

March 26, 2011

Dear Legislator:

The Advisory Committee on Problem Gambling (ACPG), created in Nevada statute in 2005 and consisting of members appointed by the Governor, wishes to make the following statements regarding the FY12-13 budget proposals related to the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling.

- (1) The Legislature is currently considering a budget recommendation that would result in a 50% reduction of the revenue for Problem Gambling activities. The ACPG supports full funding, as intended by the Legislature when the Revolving Account was established in 2005 and reaffirmed in 2007 at \$2 per slot machine per quarter.

Nevada is viewed throughout the world as a leader in the casino and gaming sector with regard to regulation, technology, and business strategies and sophistication of its gaming companies. In the same manner, many jurisdictions look to Nevada for guidance on social impact issues related to gaming, such as dealing with Problem Gambling and developing strategies that encourage responsible gaming. Nevada's current model is a structure other jurisdictions can, should and do emulate since it involves public-private partnerships with substantial cooperation between gaming companies and helping organizations.

It is distressing to note that, in a March 1, 2011 poll of 23 states that fund Problem Gambling activities, Nevada was the only state with a proposal on the table to reduce Problem Gambling service funding in the coming biennium. This finding is particularly noteworthy as all states are impacted by the current recession and all states have proposed reductions in many program areas, yet when this poll was taken Nevada stood alone in proposing a significant reduction in funds earmarked for Problem Gambling treatment and prevention.

The 2005 and 2007 Legislatures recognized the serious need for prevention, treatment, workforce development and related Problem Gambling service activities in this state. They knew that Nevada has one of the highest rates of problem and pathological gambling in the country, that about 68,000 adult Nevadans are estimated to meet the criteria for pathological gambling, and that for each problem gambler approximately seven others are affected (e.g., spouse, children). Taken as a group, Nevada's pathological gamblers produce millions in social costs, impacting the criminal justice system, the corrections system, human service systems, etc.

After its inception, the ACPG spent considerable time, and the State of Nevada invested considerable resources, in developing a five-year Problem Gambling Prevention Strategic Plan published in February 2009. The mission is "to support effective problem gambling prevention, education, treatment, and research programs throughout Nevada" by implementing strategies focusing on training, advocacy, community empowerment, collaboration, intervention and treatment. Progress made toward the goals in the plan was abruptly halted when the funding cut last year eliminated all monies for prevention

activities in FY11. The more time that passes before funding is again available for this important work, the more momentum is lost.

For these reasons and more, the ACPG encourages the 2011 Legislature to fund the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling at the full \$2 per slot machine, as directed in NRS 463.320(2)(e).

- (2) While the primary goal of the ACPG is to sustain full funding for Problem Gambling activities, members also recognize the grim nature of the state's economy and the pressing need to reduce overall spending. If a decrease in revenue for Problem Gambling activities cannot be avoided, the ACPG encourages the Legislature to enact only temporary legislation to carry out this action. Lowering the revenue for the coming biennium may be a necessary step to balance the budget, but preserving the \$2 slot tax for future biennium when the economy rebounds is critical to Nevada's effort to mitigate the harmful social effects of Problem Gambling and its negative financial impact.

Sincerely,

Dr. William Eadington, Chair
On behalf of the Advisory Committee on Problem Gambling

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