

**THE NEBRASKA COMMISSION ON PROBLEM GAMBLING
GAMBLERS ASSISTANCE PROGRAM**

**ANNUAL REPORT TO THE GOVERNOR
AND THE LEGISLATURE
FISCAL YEAR ENDED JUNE 30, 2017**

Gamblers Assistance Program

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INTRODUCTION

Section 9-1004(7) of Nebraska Revised Statutes requires the director of the Gamblers Assistance Program to file an annual report with the Governor and the Clerk of the Legislature. This report provides details of the administration of the Program and the distribution of funds from the Gamblers Assistance Fund.

The Legislature has given the Nebraska Commission on Problem Gambling responsibility for a range of activities. Program funds are to be used "primarily for counseling and treatment services for problem gamblers and their families who are residents of Nebraska." The Commission is to develop a process for evaluation and approval of contracts with treatment providers and other services vendors; develop standards for training and certification of counselors; review and use evaluation data; use funds for education regarding problem gambling and prevention of problem gambling; and create and implement outreach and education programs.

During the fiscal year that ended June 30, 2017, the Commission engaged in activities in all of these areas. This report summarizes the finances of the Program and describes the various activities with which the Commission has been engaged.

THE NEBRASKA COMMISSION ON PROBLEM GAMBLING

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I. GAMBLERS ASSISTANCE PROGRAM FINANCES

The Gamblers Assistance Program receives funding from several state sources, none of which comes from income, sales or property taxes. The Program's expenditures are paid out of two cash funds, the Gamblers Assistance Fund and the Health Care Cash Fund.

The primary account from which the Program's expenditures are paid is the Gamblers Assistance Fund. The sources of revenue for the Gamblers Assistance Fund are:

- Profits generated by the Nebraska Lottery, based on requirements in the Constitution.
- A share of the advertising budget in the Lottery operations cash fund, based on requirements in statute.
- A statutory appropriation from the Charitable Gaming operations cash fund.

The Program also receives an annual appropriation from the Health Care Cash Fund.

The following summaries are derived from the contents of monthly financial reports prepared by the accounting staff of the Department of Administrative Services.

(A) Gamblers Assistance Program Financial Performance 07/01/16-06/30/17

Total Program Revenue (Gambler Assistance Fund + Health Care Cash Fund):	1,535,438
Total Program Expenditures:	1,840,119
Net Program Expenditures in Excess of Revenue:	(304,681)

(B) Gamblers Assistance Fund Performance During the Period 07/01/16-06/30/17

Revenue Transferred Into the Fund

Article III, Section 24 Constitutional Formula: 500,000 + 1% of Remaining Lottery Profit:

Transfer September 2016	596,393
Transfer December 2016	98,988
Transfer March 2017	100,028
Transfer June 2017	112,368

Total Received From Lottery Profits During the Period:	907,777
Section 9-831 5% of Lottery Ad Expenditures:	300,388
Section 9-1,101 Charitable Gaming Operations Fund:	50,000
Investment Income:	<u>27,273</u>
Total Revenue to Gamblers Assistance Fund During the Period:	1,285,438

Expenditures Paid From the Fund

Salaries and Benefits	118,800
Other Operations	531,091
Government Aid	<u>940,228</u>
Total	1,590,119

Recapitulation

Gamblers Assistance Fund Revenue:	1,285,438
Gamblers Assistance Fund Expenditures:	<u>-1,590,119</u>
Net Gamblers Assistance Fund Expenditures in Excess of Revenue:	(304,681)

Gamblers Assistance Fund Balance

Gamblers Assistance Fund Balance 07/01/16:	1,327,286
Gamblers Assistance Fund Balance 06/30/17:	1,022,604
Gamblers Assistance Fund Balance Decrease 07/01/15-06/30/16:	(304,682)

Difference in amounts shown for Fund decrease is due to rounding.

Health Care Cash Fund

Appropriations:	250,000
Expenditures: All for Government Aid (Counseling Services)	-250,000

II. PROGRAM ACTIVITIES DURING THE PERIOD

JULY 1, 2016-JUNE 30, 2017

1. Commission Meetings and Provider Workshops

The Commission met four times to consider issues in the operations of the program. These meetings included reviews of the financial status of the Program, consideration of new and renewed contracts with therapists and other vendors, development of new program activities, and development of the budget for the biennium starting July 1, 2017. Meeting notices and minutes of the meetings were posted to the state events calendar, the website maintained by the Program, and also to the website of the Division of Charitable Gaming of the Department of Revenue. Therapists were invited to attend informal workshops to exchange ideas, and give input to staff and commissioners to aid in the development of program activities.

2. Therapist Contracts

The Commission performs its obligation to provide treatment services to Nebraskans dealing with the effects of disordered gambling by entering into contracts with therapists. During this fiscal year, the Commission had 22 therapist contracts with agencies and individual therapists located in 13 communities. Payments to therapists are based on fee-for-services rendered.

The Commission made payments to these therapists totaling \$1,350,037 during this fiscal year. Of this total, \$1.195 million was allocated to outpatient therapy services, and the balance was for community education, information and outreach, and disseminating problem gambling messages. Therapists are required to comply with a guideline manual that defines types of therapy and utilization standards. They provided over 11,000 hours of therapy services to Nebraskans during the fiscal year.

The Commission continued to contract for a statewide telephone helpline, staffed around the clock by trained responders, who provide information about the program and encourage callers to seek help from nearby Nebraska-based therapists.

3. 2017-18 and 2018-19 Biennial Budget

In the fall of 2016, the Commission developed and submitted to the Legislature and Governor the biennial budget request for the program for the period from July 1, 2017 through June 30, 2019. The final approved appropriation for the first fiscal year of the biennium, ending June 30, 2018, was \$1,882,916. Of that, \$1.1 million was earmarked for therapy services and \$109,245 was allocated for staff salaries and benefits. The Program budget for the first year of the biennium also includes \$288,750 earmarked for problem gambling messages, leaving \$385,000 available for all discretionary expenditures, such as data analysis and reports, creating and duplication of program materials, membership in national organizations, attendance at training, regional and national conferences, providing training opportunities for counselors, and general office overhead.

4. Website

The Program upgraded the official State of Nebraska website for viewers to use as the primary path to find help with problem gambling in Nebraska. It is located on the state home page at problemgambling.nebraska.gov. Visitors can find therapy locations near them, public information about the program elements, current understanding of gambling disorders, and public and professional resources. The website also serves as a primary notification board for meetings and events for the Nebraska Commission on Problem Gambling.

The Commission worked with a videographer from the state Department of Administrative Services on creation of the first of a series of showcase presentations featuring counselors in the program who speak on topics of interest. These video showcases are presented on the program website, and will be rotated continuously to keep the information up-to-date.

5. Online Core Training

The Program continued to perform a contract with the Nebraska Council on Compulsive Gambling to create and present core training classes for counselors who deliver therapy services. This is an online course presented by Bellevue University. It runs for 19 weeks and is repeated approximately three times per year. The Commission provided underwriting to develop the program and supports Nebraska candidates for certification by subsidizing part of their tuition cost. Enrollments are limited to 10 students for each session. During this fiscal year, four candidates completed the online core training, bringing the total to 30 graduates since the training began.

Presentation of this training, including subsidized tuition for Nebraska residents, will continue through the fall of 2018. At that point, the Commission will be ready to evaluate the success of this program and plan for future education of counselors.

6. Advanced Training

In addition to basic or core training, counselors are required to stay up-to-date on developments in the field of problem gambling. Over 13 years ago, the Nebraska Gamblers Assistance Program was instrumental in establishing the annual Midwest Conference on Problem Gambling and Substance Abuse. This conference attracts presentations from experts nationwide. The Commission supports the conference as a means of providing continuing education programs for counselors. This year the Commission approved scholarship funding for problem gambling counselors to attend the 13th annual Midwest Conference on Problem Gambling and Substance Abuse held in Kansas City in June.

The Commission also sponsored a day-long seminar by Dr. Jeffry Derevensky, an international expert on gambling issues among adolescents. The seminar was recorded and offered online on the Bellevue University website. Other continuing education seminars are in production by the Nebraska Council on Problem Gambling.

7. Data

In response to guidance from the Legislature and the Executive Branch, program staff developed a series of data gathering instruments that are designed to enable the Commission to develop outcome measures based on a careful analysis of current literature on the topics of risk and protective factors that influence the development of addiction to gambling. These new data instruments are scheduled to be implemented as of July 1, 2017. The Commission's goal is to gather evidence about the characteristics of Nebraskans who come to program counselors for help, and to document the effects of the counseling services they receive. This project will continue and evolve in future years.

8. Implementation of Clinical Supervision Standards

The Commission-appointed Certification Advisory Board contracted with three experienced therapists to provide clinical supervision of provisional therapists. These new therapists, who have just completed the core training program, are allowed to provide counseling under the supervision of an experienced counselor. The package of supervision documents includes standards that both supervisor and provisional counselor must comply with, as well as documentation of the supervised therapy services.

9. Problem Gambling Prevention, Education and Awareness Messages

By statute, five percent of the advertising budget of the Nebraska Lottery is to be dedicated to presentation of messages and information to the public about problem gambling. The Commission has entered into an agreement with the Lottery Division of the Department of Revenue that calls for preparation of an annual advertising plan. The plan accounts for previous

year expenditures and projects coming year activities. For the fiscal year that ended June 30, 2017, this allocation was \$301,500.

This year the Commission's expenditures on these activities exceeded the minimum required by the statute, totaling \$415,305. These included the Nebraska Council on Compulsive Gambling helpline contract that contained provisions for information and outreach (\$101,676), community education and outreach by therapy contractors (\$155,320), a pilot project Young Adult Gambling digital media campaign (\$40,000) and "in house" monthly GAP messages to 172 Nebraska newspapers, including March National Problem Gambling Awareness Month promotions.

10. National Problem Gambling Awareness Month

In February Governor Ricketts issued a proclamation declaring that March is Problem Gambling Awareness Month in Nebraska. The Legislature also adopted a resolution, and mayors and city councils from around the state issued similar proclamations.

11. New Multimedia Prevention and Education Campaign Contract

The program issued an RFP for a multi-year campaign asking agencies to submit proposals for multimedia prevention and education messages to be created and disseminated over the biennium beginning July 1, 2017, with options for renewals. This contract will result in professional and coherent messages about gambling myths and the risks of addiction to gambling.

12. New Commissioners

Governor Ricketts appointed three new commissioners this year, and these appointments were confirmed by the Legislature in May: Cameron Arch, and Dr. Robert Muelleman of Omaha, and Matthew Monheiser of Sidney. These commissioners will serve for three year terms.

III. PROGRAM DATA

Gambler Assistance Program counselors admit clients into therapy if they satisfy the diagnostic criteria for Disordered Gambler specified in the American Psychiatric Association's *Diagnostic and Statistical Manual 5th ed.* When a new client is admitted for therapy, information is gathered for analysis. This information is analyzed under strict procedures that protect confidentiality. The resulting data gives the Commission insight into the characteristics of

Nebraskans who seek help for gambling problems. Experience shows that only a small proportion of troubled gamblers will seek this kind of help, and then only when they are overwhelmed by their problems.

208 new clients were admitted to therapy in the fiscal year that ended June 30, 2017. This brought the total number of clients admitted during the four years beginning July 1, 2013, to 780. This is a large enough sample of the population of Nebraskans struggling with gambling addiction to support the following conclusions:

- 59 percent of the program's clients, diagnosed as disordered gamblers and admitted into therapy, first gambled before the age of 20. Another 24 percent of them first gambled between the ages of 21 and 25.
- Only 8 percent sought help for their gambling by the age of 25. Another 24 percent came to the program between the ages of 25 and 36. The remaining 68 percent of diagnosed disordered gamblers sought counseling at age 36 or older.
- 50 percent of them owed gambling debts of \$10,000 or more.
- 42% of them had annual household income of \$50,000 or more.
- 55% of them were employed full time and another 8% were employed part time.
- 33% of them were employed as managers, professionals or administrators.
- 44% of them had at least an associate's degree from a college.
- Keno is second to slot machines as the most frequently used form of gambling among program clients during the 30 days before they are admitted to therapy.
- 67% of admitted clients had private insurance, Medicare or Medicaid, none of which pays

IV. CONCLUSION

The Nebraska Gamblers Assistance Program is funded by a portion of the dollars spent by gamblers on government-sponsored games. In the fiscal year that ended on June 30, 2017, \$454 million was wagered on these games. Charitable gaming accounted for \$281 million of that wagering, which included \$245.6 million wagered on keno. The charitable gaming support for the Gamblers Assistance Program was \$50,000.

Since 1993 approximately \$15 million has been transferred to the Gamblers Assistance Fund, nearly all of it from the Nebraska Lottery. This money has been devoted to therapy programs, and expanding public knowledge and understanding of the problem gambling disorder.

The Nebraska Commission on Problem Gambling is carrying out its mission by expanding and improving existing programs for training therapists, expanding geographical coverage of therapy services and adding new therapists to the field. Subsidizing the cost of problem gambling therapy for Nebraskans and their families is the primary goal of the Program. The Commission is also committed to prevention, education and outreach activities. These activities emphasize evidence-based programs that have been proven to produce expected results.

For the Commission

David Geier, Director

Nebraska Gamblers Assistance Program