

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

MEETING MINUTES

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

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

Announcements: Chairman Canada made the following announcements: The Meeting Notice and Agenda were published on the state events calendar, the program website and the website of the Charitable Gaming Division on November 6, 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: Chairman Canada called for amendments or corrections to the minutes of the meeting of August 17, 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. A senator has expressed interest in a possible bill that would increase revenue to the Gamblers Assistance Fund. The details are not final, but a proposal was outlined that would create a formula to increase revenue generated by the charitable gaming tax. An alternative would be a registration fee for Mechanical Amusement Devices that pay cash prizes, or a combination of increases from both sources.

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

Summary of first quarter 2018-19 Operations The director's report summarizes the results of first quarter operations. The Commission reviewed a spread sheet that itemizes contractor performance and a data report on a variety of characteristics of the population that the program serves. "Crisis Interventions", a form of short-term urgent care, continues to increase.

Next Biennium Budget The director's report explained the status of the budget request for the coming biennium, which asks for an increase of appropriated spending in the amount of \$300,000 each year of the biennium, bringing total appropriations to approximately \$1.2 million each year. This increase would accommodate a statewide education program and also expanded counseling services. If revenue is not increased, the request for increased appropriations will probably be withdrawn, as the program will not be able to afford increased spending. The Commission reviewed the budget resolution that was adopted last May. The Commission also reviewed contingency outlines of projected budgets for three fiscal years that would require annual spending reductions in order to reduce spending to an amount equal to projected revenue, leaving a balance in the cash fund to manage cash flows. These contingent budgets would be adopted if the program does not receive increased revenue.

Extend Training Contract

The Program's contract with the Nebraska Council on Compulsive Gambling that provides for "core" training classes offered online by Bellevue University expires on December 31, 2018. The Commission reviewed the performance of the contract since it began on July 1, 2013. 36 new counselors have completed the training and two more are in progress. Total cost to develop the training was \$70,000, and the added cost to present the course over five and one-half years

has been \$23,000. The total is a considerable savings over the cost of classroom instruction but with a significant increase in the number of trainees.

Commissioner Lutz moved to offer an extension of the contract for two more training cycles during 2019, for approximately 40 weeks, on the same terms as the current contract rate: \$600 per candidate, plus an amount to pay for maintenance of the program at the total estimated cost of \$3,500. Commissioner Leckband seconded the motion, which was adopted by unanimous vote.

Agent Brand contract update

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

Helpline Contract: Renew or Replace

The current contract with the Nebraska Council on Compulsive Gambling to provide for a Nebraska Helpline answering service expires on December 31, 2018. The Commission deliberated the merits of continuing the Council contract or entering a contract with a new vendor, the Louisiana Association on Compulsive Gambling. The Louisiana Association already provides this service for 17 states and the National Council on Problem Gambling and the cost is significantly less than the cost of the Nebraska Council service. The service appears to be equivalent quality. Any contract with the Louisiana vendor would be subject to termination on 30 days notice, or immediate termination in case of a breach of contract terms. Contract terms would preclude any telephone counseling and would require referrals to the appropriate Nebraska counselor. Contract performance would be subject to audit, including test calls to the phone line in order to assess performance of the answering services.

Commissioner Leckband moved to enter a 12 month contract with the Louisiana service on the terms outlined in the discussion and the materials that were distributed to the Commission. The Louisiana Association projects annual cost of \$18,000 based on projected call volume of 1,800 total calls. In addition, there will be setup fees of \$600 and the cost to establish a new toll-free incoming call number. The total cost to the Program is projected at \$20,000-21,000 for one year. Commissioner Bomberger seconded the motion which was adopted by unanimous vote.

Policy position regarding proposals to expand gambling in Nebraska

The Director reported on rumors of proposals to authorize sports betting or casinos in Nebraska, the possible petition drive to authorize racinos and the expansion of other forms of online and electronic gambling. The Commission discussed and reaffirmed the public stand that has been adopted in the past: the Commission will remain “neutral” on proposals to expand or add new forms of gambling, and provide facts to inform policy makers about gambling in Nebraska and the Gamblers Assistance Program.

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 March 15, 2019, beginning at 9:30 a.m. The Commission may invite Senators to a breakfast session that morning before the public meeting if it would benefit the Program by introducing new Senators to the Program and informing all Senators about gambling in Nebraska.

The meeting was adjourned at 1:17 p.m.

**NEBRASKA COMMISSION ON PROBLEM GAMBLING
NOVEMBER 16, 2018**

DIRECTOR'S REPORT

A. LEGISLATION

We are hearing rumors about proposals to authorize sports betting in Nebraska, and some talk about authorizing casinos. These and other proposals to expand legal gambling would likely require amendment to the state constitution. Legislatures in the recent years have firmly opposed efforts to expand gambling, and any new proposals will likely meet strong opposition as well.

We have been working on our own proposal to increase this program's revenue. The Power Point slides illustrate the concept, which is similar to the concept that was offered in a bill last session. This year, the concept is slimmed down but still offers the same basic idea: increase revenue to the Gamblers Assistance Fund by increasing the fund's share of the charitable gaming tax. There would be no increase in the rate of tax and no reduction of the share of charitable gaming profits that local communities and organizations keep. The major obstacle to this proposal is the projected impact on the general fund. The Power Point illustration shows how this would happen.

B. FINANCE

The Department of Administrative Services Accounting Division reports dated October 31 show you the financial condition of the program from three different perspectives:

- (a) The Program Summary itemizes revenue and spending for the month of October and the fiscal year to date, beginning July 1.
- (b) The Fund Summary by Fund shows you the status of the Gamblers Assistance Fund, which is the main vehicle for the Program's revenue and spending. On the first page, far right column, on the line Fund Equity Undesignated the balance shown is 726,733.54. This is the cash on hand as of July 1 in the Gamblers Assistance Fund. Remember that this balance was approximately 1.7 million on July 1, 2013.
- (c) The Budget Status Report shows a comparison of spending to the overall budget. In the upper right corner of the pages it shows that 33.70 percent of the fiscal year had elapsed as of October 31. The columns headed "Percent of Budget" show you that some items of spending are ahead of schedule and some are behind. On the second page, about in the middle, it shows you that the program as a whole is at 29.81 percent of budget, so we are slightly below budget. Note that the budget this document reflects is not the same as the budget resolution that this Commission adopted in May, 2018. Note also that the budgeted expenditures total, on page 2 in the middle of the page, right-hand column, includes both the authorized appropriation set by the

Legislature and also the amount that was automatically added to that appropriation by the budget staff to cover payments in the month of July to pay the June bills.

C. SUMMARY OF FIRST QUARTER OPERATIONS

The Excel spreadsheet shows you the itemized results by contractor of the counseling services. The data report by J. P. Ramirez shows first quarter results of client characteristics.

We continue to gather information about payment for counseling services by private health insurance companies and Nebraska Medicaid. There is nothing of substance to report about health insurers. An email from Lori Lewis, DHHS Program Coordinator for Medicaid and Long-Term Care, states:

“In researching the possibility of Medicaid coverage for a gambling addiction I have learned that providers will bill the usual CPT codes for therapy (group, individual) and use the F63.0 diagnosis. Of course the service would have to be medically necessary as well.”

D. NEXT BIENNIUM BUDGET

We submitted the budget request documents asking for an appropriation increase in the amount of \$300,000 each year of the coming biennium. If this is approved, the program’s total appropriations will be approximately \$2.2 million each year. The budget request documents are voluminous, so we did not make hard copies. Scanning and sending is also problematic because of the size of the digital files. We will send hard copy to any Commissioner who wants one.

Your materials include a copy of the budget resolution and a fund analysis document that illustrates a possible progression over three years of reduced spending down to \$1.6 million, which is about equal with current annual revenue. If a revenue increase is not approved, the appropriation increase will need to be withdrawn and budgets for the next biennium will need to reflect the reduced spending along these lines.

Dated November 16, 2018

David Geier, Director