

THE NEBRASKA COMMISSION ON PROBLEM GAMBLING

**REPORT TO THE GENERAL AFFAIRS COMMITTEE
OF THE NEBRASKA UNICAMERAL LEGISLATURE**

MARCH 13, 2023

INTRODUCTION

This report is presented to the General Affairs Committee of the Nebraska Unicameral Legislature as required in Section 9-1005(3), Nebraska Revised Statutes.

The Nebraska Commission on Problem Gambling directs policy for the operation of the Gamblers Assistance Program. This annual report summarizes the finances of the program and describes the Commission's activities. The program's staff does the following:

- Contracts with counselors who provide counseling and treatment services for problem gamblers and their families who are residents of Nebraska;
- Develops a process for evaluation and approval of contracts with treatment providers and other vendors;
- Develops standards and programs for training and certification of counselors;
- Gathers, reviews and uses evaluation data on which to base program initiatives;
- Informs the public about problem gambling and prevention of problem gambling;
- Creates and implements outreach and education programs;
- Develops and implements methods to assess outcomes of program activities;
- Investigates and implements evidence-based best practices in the field of gambling addiction education, prevention and treatment.

The Gamblers Assistance Program faces significant changes in gambling by Nebraskans. Voter approval of casino gambling combined with expanding sports betting will create new challenges. The Program emphasizes recruiting and training more counselors to expand into the unserved and underserved communities around the state as gambling expands.

I. GAMBLERS ASSISTANCE PROGRAM FINANCES

The cost of Gamblers Assistance Program activities is paid from two cash funds: the Gamblers Assistance Fund and the Health Care Cash Fund. Revenue transferred to the Gamblers Assistance Fund comes from the state lottery, the state-level charitable gaming tax and the state tax on casino wagering revenue. The Health Care Cash Fund receives proceeds from the national tobacco industry lawsuits settlement. *The Gamblers Assistance Program does not receive a general fund appropriation or any federal funding.* The financial outlines that follow give a breakdown of the program's revenues and expenditures during the period.

GAMBLERS ASSISTANCE FUND PERFORMANCE: 03/01/2022-02/28/2023

REVENUE

1. Constitution, Article III, Section 24, formula: \$500,000 + 1% of remaining lottery profit	
Transfer, March 2022 (1% of profit)	131,138
Transfer, June 2022 (1% of profit)	122,540
Transfer, September 2022 (first \$500,000 + 1% of profit)	621,000
Transfer, December 2022 (1% of profit)	<u>158,173</u>
TOTAL	1,032,851
2. Statute section 9-831: 5% of Lottery advertising expenditures	342,042
3. Statute section 9-1,101: appropriated from Charitable Gaming tax	400,000
4. Statute section 9-1204: 2.5% of Casino wagering revenue tax	101,545
4. Investment income	<u>19,590</u>
TOTAL REVENUE TO GAMBLERS ASSISTANCE FUND	1,896,028

EXPENDITURES

Staff salaries and benefits (2FTE)	168,811
Problem Gambling Messages	343,838
Other operations	97,288
Counseling services	<u>1,393,734</u>
TOTAL EXPENDITURES OUT OF GAMBLERS ASSISTANCE FUND	2,003,671

RECAP

Gamblers Assistance Fund revenues	1,896,028
Gamblers Assistance Fund expenditures	<u>-2,003,671</u>
Gamblers Assistance Fund net decrease	(107,643)

GAMBLERS ASSISTANCE FUND BALANCE (NET OF LIABILITIES)

Gamblers Assistance Fund balance 03/01/2023	974,227
Gamblers Assistance Fund balance 02/28/2022	<u>1,081,870</u>
Gamblers Assistance Fund balance decrease 03/01/22-02/28/23	(107,643)

HEALTH CARE CASH FUND

Appropriation	250,000
Expenditure: All for counseling services	<u>-250,000</u>
Net	0

GAMBLERS ASSISTANCE PROGRAM TOTAL

REVENUE AND EXPENDITURES 03/01/2020-02/28/2021

Total program revenue from two cash funds	2,146,028
Total program expenditures	<u>- 2,253,671</u>
Net	(107,643)

Note: Total expenditures for client counseling in the period were 1,643,734.

II. PROGRAM ACTIVITIES DURING THE PERIOD

MARCH 1, 2022-FEBRUARY 28, 2023

1. Program Finances

Program revenue during the period was \$174,066 (9%) more than in the previous period. Increased fund transfers from the State Lottery and the new casino wagering tax comprised most of the total. Payment for counseling services totaled \$1.64 million, compared to \$.997 million in the previous period. The 64% increase resulted from increased hours of counseling clients after relaxed covid pandemic restrictions and Commission-approved increases in hourly rates paid to counselors.

2. Commission Meetings

The Commission met three times during the period to consider issues regarding the operations of the program. A fourth meeting was canceled due to lack of a quorum. These meetings included reviews of the financial status of the program; counselor contract terms including hourly rates; proposed new contracts with counselors and other vendors; development of budget requests; and consideration of proposals for expansion, education and outreach. Meeting notices and agendas were posted on the state events calendar and the program website. Minutes of meetings were posted on the program website.

3. Counselor Contracts

The Commission has made contracts with agencies and individual counselors who have been trained and certified to assist Nebraskans dealing with the consequences of gambling addiction. These contracts authorize payment for counseling services at hourly rates up to an approved total. At their current pace, counselors will deliver approximately 11,000 hours per year of counseling to Nebraskans diagnosed with a gambling disorder.

Revenue was \$174,066 more than last year. The new casino tax and increased advertising spending by the State Lottery accounted for the increase. As a result, the Commission concluded that hourly rates paid to counselors could be increased to \$185 per hour, to align with the Medicaid rate for hourly psychotherapy.

4. New therapist training and certification

The American Society of Addiction Medicine, in its publication *The ASAM Criteria* recommends that a therapist providing counseling in this field should have specialized training and certification due to the unique characteristics of gambling addiction. This is the policy of the Nebraska Gamblers Assistance Program.

To implement this policy the Commission provides tuition support to Nebraskans taking courses offered online by Bellevue University in their Certificate of Gambling Specialty program. This is a course developed by the Nebraska Council on Compulsive Gambling with underwriting from the Commission. Courses are offered in segments over a period of 19 weeks, for a total of 72 credit hours. The Commission also offers a three-part course with lower tuition and reduced hours of study offered to counselors licensed in Nebraska addiction and behavioral health services.

Upon completion of either course the candidate for certification is required to pass an examination over subjects related to gambling and addiction to gambling. This examination was developed by Commission staff and contractors and is based on national standards. The candidate is then eligible to for provisional certification to provide counseling therapy through the Nebraska program. After completing the required provisional term, the counselor is eligible to be certified by the Commission.

5. Public education and information

The State Lottery Division is required by statute to devote 5% of its advertising budget to the dissemination of problem gambling messages. The Commission administers this activity, supplementing the Lottery Division allocation with other program funds. During the twelve months covered by this report, the Commission used these funds to continue its digital media campaign. This campaign blankets the state with internet messages directed at individuals showing an interest in gambling. The messages are intended both to inform about the risks of gambling harm and the availability of help through the Nebraska Gamblers Assistance Program. The messages are reaching Nebraskans – recently our website has been visited by 6,000 new users monthly.

6. Data gathering and analysis

The Commission continued its contract with a local statistician who accumulates and analyzes data that the counselors gather from their clients. The program's database includes demographic, financial, social and gambling background information from persons diagnosed with gambling disorder and admitted into counseling. This data, some of which goes back at least 10 years, represents the best available evidence about problem gambling issues in our state.

III. PROGRAM DATA

Counselors gather data about problem gambling in Nebraska using a format developed by program staff. During the period from July 1, 2021 to June 30, 2022, a total of 534 individuals attended counseling. These individuals reported the following facts:

- 74% of these Nebraskans addicted to gambling first gambled by age 20; about 48% of them did so by age 15.
- 57% of them sought help at age 36 or older.
- These two statistics show that Nebraskans are gambling in risky ways and getting into trouble during their prime earning years.
- 45% of these Nebraskans addicted to gambling have considered suicide, many times the rate in the general population.
- 5% have attempted suicide, over eight times the rate of suicide attempts in the general population.
- Over half of the program's clients who contemplate suicide do so because of financial problems.
- 43% of the program's clients cite relationship problems as the primary reason to seek help, with financial problems a close second at 36%.
- 119 of the clients had a total of \$3.47 million of gambling debt, all of it representing money spent on gambling with nothing to show for it but problems.
- The program's clients are well-educated – 61% of them have formal education beyond high school; 25% have bachelor or higher level college degrees.
- 64% of clients earn income from employment, and another 5% are retired; the rest are unemployed, disabled, students, or otherwise without income.
- Their jobs cover the spectrum of Nebraska's job market, including managerial, professional, laborer, services, crafts, clerical, sales, technical and administrative.
- Household incomes tend to be lower than the state median of \$61,000; about one-third report income at or above the median.
- Video devices, known as Mechanical Amusement Cash Devices, are becoming a greater source of gambling problems. They combine with casino slot machines to produce about half of the problem gamblers asking for help from program counselors.
- All other forms of gambling accounted for the other half of the clients' problems.

IV. CONCLUSION

The Nebraska Commission on Problem Gambling continues to perform its obligations to expand therapy services throughout the state and develop methods to inform the public about gambling disorder and the facts about gambling in Nebraska. These activities are more crucial than ever as full-blown casino gambling begins to do business in our state.

David Geier, Director

Gamblers Assistance Program

March 13, 2023