

# Increase Funding for Problem Gambling Services

## 2019 Legislative Session Talking Points

### **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**

- Funding for DHHS problem gambling services rely exclusively on the \$2 per slot machine fee 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.
- There has been a trend in Nevada's gaming industry away from slot machines with a concurrent trend towards increased revenue from remote/internet gaming and table gaming.

### **Nevada ranks 2nd in the nation for gambling revenue per resident age 18 and above<sup>i</sup> yet ranks 13th in nation for per capita problem gambling service funding<sup>ii</sup>**

- Nevada collected \$909.9 million in taxes and fees from major types of gambling in 2015<sup>i</sup> and invested \$1.3 million of those dollars to address problem gambling (*about one-tenth of one percent*).
- Nevada invested \$0.47 per resident age 18+ toward problem gambling services in 2016.
- Nevada gambling revenue per resident age 18 and above was \$418.20 in 2015.<sup>i</sup>
- A disproportionate amount of gambling revenue comes from those with a gambling problem.
- The National Council on Problem Gambling has recommended each state invest in problem gambling services proportional to the size of their gaming industry.

### **Throughout Nevada's internet gambling legalization process, problem gambling has been a central and important policy concern**

- 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.
- The rise in popularity of e-sports and fantasy sports wagering, and the uncertainty around the future role they may play in contributing to issues related to problem gambling dictates that Nevada continue to invest in and develop a robust, effective, and efficient problem gambling system in order to be prepared for a new generation of internet gambling-related problems in the not too distant future.

### **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**

- We need good data to develop good health promotion programs. The only statewide problem gambling survey conducted is now more than 15 years old. We need sufficient funds to sponsor a new survey.
- 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 public awareness campaign.
- The State of Nevada does not fund statewide problem gambling awareness campaigns. Oregon spends over \$1 million annually on these efforts. This investment has resulted in over two times as many problem gamblers being treated in Oregon annually compared to Nevada.<sup>ii</sup>
- States like Ohio are sponsoring health promotion campaigns that specifically address healthy gambling. Nevada has no such budget to promote healthy gambling as part of a statewide health promotion effort.

## **Problem gambling directly impacts tens of thousands of Nevadans**

- An estimated 126,967 Nevada residents, ages 18 and over, are problem gamblers.<sup>iii 1</sup>
- In addition, this disorder affects countless other family members, children, businesses, and communities.

## **Treating problem and pathological gamblers saves Nevada taxpayer dollars**

- Problem gamblers report high rates of bankruptcy, divorce, civil and criminal judicial system involvement.<sup>iv</sup>
- Problem gamblers manifest high rates of mental health problems<sup>v</sup> and suicide attempts.<sup>viii</sup>
- Problem gambling is associated with loss of productivity due to problems on the job, absences, and workplace disruptions.<sup>viii</sup>
- A study by Grinols (2004) estimate the social costs of one additional pathological gambler is about \$10,000 per year.<sup>ix</sup> If these estimates are correct, problem gambling in Nevada costs the state hundreds of millions of dollars in “hidden costs”.

## **Treatment is effective and inexpensive **NOTE: This section waiting updates from UNLV****

- Gambling treatment saves lives, preserves families, and improves our communities.
- There have been 3,025 intakes for treatment since 7/1/11, for 2,595 unduplicated individuals.
- The most recent UNLV research finds that 1 year after treatment, 91% of clients report elimination or reduction in their gambling activity, with 47% having not gambled at all since enrolling in the program, and 36% having some slips but were back on track or were meeting their goals for controlled gambling (reduced their gambling).<sup>x</sup>
- Nevada’s treatment recipients also report improvements in their financial, housing, family, school, and work lives.
- The average cost per case for FY16 for outpatient gambling treatment was only \$1,267.81; for treatment for concerned others \$556.12; and for residential gambling treatment \$3357.27<sup>xi</sup>.

## **Funding for prevention, workforce development, and research is needed**

- 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.
- 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” to cover all the components of the system. 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 social costs.

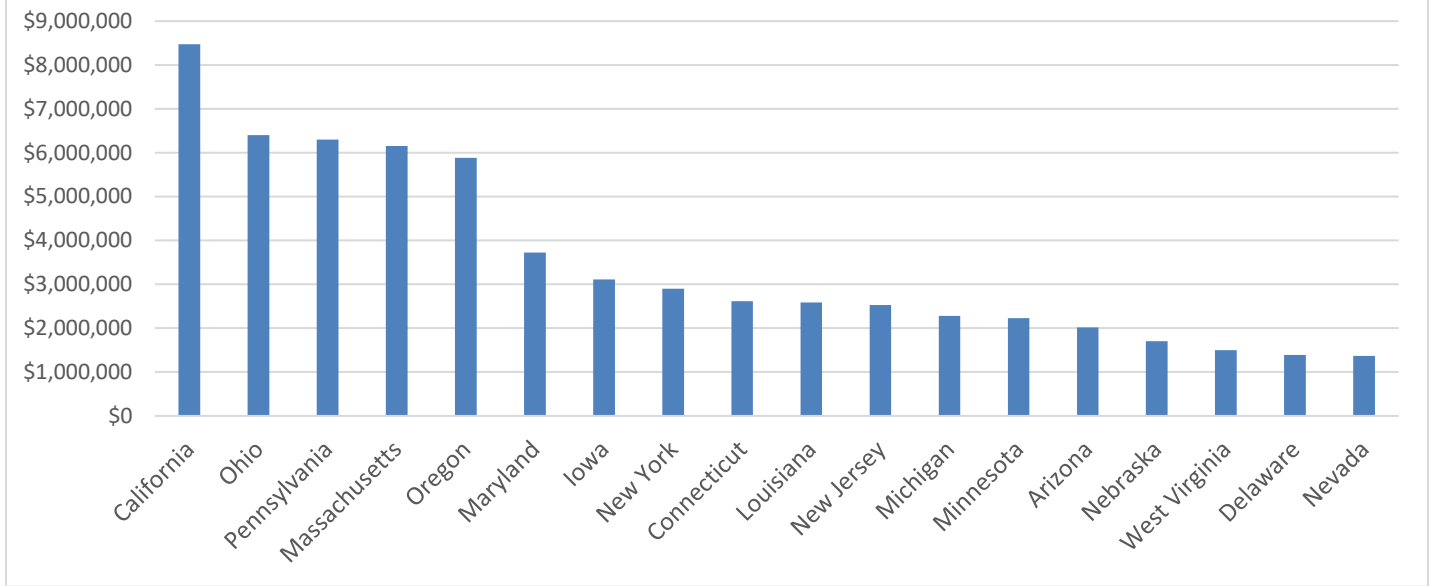
## **Nevada should play a leadership role in problem gambling prevention and treatment**

- 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.
- States with far fewer gaming revenues spend many times more on problem gambling services.
- 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.
- Nevada is a leader in the global gaming industry, and its problem gambling programs should reflect this leadership status.

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<sup>1</sup> 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 study<sup>iii</sup> 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.

## 2016 Public Funds Invested in Problem Gambling Services by State



<sup>i</sup> Dadayan, L. (2016). State Revenues From Gambling. The Nelson A. Rockefeller Institute of Government.

<sup>ii</sup> Marotta, J., Hynes, J., Rugle, 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.

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

<sup>iv</sup> 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

<sup>v</sup> 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

<sup>vi</sup> 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.

<sup>vii</sup> 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.

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

<sup>ix</sup> Grinols EL. *Gambling in America: Costs and benefits*. New York: Cambridge University Press; 2004.

<sup>x</sup> Dassopoulos, A., St. John, S., & Bernhard, B. (2015). *The Nevada Problem Gambling Project: Follow-Up Research*. University of Nevada Las Vegas, International Gaming Institute.

<sup>xi</sup> St. John, S., Dassopoulos, A., & Bernhard, B. (2016). *Annual Gambling Treatment System Performance Report for Fiscal Year 2016*. University of Nevada Las Vegas, International Gaming Institute.