

NEBRASKA COMMISSION ON PROBLEM GAMBLING
MEETING MINUTES
December 6th , 2024

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

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

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 13th, 2024 on the state events calendar. The notice of meeting with the agenda has been available continuously here in the office of the Gamblers Assistance Program in Whitehall Campus, building 7, 5800 Walker Avenue, 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 on the table in 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 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.

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.

Agenda Item 1: Problem Gambling Message and Marketing Campaign presentation

Argus Communications presented their 3 concepts that they developed after reviewing the commissions data and their own independent research. Those concepts were, does Gambling make you Queasy which was a concept that focused on the visceral reaction to problem gambling, does gambling give you the Blues which was focused on gaining the viewers attention through music, and

comparing Problem gambling to a bad relationship. The director asked for input from the board on the concepts so that a decision could be made on which one would be used to go forward. Those will be sent via email in the upcoming days.

Agenda Item 2: Nebraska High School Gambling Course Presentation

Council on Economic Education presented the curriculum as well as the development process of the curriculum that will continue to be taught to Nebraska High School students. This presentation was partially interactive allowing all present to participate in a few of the various activities that have were developed to help our young people understand the pit falls of problem gambling.

Agenda Item 3: Program Manual Revisions: Contractors

The director and Kate Speck proposed changes to two Manuals – the Training and Certification Manual and the Contract Provider Manual. Those changes were changing the requirements needed to become certified as a Gambling Disorder provider, insuring proper documentation of diagnosis, and verification of patient treatment. It was decided that more discussion was needed with the Certification Board and that the issue would be brought up for a vote during the next quarterly meeting.

Approval of minutes of previous meetings:

The chair called for amendments or corrections to the minutes of the meeting of August 23rd, 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: Lutz, Arch, Zohner, Leckband, Volnek, Moore. Voting no: None. Motion carried.

Agenda Item 5: Approved Executive Committee Action

The Director presented a list of the contracts and certifications issued to counselors and other vendors since the last Committee meeting on August 23rd, 2024. The list is included in the meeting materials. Commissioner Arch moved to approve the contracts as issued. Commissioner LeckBand seconded the motion. The Chair called for a vote. Voting yes: Lutz, Arch, Zohner, Leckband, Volnek, Moore. Voting no: None. Motion carried.

Agenda Item 6: Bellevue University Training Contract

The Director reported on the status of the Counselor training contract with Bellevue University and to approve the continued funding. Information is included in the meeting materials. Commissioner Arch moved to approve the contract. Commissioner LeckBand seconded the motion. The Chair called for a vote. Voting yes: Lutz, Arch, Zohner, Leckband, Volnek, Moore. Voting no: None. Motion carried.

Agenda Item 7: Current Counselor Contract Increases

The Director presented the need for the increase in the contracts of counselors that had exceed the Directors expectations and required more funding. The Director stated that the amounts did not adversely affect the remaining budget for the year. The list is included in the meeting materials. Commissioner Arch moved to approve the contract increases. Commissioner LeckBand seconded the motion. The Chair called for a vote. Voting yes: Lutz, Arch, Zohner, Leckband, Volnek, Moore. Voting no: None. Motion carried.

Agenda Item 8: New Contracts

The Director presented a list of new provider contracts since the last meeting on August 23rd, 2024. The list is included in the meeting materials. Commissioner Arch moved to approve the contract. Commissioner Zohner seconded the motion. The Chair called for a vote. Voting yes: Lutz, Arch, Zohner, Leckband, Volnek, Moore. Voting no: None. Motion carried.

Agenda Item 9: Issue new counselor certificates

The Director presented applications for Certificates by Eric Thomalla of Wahoo and Jennifer James of Lincoln and Aurora. All applications had been reviewed and approved by the Certification Advisory Board. Commissioner Arch moved to approve the Certification of both Eric Thomalla and Jennifer James. Commissioner Zohner seconded the motion. The Chair called for a vote. Voting yes: Lutz, Arch, Zohner, Leckband, Volnek, Moore. Voting no: None. Motion carried.

Agenda 10: Director Report

The written Director's narrative report as 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: 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, 2024-Present.

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

The next meeting is tentatively scheduled for Friday, February 7th, 2025, beginning at 9:30 a.m. at a location in Lincoln to be determined.

Meeting adjourned at 12:40 p.m.

ATTEST:

Todd Zohner, Secretary

NEBRASKA COMMISSION ON PROBLEM GAMBLING

DECEMBER 6, 2024

DIRECTOR'S REPORT

TODAY'S AGENDA

We begin the meeting today with three reports on current projects:

1. **Argus Communications** will present their creative approach to our multi-media message campaign.
2. **Nebraska Council on Economic Education** will give a presentation of their new gambling curriculum and lesson plans. These materials will be distributed to Nebraska high schools for their personal finance courses.
3. **Kate Speck and I** will be third, with proposed changes to our training and certification standards and the manual with standards for counselor contracts.
 - The changes to certification standards will align our standards with the characteristics of our client populations and the current credentials of our counselors. The new training that will be offered at Bellevue University starting in January fits with the new standards. There are two major changes: the new training will replace both the 72 hour and 30 hour trainings we have offered for several years with one new 30 hour training; and our certification will only be offered to counselors who are already licensed by Nebraska DHHS to treat mental health and addictions clients.
 - The changes to the contractor manual will add specifics for dealing with clients with multiple disorders, standards for discharge from counseling, and a new requirement to maintain a client counseling attendance log.

FINANCIAL STATUS

The Commission's internal budget adopted May 10 is attached. Page 1 of this document projected **revenue of \$2.69 million**, about 4% more than last year. Page 2 of this document projected **spending totaling \$2.944 million**, \$75,000 less than last year.

There is no reason to revise these projections yet, but change is likely in the new year.

STATE ACCOUNTING FINANCIAL REPORTS

The **State Accounting Program Summary** report for the first five months of the fiscal year shows our total **revenue was \$1,129,023, and total spending \$1,143,254.**

Highlights:

- Revenue was **down by \$174,472** compared to last year.
- The drop in program revenue resulted from elimination of our appropriation of \$250,000 from the Health Care Cash Fund.
- Revenue from gambling sources increased by \$78,098.

- The 5% portion of Lottery advertising budget that we administer was 29% less than last year at this time.
- A recent report from the Charitable Gaming office shows that keno wagering declined about 4% in the year that ended June 30, 2024, from 2023.
- The major expenditure item on this report was client counseling, which totaled \$860,835. At the same point last year counseling spending was \$728,444. We had an 18% increase in counseling cost in the first five months of this fiscal year.

The **State Accounting Fund Summary** report on the Gamblers Assistance Fund shows that the fund balance was \$599,664 subject to a liability of \$32,455, for a net of **\$567,209**. A year ago the balance was **\$1,065,920**; two years ago it was **\$1,162,126**.

CONTRACTS REPORTS JULY-OCTOBER

The **Contracts Performance** spreadsheet shows increased counseling compared to a year ago. An average of **320** individuals attended counseling monthly in the first four months this year; a year ago, the average was **262**, and the year before it was **248**. ***This is a 29% increase in the number of individuals attending counseling in two years.***

The **Units of Counseling Service** spreadsheet shows total counseling hours were 3,503 so far this year. Hours were 2,950 a year ago, and 2,644 two years ago. ***This is a 32% increase in counseling hours in two years.***

Counseling demand is about 30% more than two years ago, but revenue is down 4%.

For this year we have budgeted for 11,000 total hours of counseling plus 325 new client admissions, which is about the pace we are on now.

OTHER ITEMS FOR DISCUSSION

- The updated new counselor training program has been completed. Bellevue University technical staff are preparing to host the training. The course will be offered monthly starting in January. Students will be asked to pay \$210 tuition. Upon completion they will take a knowledge test that is correlated to the course work. The Commission will pay \$200 for administration and grading the test one time per student.
- The improved training coincides with revision and updating the Program's training and certification standards. Our data shows that addiction to gambling is a complex disorder. Two-thirds of our recent new clients are diagnosed with mental health or substance abuse problems in addition to gambling. Today's agenda includes proposals to revise our training and certification standards to meet the needs of this population.

- Over 30 people applied for the position vacated by Anne McCollister’s retirement. Jessica MacDonald stood out – she demonstrated analytical skill, curiosity and diligence that convinced me she is right for the job of Marketing and Communications Specialist.
- I met with a state senator to ask for his help with a proposal to increase our share of gaming tax revenue. We can expect a bill to be introduced when the Legislature returns in January that will authorize gambling on sports using smart phones outside of the casino buildings. This will require an amendment to the Constitution, so any revenue benefits to our program are well into the future.
- Another revenue source will be gaming tax levied on “skill” games. The law that established a new regulatory setup for these games includes a tax that is effective next July 1. The tax rate is only 5%, so it will not generate a revenue windfall for our program. I discussed the terms of this law with the senator. He may introduce a change to the formula for dividing this gaming tax that would increase our share of the revenue.

CONCLUSIONS:

- ***Traditional revenue from lottery is trending down.***
- ***If keno continues to decline our \$400,000 annual appropriation from that fund may be in trouble at budget hearings next spring.***
- ***Health Care Cash Fund money is no longer provided and will not be restored.***
- ***Casino revenue is going up slowly.***
- ***Casino expansions in Omaha and Lincoln will likely increase gaming tax revenue.***
- ***New casinos at Lake McConaughy and South Sioux City will take 2 years or more to complete.***
- ***Any possible revenue from Mechanical Amusement Cash Devices gaming is delayed until next fiscal year.***
- ***Counseling demand is going up.***
- ***These are the ingredients for a budget crunch in coming months. The current trajectory of client counseling cost and revenue will be addressed at the Commission’s next meeting.***

David Geier 12/06/2024

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	10,656
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	612,132

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>2,944,212</u>

APPROPRIATION

3,200,792

This appropriation amount equals the amount of spending authorized by the Legislature in the bill passed in the spring of 2023. We did not request a mid-biennium increase. Our revenue limits our spending no matter how much the Legislature authorizes us to spend.

CASH FUND STATUS

ACTUAL BALANCE 07/01/24	581,440
PLUS PROJECTED REVENUE FYE24-25	+ <u>2,690,000</u>
TOTAL FUNDS AVAILABLE FY24-25	3,271,440
MINUS PROJECTED EXPENDITURES FY24-25	- <u>2,944,212</u>
PROJECTED BALANCE 06/30/25	<u>327,228</u>