

**Nebraska Commission on Problem Gambling
February 10, 2023
700 South 16th Street
Lincoln Nebraska**

MEETING MINUTES

The meeting was called to order at 9:35 a.m.

Roll Call: Present in person: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Absent excused: Leckband, Monheiser, Zohner. Commissioner Monheiser listened by phone but did not comment or vote on any matter before the Commission.

Announcements:

Chairperson Lutz made the following announcements:

The notice of this regularly scheduled meeting of the Commission on Problem Gambling was posted publicly on February 2, 2023 on the state events calendar, and on the website of the Gamblers Assistance Program on February 1, 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 meeting: Chairperson Lutz called for amendments or corrections to the minutes of the meeting of August 12, 2022.

Commissioner Arch noted that the minutes erroneously showed that he was present at the meeting but that he was not. Commissioner Moore moved approval with that correction, seconded by Commissioner Lambert. The Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

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

Biennial Budget: LB814, the mainline budget bill, proposes to continue the program's appropriations at the current amount with adjustments to reflect increased payroll and health insurance, and also to renew the appropriation of \$250,000 annually from the health care cash fund. The funds transfer bill proposes to continue transfer \$400,000 annually from the charitable gaming operations fund. These sources will be increased by casino gaming tax but the amounts are not yet known.

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-to-Date Operations: The director's report summarizes the results of operations during the period July 1, 2022-December 31, 2022. The Commission reviewed spread sheets that itemize contractor performance and overall cost of services.

Pending gambling legislation: Ten bills that involve gambling topics have been introduced. Two in particular are of interest to the Commission. LB148 would allow development of a track and casino west of a north-south line through Cozad. LB865 would transfer jurisdiction over skill games to the Racing and Gaming Commission, and regulate and tax them in the same way that casinos are regulated and taxed.

Other topics reported by the director are summarized in the written narrative report.

Affirm Executive Committee action: Authorize payment of \$250 to sponsor a conference of the Nebraska Counseling Association in October, 2022.

The Commission reviewed and discussed the minutes of the executive committee dated September 26, 2022, approving payment of \$250 for a sponsorship of the fall conference of the Nebraska Counseling Association.

Commissioner Arch moved for affirmation of the action taken by the executive committee. Commissioner Lambert seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Affirm Executive Committee action: Authorize increase of \$3,000 to Agent Brand contract to pay for creation of a brochure for distribution at casinos.

The Commission reviewed and discussed the minutes of the executive committee dated October 25, 2022, approving an increase of \$3,000 in the contract with Agent Brand for creation of a brochure to be printed and distributed at casinos. Commissioner Moore moved for affirmation of the action taken by the executive committee. Commissioner Pulverenti seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Affirm Executive Committee action: Authorize increases to contract awards to five counselor contracts.

The Commission reviewed and discussed the minutes of the executive committee dated November 28, 2022, approving a increases totaling \$115,000 to five counselor contracts, as listed on an attachment to the minutes. Commissioner Moore moved for affirmation of the action taken by the executive committee. Commissioner Arch seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Affirm Executive Committee action: Authorize a budget of \$12,000 to pay presenters for a series of professional webinars on topics involving gambling.

The Commission reviewed and discussed the minutes of the executive committee dated November 29, 2022, approving a budget of \$12,000 to pay presenters for a series of webinars to be presented live, recorded and posted on the program's website for public viewing on demand. Commissioner Moore moved for affirmation of the action taken by the executive committee. Commissioner Arch seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Report of by Agent Brand and Media Spark. Patsy Summer of Media Spark presented a report of the digital media message campaign for the six months from July through December, 2022. A hard copy of the report is included in the meeting materials. The proposals made for campaign activities for the year beginning July 1 was discussed and will be resolved at the Commission's meeting in May.

Approve renewal of the contract with Agent Brand for one year beginning July 1.

The current contract with Agent ends June 30, 2023. Staff recommended renewal of the contract for one more year at the current contract amount of \$367,360, to allow more time for casino tax revenue projections that will be used to formulate a new RFP for years beginning July 1, 2024. Commissioner Moore moved for approval of the contract extension award. Commissioner Arch seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Program Data and Helpline reports

Staff reported on data gathered from individuals accepted into counseling and callers to our helpline. The report is included in materials distributed to Commissioners.

Approve issuance of a contract with Elite Research to conduct a prevalence study of problem gambling and gaming in Nebraska.

Staff recommended a contract with Elite Research in the amount of \$50,000 to conduct and report a prevalence study to provide a baseline now that can be compared with future data to evaluate changes that correlate with gambling expansion. Commissioner Moore moved for approval of the contract proposal. Commissioner Lambert seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

NU Athletic Department media concept

The Commission reviewed a proposal for media campaign aimed at University of Nebraska athletics supports. The proposal will be studied and may be incorporated into media plans at the meeting in May.

Award counselor CDGC certificates to three applicants.

Application by Kerry Ropte to be awarded the certificate of CDGC. Commissioner Lutz moved for issuance of the certificate. Commissioner Volnek seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Application by James Blanchard to be awarded the certificate of CDGC. Commissioner Pulverenti moved for issuance of the certificate. Commissioner Moore seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Application by Amelia Den Hartog to be awarded the certificate of CDGC. Commissioner Moore moved for approval of the contract extension award. Commissioner Pulverenti seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Award counselor PCDGC certificates to two applicants.

Application by Kristi Pawlowski to be awarded the certificate of PCDGC. Commissioner Moore moved for issuance of the certificate. Commissioner Lambert seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Application by Brooke Titus to be awarded the certificate of PCDGC. Commissioner Lambert moved for issuance of the certificate. Commissioner Pulverenti seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Increase counselor contract awards

Staff recommended increasing the amount of counselor contracts for four counselors on a list supplied to the Commission, and issuance of a new contract to Kristi Pawlowski in the amount of \$25,000.

Commissioner Moore moved for approval of the contract increases and the new contract for Kristi Pawlowski. Commissioner Lambert seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Revisions to the Training and Certification Standards

Proposed revisions are under discussion, and no proposal was offered at the meeting.

Revisions to the Contract Provider Manual

Staff recommended two revisions to the manual: one, on page 6, to clarify the diagnostic criteria for admission to counseling, and the second, on page 9, to remove the requirement for a progress report after the first 90 days of counseling.

Commissioner Lambert moved for approval of the changes to the manual. Commissioner Arch seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

Payment for sponsorship at Nebraska Counseling Association conference on April 21.

Staff recommended payment of \$250 to sponsor the meeting of the Nebraska Counseling Association in Bellevue on April 21. Staff will attend and promote the Program.

Commissioner Moore moved for approval of the sponsorship. Commissioner Arch seconded the motion. After discussion the Chair called for a vote. Voting yes: Lutz, Moore, Volnek, Arch, Lambert and Pulverenti. Voting no: none. Motion carried.

At 1:05 p.m. the Commission voted to enter closed executive session to discuss terms of an RFP proposal.

In order to protect confidentiality of terms of an upcoming RFP for data analyst services, the Commission entered closed executive session. Discussion was held. At 1:25 p.m. the Commission decided to end closed session and return to public session.

The next meeting of the Commission will be held on May 19, 2023 beginning at 9:30 a.m. at Ferguson House in Lincoln.

The meeting was adjourned at 1:30 p.m.

ATTEST:

Todd Zohner, Secretary

**NEBRASKA COMMISSION ON PROBLEM GAMBLING
FEBRUARY 10, 2023
DIRECTOR'S NARRATIVE REPORT**

AGENDA ISSUES THAT WILL AFFECT THIS YEAR SPENDING

ITEM/TAB 6. Affirm Exec. Committee action approving payment of \$250 to Nebraska Counseling Association for sponsorship at the Association's fall conference in Grand Island on October 14.

ITEM/TAB 7. Affirm Exec. Committee action approving a one-time addition to the contract with Agent Brand in the amount of \$3,000 for design of a brochure.

ITEM/TAB 8. Approve increases in counselor contract awards to 5 counselors totaling \$115,000.

ITEM/TAB 9. Approve a budget for expert webinars between January 1 and June 30 of 2023, total \$12,000.

ITEM/TAB 13. Approve a one-time contract for a prevalence study, total \$50,000.

ITEM/TAB 14. Approve a one-time license fee for an online training course to replace training now offered at Bellevue University, and an increase in projected charges by Bellevue for hosting the training.

ITEM/TAB 19. Award increases to current counselor contracts, and a new contract to Kristi Pawlowski.

ITEM/TAB 21. Budget \$250 to sponsor the spring meeting of Nebraska Counseling Association, in Bellevue, April 21.

BUDGET UPDATE An updated budget for this year is attached with changes since the budget was adopted last May. Projected spending is **\$2,644,080**, up by \$74,360.

COMMISSION BUDGET FOR THE BIENNIUM JULY 1, 2023 TO JUNE 30, 2025:

LB814 is the administration's budget bill. The total equals the amount we requested:

	<u>CURRENT YEAR</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
Total	3,179,531	3,190,793 +.3%	3,200,210 +.3%
PSL	129,314	137,019 +6%	144,369 +5%

PSL stands for Personal Salary Limit, a part of the total. The amount for operations is \$3,053,774 in the first year and \$3,055,841 in the second year -- about equal to this year's budget.

The Appropriations Committee will begin budget hearings on Feb. 13. The final budget bills will be debated by the Legislature by April or May. Our program is small and non-controversial, so the proposal by the administration is likely to be approved. We will know more by the May meeting.

STATUS OF CASINOS

The casino in Lincoln opened the last week of September. The casino at Fonner Park in Grand Island opened at the end of December. Columbus may open by summer. Omaha may open by the end of this year. Dakota City is probably 3-4 years in the future. If the Legislature agrees that a casino west of Grand Island is a good idea, that development is also several years in the future.

Slot machine gambling at the Lincoln and Grand Island casinos generated \$70,164 for the Gamblers Assistance Fund so far, based on gambling through December 31. The tax is paid monthly. Tax for January will be due by February 15.

The impact on our budget is hard to predict. The budget from last May projected \$200,000 from casino wagering tax this year. It will probably be more, but not by a lot.

LEGISLATION: TAB 3

The Legislature session began January 4 and ends June 9. Ten bills have been introduced on gambling topics. Public hearings in the General Affairs Committee begin Feb. 13. My outline of the bills is behind tab 3 in Commissioner binders.

FINANCIAL REPORTS: TAB 4

State accounting financial reports for the period July 1, 2022 through December 31, 2022, are in tab 4 of today's materials.

The **Program Summary** itemizes revenue and spending for the first 6 months of the year. Totals are on the second page of the report: **revenue \$1,402,928 and spending \$1,189,029**. Program revenue was **9%** more than last year, while overall spending was up by about **32%**. Spending increase was driven by an increase in counseling from \$484,588 to \$851,277.

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, far right column, on the line **Fund Equity Undesignated** cash on hand as of July 1, 2022 was **\$1,041,930**. Cash on hand on December 31, 2022 is shown on the top line, page 1, second column from the right under the heading **Account Balance Debit: \$1,256,580**. This is a **4.6%** decrease in the program's net cash position compared to a year ago.

The **Budget Status** Report shows you that with **50%** of the fiscal year elapsed, and our program had spent **33.5%** of our approved budget. We have stayed under budget every year since 2014.

INTERNAL OPERATIONS SPREADSHEETS: TAB 5

The Excel spreadsheets **Gamblers Assistance Contracts Performance** shows you the itemized results by contractor since July 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:

- For the period July 2022 through December 2022, **129** new clients were admitted into our counseling services. Last year there were **101** new client admissions at this point; the year before, **106**.

- So far this fiscal year an average of **192** admitted clients (not including short-term urgent care) have attended counseling each month. Average total monthly client count is **255**.
- Counselors have been paid **\$861,422** for counseling services. The year before at this point the total was **\$473,139**; the year before that, it was **\$500,557**. The increase resulted from hourly rate increases and pandemic decline.

A second spreadsheet – **Itemized Cost of Counseling Service** - shows quantities and cost of the different categories of counseling services. Counselors were paid for **4,439 hours** of counseling. A year ago, the total was **3,397** hours, and the year before that the total was **4,735** hours.

OTHER TOPICS FOR THE COMMISSION

Item 10: In September we renewed 24 counselor certificates. Today's agenda includes applications to approve five counselor certificates. Two of them – Kerry Ropte and James Blanchard, have already received their certificates but I could not find entries in minutes confirming the votes; a third, Amelia DenHartog, has been employed at Spence Counseling for a number of years and is eligible to be fully certified. The last two, Kristi Pawlowski and Brooke Titus, are eligible to be provisionally certified.

Item 12: report by Agent Brand. This includes projections for a budget for the year beginning July 1. We recommend a one-year renewal of the contract to allow us more time to project new revenue before we issue an RFP for a new contract. We asked Agent to outline budget ideas that will be finalized at the budget meeting in May.

Item 15: proposal by the University of Nebraska athletic department marketing agency. They contacted us to begin discussion about marketing our program at sports events beginning July 1. This will be another budget proposal for the May meeting.

Item 16: is a draft of the scope of work for an RFP for the program's data analyst. J.P. Ramirez has asked for an increase in his contract starting July 1 in an amount above the \$50,000 threshold for unbid service contracts, so we will open the contract to public bidding. The RFP should be published by early March.

Item 17: two revisions to the counselor contract manual. First removes a requirement for eligibility that a client must be given a primary diagnosis of gambling disorder and will now require only that gambling disorder is a diagnosis that may exist at the same time as others, such as alcohol use or substance use disorders. The second eliminates a requirement to report progress at the end of the first 90 days of counseling. This has turned out not to be useful.

Item 18: revisions to the training and certification standards are still being evaluated by the Advisory Board.

Item 19: a list of proposed increases to counselor contracts is behind tab 19.

Commissioner appointments: Susan Lutz of Norfolk, John Pulverenti of Omaha and Matt Monheiser of Sidney have been approved by the General Affairs Committee. Their appointments will be on the agenda for the Legislature after February 13. In 2023 the terms of Cameron Arch, Kelly Lambert and Dr. Claudia Moore will expire.

The dividers in the Commission binders include documents for the other items on the agenda.
David Geier, Director

GAMBLERS ASSISTANCE PROGRAM BUDGET UPDATE 02/10/2023

FISCAL YEAR 2022-2023

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 appropriation</i>	400,000
Share of Health Care Cash Fund <i>Legislative appropriation</i>	250,000
Share of Casino Wagering Tax <i>Racetrack Gaming Act Section 9-1204</i>	200,000
Investment Income <i>Gamblers Assistance Fund earnings</i>	<u>8,000</u>
TOTAL PROJECTED REVENUE	<u>2,058,000</u>

EXPENDITURES

510000 PERSONAL SERVICES

511100 PERMANENT SALARIES-WAGES

David Geier salary: 82,400

Anne McCollister salary: 45,300

Personal Services Salaries Subtotal 127,700

515100 RETIREMENT PLANS EXPENSE *Employer share 7.5%* 9,578

515200 FICA EXPENSE *Employer share 7.65%* 9,769

515500 HEALTH INSURANCE EXPENSE *Employer share of premiums* 22,950

516500 WORKERS COMP PREMIUMS *State assessment* 1,000

Personal Services Total **167,888**

520000 OPERATING EXPENSES

521100 POSTAGE EXPENSE 100

521400 CIO CHARGES *State data* 12,000

521500 PUBLICATION & PRINT EXPENSE *State printing* 2,000

522200 CONFERENCE REGISTRATION *National Conference* 963

524600 RENT EXPENSE-BUILDINGS *Ferguson* 7,500

531100 OFFICE SUPPLIES EXPENSE 500

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>	5,760
534600 EDUCATIONAL SUPPLIES <i>Books, periodicals</i>	500
554900 OTHER CONTRACTUAL SERVICES	
<i>Counselor training; video license</i>	20,000
<i>Prevalence Study</i>	50,000
<i>Expert webinars</i>	12,000
<i>Data Analyst</i>	50,000
559100 OTHER OPERATING EXPENSE <i>Association Membership</i>	3,500
559164 PROBLEM GAMBLING MESSAGES <i>Agent Brand media</i>	<u>367,360</u>
Operating Expenses Total	535,583
570000 TRAVEL EXPENSES	
571100 BOARD & LODGING <i>Commissioner travel; National Conference</i>	3,500
573100 STATE-OWNED TRANSPORT <i>.26/mile; 13.50/day</i>	1,000
574500 PERSONAL VEHICLE MILEAGE <i>Commissioner travel</i>	<u>500</u>
Travel Expenses Total	5,000
590000 GOVERNMENT AID	
595100 CONTRACTUAL AID <i>Counseling services</i>	<u>1,932,500</u>
<i>Assumes 10,000 hours counseling @185; 275 admission assessments @300</i>	
TOTAL ALL PROJECTED EXPENDITURES	<u>2,644,080</u>
LEGISLATIVE APPROPRIATION	
LB 380 (2021) Main appropriation	1,950,447
LB 561A (2021) Casino wagering tax projected	1,226,455
LB 1011 (2022) Salary increase adjustment	<u>2,629</u>
TOTAL	<u>3,179,531</u>