

**Nebraska Commission on Problem Gambling
August 20, 2021
700 South 16th Street
Lincoln Nebraska**

MEETING MINUTES

The meeting was called to order at 9:32 a.m.

Roll Call: Present in person: Lutz, Patterson, Moore, Lambert, and Canada. Absent excused: Zohner, Arch and Leckband. Newly appointed Commissioner Volnek attended but did not vote, pending confirmation of appointment by the Legislature.

Announcements:

Chairperson Lutz made the following announcements:

The notice of this meeting was posted publicly on May 6, 2021, on the state events calendar and on the program's website. The notice of meeting with the agenda has been available continuously here in the office of the Gamblers Assistance Program in the Ferguson House, 700 South 16th street, Lincoln, Nebraska.

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 in the lobby.

Copies of other printed materials that may be considered by the Commission during the meeting are also available to the public on the table in the lobby.

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.

New Commissioner Dan Volnek was introduced and welcomed to the meeting.

Let us now pause for a moment of reflection before we move on to the next item on the agenda.

Approval of minutes of previous meeting: Chairperson Lutz called for amendments or corrections to the minutes of the meeting of May 21, 2021, and hearing none, Commissioner Moore moved approval, seconded by Commissioner Patterson. The motion was adopted by unanimous vote.

The written Director's narrative report was distributed and is attached to these minutes.

Legislation: The director reported on the development of rules and regulations to govern licensing new horserace tracks and casinos, and operations of a casino regulatory agency. Opening of casinos may be delayed by several months due to the complexity of the new regulations and difficulty staffing the agency.

Finance: Several financial reports from the Department of Administrative Services Accounting Division were distributed and reviewed with the Commission. These are referred to in the written report.

Summary of Fiscal Year End Operations: The director's report summarizes the results of operations during the period July 1, 2020-June 30, 2021. The Commission reviewed a spread sheet that itemizes contractor performance and overall cost of services.

Amended Program Budget Resolution for Fiscal Year 2021-22

The Commission reviewed and discussed amendments to the proposed budget for the next fiscal year. The budget adopted May 21 included projections of revenue and spending based on historical experience plus projected casino wagering tax revenue of approximately \$185,000. The slow progress of adopting regulations and recruiting gaming commission staff means that this revenue may not be collected during the fiscal year. The director recommended an amended budget that reduces projected income and expenditures by the amount of the projected wagering tax. The reduction affects the projected amount of expenditures for counseling. After discussion, Commissioner Canada moved for adoption of the amended budget. Commissioner Moore seconded the motion which was then adopted by unanimous vote.

Extension of Counselor Certificates

The director recommended a blanket extension of all counselor certificates for another year. This would restore Program certificates to the even-year renewal cycle that is in effect for mental and behavioral health licenses issued by DHHS. The director also recommended that certificate holders be required to provide proof of 1.5 times the minimum continuing education hours applicable to the original two-year terms of their certificates. The recommendation is based on the difficulty obtaining current gambling-specific continuing education credits

during the pandemic. After discussion, Commissioner Canada moved for adoption of the resolution. Commissioner Moore seconded the motion which was then adopted by unanimous vote.

Approve Issuance of Counselor Certificates

The Commission reviewed applications for certification by Megan Leikam and Rayla Cooper, and for reinstatement of the provisional certificate of Amelia Den Hartog. After discussion, Commissioner Canada moved for approval of all three certificate requests. Commissioner Patterson seconded the motion which was then adopted by unanimous vote.

Revised Certification Standards

The Commission reviewed changes to the program's training and certification manual which have been recommended by the director with approval of the Certification Advisory Board. The new manual establishes certification standards that distinguish between classes of candidates based on prior license status. After discussion, Commissioner Patterson moved for adoption of the revised standards. Commissioner Moore seconded the motion, which was adopted by unanimous vote.

Appoint Certification Advisory Board Members

The director suggested appointment of Gina Fricke and Ron Felton to fill two vacancies on the Certification Advisory Board. After discussion, Commissioner Canada moved approval of the appointments. Commissioner Lambert seconded the motion which was adopted by unanimous vote.

Approve Issuance of Service Contracts

The Commission reviewed a list of service contracts issued in June based on the budget adopted by the Commission on May 21. After discussion, Commissioner Patterson moved approval of the contract awards. Commissioner Moore seconded the motion which was adopted by unanimous vote.

Affirm Executive Committee Decision to Sponsor NABHO Annual Conference

On June 9, 2021, the Executive Committee voted to approve expenditure of \$2,500 for a sponsorship of the annual conference of the Nebraska Association of Behavioral Health Organizations. The conference is in October, but sponsorship payment was due in order to assure payment within the fiscal year 2020-21. After

discussion Commissioner Canada moved approval of the decision of the executive committee. Commissioner Patterson seconded the motion which was adopted by unanimous vote.

Bellevue University Contract to Write and Administer a Test to Candidates for Certification

The director presented a proposal to award a contract to Bellevue University in the amount of \$5,000 to pay for the development and administration of a test to students who complete the Gambling Certificate courses. Bellevue will be paid \$1,000 for writing the test, and \$200 for each student taking the test one time. After discussion, Commissioner Moore moved approval of the contract. Commissioner Lambert seconded the motion which was adopted by unanimous vote.

Agent Brand Contract Report

Representatives of Agent Brand reviewed the results of the digital media campaign including betcareful and lifeafterbet, the two URL internet searches that direct respondents to the program's website. The campaign is performing above expectations and has been renewed for the year from July 1, 2021 to June 30, 2022, for the amount of \$400,000. New digital messages were displayed, and discussion followed about improvement of the program website on the Nebraska.gov web portal.

Comprehensive Data Report

The annual data report compiled by J. P. Ramirez was presented, including a preview of a new analysis that correlates types of preferred gambling with amounts of debt from gambling. Other data correlations gathered over the past 4 years from approximately 500 gamblers will enable the Commission to better understand and explain the circumstances of the program's clients.

Next meeting date

The next meeting of the Commission will be held at Ferguson House on November 19, 2021, beginning at 9:30 a.m.

Copies of all printed materials distributed to the Commissioners are retained in the records of the program at the program office.

The meeting was adjourned at 12:40 p.m.

Attest:

Todd Zohner, Secretary of the Commission

NEBRASKA COMMISSION ON PROBLEM GAMBLING
AUGUST 20, 2021
DIRECTOR'S NARRATIVE REPORT

LEGISLATION

Casinos in Nebraska. The new Racing and Gaming Commission has received a number of applications for new horse race track licenses, all of which anticipate development of a casino at a new track. On July 16 the Commission heard from representatives of Bellevue, York, North Platte, Norfolk, and Scottsbluff. There are news reports of an application due soon from Kimball. Since the Commission has not developed standards for approval of new track licenses, they have taken no action on these requests. It is unlikely that there will be many more than the six casinos located at the current race tracks, but we cannot be certain.

The Commission has hired a consultant to help develop basic casino regulations. No casino licenses can be issued until the regulations are in effect. This process will take at least a few months. There may be limited casino operations in Lincoln and Omaha by the end of this calendar year, but it appears more likely to be delayed until next year.

Among the regulations that the Commission is developing are standards for training casino staff to recognize and deal with addiction situations and voluntary self-exclusion by patrons who ask to be barred from the casino. Some of our counselors are reviewing drafts of these standards so we can offer comments.

An enormous quantity of behind-the-scenes work needs to be done before an effective regulatory agency will be ready for casinos to open for business. The Racing and Gaming Commission is going to be careful with this process and appears unwilling to be rushed.

When the Legislature convenes in January senators will introduce legislation to fill gaps in the casino bills from last session and possibly make some significant changes. One idea is a statutory limit on the number of casinos that can be licensed. Under the law today, there is no numerical limit except as one implied by the requirement to locate on race track grounds.

Budget for 2021-22. The Legislature adopted the biennial budget that authorizes Gamblers Assistance Program spending this year totaling \$ 2,132,507. This total includes our base budget developed over several years plus \$185,000 of anticipated revenue generated by the casinos. Since the casino tax revenue may not materialize, today's agenda **item 6** includes a revision to the current internal budget based on lower revenue.

ADMINISTRATIVE SERVICES BUDGET AND FINANCIAL REPORTS: TAB 4

The Department of Administrative Services Accounting and Budget Division reports behind **tab 4** dated **June 30, 2021**, show you the financial condition of the program from three different perspectives:

The **Program Summary** itemizes revenue and spending for the period July 1, 2020-June 30, 2021. Totals the year are on the second page of the report: **revenue \$1,898,660, and spending \$1,544,245**. Program revenue was about \$17,000 more than the year before, while overall spending was down more than \$350,000. The lower spending resulted from the spending cuts the Commission adopted last summer combined with effects of the pandemic; the stable revenue was a surprising result of more state lottery gambling than lottery managers had predicted.

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** shows cash on hand as of July 1, 2020 was **\$575,949**. Cash on hand on June 30 is shown on the top line, page 1, second column from the right under the heading **Account Balance Debit: \$930,364**. This is a \$354,415 increase in the program's cash position compared to a year ago – the net product of stable revenue and reduced spending.

The **Budget Status** Report shows you that 100% of the fiscal year had elapsed as of June 30, and our program had spent 72.48% of our approved budget. We have stayed under budget every year since 2013.

INTERNAL OPERATIONS SPREAD SHEETS: TAB 5

The Excel spreadsheets **Gamblers Assistance Contracts Performance** shows you the itemized results last year for the major categories of service. Near the bottom of the third page is a set of boxes with monthly overall totals. Here is a comparison to prior years:

- 233 new clients were admitted into our counseling services. Year before last, total new admissions were 174; year before that, the total was 205.
- An average of 185 admitted clients (not including short-term urgent care) attended counseling each month. Last year the average was 193, and the year before it was 219.
- Counselors were paid \$901,561 for counseling services. The year before the amount was \$1,155,833. Two years ago they were paid \$1,105,969.
- We no longer compensate counselors to perform outreach and education, and we terminated the policy of allowing a 5% overhead payment. These changes reduced program payments to counselors by over \$11,000 per month.

A second spreadsheet – **Itemized Cost of Counseling Service** - shows quantities and cost of the different items of counseling services at current rates of pay. Counselors were paid for 9,213 hours of individual counseling; a year ago, the total was 10,900 hours.

OTHER GAMBLING NEWS

American gamblers demonstrated their resilience by spending record amounts on gambling in the first half of this year. The American Gaming Association reported overall revenue increases of more than 15% over the same period two years ago (comparisons to last year are affected by the pandemic, and therefore unhelpful). According to the AGA "2021 is on track to become the highest-grossing year in gaming industry history..." driven by consumer exuberance and expanded legalization. The growth "coincided with a continued high level of spend per casino visit..."

Nebraska is right in the middle of this trend. The Nebraska Lottery results from last year exceeded the game managers' expectations. The Charitable Gaming Division office just reported that \$175.7 million was wagered on Nebraska keno games in the first six months this year -- an increase of about 30% over prior years.

Last November's vote to allow casinos was not an aberration. Nebraskans are joining the rest of the nation by showing their interest in gambling.

These developments add urgency to our efforts to recruit more counselors for our program.

Anne has arranged in-person visits with clinic facilities in South Sioux City and Grand Island to

explain our program and gauge their interest in working with problem gamblers. Other contacts are in the works.

On September 15 the Legislature's Health Committee will hold an interim study hearing to revisit a perennial problem – the shortage of mental and behavioral health professionals in Nebraska. The last time this was done, in 2016, the study “documented the severe shortage in the behavioral health workforce in Nebraska.” This year's study will likely report that the situation has not improved much if at all over the past five years.

Dated August 20, 2021.

David Geier, Program Director