

THE NEBRASKA COMMISSION ON PROBLEM GAMBLING

**REPORT TO THE GENERAL AFFAIRS COMMITTEE
OF THE NEBRASKA UNICAMERAL LEGISLATURE**

MARCH 27, 2015

INTRODUCTION

Section 4(3) of LB6 (2013), now codified in Section 9-1004(3) of Nebraska Revised Statutes, requires the director of the Gamblers Assistance Program to file an annual report with the General Affairs Committee of the Legislature. This is the second of these annual reports.

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 past year, the Commission has engaged in programs and activities in all of these areas. This report summarizes the finances of the program and describes the various activities the Commission has taken on.

The information that is presented here needs to be placed in the larger context of government-sponsored gambling in Nebraska. These games include the state lottery, keno, local lotteries and raffles, bingo and pickle cards. In the fiscal year that ended on June 30, 2014, the combination of all these generated a total of \$414.7 million in wagers. Winners of the games took home \$283.6 million of prize money. Governments at all levels in Nebraska took the rest, about \$131 million, to cover the cost of operating the games and pay for government programs.

State government collected about \$70.3 million from these gamblers, through a combination of the state charitable gaming tax and lottery proceeds. Here is how it was used:

- \$3.2 million to state general fund from the charitable gaming tax
- \$2.1 million to finance state-level charitable gaming operations
- \$38 million to Lottery beneficiary funds (including Gamblers Assistance Fund)
- \$27 million to operate Lottery

What does all this mean? One way to look at it is this: government-sponsored legal gambling in Nebraska produces money for government programs by collecting wagers from

gamblers and returning about 68.5% of their money back to them in the form of winnings. The remainder, about 31.5% of the dollars wagered, is spent to operate the games and fund government programs.

Nebraska voters and their representatives have chosen worthwhile beneficiaries for this money, however the story is not entirely benign. There is wide-spread belief in the United States that the development of government-sponsored gambling in recent years has contributed to social problems, but there are few solid studies that provide useful statistics about prevalence and incidence of these problems. The Nebraska Gamblers Assistance Program gathers data from Nebraskans who have been accepted into state-funded therapy. The program's data accumulated from July 1, 2013 up to February 28, 2014 illuminates characteristics of the gambling disorder within the Program's population of diagnosed clients. We expect this Nebraska-specific information to be invaluable to the Commission as it pursues its activities in the future.

On February 11, 2015, Governor Ricketts issued a proclamation, and on March 2, 2015, the Legislature adopted a resolution, both of which recognize that the month of March is Problem Gambling Awareness Month in Nebraska. The first few months of each year feature national events that traditionally generate significant sports gambling. The time is right to focus on issues surrounding the addiction known as Gambling Disorder.

THE NEBRASKA COMMISSION ON PROBLEM GAMBLING

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I. GAMBLERS ASSISTANCE PROGRAM FINANCES

Gamblers Assistance Fund performance during the period 03/01/14-02/28/15

Revenue

Article III, Section 24 Constitutional formula: \$500,000 + 1% of remaining lottery profit

Transfer March, 2014	97,498
Transfer June, 2014	89,735
Transfer September, 2014	576,790
Transfer December, 2014	86,200
Total received from Lottery profits during the period:	850,223
Section 9-831 5% of Lottery ad expenditures:	306,811
Section 9-1,101 Charitable Gaming Operations Fund:	50,000
Investment Income:	34,334
Total Revenue to Gamblers Assistance Fund during the period:	1,241,368

Expenditures

Salaries and benefits	45,369
Other operations	56,705
Government aid	1,097,028
Total	1,199,102

Recap

Gamblers Assistance Fund revenue:	1,241,368
Gamblers Assistance Fund expenditures:	-1,199,102
Net Gamblers Assistance Fund revenue over expenditures:	42,266

Gamblers Assistance Fund cash position

Gamblers Assistance Fund cash balance 03/01/14:	1,764,795
Gamblers Assistance Fund cash balance 02/28/15:	1,807,061
(Net of unvouchered liabilities as of 02/28/15 in the amount of 15,004)	
Gamblers Assistance Fund cash balance increase 03/01/14-02/28/15:	42,266

Health Care Cash Fund

Appropriations:	500,000
Expenditures: Administration	50,000
Expenditures: Gamblers Assistance Aid Programs	450,000
Net balance of Health Care Cash Fund appropriation:	0

Note that the appropriation to the Program from the Health Care Cash Fund was not enacted by the Legislature until April, 2014. This appropriation is in the amount of \$250,000 per fiscal year. The first \$250,000 was allocated to Program expenditures for the year ended June 30, 2014, and the second \$250,000 was expended between July 1, 2014, and February 28, 2015.

Gamblers Assistance Program Total 03/01/14-02/28/15

Total Program revenue (Gambler Assistance + Health Care Cash):	1,741,368
Total Program expenditures:	1,699,101
Net Program revenue over expenditures:	42,267

Current Fiscal Year Budget Status: July 1, 2014 thru Feb. 28, 2015

FYE 2015 Total Program Appropriation: 2,165,981

Note that the current year appropriation includes reappropriation of 495,530, plus the base appropriation of 1,670,451

FYE 2015 Total Program Expenditures to Feb. 28, 2015: 1,132,759

Percent of FYE Elapsed: 66.58%

Percent of Appropriations Expended: 52.30%

II. PROGRAM ACTIVITIES DURING THE PERIOD

MARCH 1, 2014-FEBRUARY 28, 2015

1. Commission meetings and provider workshops

The Commission met four 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 counselors and other vendors; and development of the biennial budget. Meeting notices and minutes of the meetings were posted to the website maintained by the program and also the website of the division of charitable gaming of the department of revenue. Counselors were invited to attend informal workshops to exchange ideas and give input to staff and Commissioners to develop programs.

2. Therapist contracts

The Commission awarded contracts to therapists totaling \$1.5 million for this fiscal year. Of this total, \$1.2 million is allocated to outpatient therapy services, and the remainder covers mandatory education and outreach activities and an allowance 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 are on a pace to provide over 10,000

hours of therapy services to Nebraskans during the current fiscal year. They are also required to devote 10% of their contract dollars to community education and outreach activities.

The Commission continued to contract for a statewide telephone helpline, staffed around the clock by trained responders, who 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 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, which if granted would put the appropriated budget at \$1,870, 451. The Governor has supported this requested increase in budgeted expenditures. At the time of this report, the Appropriations Committee has not issued their report on the state budget.

4. Two websites

The Program contracted with Snitily-Carr, a Lincoln advertising agency, to create a website dedicated to subjects about problem gambling. This website is found at nebraskaproblemgambling.org. The program also developed a website that is included in the state of Nebraska all-agency web page, Nebraska.gov, under the title Problem Gambling Commission. These websites give public information about the program and current understanding of gambling disorder.

5. Online core training

The program completed a contract with the Nebraska Council on Compulsive Gambling to create and present classes to train counselors to deliver therapy to persons dealing with gambling disorder. This is an online course presented by Bellevue University, runs for 19 weeks, and is repeated year-round. 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. Ten enrolled and nine completed the first session. (One had to withdraw because of a health-related incident.) The second session has just begun with 7 Nebraska residents enrolled. These new counselors will expand the corps of trained counselors statewide.

6. In-person advanced training

Advanced training in current topics in gambling disorder treatment was presented on 4 dates in the spring of 2014, and a new schedule was adopted for 4 more presentations in the spring of 2015. The new advanced training programs will be made available online through

Bellevue University for future use of therapists. The Commission has also entered a contract for development of online courses to introduce pastors and court probation staffs to the subject matter of gambling disorder, which will be offered for free to those who are interested.

7. Develop database

Under a contract with the Commission, the business manager in one of the therapy agencies created an Excel-based workbook that records six categories of information about clients of the program. This database will be kept continuously up-to-date and will enable the Commission to gather and analyze information about problem gambling in Nebraska.

8. Develop training and certification standards

The Commission-appointed Certification Advisory Board worked to develop a comprehensive set of standards to govern training and certification of therapists in the field of disordered gambling. Previously 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% 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 an agreement with the Lottery Division of the Department of Revenue that will lead to preparation of an annual advertising plan that accounts for prior year expenditures and projects coming year activities.

For the current fiscal year, the Commission projects expenditure of approximately \$300,000 on a combination of education and outreach conducted by therapy staff and other contract vendors.

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, LR 66, and mayors of many cities and city councils around the state issued similar proclamations.

11. New therapy providers

The program entered 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 has 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 Commission expects to have service providers within convenient access for nearly all Nebraskans.

12. Prevention, education and outreach activities

By the beginning of the coming fiscal year, the Commission anticipates issuing a Request for Proposals to interested bidders for a contract to develop and implement evidence-based prevention and education programs using a variety of means and methods.

13. Add staff, relocate office

The office of the program was moved from its initial location in Omaha to the Ferguson House in Lincoln. This new location provides meeting space for Commission and other meetings; ready access to agencies and policy makers who interact with the program; and other amenities including lower rent. An administrative assistant was added to the staff in the fall of 2014.

14. Audit contractors

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. The information accumulated by the Program over the period of 20 months since July 1, 2013 shows the following:

- 290 new clients were admitted to therapy during the period July 1, 2013-Feb. 28, 2015.
- They came from 29 counties in Nebraska, with the largest numbers coming from Douglas, Lancaster and Sarpy counties.
- Over 50% of them first gambled before the age of 20.
- One out of four new clients had been in problem gambling treatment before, and one out of ten had been in treatment more than once before.
- Gambling debt represents nearly half their household debt.

- Nearly 40% have at least a four-year college degree.
- 82% gambled for the first time by the age of 25, and over 90% were diagnosed with gambling disorder after age 26.

These and other statistics are illustrated on the graphics attached to this report.

IV. CONCLUSION

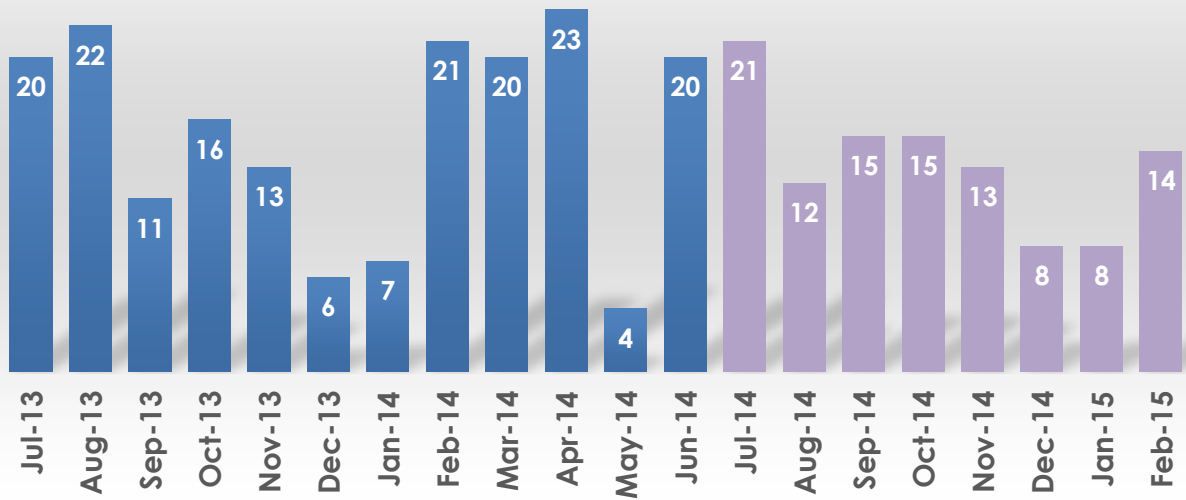
The Nebraska Gamblers Assistance Program is funded by a portion of the dollars spent by gamblers on government-sponsored games. In the fiscal year ending on June 30, 2014, over \$400 million was wagered on these games. Since 1993, over \$15 million has been transferred to the Gamblers Assistance Fund. 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 counselors, expanding geographical coverage of therapy services, and adding new therapists to the field. Therapy remains the primary goal of the Program. At the same time, the Commission is committed to prevention, education and outreach activities. These activities will emphasize evidence-based programs that have been proven to produce the expected result.

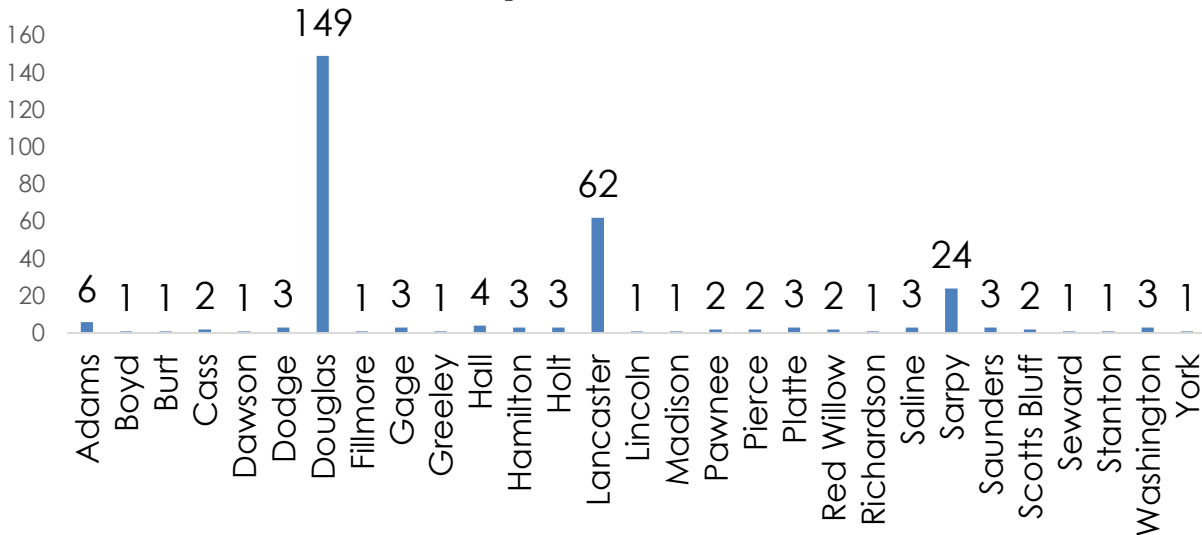
David Geier, Director

Anne McCollister, Administrative Assistant

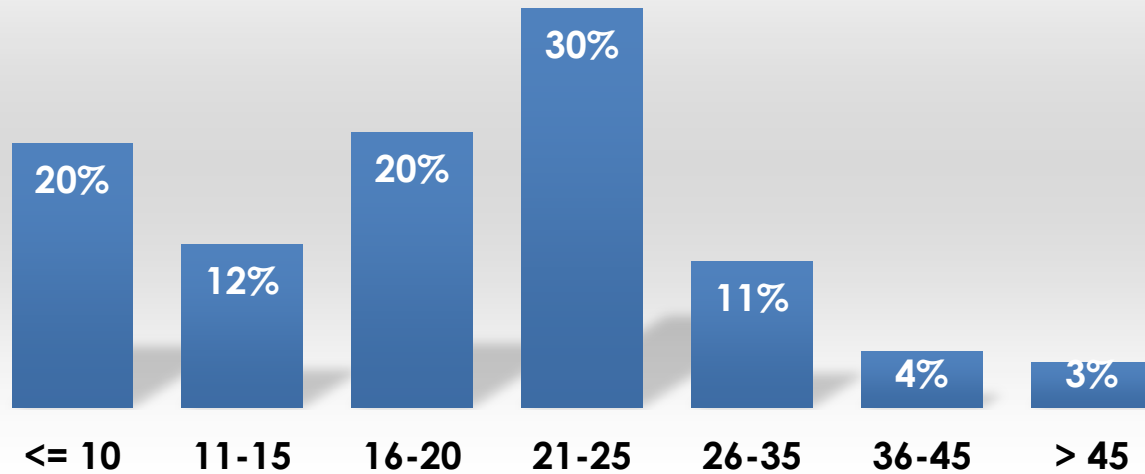
Newly Admitted GAP Clients July 2013 - February 2015



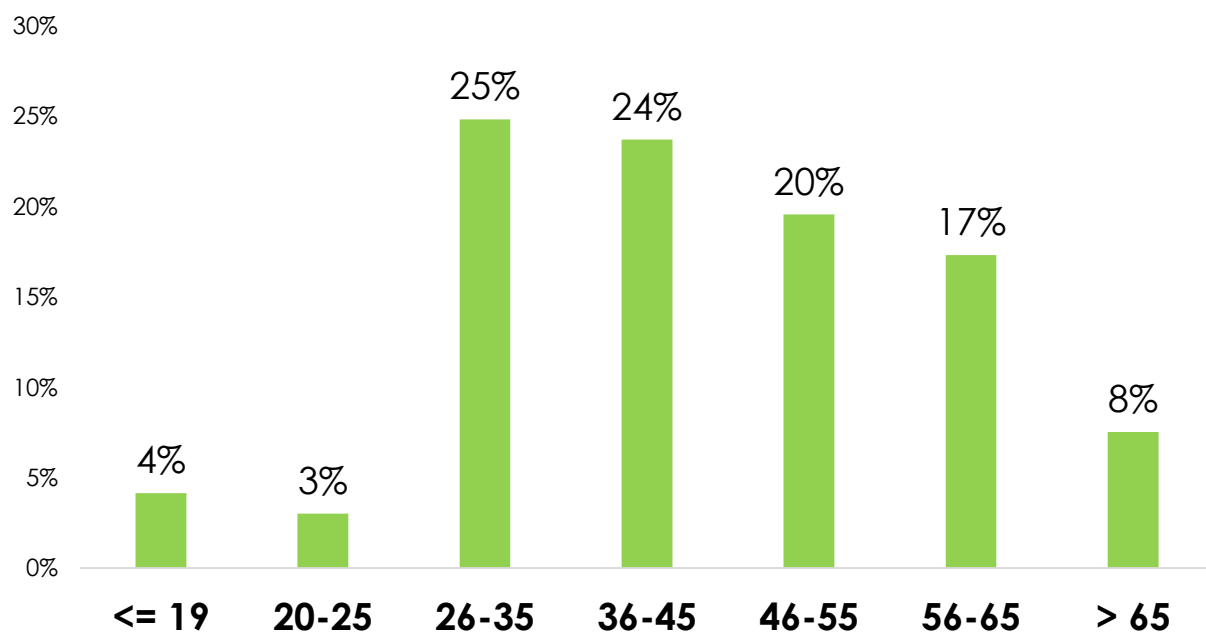
Number of New Admissions by County of Residence



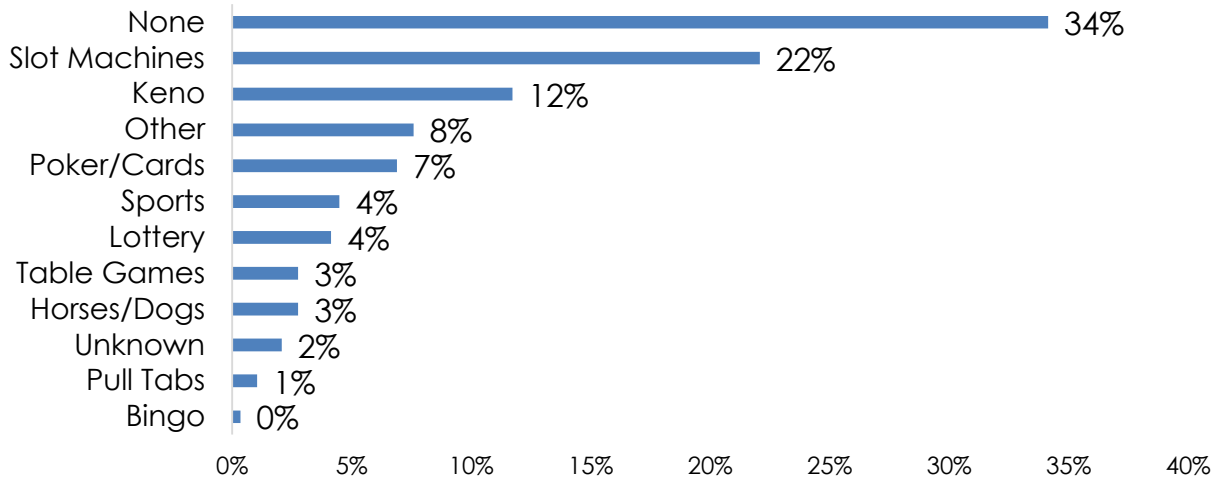
First Time Gambled by Age Group (%)



Clients Newly Admitted by Age Group (%)



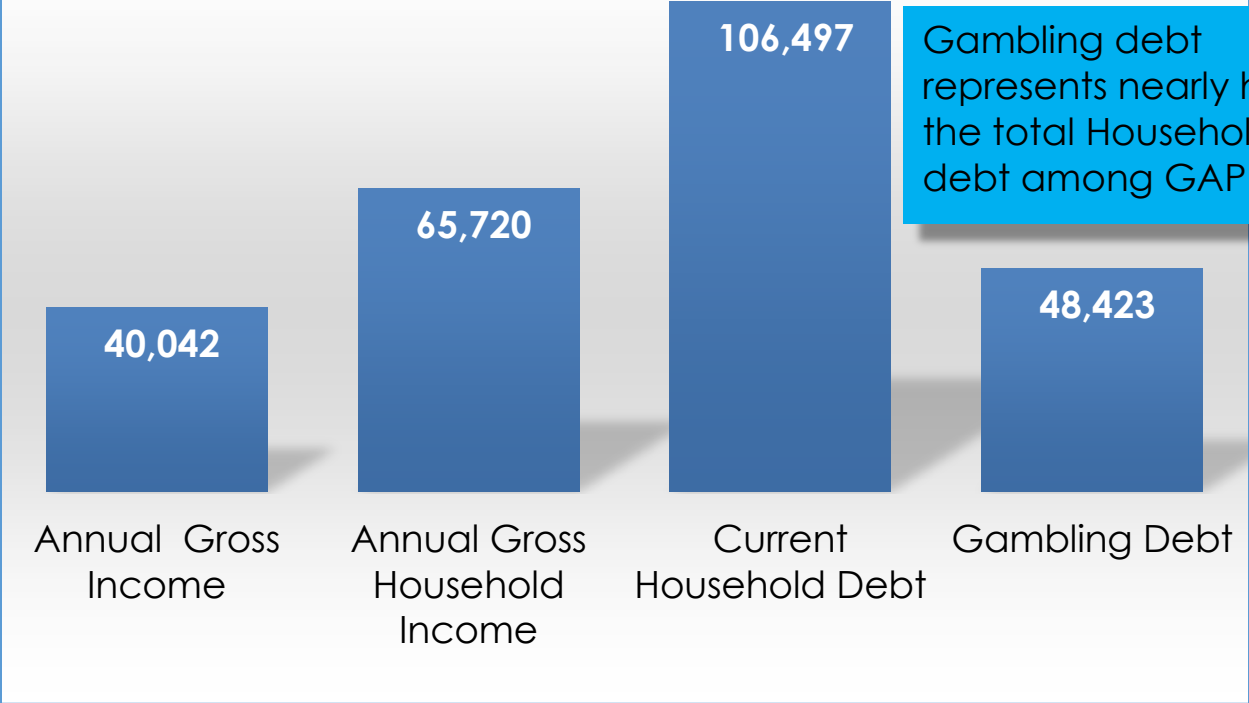
Most Frequent Gambling Activity (last 30 days)



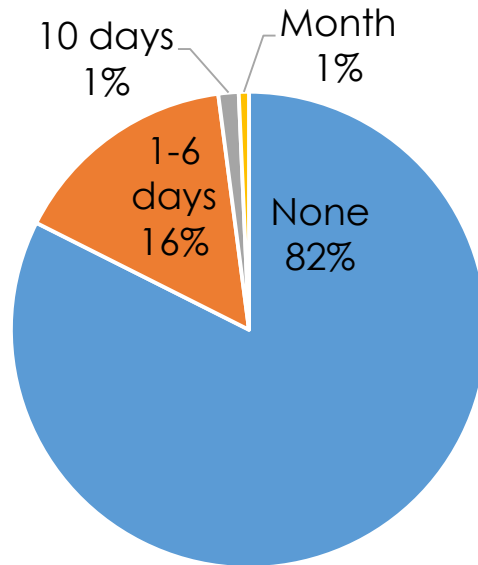
Number of Times Prior Gambling & Behavioral Health Treatment

- ✓ One out of four GAP clients have undergone gambling treatment before admission
- ✓ Nearly one out of ten clients have been admitted more than one time for gambling treatment
- ✓ Nearly half of clients have received behavioral health treatment

Household Income & Debt (average)

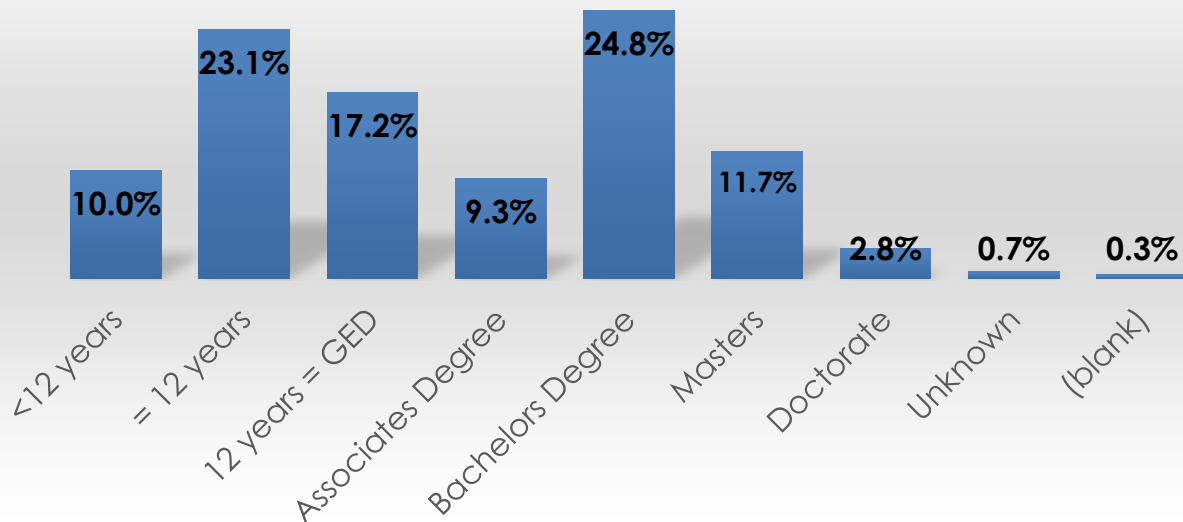


Number of Days (last 30 days) of Work Missed Due to Gambling

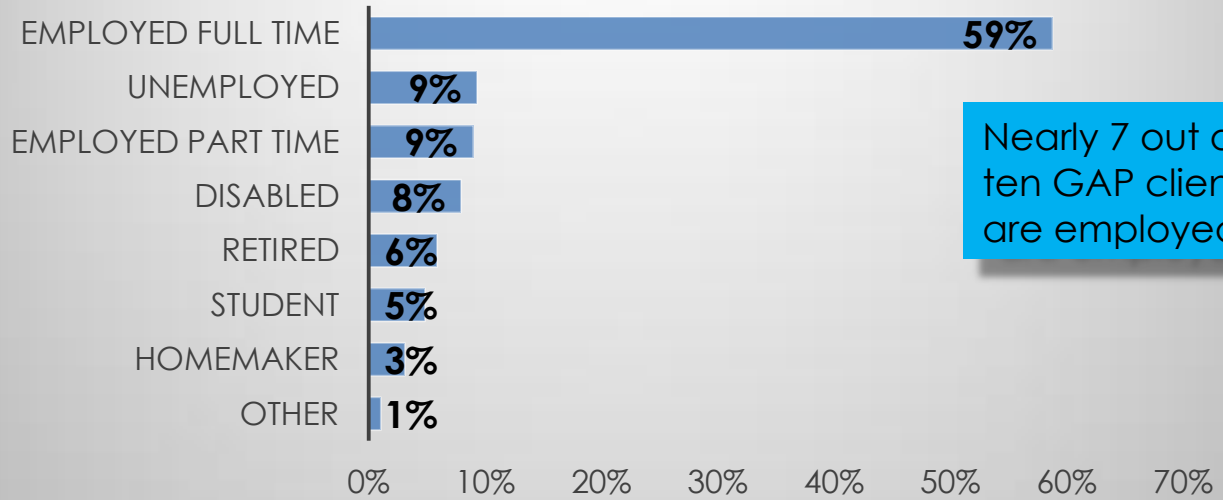


Nearly two out of ten clients missed more than one day of work in the last 30 days due to gambling

Educational Level (%)

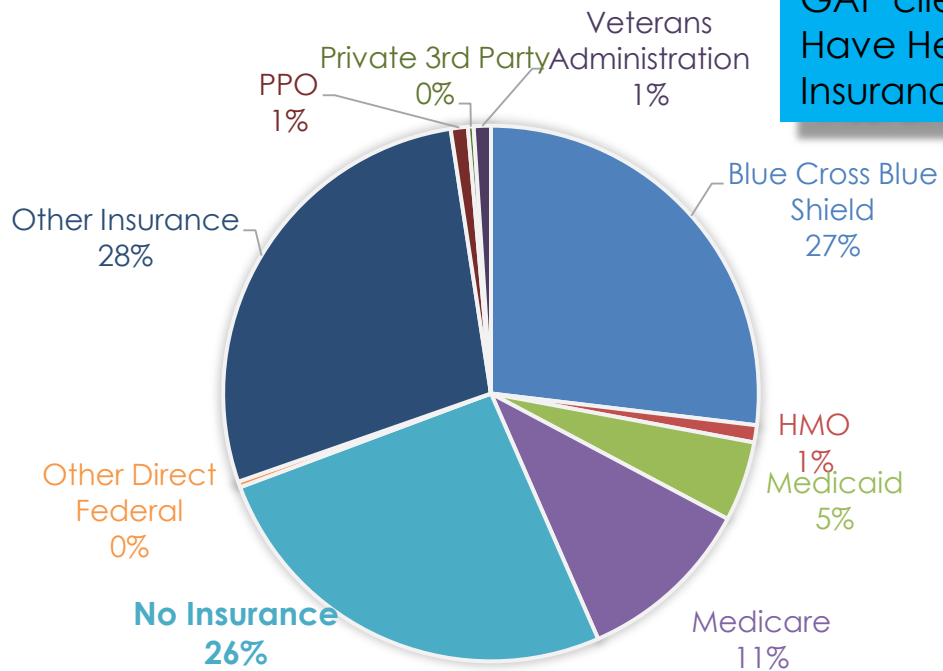


Employment (%) of Newly Admitted Clients



Nearly 7 out of ten GAP clients are employed

HEALTH INSURANCE



One out of four GAP clients do not have health insurance

TOTAL NUMBER OF ACTIVE CLIENTS by FISCAL YEAR

