

NEBRASKA COMMISSION ON PROBLEM GAMBLING
MEETING MINUTES
FEBRUARY 23, 2024

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

Roll Call: Present in person: Arch, Monheiser, Zohner, Leckband, Volnek. Absent excused Lutz, Moore, Pulverenti, Lambert.

Announcements:

Vice-Chairperson Arch made the following announcements:

The notice of this regularly scheduled meeting of the Commission on Problem Gambling was posted publicly on May 1, 2024 on the state events calendar, and on the website of the Gamblers Assistance Program. 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 since the date when the notice was posted publicly.

This meeting of the Commission on Problem Gambling is conducted in compliance with the requirements of the Nebraska Open Meetings Act. A copy of the Open Meetings Act is posted on the counter 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.

I want to also note that the sequence of our discussion of agenda items and the timing of discussion are tentative and subject to ruling by the chair as this meeting goes on.

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 meetings:

Vice-Chairperson Arch called for amendments or corrections to the minutes of the meeting of February 23, 2024. Hearing none, Commissioner Arch moved for approval of the minutes as distributed, seconded by Commissioner Leckband. The Chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

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

Budget Status: The Director’s report detailed revenue and expenditures for the fiscal year-to-date; status of new casino gambling in Nebraska; other staff activities this fiscal year.

Finance Reports: Three 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-to-Date Operations: The director’s report summarizes the results of operations during the period July 1, 2023-April 30, 2024. The Commission reviewed two internal spread sheets that itemize contractor performance and measure counseling utilization on average and in detail by vendor and categories of service. Counseling utilization increased during the recent quarter.

Legislation: LB685 passed and was signed into law. Improves regulation of cash devices (“skill games”) by requiring licensing of owners, operators and manufacturers; licensing of locations; limits on number of devices; limit on revenue derived from devices; creation of a central state run database to track game play activity.

Other topics reported by the director are summarized in the written narrative report attached to these minutes.

Agenda Item 6: Bid Responses to multimedia marketing RFP.

Staff presented the results of analysis and scoring of 11 bids received in response to the Request for Proposals. The discussion included explanation of the process and review of forms intended for posting to the website of State Purchasing Bureau. The highest scoring bid was by Argus, of Boston, Mass. Staff proposed a first year contract to begin July 1 in the total of \$400,000. Commissioner Monheiser moved to accept the winning bid and issue the contract to Argus. Commissioner Arch seconded the motion. After discussion, the Chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

Agenda Items 7, 8, 9: Reports on Public Awareness Campaign, New Clients Data and Helpline Service.

Anne McCollister gave reports on the development of the program website and the content and results of the multimedia campaign by Agent Brand and MediaSpark including a written report detailing the scope and results of the digital messages that are presented through various internet companies. Anne McCollister reported on data collected from new clients admitted into counseling services, and the results of calls and text requests to the helpline.

Agenda Item 10: Issue two counselor certificates

The Commission reviewed applications for certification by two counselors, each of whom had completed training, passed the program’s knowledge test, and been approved for certification by the program Certification Advisory Board. They are:

1. Tabitha Hoffman. Tabitha has completed training and passed our knowledge test. She now applies for a certificate as a Provisional Certified Disordered Gambling Counselor. Commissioner Monheiser moved for approval of her application. Commissioner Arch seconded the motion. After discussion, the chair called for a vote on her application. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.
2. Deborah Buckley. Deborah has completed training and passed the program knowledge test. She now applies for a certificate as a Provisional Certified Disordered Gambling Counselor. Commissioner Leckband moved for approval of her application. Commissioner Zohner seconded the motion. After discussion the chair called for a vote on her application. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

Agenda Item 11: Approve increases to counselor contracts

The meeting materials for this agenda item included a list of current counseling contracts for which award increases are recommended to assure available payment to the end of the contract year. Commissioner Monheiser moved approval of the proposed increases. Commissioner Zohner seconded the motion. After discussion, the Chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

Agenda Item 12: Approve contract with Council on Economic Education

The Director presented a proposal by the Nebraska Council on Economic Education for creation of three high school class education lessons about

gambling, that will be offered to Nebraska high schools as part of their required personal financial literacy requirements. The curricula will be developed over the summer, tested and offered to high schools later this year. The proposed contract would be paid out of the FY24-25 budget. Commissioner Arch moved approval of the proposed contract, seconded by Commissioner Monheiser. After discussion the Chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

Agenda Item 13: Approve increase to the Helpline contract

The Director presented a proposal to increase the annual payment for the helpline contractor. Calls and texts have increased by 100%. The proposed increase to \$31,500 is a 26% increase in the contract amount and will be effective July 1. Commissioner Monheiser moved approval of the increase, seconded by Commissioner Leckband. After discussion the Chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

Agenda Item 14: Approve renewal of the contract for data analytics

The Director presented a proposal renew for another year the contract with J. P. Ramirez for data analysis, for the year beginning July 1. Commissioner Leckband moved for approval of the contract renewal, seconded by Commissioner Monheiser. After discussion the chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried.

Agenda Item 15: Approve budget for fiscal year July 1,2024-June 30, 2025.

The director proposed the annual budget for the next fiscal year, projecting revenue \$2,690,000 and spending \$2,943,636. The total spending is within the appropriation. The excess of spending over revenue will utilize a part of the carryover balance in the Gamblers Assistance Fund. Ferguson House. Commissioner Leckband moved approval of the budget, seconded by Commissioner Zohner. After discussion, the Chair called for a vote. Voting yes: Arch, Monheiser, Zohner, Leckband, Volnek. Voting no: None. Motion carried. The approved budget is attached to these minutes.

Agenda Item 16: Election of Officers of the Commission

As required by the Bylaws of the Commission, a slate of officers was proposed by the coming two years, July 1, 2024-June 30, 2026. As Chair, Susan Lutz; Vice-Chair, Cameron Arch; Secretary Todd Zohner. At-large non voting member of the Executive Committee, Paul Leckband. The proposed slate was elected to offices by acclimation.

The next meeting date will be on Friday, August 23, 2024, beginning at 9:30 a.m. at Ferguson House.

Meeting adjourned at 11:30 a.m.

ATTEST:

Todd Zohner, Secretary

**NEBRASKA COMMISSION ON PROBLEM GAMBLING
MAY 10, 2024
DIRECTOR'S NARRATIVE REPORT**

THIS FISCAL YEAR SPENDING ITEMS ON TODAY'S AGENDA

ITEM 11. Increases to current counselor contract awards, proposes total increases: **\$397,500**. These increases will raise the total awarded for counseling services to **\$2,196,500**. This amount is \$64,000 more than the projected total spending for counseling that you will see in the May 10 budget update. I do not expect this difference to be a budget problem because there are at least 6 counselors who were awarded contracts that they are not likely to fully withdraw. And several of the proposed increases listed today will probably have a bit extra allocated. Ultimately, all contracts give us the authority to deny payment on claims that exceed our budget authority, although this drastic step is unlikely to become necessary.

BUDGET STATUS: FY2023-24

Revisions to the budget to bring it up-to-date since February are shown on the attached program budget, adjusted to May 10. Projected **revenue remains equal to \$2,525,000** and **spending is increased to \$3,125,030**. This is **\$67,316** below our appropriation.

Attached is a copy of the revised 2023-24 budget projecting total spending equal to \$3,125,030.

As usual we face two unknowns: revenue totals from gambling activities, and counseling demand. Here is the current situation:

- Last year our total transfers from the State Lottery were \$1,437,258; the year before the total was \$1,302,878. The revised budget projects total lottery revenue this fiscal year at \$1,350,000, a bit below the average of the two prior years.
- Casino tax proceeds are still below early projections, but added games including sports betting now in three locations indicate that the revenue this year will be about \$500,000 as we projected last May.
- Counseling demand this fiscal year is projected to increase to 11,000 hours total, including 325 new client admissions. These projections are based on the current pace of admissions and counseling service. This is an 18% increase in counseling hours and a 34% increase in new client assessments over last fiscal year.

Budget management is a continuous process in state government. The two-year budget is finalized in the odd-numbered year. The process to develop the next two-year budget begins in the summer of the even-numbered year.

Today's agenda also includes the proposed budget for the fiscal year beginning July 1, 2024.

STATUS OF CASINOS

The casinos in Lincoln, Grand Island and Columbus are operating about 1,000 slot machines – this number changes occasionally. Table games are in operation in Grand Island and Columbus. Sports betting is open in Omaha, Lincoln and Grand Island.

Construction of new facilities will be finishing this fall and winter. By next spring there will be 2,500-3,000 slot machines in operation, plus sports betting and table games.

Nebraska casino gambling is consistent with other states – last year 96% of casino revenue resulted from slot machine gambling. And consistent with our program’s history for many years, the slot machine (together with its imitation “skill” game) account for the majority of problems among our clients.

The other forms of betting add to the revenue, and in turn add to our available funds. The budget projection for the new fiscal year includes \$1,000,000 attributed to casino gaming tax.

OTHER STAFF ACTIVITIES

- The updated new counselor training program has been completed. I am gradually reviewing the entire course before we pay for it and arrange to have it forwarded to Bellevue University to replace the current training program.
- I have registered for the annual conference of the National Council on Problem Gambling. It will be held this year in San Diego. Total cost, including air fare to and from San Diego, hotel room at the conference, and registration, is \$4,181.90. Let’s hope I bring back some good information that justifies the cost.
- Item 12 on the agenda is the high school curriculum project. Staff at the University of Nebraska hope to develop quality lessons about gambling that high schools will add to their personal financial literacy courses. Education is one of our statutory obligations, and educating high school students about gambling is one of the best uses of our money.
- Item 6 on the agenda is discussion and vote on the new contract with the winning bidder for our multimedia message campaign. The bid itself is almost 90 pages long – hard copy will be available for each Commissioner at the meeting. We will review the process of evaluating and scoring the bids, explain our thoughts about the different bids, and answer questions about the process. The proposed budget for the next fiscal year includes \$400,000 as the initial contract amount.

David Geier
May10, 2024

**GAMBLERS ASSISTANCE PROGRAM BUDGET FISCAL YEAR 2023-2024
ADJUSTED TO MAY 10, 2024**

REVENUE

Share of State Lottery profits <i>500,000 + 1%; Constitution Article III Section 24</i>	1,000,000
5% of State Lottery ad budget <i>Statute Section 9-831</i>	350,000
Share of Charitable Gaming tax <i>Legislative fixed amount appropriation</i>	400,000
Share of Health Care Cash Fund <i>Legislative fixed amount appropriation</i>	250,000
Share of Casino Wagering Tax <i>Racetrack Gaming Act Section 9-1204</i>	500,000
Investment Income <i>Gamblers Assistance Fund earnings</i>	<u>25,000</u>
TOTAL PROJECTED REVENUE	<u>2,525,000</u>

EXPENDITURES

510000 PERSONAL SERVICES

Personal Services Total	182,000
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520000 OPERATING EXPENSES

521100 POSTAGE EXPENSE	150
521400 CIO CHARGES	12,000
521500 PUBLICATION & PRINT EXPENSE	2,000
522200 CONFERENCE REGISTRATION	1,400
524600 RENT EXPENSE-BUILDINGS	5,955
531100 OFFICE SUPPLIES EXPENSE	500
534600 EDUCATIONAL SUPPLIES	600
541100 ACCTG & AUDITING SERVICES	4,135
541200 PURCHASING ASSESSMENT	400
554130 VIDEO SERVICES	23,000
554900 OTHER CONTRACTUAL SERVICES	75,000
559100 OTHER OPERATING EXPENSE	12,000
559164 PROBLEM GAMBLING MESSAGES	<u>666,640</u>
Operating Expenses Total	803,780

570000 TRAVEL EXPENSES

571100 BOARD & LODGING <i>Commissioner travel; National Conference hotel</i>	3,500
572100 COMMERCIAL TRANSPORT <i>National Conference air fare</i>	750
573100 STATE-OWNED TRANSPORT <i>.32/mile; 12.50/day</i>	1,000
574500 PERSONAL VEHICLE MILEAGE <i>Commissioner, director travel .655/mile</i>	<u>1,500</u>
Travel Expenses Total	6,750

590000 GOVERNMENT AID

595100 CONTRACTUAL AID <i>Counseling services</i>	2,132,500
<i>Assumes 11,000 hours counseling @185; 325 admission assessments @300</i>	

TOTAL PROJECTED EXPENDITURES	<u>3,125,030</u>
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APPROPRIATION BY LEGISLATURE	<u>3,192,346</u>
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APPROVED SPENDING ALLOTMENT	<u>3,355,934</u>
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GAMBLERS ASSISTANCE CASH FUND STATUS

BALANCE 07/01/23	1,041,930
PLUS PROJECTED FULL YEAR REVENUE FYE23-24	+ <u>2,525,000</u>
TOTAL FUNDS AVAILABLE	3,566,930
MINUS PROJECTED EXPENDITURES	- <u>3,125,030</u>
PROJECTED BALANCE 06/30/24	<u>441,900</u>

GAMBLERS ASSISTANCE PROGRAM BUDGET FISCAL YEAR 2024-2025

REVENUE

Share of State Lottery profits <i>500,000 + 1%; Constitution Article III Section 24</i>	950,000
5% of State Lottery ad budget <i>Statute Section 9-831</i>	325,000
Share of Charitable Gaming tax <i>Legislative fixed amount appropriation</i>	400,000
Share of Casino Wagering Tax <i>Racetrack Gaming Act Section 9-1204</i>	1,000,000
Investment Income <i>Gamblers Assistance Fund earnings</i>	<u>15,000</u>
TOTAL PROJECTED REVENUE	<u>2,690,000</u>

EXPENDITURES

510000 PERSONAL SERVICES

511100 PERMANENT SALARIES <i>Limit set by Legislature</i>	144,881
515100 RETIREMENT PLANS EXPENSE <i>Employer share 7.5%</i>	10,866
515200 FICA EXPENSE <i>Employer share 7.65%</i>	11,083
515500 HEALTH INSURANCE EXPENSE <i>Employer share of premiums</i>	25,000
516500 WORKERS COMP PREMIUMS <i>State assessment</i>	<u>1,000</u>
Personal Services Total	192,830

520000 OPERATING EXPENSES

521100 POSTAGE EXPENSE	150
521400 CIO CHARGES <i>State data; communications</i>	12,000
521500 PUBLICATION & PRINT EXPENSE <i>State printing</i>	2,000
522200 CONFERENCE REGISTRATION <i>National Conference</i>	1,228
524600 RENT EXPENSE-BUILDINGS	10,080
531100 OFFICE SUPPLIES EXPENSE	500
534600 EDUCATIONAL SUPPLIES <i>Texts, manuals</i>	1,000
541100 ACCTG & AUDITING SERVICES	5,000
541200 PURCHASING ASSESSMENT	400
554130 VIDEO SERVICES <i>Zoom Video</i>	6,948

554900 OTHER CONTRACTUAL SERVICES

<i>Data analyst</i>	77,750
<i>New training license fee – Evergreen Council</i>	20,000
<i>Bellevue Univ. training & testing</i>	10,000
<i>Helpline service</i>	31,500
<i>Council on Economic Education high school curriculum</i>	12,000
<i>Tyler Tech internet & website services</i>	15,000
559100 OTHER OPERATING EXPENSE	
<i>NAADGS Membership</i>	3,500
<i>NABHO Conference Sponsorship</i>	2,500
559164 PROBLEM GAMBLING MESSAGES <i>RFP Awarded Contract</i>	<u>400,000</u>
Operating Expenses Total	611,556

570000 TRAVEL EXPENSES

571100 BOARD & LODGING <i>Commissioner travel; National Conference hotel</i>	3,500
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572100 COMMERCIAL TRANSPORT <i>National Conference air fare</i>	750
573100 STATE-OWNED TRANSPORT <i>.32/mile; 12.50/day</i>	1,000
574500 PERSONAL VEHICLE MILEAGE <i>Commissioner, director travel .67/mile</i>	<u>1,500</u>
Travel Expenses Total	6,750
590000 GOVERNMENT AID	
595100 CONTRACTUAL AID <i>Counseling services</i>	<u>2,132,500</u>
<i>Assumes 11,000 hours counseling @185; 325 admission assessments @300</i>	
TOTAL ALL PROJECTED EXPENDITURES	<u>2,943,636</u>
 <u>APPROPRIATION</u>	 <u>3,200,792</u>
 <u>CASH FUND STATUS</u>	
PROJECTED BALANCE 07/01/24	750,000
PLUS PROJECTED REVENUE FYE24-25	+ <u>2,690,000</u>
TOTAL FUNDS AVAILABLE FY24-25	3,440,000
MINUS PROJECTED EXPENDITURES FY24-25	- <u>2,943,636</u>
PROJECTED BALANCE 06/30/25	<u>496,364</u>