

Increase Funding for Problem Gambling Services

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2019 Legislative Session Talking Points

The Governor appointed Advisory Committee on Problem Gambling mission is:

“To support effective problem gambling prevention, education, treatment, and research programs throughout Nevada.”

Our vision is to “Improve the public health of Nevadans through a sustainable and comprehensive system of programs and services that reduce the impact of problem gambling.” To accomplish this mission and vision we need legislative help.

- I. Nevada is a leader in the global gaming industry, and its problem gambling programs should reflect this leadership status.**
 - A. States with far fewer gaming revenues spend many times more on problem gambling services.
 - B. As a “states’ rights” issue, the federal government stays out of gambling regulation – and out of problem gambling services. As such, the federal government provides no direct support for state problem gambling services, and nearly all problem gambling services in the U.S. are state-funded.
 - C. Addressing problem gambling is recognized as an important component of legalized gaming. For Nevada to maintain the gold standard as a leader in gaming policy it must innovate in all areas of gaming including responsible gaming.
 - D. Nevada’s Gaming Policy Committee and Gaming Control Board has heard testimony from gaming industry experts that a strong problem gambling system must accompany continued expansion of gambling in the state – a perspective that has been met with enthusiasm from both entities.
 - E. Nevada has aggressively pursued improvements and innovations to gaming services and technologies, but there has not been a commensurate effort to address the uncertainty around the future role they may play in contributing to issues related to problem gambling. These continued innovations dictate that Nevada continue to invest in and develop a robust, effective, and efficient problem gambling system in order to be prepared for gambling-related problems that may result from these innovations.
 - F. Problem gambling is a public health issue, and systemic changes that facilitate and promote the inclusion of problem gambling prevention, workforce development, and research are critical to fulfilling the principles of Nevada strategic plan.

- II. Legislation that created the Revolving Account for the Prevention and Treatment of Problem Gambling needs to be updated to account for changes in the State’s gaming industry**
 - A. Funding for DHHS problem gambling services rely exclusively on a formula that allocates the equivalent of \$2 per slot machine per quarter that was first enabled over a decade ago (NRS 458A).

While the problem gambling service system has developed over the past decade, along with gambling treatment demand, funding for that system has decreased from \$1,700,000 in 2008 to approximately \$1,300,000 for SFY 2017 and 2018 as in recent years, casinos have become less reliant on slot machines on gaming floors. This trend negatively impacts funding for services as the old funding formula was adopted with the expectation of more slot machines. As a result, on-going use of the old formula will continue to produce less available funding for problem gambling services. Add comparison of # of slot machines in 2008 vs 2017.
 - B.

- III. Nevada ranks 2nd in the nation for gambling revenue per resident age 18 and aboveⁱ yet ranks 13th in nation for per capita problem gambling service fundingⁱⁱ**
 - A. The Nevada Resort Association estimated 2016 sales tax, property tax and gaming tax from Nevada hotel casinos accounted for nearly \$1.4 billion, or approximately 42 percent of State General Fund revenues – more than any other industry. Of these revenues, Nevada invested less than one-tenth of one percent (\$1.3 million) of these funds towards programs to reduce gambling related harm.
 - B. Nevada invested \$0.47 per resident age 18+ toward problem gambling services in 2016.
 - C. Nevada gambling revenue per resident age 18 and above was \$418.20 in 2015.ⁱ
 - D. A disproportionate amount of gambling revenue comes from those with a gambling problem.

- E. The National Council on Problem Gambling has recommended each state invest in problem gambling services proportional to the size of their gaming industry.

IV. Nevada needs to focus on population health and to do so takes a larger investment in problem gambling prevention and health promotion than the current annual investment in problem gambling services allow

- A. In SFY 2018 about \$210,000 was invested in problem gambling prevention. This amount is not sufficient to deliver problem gambling prevention services throughout the state or finance an effective campaign. Alan to look at comparisons of other public campaigns
- B. Strong investments in public health allow a state to carry out programs that improve health. There is a void of federal funding directed at problem gambling. Rather, all problem gambling prevention funding in Nevada is from the DHHS Revolving Account for the Prevention and Treatment of Problem Gambling.
- C. Nevada needs current data to develop good public health promotion programs. The only statewide problem gambling survey conducted is now more than 15 years old. Sufficient funds to sponsor a new survey are crucial to ensuring that available services reflect the current needs of Nevada's citizens.

V. Problem gambling directly impacts tens of thousands of Nevadans

- A. Researchers estimate that more than 125,000 Nevada residents ages 18 and over are problem gamblers. In addition, this disorder affects countless other family members, businesses and communities. Gambling disorder also disproportionately impacts seniors, military veterans and people struggling with other mental health issues or addictive disorders.^{iii 1}
- B. In addition, this disorder indirectly affects countless other family members, businesses, and communities.
- C. Gambling disorder impacts members of our society at different rates. For example, military veterans and persons struggling with other behavioral health issues, including those suffering from or in recovery from other addictive disorders, are at higher risk for developing a gambling problem.

VI. Treating problem and pathological gamblers saves Nevada taxpayer dollars

- A. Problem gamblers report higher rates of divorce, bankruptcy, suicide and criminal activity. Prevention and treatment is far less costly to taxpayers than the alternatives which include incarceration and public safety expenses.^{iv}
- B. Problem gamblers manifest high rates of mental health problems^v and suicide attempts.^{vi,vii}
- C. Problem gambling is associated with loss of productivity due to problems on the job, absences, and workplace disruptions.^{viii}
- D. While the economic impacts of problem gambling are great, social costs are immeasurable. Direct and indirect costs related to problem gambling could be minimized if this issue were adequately addressed.

VII. Treatment is effective and inexpensive

- A. Treatment is much less expensive than its alternatives, such as incarcerating addicted persons. For example, the average cost per case for FY17 for gambling treatment was only \$1,407 for outpatient care and \$2,550 for residential care, whereas 1 year of imprisonment costs approximately \$24,000 per person.
- B. There have been 3,807 individuals who received treatment since 7/1/11, countless others have gone untreated. With better funding, more can be treated.
- C. The most recent UNLV research finds that 1 year after treatment, 97% of clients report elimination or reduction in their gambling activity, with 39% having not gambled at all since enrolling in the program, and 51% having some slips but were back on track or were meeting their goals for controlled gambling.^{ix}

¹ According to the most recent census of the population (U.S. Bureau of the Census, 2018), the population of Nevada aged 18 and over on July 1, 2017 was 2,308,490. Based on these figures and problem gambling prevalence rates from Nevada's only problem gambling prevalence studyⁱⁱⁱ it is estimated that between 2.2% and 3.6% Nevada residents aged 18 and over can be classified as current problem gamblers. In addition, the study authors estimated that between 2.7% and 4.3% Nevada residents aged 18 and over can be classified as current probable pathological gamblers.

D. Nevada’s treatment recipients report improvements in their financial, housing, family, school, and work lives. x

VIII. Funding for all components of the service system is needed

- A. The greatest and most cost-effective impacts will be achieved by funding all components of the service system – treatment, prevention, outreach, workforce education, and research.
- B. The Governor-appointed Advisory Committee on Problem Gambling developed a “Three Year Strategic Plan for Problem Gambling Treatment Services within the State of Nevada: Fiscal Years 2017 – 2019”. However, the current funding formula for problem gambling services will not result in sufficient funds to fully implement this plan. Investing in the implementation of this plan will save millions in future costs.



ⁱ Dadayan, L. (2016). *State Revenues From Gambling*. The Nelson A. Rockefeller Institute of Government.

ⁱⁱ Marotta, J., Hynes, J., Ruge, L., Whyte, K., Scanlan, K., Sheldrup, J., & Dukart, J. (2017). *2016 Survey of Problem Gambling Services in the United States*. Boston MA: Association of Problem Gambling Service Administrators.

ⁱⁱⁱ Volberg, R (2002). *Gambling and Problem Gambling in Nevada: Report to the Nevada Department of Human Resources*. Northampton, MA: Gemini Research, LTD.

^{iv} Campbell, C. & Marshall, D. (2007). *Gambling and Crime*. In G. Smith, D. Hodgins, and R. Williams (Eds), *Research and Measurement Issues in Gambling Studies* (541-566). Burlington, MA: Elsevier

^v Petry, N. & Weinstock, J. (2007). *Comorbidity and Mental Illness*. In G. Smith, D. Hodgins, and R. Williams (Eds), *Research and Measurement Issues in Gambling Studies* (305-322). Burlington, MA: Elsevier

^{vi} Penney, A., Mazmanian, D., Jamieson, J. & Black, N. (2012). *Factors associated with recent suicide attempts in clients presenting for addiction treatment*. *Int J Ment Health Addiction*. 10:132-140.

^{vii} Phillips, D. P., Welty, W. R., & Smith, M. M. (1997). *Elevated suicide levels associated with legalized gambling*. *Suicide and Life-threatening Behavior*, 27(4), 373.

^{viii} Ladouceur, R., Boisvert, J., Pépin, M., Loranger, M., & Sylvain, C. (1994). *Social cost of pathological gambling*. *Journal of Gambling Studies*, 10: 4, 399-409.

^{ix} Dassopoulos, A., St. John, S., & Bernhard, B. (2018). *The Nevada Problem Gambling Project: Follow-Up Research*. University of Nevada Las Vegas, International Gaming Institute.

^{xi} St. John, S., Dassopoulos, A., & Bernhard, B. (2017). *Annual Gambling Treatment System Performance Report for Fiscal Year 2017*. University of Nevada Las Vegas, International Gaming Institute.