

**THE NEBRASKA COMMISSION ON PROBLEM GAMBLING**

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

**MARCH 30, 2017**

## INTRODUCTION

The Nebraska Commission on Problem Gambling directs the operation of the Gamblers Assistance Program. This annual report summarizes the finances of the program and describes the Commission's activities. The program's staff does the following:

- Provides counseling and treatment services for problem gamblers and their families who are residents of Nebraska;
- Develops a process for evaluation and approval of contracts with treatment providers and other services vendors;
- Develops standards for training and certification of counselors;
- Gathers, reviews and uses evaluation data on which to base program initiatives;
- Informs the public about problem gambling and prevention of problem gambling;
- Creates and implements outreach and education programs;
- Develops and implements methods to assess outcomes of program activities;
- Investigates and implements evidence-based best practices in the field of gambling addiction education, prevention and treatment.

The Gamblers Assistance Program operates in a culture that increasingly accepts various forms of gambling as entertainment. The Program and the counselors who work in the program deal with the problems that result when entertainment turns into an addiction. According to reliable estimates, approximately 14,000 adult Nebraskans are addicted, and another 210,000 are gambling in ways that indicate they are at risk to develop addiction.

The prevailing attitudes about gambling are demonstrated by the public's participation in these activities. In the fiscal year that ended on June 30, 2016, government-sponsored gambling in Nebraska collected approximately \$463 million in wagers, divided among various forms of charitable gaming and the state lotteries. There is little doubt that significantly more money is wagered in tribal casinos located in Nebraska, numerous casinos in surrounding states, and illegal forms of gambling emerging nationwide to which Nebraskans have easy access.

Public attitudes about gambling influence public policy. Governments at all levels in Nebraska depend on wagering to fund programs. Local governments derived \$27.2 million in profits from charitable gaming, and state government collected \$50.2 million from the combination of state charitable gaming tax and the operation of state lotteries. An attachment to this report shows the breakdown of these revenue sources.

## I. GAMBLERS ASSISTANCE PROGRAM FINANCES

The Gamblers Assistance Program receives funding from two cash funds: the Gamblers Assistance Fund and the Health Care Cash Fund. Revenue into the Gamblers Assistance Fund comes from the state lottery and the state-level charitable gaming tax. The Program does not receive a general fund appropriation. The financial outlines that follow give a breakdown of the program's revenues and expenditures.

### GAMBLERS ASSISTANCE FUND PERFORMANCE: 03/01/2016-02/28/2017

#### REVENUE

1. Constitution, Article III, Section 24, formula: \$500,000 + 1% of remaining lottery profit	
Transfer, March 2016	144,845
Transfer, June 2016	111,254
Transfer, September 2016 (\$500,000 + 1%)	596,393
Transfer, December 2016	<u>98,988</u>
TOTAL	951,480
2. Statute section 9-831: 5% of Lottery advertising expenditures	291,175
3. Statute section 9-1,101: from Charitable Gaming Operations Fund	50,000
4. Investment income	<u>31,769</u>
TOTAL REVENUE TO GAMBLERS ASSISTANCE FUND	1,324,424

#### EXPENDITURES

Salaries and benefits	114,833
Other operations	470,886
Government aid	<u>884,858</u>
TOTAL EXPENDITURES OUT OF GAMBLERS ASSISTANCE FUND	1,470,577

**RECAP**

Gamblers Assistance Fund revenues	1,324,424
Gamblers Assistance Fund expenditures	<u>-1,470,577</u>
Gamblers Assistance Fund expenditures in excess of revenue	(146,153)

**GAMBLERS ASSISTANCE FUND CASH POSITION**

Gamblers Assistance Fund cash balance 03/01/2016	1,478,377
<i>Balance net of accrued liability in the amount of 2,015</i>	
Gamblers Assistance Fund cash balance 02/28/2017	<u>1,332,224</u>
<i>Balance net of accrued liability in the amount of 90</i>	
Gamblers Assistance Fund cash balance reduction 03/01/16-02/28/17	(146,153)

**HEALTH CARE CASH FUND**

Appropriation	250,000
Expenditure: Government Aid Programs	<u>-250,000</u>
Net	0

**GAMBLERS ASSISTANCE PROGRAM TOTAL**

**REVENUE AND EXPENDITURES 03/01/2016-02/28/2017**

Total program revenue from two cash funds	1,574,424
Salaries and benefits	- 114,833
Other operations	- 470,886
Government aid	<u>- 1,134,858</u>
Net program expenditures in excess of revenue	(146,153)

## II. PROGRAM ACTIVITIES DURING THE PERIOD

**MARCH 1, 2016-FEBRUARY 28, 2017**

### 1. Commission Meetings

The Commission met four times during the period to consider issues regarding the operations of the program. These meetings included reviews of the financial status of the program; new contracts with counselors and other vendors; development of budget requests; and consideration of proposals for expansion, education and outreach. Meeting notices and agendas were posted on the state events calendar, the program website and the website of the Charitable Gaming Division of the Department of Revenue. Minutes of meetings were posted on the program website and the website of the Charitable Gaming Division.

### 2. Counselor Contracts

The Commission has made contracts with twenty one agencies and individual counselors who have been trained and certified to assist Nebraskans dealing with the consequences of gambling addiction. These contracts provide for a combination of counseling services and local and regional education and outreach by the counselors. At their current pace, counselors will deliver approximately 11,000 hours per year of counseling to Nebraskans diagnosed with a gambling disorder.

The Commission continued to fund operation of a telephone helpline service provided through the Nebraska Council on Compulsive Gambling. This helpline, operated 24 hours per day every day of the year, received 1,665 calls during the period covered by this report. Of those calls, 130 came from callers in significant crisis who were immediately referred to qualified counselors.

### 3. New therapist training and certification

The Commission continued to provide tuition support to Nebraskans taking courses offered online by Bellevue University in their Certificate of Gambling Specialty program. This is a course developed by the Nebraska Council on Compulsive Gambling with underwriting from the Commission. Courses are offered in segments over a period of 19 weeks, for a total of 72 credit hours. Upon completion the candidate is eligible to received provisional certification to provide counseling therapy through the Nebraska program. The American Society of Addiction Medicine, in its publication *The ASAM Criteria* recommends that a therapist providing counseling in this field should have specialized training and certification due to the unique characteristics of gambling addiction. This is the policy of the Nebraska Gamblers Assistance Program. Four students completed this training during the period covered by this report, bringing the total since

inception in the fall of 2014 to 23, more than double the number of qualified counselors in July, 2013.

#### 4. Public education and information

The Commission is obligated to devote approximately \$300,000 of its budget each year to the dissemination of problem gambling messages. To accomplish this, the Commission approved development and production of the Nebraska Workplace Toolkit, which includes materials to be distributed by counselors to inform employers about the hazards of gambling activities in the workplace; distributed monthly display ads to 175 newspapers in Nebraska; and commissioned a documentary under production by Nebraska Public Television to tell the story of gambling addiction among senior citizens. A partnership with a professor of speech communications at the University of Nebraska Lincoln has led to development of a pilot project to distribute prevention and education messages by digital and social media directed to young adults in Nebraska. The program's staff also neared completion of an RFP to be released in spring 2017 that will invite bidders to propose a multi-year contract for education and prevention messages on various media platforms.

#### 5. Data gathering and analysis

The Commission continued its contract with a local statistician who accumulates and analyzes data that the counselors gather from their clients. The program's database is a modified Excel spreadsheet that includes demographic, financial, social, economic and gambling background information from persons diagnosed with gambling disorder and admitted into counseling. This data, some of which goes back at least 10 years, represents the best available evidence about problem gambling issues in our state.

#### 6. Public opinion polling

The Commission submitted a list of questions about gambling that were included in the Nebraska Annual Social Indicators Survey that was conducted by the University of Nebraska Bureau of Sociological Research in the fall of 2016. Nearly 80% of respondents agree that gambling has become more socially acceptable, but 56% of respondents said they do not gamble. The Commission also entered a contract for a written survey about internet fantasy sports games among college students at Nebraska colleges. About one-third of 512 college students at 10 colleges around the state said that they do gamble in one way or another.

#### 7. Searching for sustainable financing

As the financial results demonstrate, the Gamblers Assistance Program is on a path of expansion that cannot be sustained with current funding. When the Commission began its work

on July 1, 2013, the Gamblers Assistance Fund had a cash balance on hand of \$1.815 million. Because expenditures exceed revenues, this balance has been drawn down by \$483,000 as of this report, and it will continue to decline. The Commission anticipates a cash fund balance of approximately \$1.1-1.2 million by June 30, 2017, and further reductions in the coming biennium. Unless increased revenue sources are found, the program will probably not be sustainable at its current level of expenditure beyond the end of the next biennium.

### **III. PROGRAM DATA**

The attachments illustrate accumulated data for the period from July 1, 2013, to January 1, 2017. Among topics of concern to the Commission:

- The number of active clients enrolled in therapy continues to increase. As the new counselors develop their client base, the increase can be expected to continue.
- Education, employment and income levels of admitted clients continues to mirror the population of the state. This tells the Commission that gambling disorder cuts across all segments of our population.
- Nearly 30% of admitted gamblers have been in therapy before. This confirms the fact that gambling disorder, like other forms of addiction, is hard to conquer. Social acceptance of many forms of gambling and the introduction of new gambling opportunities will increase the risk of relapse.
- Gambling debt is a significant issue in this population.
- 82% of addicted gamblers first gambled before age 25. Over 70% of addicted gamblers sought counseling help from the Gamblers Assistance Program after age 35. These facts drive the Commission's urgent desire to develop effective, evidence-based education and outreach programs to get the message to younger people about the facts and the risks of gambling.

### **IV. CONCLUSION**

The Nebraska Commission on Problem Gambling continues to perform its obligations to expand therapy services throughout the state and develop methods to inform the public about gambling disorder and the facts about gambling in Nebraska. The attached documents illustrate some of the points made in this report.

David Geier, Director

Gamblers Assistance Program

LEGAL GAMBLING IN NEBRASKA: PROFITS TO GOVERNMENT 07/01/15-06/30/16

<b>TOTAL CHARITABLE GAMING WAGERING</b>	<b>283,890,604</b>
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**NET AFTER PAYMENT OF PRIZES AND COST OF OPERATIONS: CHARITABLE GAMING**

State General Fund Charitable Gaming tax receipts	3,666,906
State Charitable Gaming Operations Fund excess over cost of operations	1,009,807
Bingo: Local profit	397,998
Pickle Cards: Local profit	1,914,735
Keno: Local profit	20,066,667
Local lotteries and raffles: Local profit	4,856,592
<b>TOTAL</b>	<b>31,912,705</b>

<b>TOTAL LOTTERY TICKET SALES</b>	<b>179,472,755</b>
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**PAID TO BENEFICIARIES AFTER PAYMENT OF PRIZES AND COST OF OPERATIONS: LOTTERY**

Education Innovation Fund	8,350,876
Opportunity Grant Fund	10,465,024
State Fair	4,228,292
Environmental Trust	18,815,901
Gamblers Assistance	922,830
<b>TOTAL</b>	<b>42,782,923</b>

<b>TOTAL DOLLARS SPENT ON LEGAL GAMBLING</b>	<b>463,363,359</b>
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<b>NET TO GOVERNMENTS AFTER PRIZES AND COST OF OPERATIONS</b>	<b>74,695,628</b>
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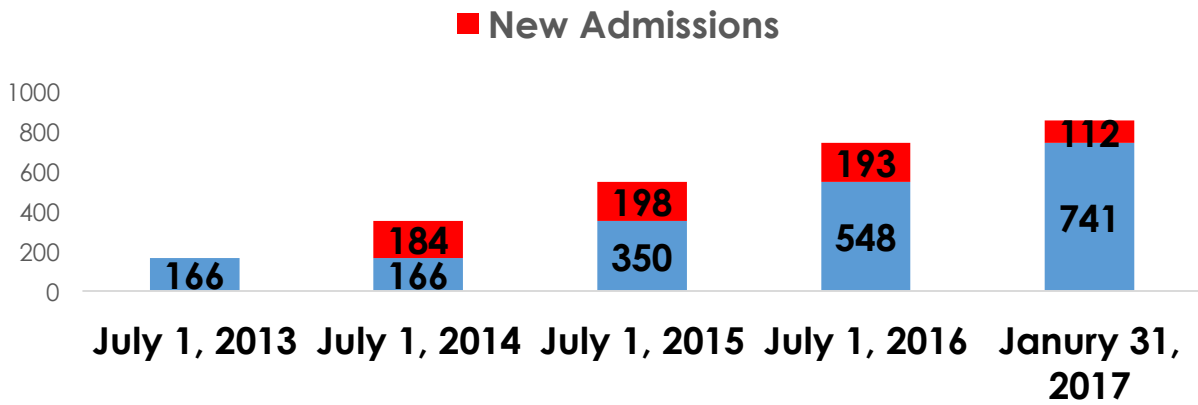


**CHARITABLE GAMING SUPPORT FOR  
NEBRASKA GOVERNMENT OPERATIONS**

<u>YEAR</u>	<u>TOTAL WAGERED</u>	<u>STATE GENERAL FUND</u>	<u>LOCAL PROFITS</u>	<u>TOTAL</u>
<b>6/30/16</b>	283,890,604	3,666,906	27,235,992	30,902,898
<b>6/30/15</b>	270,453,844	3,280,781	25,923,063	29,203,844
<b>6/30/14</b>	256,852,718	3,205,100	25,832,566	29,037,666
<b>6/30/13</b>	253,034,203	3,119,600	25,787,979	28,907,579
<b>6/30/12</b>	247,329,112	3,080,790	24,469,837	27,550,627
<b>6/30/11</b>	240,464,148	2,968,454	23,802,177	26,770,631
<b>6/30/10</b>	232,462,466	2,969,038	23,794,884	26,763,922
<b>6/30/09</b>	257,526,656	3,326,570	25,726,117	29,052,687
<b>6/30/08</b>	268,455,727	3,373,518	26,831,164	30,204,682
<b>6/30/07</b>	256,072,431	3,219,819	26,384,126	29,603,945
<b>6/30/06</b>	250,768,946	3,222,765	25,290,683	28,513,448

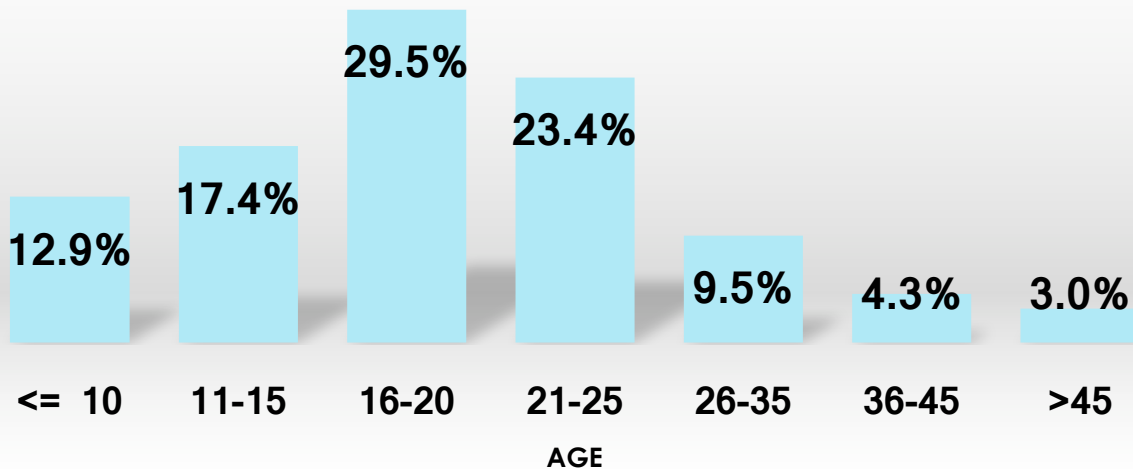
*40% of charitable gaming tax receipts are dedicated to operations of the Charitable Gaming Division of the Department of Revenue. The tax has produced a surplus over the cost of the Division's operations for several years. By statute, the surplus can be transferred to the general fund by the Legislature. In addition to the general fund revenue of \$3.66 million from the charitable gaming tax last fiscal year, a transfer in the amount of \$2 million from the excess in the charitable gaming operations fund was made in June, 2016, raising total general fund revenue from these gamblers last year to \$5.66 million. Another \$2 million transfer has been scheduled in June, 2017, to be added to the statutory general fund share of the tax receipts during the current fiscal year.*

## July 1, 2013 – January 31, 2017



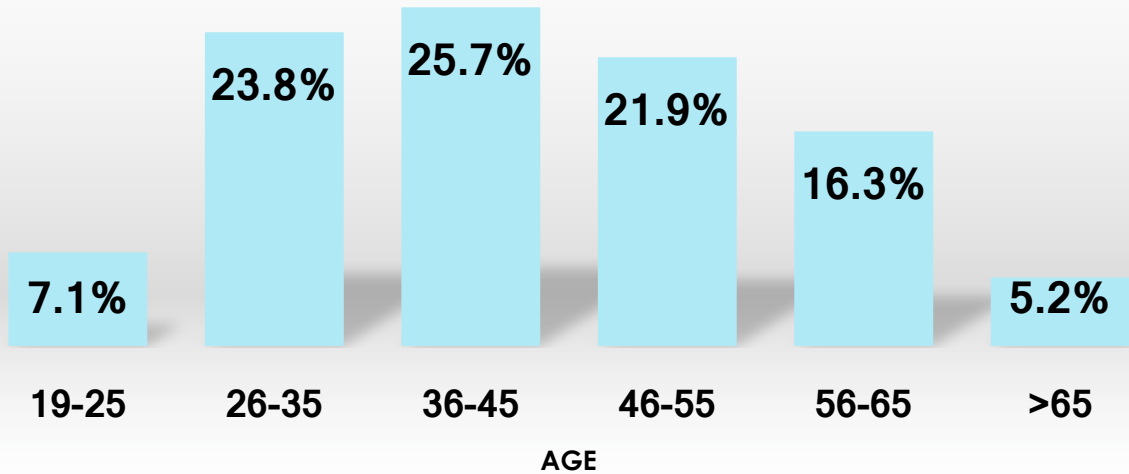
**853 INDIVIDUALS RECEIVED COUNSELING HELP  
BETWEEN JULY 1, 2013 AND JANUARY 31, 2017**

## First Gambled by Age Group



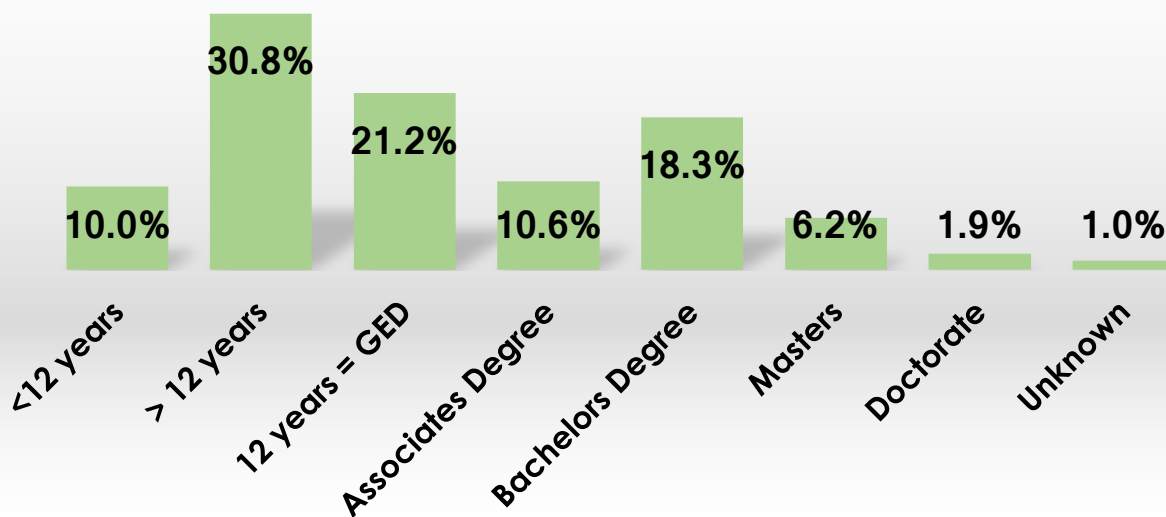
**NEARLY 60% OF ADDICTED GAMBLERS FIRST GAMBLER  
BEFORE AGE 21 AND 84% BEGAN BY AGE 25**

## Admission by Age Group

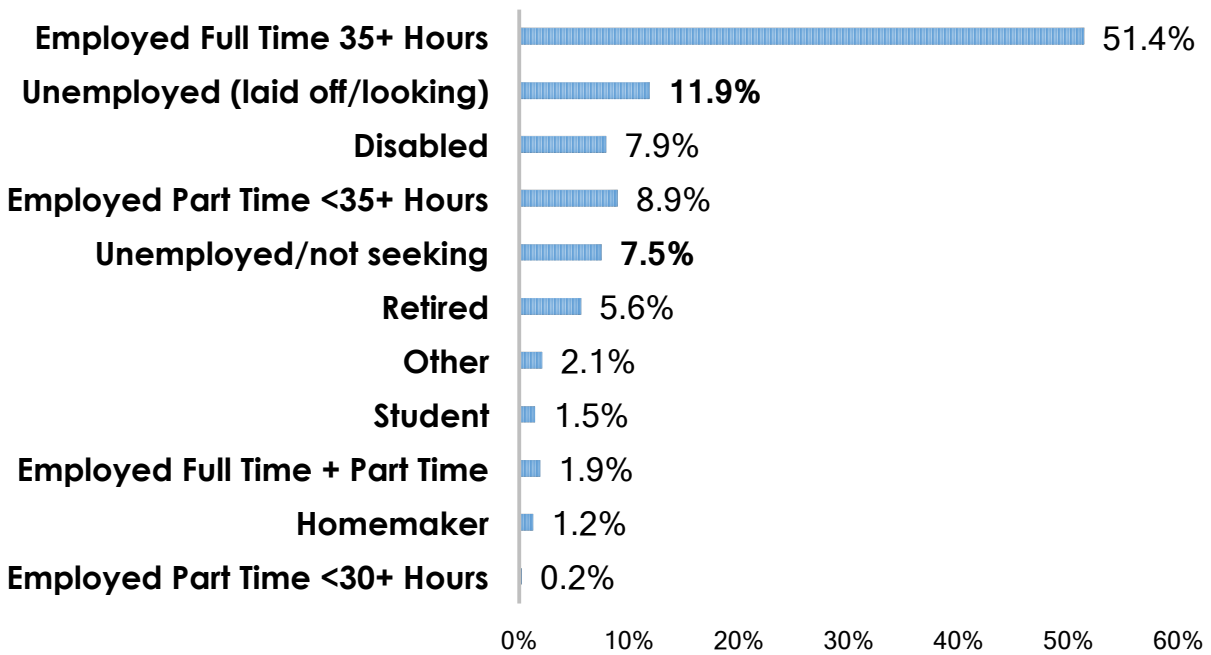


**69% OF ADDICTED GAMBLERS SOUGHT HELP  
AT AGE 36 OR OLDER**

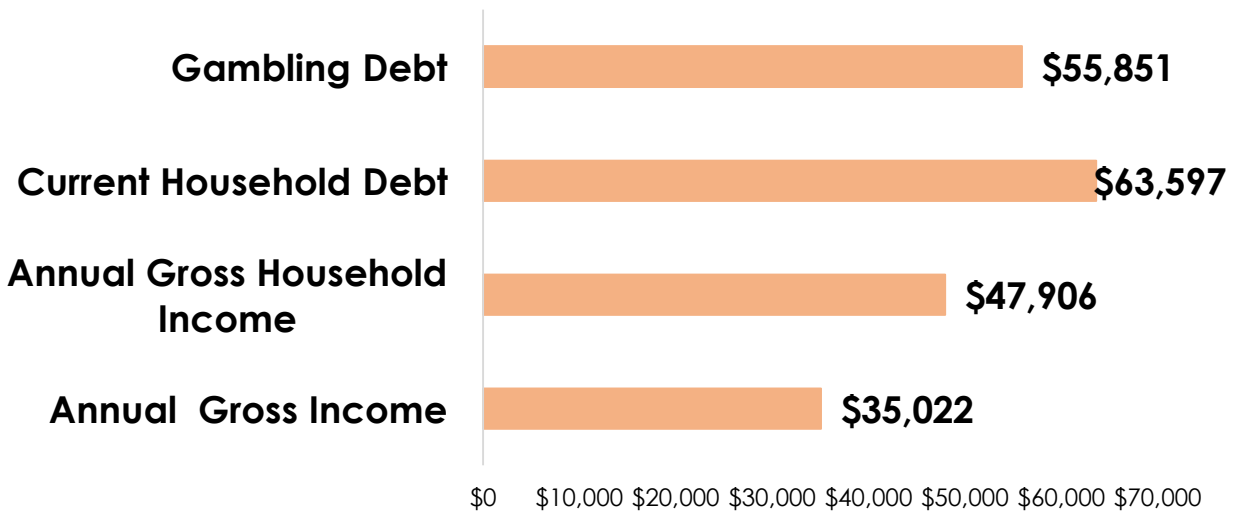
## Education Level in Percentage



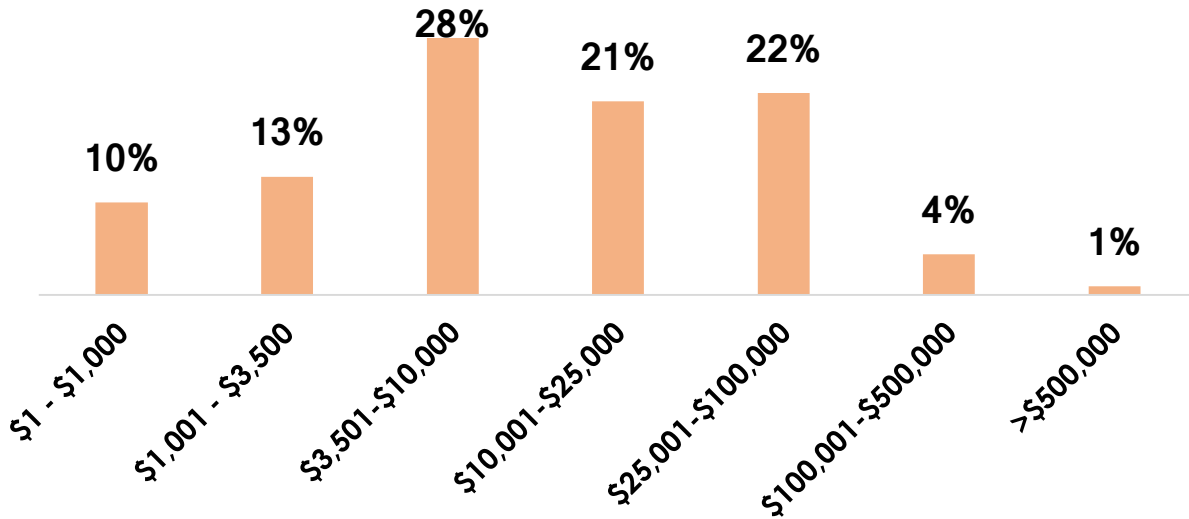
**37% OF ADDICTED GAMBLERS HAVE POST-SECONDARY EDUCATION**



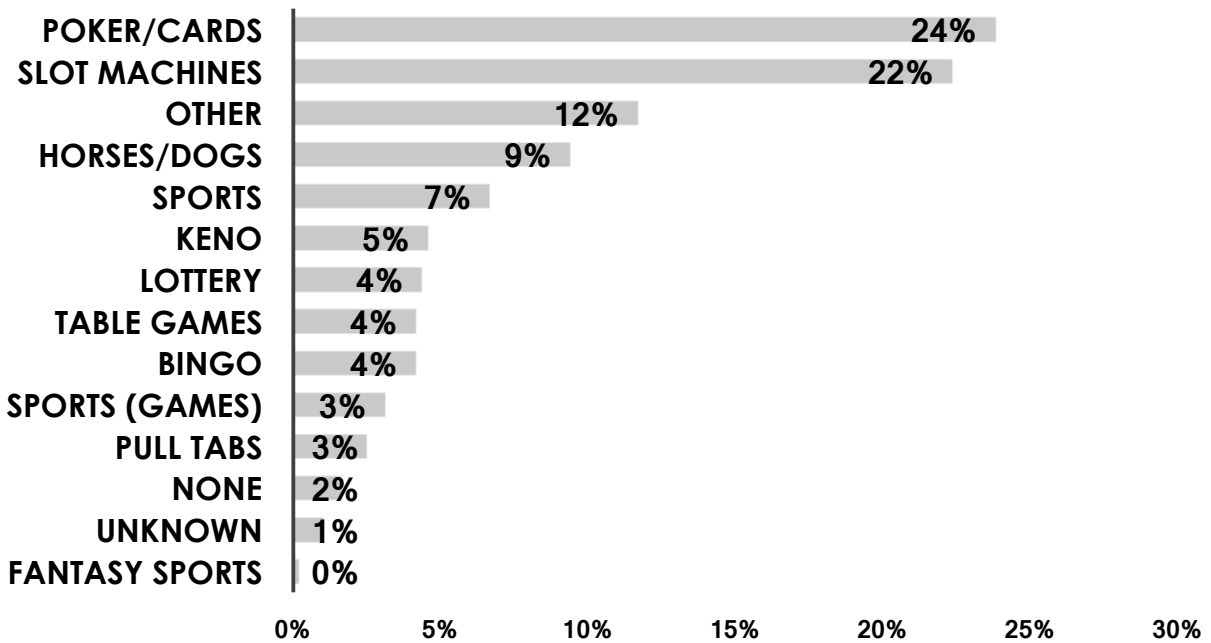
**33% OF ADDICTED GAMBLERS ARE NOT EMPLOYED**



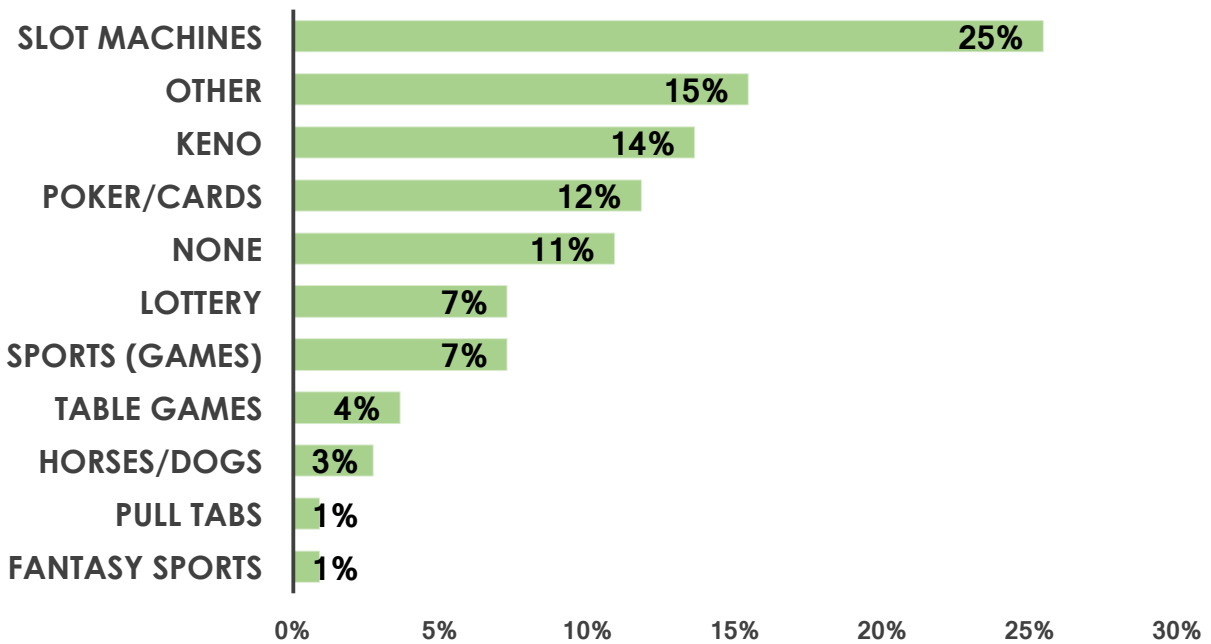
**AVERAGE INCOME AND DEBT OF ADDICTED GAMBLERS**



**48% OF ADDICTED GAMBLERS HAVE MORE THAN \$10,000 OF GAMBLING DEBT**



**A SMALL PROPORTION OF ADDICTED GAMBLERS FIRST GAMBLED ON THE NEBRASKA-LEGAL GAMES**



**KENO WAS THE GAME OF CHOICE FOR 14% OF ADDICTED GAMBLERS  
DURING THE YEAR BEFORE ADMISSION TO COUNSELING**