs for counselors. This year the Commission approved scholarship funding for problem gambling counselors and professionals to attend the 13th annual Midwest Conference on Problem Gambling and Substance Abuse held in Kansas City in June. The Commission also supports the Nebraska Council on Problem Gambling as it generates continuing education programs for counselors.

7. Database

The Commission contracted for the development and maintenance 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 up-to-date continually and enables the Commission to gather and analyze information about problem gambling in Nebraska.

8. Development of Clinical Supervision Standards

The Commission-appointed Certification Advisory Board developed a comprehensive set of standards to guide supervision of provisional therapists. These therapists, who have just completed the core training program, are allowed to provide counseling under the supervision of an experienced counselor. The Commission is developing a first-in-the-nation comprehensive standard to govern the supervisors and the relationships among them, and the supervised counselors and the Commission during this critical period of the training of the new therapists.

9. Problem Gambling Prevention, Education and Awareness Messages

By statute, five percent of the advertising budget of the Nebraska 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 calls for preparation of an annual advertising plan. The plan accounts for previous year expenditures and projects coming year activities. For the fiscal year that ended June 30, 2016, this allocation was \$306,500.

This year the Commission's expenditures on these activities exceeded the minimum required by the statute, totaling \$362,395. These included the Nebraska Council on Compulsive Gambling helpline contract that contained provisions for information and outreach (\$110,000), community education and outreach by therapy contractors (\$195,000), and "in house" monthly GAP messages to 172 Nebraska newspapers, March National Problem Gambling Awareness

Month, the Nebraska Educational TV documentary “Growing Old Gambling” and other social media (\$57,395).

10. National Problem Gambling Awareness Month

On February 3, 2016, Governor Ricketts issued a proclamation declaring that March is Problem Gambling Awareness Month in Nebraska. The Legislature also adopted a resolution, and mayors and city councils from around the state issued similar proclamations.

11. New Therapy Providers

The program entered into first time contracts with new counselors in Broken Bow, North Platte, McCook, Kearney, Grand Island, and Lincoln to provide problem gambling services. Current providers have expanded their service areas in the eastern counties. With this expansion, the Commission has service providers under contract within a fifty-mile radius for nearly all Nebraskans.

12. Contractors Audits

The director completed the second 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 is analyzed under strict procedures that protect confidentiality. The resulting data gives the Commission insight into the characteristics 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.

Data from the year ended June 30, 2016 reveals:

- 192 new clients were admitted to therapy. There were 283 clients enrolled at the beginning of the year, and after admissions and discharges, 305 remained enrolled on June 30, 2016.

- The program's clients came from 32 counties in Nebraska, with the largest numbers coming from Douglas, Lancaster and Sarpy counties.

The data accumulated over three years from July 1, 2013 through June 30, 2016, tells the bigger story about gambling in Nebraska:

- 60 percent of the program's clients, diagnosed as disordered gamblers and admitted into therapy, first gambled before the age of 20. Another 22 percent of them first gambled between the ages of 21 and 25.
- Only 7 percent sought help for their gambling by the age of 25. Another 23 percent came to the program between the ages of 25 and 36. The remaining 70 percent of diagnosed disordered gamblers sought counseling at age 36 or older.
- 49 percent of them owed gambling debts of \$10,000 or more.
- 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.

The Commission expects to emphasize its prevention and education efforts aimed at Nebraska youth. This is motivated by several characteristics of the population of disordered gamblers seeking counseling:

- A population of 128 counseling clients who first gambled at age 15 came for help, on average, 30 years later.
- A population of 117 counseling clients who first gambled between the ages of 16 and 20 came for help, on average, 22.7 years later.
- 34 percent of the younger cohort tried poker as their first gambling experience; 25 percent of the older cohort first gambled at poker, and 15 percent of this cohort first gambled at the slot machines. The remainder of the beginning gamblers also tried many other forms of gambling, some legal and some not, but all in lesser proportions.
- 85 percent of the gamblers who started gambling at 15 or younger were diagnosed on admission as severe to moderate on the recognized DSM scale; 78 percent of those who started gambling between ages 16 and 20 were diagnosed on admission as severe to moderate.

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, 2015, the latest full year for which figures are available, \$430 million was wagered on these games. Charitable gaming accounted for \$270 million of that wagering, generating over \$30 million in local profits and over \$3 million paid into the state's general fund. The charitable gaming support for the Gamblers Assistance Program was \$50,000.

Since 1993 over \$15 million has been transferred to the Gamblers Assistance Fund, nearly all of it from the Nebraska Lottery. This money has been devoted to therapy programs, and expanding public 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. Subsidizing the cost of problem gambling therapy for Nebraskans and their families is 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