

**Department of Health and Human Services (DHHS)
Advisory Committee on Problem Gambling
December 15, 2014
DRAFT Meeting Minutes**

Meeting Location: Teleconference Only

Members in Attendance

Carol O'Hare, Chair
Connie Jones
Denise Quirk, Vice Chair
Jennifer Shatley
Rick Heaney
Ted Hartwell
Toby Cabot (joined late)

Members Absent

Lynn Stilley

Others Present

Dr. Bo Bernhard, UNLV International Gaming Institute
Diane Springborn, Bristlecone Family Resources
Lana Robards, New Frontier Treatment Center
Laurie Olson, DHHS Director's Office, Grants Management Unit (GMU)
Rob Hunter, The Problem Gambling Center (Las Vegas)
Sarah St. John, UNLV International Gaming Institute

I. Call to Order

Committee Chair Carol O'Hare called the meeting to order at 1:05 p.m. and welcomed committee members and the public. A quorum was confirmed when roll call was taken and disclosures regarding affiliations were made.

- Carol O'Hare: Executive Director of the Nevada Council on Problem Gambling (NCPG) and Advisory Committee member of Reno Problem Gambling Center (RPGC)
- Denise Quirk: Executive Director of RPGC and member of Board of Directors of NCPG
- Connie Jones: International Game Technology (IGT) and member of Board of Directors of NCPG and The Problem Gambling Center (PGC- L V)
- Ted Hartwell: Desert Research Institute and volunteer/advocate for Lanie's Hope, NCPG and PGC-LV
- Rick Heaney: Owner of the Little Nugget in Reno, and Partner of Baldini's Casino in Sparks
- Jennifer Shatley: Board President for NCPG
- Tony Cabot: Not present for roll call

Laurie Olson, GMU Chief, explained etiquette for teleconferences and reviewed meeting protocols that distinguish between public comment and committee discussion.

II. Public Comment

Ms. O'Hare turned leadership of the meeting over to vice-chair Denise Quirk so that she could make public comment as the Executive Director of the Nevada Council on Problem Gambling, which receives funding for both prevention and workforce development programs. She restated her support of prioritized funding

for treatment services, but expressed the importance of all the programs within Problem Gambling and in particular, prevention programs and how they support treatment.

IV. Recommendations to Address Possible Shortfall in FY15

Carol O'Hare resumed her role as committee chair and took Agenda Item IV out of order.

Ms. Olson reviewed grantee responses to a three-question survey regarding the projected shortfall in treatment funding in FY15. Should a shortfall occur, the consensus was that (1) treatment programs would continue to operate and (2) grantees should have the latitude to make their own decisions about how to manage their funds.

Committee members felt the shortfall projection was premature since it was based on only one quarter of data and the assumptions could change as more data is collected. They felt comfortable with the regular mid-year reallocation process, which is intended to ensure that funds are directed toward the most need.

- Connie Jones moved to table any action on the FY15 shortfall until such time when additional data might indicate a need to revisit the issue. Denise Quirk seconded the motion, and there being no further comments or discussion, the motion passed unanimously.

III. Request for Applications FY16/17

- **Recommendation for Distribution of Funding and Proposed Cost Containment Measures in FY16/17**

Laurie Olson reviewed several documents regarding FY16/17 funding. Although cost containment measures were originally listed under the second bullet for this agenda item, this matter was discussed in conjunction with the funding distribution issue.

- Grantees were asked to respond to a four-question survey regarding possible ways to address any funding shortfall in FY16/17. When asked about the impact of a 10% or a 20% reduction in treatment program grants, most respondents said that services would be reduced proportionally. Specific actions might include cutting employee hours, capping raises and seeking additional funding. Although some thoughtful information was shared, no significant trends surfaced when grantees were asked for suggestions about (1) eliminating, reducing or restructuring programs and (2) allocating funding to service categories.
- Revisions to a previously circulated "Revenue Projection Comparison" corrected the amount of funding projected for FY16/17. Due to an accounting error, the initial projection of \$1,174,936 was \$140,000 short. The correct figure is \$1,314,936. A funding distribution configuration suggested at the November 20, 2014 ACPG meeting was added to the spreadsheet as Option 4. The Options document was updated to reflect the actual dollars available, in options 1, 2 and 3.
- A new document compared treatment awards for the past four fiscal years. FY11 through FY13 awards were based on reduced revenue; FY14 awards were based on full funding. The chart compared original award amounts to actual expenditures and included the number of primary clients served. For the benefit of newer members, Ms. O'Hare asked about the history of reduced and full funding. Ms. Olson explained that several years ago treatment providers and members of the ACPG worked together to develop a rate reimbursement plan to replace traditional

categorized budgets. The plan included full rates as well as reduced rates that can be utilized in years when revenue is down. The Legislature did, in fact, reduce revenue in FY11 through FY13 by adopting legislation that temporarily reduced the revenue diverted to Problem Gambling from \$2 per slot tax machine per quarter to \$1 per slot tax machine per quarter.

- A discussion document circulated for the November 20, 2014 meeting was updated to account for the \$140,000 that was not previously included in FY16/17 projections. Ms. O’Hare noted that the revision also reduced the projected savings that could be realized from cost containment measures. She said that the Department’s contracted technical expert, Dr. Jeff Marotta, adjusted the numbers after additional research uncovered factors that could impact the expected savings. He could not be present at the meeting to explain further.

Ms. O’Hare opened committee discussion by suggesting that the two contracted services (for data collection/research and for the technical consultant) continue to be funded at the same level (give or take \$1,000). Jennifer Shatley commented that Option 1 on the “Revenue Projection Comparison” spreadsheet did not look as bleak with the correct budget amount as the primary basis. Ted Hartwell agreed with both Ms. O’Hare and Ms. Shatley but suggested that \$20,000 to \$30,000 should be moved from Prevention to Treatment. Rick Heaney agreed with that concept. Numbers were recalculated, putting Treatment at \$910,613 (69.25%) and Prevention at \$200,338 (15.24%). Connie Jones stated that approximately \$910,000 for Treatment looked better than \$880,000 and that she would prefer that funds for treatment not drop below \$900,000. Denise Quirk wondered whether some money should be moved from Workforce Development instead of expecting Prevention to take the entire hit. Ms. O’Hare, who receives both Prevention and Workforce Development grants, explained that the Workforce Development funds support the state conference and the budget is already thin. Denise Quirk rescinded her suggestion and supported Ted Hartwell’s proposal. Ms. Jones recommended that, should funding come in lower or higher than anticipated, the distribution plan should be revisited instead of simply adjusting the categories based on the percentages. Ms. Olson reviewed the newly revised figures in Option 5 as adjusted during conversation.

Categories	Amount FY16 & 17	% FY 16 & 17
<i>Available to Grant</i>	<i>1,314,936</i>	<i>100.00%</i>
Treatment	910,613	69.25%
Prevention	200,338	15.24%
Workforce Development (single grant)	49,836	3.79%
Program Enhancement (within Treatment)	13,149	1.00%
Contractual (Data Collection/Evaluation)	100,000	7.60%
Contractual (Consulting)	41,000	3.12%
Reserve for Contingencies	0	0.00%
Totals	1,314,936	100.00%
Difference (Available – Obligated)	0	0.00%

- Jennifer Shatley moved to adopt the revised Option 5 as adjusted and displayed herein, and revisit the distribution plan if any significant budget changes occur. Ted Hartwell seconded the motion, and there being no further comments or discussion, the motion passed unanimously.

- **Funding Formula for Treatment Programs in FY16/17**

Ms. Olson reviewed the draft funding allocation plan for treatment programs in FY16/17. She explained that the Treatment Strategic Plan includes several performance standards related to program quality. The Department would now like to incorporate the standards into a funding formula that rewards achievement. Measures for cost-effectiveness are also included in the plan. The allocation formula will replace the funding projection tool that was in the last Request for Applications (RFA) and will take some of the burden off the ACPG with regard to recommending award amounts. The ACPG may, instead, focus on factors that might alter the results of the formula (e.g., programs that wish to expand services). A different formula will be included in the RFA for any applicants who are not already grantees. The overall approach was developed by Pat Petrie, Problem Gambling program manager, and Dr. Jeff Marotta, the Department's contracted technical expert. They are not certain at this time whether the formula will affect any of the current grantees' funding levels. Ms. Olson concluded by noting that the section at the bottom of the spreadsheet that discusses residential treatment only documents issues and potential options at this point in time; no decisions have been made with regard to residential treatment.

Committee response to the funding allocation plan was supportive. Comments focused on the forward movement to bring quality and cost-effectiveness to the process and on the ACPG's role in making award recommendations.

V. Public Comment

Dr. Rob Hunter, Clinical Director of The Problem Gambling Center, in Las Vegas, thanked the committee for its work and expressed strong support for a fact-based and performance-based approach to funding.

VI. Closing Announcements and Adjournment

- Connie Jones moved to adjourn the meeting. The motion was seconded by Carol O'Hare and carried unanimously. The meeting adjourned at 2:28 p.m.