

**NEBRASKA COMMISSION ON PROBLEM GAMBLING
MEETING MINUTES
NOVEMBER 17, 2023**

The meeting was called to order at 9:33 a.m.

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

Announcements:

Chairperson Lutz made the following announcements:

The notice of this regularly scheduled meeting of the Commission on Problem Gambling was posted publicly on November 8, 2023 on the state events calendar, and on the website of the Gamblers Assistance Program on September 14, 2023. 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 door to 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 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:

Chairperson Lutz called for amendments or corrections to the minutes of the meetings of May 19, 2023 and August 18, 2023. Hearing none, Commissioner Leckband moved for approval of the minutes as distributed, seconded by Commissioner Arch. The Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. 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.

Finance Reports: 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-to-Date Operations: The director’s report summarizes the results of operations during the period July 1, 2023-October 31, 2023. The Commission reviewed spread sheets that itemize contractor performance and overall cost of services.

Pending gambling legislation: Bills that were introduced but not debated last session include one about “skill” games and two about study reports required before more casinos can be authorized. These may be advanced in the session that starts in January.

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

Agenda Item 6: Affirm Executive Committee

On June 9, 2023, the Executive Committee approved provisional certificates for Shannon Crellin and Tracee Franssen. On August 22, 2023, the Executive Committee approved a provisional certificate of Jessica Segoviano. On September 14, 2023, the Executive Committee approved a provisional certificate for Brenda Lembke. Commissioner Moore moved affirmation of the actions of the Executive Committee. Commissioner Lambert seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 7: Affirm Executive Committee

On August 22, 2023, the Executive Committee approved issuance of a contract for counseling services to Friendship House in Grand Island, and Infinite Avenues in Omaha, on standard terms with awards of \$15,000 each. Commissioner Moore moved affirmation of the action of the Executive Committee. Commissioner Monheiser seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 8: Affirm Executive Committee

On August 22, 2023, the Executive Committee approved issuance of amendment of the contract with Agent Branding to add television commercials to be broadcast during Big Ten football game broadcasts on Nebraska television stations, at a cost of \$33,400.00. The amendment to be documented by a change order to the Agent Brand contract. Commissioner Monheiser moved affirmation of the action of the Executive Committee. Commissioner Moore seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 9: Affirm Executive Committee

On August 22, 2023, the Executive Committee approved payment of \$250 to Nebraska Counseling Association as a sponsorship of the Association's fall meeting in Hastings. Commissioner Monheiser moved affirmation of the action of the Executive Committee. Commissioner Moore seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 10: Affirm Executive Committee

On August 22, 2023, the Executive Committee approved issuance of contracts to Gina Fricke, Deb Hammond, Mike Sullivan and Ron Felton, to compensate them for their participation as hosts of Third Friday Mentoring Forums to be conducted throughout the year to provide guidance and suggestions to newly certified therapists. The contracts to be issued for payment at the rate of \$185 per hour, for a total of \$4,440 each. Commissioner Lambert moved affirmation of the action of the Executive Committee. Commissioner Moore seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 11: Report on Public Awareness Campaign

A written report from MediaSpark presented a summary of the media campaign last year and plans for this year. A representative of Agent Brand demonstrated ads created for television, new content of the program website, and a digital banner that will be displayed in the Nebraska football stadium during home games.

Agenda Item 12: First quarter date reports

The comprehensive data report prepared by J. P. Ramirez with detail of all data gathered from new clients during the quarter, and data from helpline service, was presented and discussed.

Agenda Item 13: Approve Counseling Contract Awards

The list of contracts awarded to counselors for service beginning July 1, 2023, in the total amount of \$1,509,000, was presented and reviewed by the Commission. Commissioner Leckband moved for approval of the issuance of the listed contracts. Commissioner Lambert seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 14: Approve Non-Counseling Contract Awards

The list of contracts for service other than counseling beginning July 1, 2023, in the total amount of \$789,228, was presented and reviewed by the Commission. Commissioner Lambert moved for approval of the issuance of the listed contracts. Commissioner Arch seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 15: Approve Increase to Three Counseling Contract Awards

The director proposed increases to three counselor contracts: Rayla Cooper, increase from \$25,000 to \$40,000; Brock Wettstead, increase from \$25,000 up to \$75,000; Cynthia Black, increase from \$10,000 up to \$35,000. Commissioner Lambert moved for approval of the proposed increases to the three contracts. Commissioner Arch seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 16: Peer Recovery Support Services

The director reported on preliminary research for a new category of service offering peer recovery support. If this is to be offered, comprehensive service definition and utilization guidelines will need to be drafted, and a payment term to be added. The Commission took no action. The topic is under examination.

Agenda Item 17: Approve issuance of a new counselor contract

The director requested authority to award a new contract to Omaha Trauma Therapy for counseling services in the initial award amount of \$15,000. Commissioner Leckband moved for approval of the issuance of the proposed contract. Commissioner Lambert seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

Agenda Item 18: Terms of new RFP for media services

The director distributed proposed content for an RFP to be issued on March 1, 2024, outlining scope of work and deliverables, for a new contract to begin on July 1, 2024. The terms need to be finalized and reviewed by procurement staff at Department of Administrative Services before the bid offering can be announced. Commissioner Monheiser moved approval of the terms of the proposed RFP with directions to staff to proceed with the documentation. Commissioner Lambert seconded the motion. After discussion, the Chair called for a vote. Voting yes: Lutz, Arch, Leckband, Moore, Monheiser, Zohner, Volnek, Lambert. Voting no: None. Motion carried.

The Commission established the next meeting date to be on February 23, 2024, 9:30 a.m., at Ferguson House.

Meeting adjourned at 11:55 a.m.

ATTEST:

Todd Zohner, Secretary

NEBRASKA COMMISSION ON PROBLEM GAMBLING
NOVEMBER 17, 2023
DIRECTOR'S NARRATIVE REPORT

SPENDING ITEMS ON TODAY'S AGENDA

- 7. New counselor contracts for Friendship House in Grand Island and Infinite Avenues Counseling in Omaha: \$15,000 each, approved by Executive Committee. Total \$30,000.
- 8. Ads during Big Ten football broadcasts: \$33,400, approved by Executive Committee.
- 10. New contracts with senior counselors to mentor new counselors: \$14,800, approved by Executive Committee.
- 13. Approve counseling contracts awarded effective July 1: \$1,509,000,
- 14. Approve other service contracts awarded effective July 1: \$789,228.
- 15. Increase three current counselor contract awards: total \$90,000.
- 17. Approve new counselor contract: Mind Over Matter, Omaha, \$15,000.

BUDGET STATUS: FY2023-24

The Commission's May 19 budget for FY2023-24 projected revenue **\$2,365,000** and spending **\$2,887,083**. The projected deficit **\$522,083** would reduce the year-end cash balance to **\$486,405**.

Attached is a copy of the budget adopted by the Commission on May 19.

Items 7-17 listed above from today's agenda would not put us over budget. The five that involve counseling – 7, 10, 13, 15 and 17 total \$1,653,800. This is 90% of the approved annual budget total for the counseling category.

Item 8, television ads during football games, would increase the approved overall budget by \$33,400 – about 1% of the approved total spend.

Item 14, other services contracts, were already included in the Commission's approved budget. As usual we face two unknowns: revenue totals from gambling activities, and counseling demand. Here is the current situation:

- State Lottery proceeds were higher than projections for the past two years but Lottery staff are now projecting proceeds more in line with earlier years. The lower total is the basis for our projected lottery revenue of \$1.2 million.
- Casino tax proceeds are about 5% below our projection but this may change as new games are offered and sports betting is developed.
- Counseling demand this fiscal year is based on projected 9,500 total counseling hours -- a 10% increase over utilization for the past two years. Our first quarter utilization was 2,114 counseling hours, which would total about 8,500 hours for the year, but we expect the utilization to increase as the year goes on.

Since fiscal year 2013-14 we have spent less than the appropriation approved by the Legislature. Our May 19 budget projected total spending \$305,000 below the Legislature's

appropriation. Spending other than counseling does not fluctuate, and there is little risk that counseling demand will increase to the point that we spend all of the appropriation. 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.

We are now operating under the budget adopted by the Legislature in 2023. In 2024 we will begin developing the budget that we will propose to the Legislature in 2025. By next May the Commission will need to outline its budget for the fiscal year that begins on July 1, 2024, and start planning for the two-year budget request to be submitted in the fall of 2024.

STATUS OF CASINOS

The casinos in Lincoln, Grand Island and Columbus are operating about 1,000 slot machines – this number changes occasionally. A few table games are in operation in Grand Island and Columbus. Sports betting is open in Omaha, Lincoln and Grand Island, and soon in Columbus. Construction on permanent facilities is underway at all four casinos. These are large projects with expected completion in late 2024.

Casino tax revenue for Gamblers Assistance is averaging about \$38,000 per month, which would produce \$456,000 for the year. For budget purposes this fiscal year, our revenue from the casino tax is projected at **\$500,000**. This is still a feasible total, assuming continued changes at the casinos.

LEGISLATION: AGENDA # 3

The legislative session starting in January will probably have gambling bills to debate:

- LB685 would change regulation and impose a tax on the “skill” games that have spread across the state. The General Affairs Committee held an interim study hearing on the subject on October 20th. I testified, along with Brian Rockey of the Lottery/Charitable Gaming Division of the Department of Revenue. The Committee will be considering an amendment to the current bill that may improve regulation and taxation of these devices.
- Two carryover bills would change the schedule for market studies that are now required before any new horse track/casino operations could be approved. Promoters of a new operation at Lake McConaughy seem likely to try for enabling legislation this session, so casinos will be on the agenda again.

FINANCIAL REPORTS: AGENDA # 4

State accounting financial reports for the period July 1, 2023 through October 31, 2023, are agenda # 4 of today’s materials.

- The **Program Summary** itemizes revenue and spending for the period. Totals are on the second page of the report: **revenue \$1,262,047 and spending \$954,624**. A year ago revenue was \$1,098,534 and spending was \$786,531. Revenue this year is up over last year by 15%, and spending is up by 21%.
- The **Fund Summary by Fund** shows the status of the Gamblers Assistance Fund, which is the main vehicle for the Program’s revenue and spending. On the first page, the line **General Cash**

shows cash on hand as of October 31, 2023 was **\$1,149,942, subject to liabilities of \$84,031, for net \$1,065,911.** A year ago this balance was **\$1,041,930.**

- The **Budget Status Report** shows you that the Program had spent **32.27%** of the approved budget as of October 31, which was at **33.70% of the fiscal year.**

INTERNAL OPERATIONS SPREADSHEETS: AGENDA # 5

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

- For the period July 1, 2023 through September 30, 2023, **63** new clients were admitted into our counseling services. The year before the total was **71** new clients; the year before that, **49.**
- During the period July through September an average of **183** admitted clients (not including short-term urgent care) attended counseling each month. Average total monthly client count is **262.**
- During the period counselors were paid **\$411,193** for counseling services. The year before the total was **\$418,610.**

A second spreadsheet – **Itemized Cost of Counseling Service** - shows quantities and cost of the different categories of counseling services. In the first quarter counselors were paid for **2,114 hours** of counseling. A year ago at that point the total was **2,146** hours, and the year before that the total was **1,992** hours.

OTHER TOPICS ON TODAY'S AGENDA

Agenda Item 16: Discussion of adding peer recovery support to the schedule of services the Commission pays for. This is a service type that is offered in various clinical practices. Some disordered gambling services offices have begun offering the service. Trained and certified recovery peers assist with a variety of client needs, but do not perform therapy.

This is a technical subject that will require study. The service needs to be carefully defined including decisions about payment. For today, the only issue for the Commission is to resolve to further investigate and come back with a formal recommendation at a later meeting.

Agenda Item 18: RFP for media services. The contract with Agent Brand expires on June 30, 2024, and cannot be extended. The size and nature of the contract requires a new bid process. Staff proposes a two-year contract with two options to renew for two years each. Initial budget would be \$500,000.

The Commission needs to review and approve the RFP language covering the scope of work and deliverables at this meeting. The completed RFP form will be submitted to Administrative Services Procurement staff for approval in time for posting by March 1.

OTHER GAMBLERS ASSISTANCE PROGRAM NEWS

Public Records Request

On November 2 I received an email from Shana Lu Pelesco asking for copies of records from the RFP that we processed in the spring for the data services contract that was awarded to J. P. Ramirez. I asked her for an address and affiliation but she did not respond. I sent her the RFP documents that we filed with Administrative Services, the final contract document, and a list of

email exchanges with J. P. on November 6 and 7. I have not heard any response. We are a public agency required by law to provide access to these records so there is no basis to refuse the request. As soon as I hear more, I will notify the Commission.

Nebraska Prevalence Study

Last spring we hired Elite Research to conduct a study of the prevalence of gambling and indicators of disordered gambling in Nebraska. Analysis of the results is underway.

New Counselors Training and Mentoring

As you recall, we asked Evergreen Council in Washington and Wylie Harwell in Oklahoma to sell us a license to use a pre-recorded training package that we can install on the Bellevue University website. Wylie and his associate Lori Rugle have decided that the current training needs to be updated. That process won't be done until spring. In the meantime we are continuing with the current training offerings.

"Mentoring" new counselors by Zoom has been conducted on the third Friday each month since last July. As new counselors are certified they are added to the roster for these sessions. Twelve new counselors are included now and more will be joining as training programs finish this fall.

Midwest Consortium on Problem Gambling and Substance Abuse

This is an organization formed twenty years ago by 5 states: Nebraska, Kansas, Oklahoma, Missouri and Iowa. The organization sponsors an annual Midwest Conference in June. Nebraska was instrumental in getting this organization started.

Presenting the annual conference is expensive – in June the cost was about \$180,000.

Registration brought in \$50,000, and the remainder was covered by sponsors. I will be gathering detail about the financing of the conference for the Commission's consideration of a sponsorship at the next meeting.

Commissioner appointments:

The appointments of Susan Lutz, John Pulverenti and Matt Monheiser have been approved by the General Affairs Committee but their appointments have not been voted on by the Legislature.

Last March the terms of Cameron Arch, Kelly Lambert and Dr. Claudia Moore expired. All three applied for reappointment but Governor Pillen has not acted on their applications.

Next March the terms of Todd Zohner, Paul Leckband and Dan Volnek expire. The Governor's staff will begin accepting applications for those positions by January.

Depending on progress with appointments and Legislative activity, the Commission may be waiting for all nine positions to be filled with confirmed members. The policy recommendation from the Governor's staff is to presume that currently serving commissioners can continue to serve until reappointed or replaced. Based on that policy recommendation, the Commission can expect to conduct business including votes on policy and budget issues while we wait for final confirmations.

David Geier, Director
November 17, 2023

GAMBLERS ASSISTANCE PROGRAM BUDGET FISCAL YEAR 2023-2024

REVENUE

Share of State Lottery profits <i>500,000 + 1%; Constitution Article III Section 24</i>	900,000
5% of State Lottery ad budget <i>Statute Section 9-831</i>	300,000
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>15,000</u>
TOTAL PROJECTED REVENUE	<u>2,365,000</u>

EXPENDITURES

510000 PERSONAL SERVICES

511100 PERMANENT SALARIES-WAGES <i>[7% increase by Legislative appropriation]</i> <i>David Geier salary: 87,802 (to be awarded by Commission vote)</i> <i>Anne McCollister salary: 50,570 (set by State pay plan)</i>	
Personal Services Salaries Subtotal <i>Equals limit for salaries set by Legislature</i>	138,372
515100 RETIREMENT PLANS EXPENSE <i>Employer share 7.5%</i>	10,378
515200 FICA EXPENSE <i>Employer share 7.65%</i>	10,585
515500 HEALTH INSURANCE EXPENSE <i>Employer share of premiums</i>	24,000
516500 WORKERS COMP PREMIUMS <i>State assessment</i>	<u>1,000</u>
Personal Services Total	<u>184,335</u>

520000 OPERATING EXPENSES

521100 POSTAGE EXPENSE	100
521400 CIO CHARGES <i>State data; communications</i>	15,000
521500 PUBLICATION & PRINT EXPENSE <i>State printing</i>	2,000
522200 CONFERENCE REGISTRATION <i>National Conference</i>	1,000
524600 RENT EXPENSE-BUILDINGS <i>Ferguson House</i>	7,500
531100 OFFICE SUPPLIES EXPENSE	500
534600 EDUCATIONAL SUPPLIES <i>Texts, manuals</i>	1,000
541100 ACCTG & AUDITING SERVICES <i>State Accounting</i>	3,000
541200 PURCHASING ASSESSMENT <i>State procurement</i>	400
554130 VIDEO SERVICES	
<i>Zoom Video</i>	6,948
<i>Three Pillars interviews recording</i>	18,000
554900 OTHER CONTRACTUAL SERVICES	
<i>Data analyst</i>	77,750
<i>New training license fee</i>	20,000
<i>Bellevue Univ. training & testing</i>	10,000
<i>McChargue consultations</i>	40,000
<i>Elite Research survey</i>	40,000
<i>Helpline service</i>	25,000
559100 OTHER OPERATING EXPENSE	
<i>NAADGS Membership</i>	3,500
<i>NABHO Conference Sponsorship</i>	2,500

559164 PROBLEM GAMBLING MESSAGES	
<i>Husker athletics</i>	100,000
<i>Agent Brand media</i>	<u>481,800</u>
Operating Expenses Total	855,998
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>	<u>1,840,000</u>
<i>Assumes 9,500 hours counseling @185; 275 admission assessments @300</i>	
TOTAL ALL PROJECTED EXPENDITURES	<u>2,887,083</u>