



**Advisory Committee on Problem Gambling Legislative
Workgroup Work Session
Approved Minutes
Wednesday, August 31, 2022**

1. Call to order/roll call - Stephanie Goodman, Chair

Members Present: Stephanie Goodman, Chair, Ted Hartwell, Carol O'Hare, Alan Feldman, Constance Jones, Dr. Rory Reid, and Lesley Pittman

Members Absent: Denise Quirk

Staff/Guest: Cody Phinney, Division of Public and Behavioral Health (DPBH); Kim Garcia, Misty Vaughn-Allen & Kendall Holcomb, Bureau of Behavioral Health Wellness & Prevention (BBHWP); Jasmine Cooper, Commission on Behavioral Health; Peter Ott, Donna Meyers, Lena Hatzidopavlakis, Bristlecone Family Resources; Trey Dunlap, Group Six Partners; Vanessa Dunn, Sarah Adler, Belz & Case Government Affairs; Ashland Wickstrom & Sarah Polito, KPS3; Dr. Jeff Marotta, Problem Gambling Solutions, Inc.; Nann Meador, Nevada Council on Problem Gambling; Richard Taylor, BetMGM; Danika Navar, Gambling Treatment Diversion Court

2. **Public Comment:** Stephanie Goodman, Chair

There was no public comment.

3. **Possible Action Item:** Approval of Meeting Minutes - September 14, 2021
Stephanie Goodman, Chair

Chair Goodman asked for a motion for approval of the September 14, 2021, meeting minutes. Mr. Alan Feldman made the motion. Mr. Ted Hartwell seconded the motion. The motion passed with Ms. Pittman abstaining due to her not being a member of the committee at the time.

4. **Possible Action Item:** Discussion and possible recommendations for future strategies related to problem gambling services. Stephanie Goodman, Chair

Chair Goodman asked how do we want to move forward? At this point we need to talk about funding. We obviously want to get to a non-executive budget, and we have talked about maybe taking a portion of the existing gaming tax. The tax option seems to be our best option from a strategy perspective. Does anyone have anything they'd like to share with us? As the session will be coming up obviously in 2023?

Mr. Feldman stated the only thing that I have to share here is. I am not at all clear how something goes from executive to non-executive budget. I don't know if that literally requires an act of the legislature and is not an administrative or bureaucratic decision that someone can make. I would love greater clarity on that, not necessarily before our next meeting.

Ms. Garcia asked if Ms. Phinney was available to help with the clarification of the question.

Ms. Phinney, Deputy Administrator for DPBH asked when you ask the question, Mr. Feldman for clarity from executive to non-executive budget. I regret I'm not in 100% following you, are you asking how it goes from general fund to non-general fund?

Chair Goodman stated we have been told it's a non-executive budget essentially that we're trying to get. The general fund every year we are up for a possible cut. I mean we're just really at the mercy of the legislature. We would like to know what we are getting each year basically. Is there way for this to happen? So that we have some stability between sessions regarding our funding.

Ms. Phinney that makes a little more sense to me. I appreciate the clarification. It is the terminology is just different than how I would have phrased it, yes and it would be an act of the legislature. What you're suggesting is, so there is no statute that requires that the state provide this program. That is why it's considered up for elimination, which is too strong a phrase every session because there is no statute requiring the program. When we create our budgets for the department, the first thing that goes in is everything that is statutorily required. For example, the direct mental health services that the division provides, those are required in statute and in fact in the Constitution, because there is a cap on the executive budget, everything that is required in statute goes in first into our cap for general fund allocation. This program does not fall into that category. The most stable thing that I understand you all have been trying to do is to have a specific tax or a fee or a revenue that is specific for this program. I think what you're referring to is non-executive is that it would be an act of the legislature to do that.

Ms. O'Hare stated we were always in the statute and had a funding stream. Defined in statute until the last legislative session when we tried to modify that funding stream. It which opened it up and then the legislature said we are moving this fund into the general fund. They stated they do not like earmarks. I don't know the right language of executive or non-executive, but the whole point of it from the very beginning when we first got it in NRS 458A, the whole point was to have a mechanism in statute that would funded and put the money into this fund. The original mechanism was a percentage based on an amount of money based on the equivalent of \$1 or \$2 per slot machine based off the slot machine tags. It all went through the Gaming Control Board, and they had the mechanism to tell all the things they have to do with gaming tax money. I think that's the question we are asking is how we get that protection back because we have a system now that's pretty robust and it's expanding

and yet we're having to go to the legislature every two years and hope that at their mercy and their interest, or their even knowledge of what this is that we will have money and we cannot continue to develop. We have program that requires longer planning than every two years. If we do not secure that funding somehow. The statute created the fund. It created the ACPG, and the fund is for the purpose of prevention, treatment, and research of problem gambling. In that regard it is there, and it is established. I don't know what extra higher level of statute we need to say now that you created this animal, you have to feed it. There is a lot of history with this, and it was sort of a 1 off that we got thrown to the side in a legislative session where one legislator just didn't have an affinity for earmarking, as she said and that was always the intention was for us to have the ability to predict what our resources were going to be so we could actually develop and plan programs.

Ms. Phinney stated that she was not personally involved with what happened last session. It has been explained to me that it wasn't the divisions intention for things to go the way that they had. When I first came on, I spoke with Kim, she stated to me that she is trying to obtain a more stable funding source than general fund. I said why because that makes zero sense to me as usually general fund is the most stable funding source. Except that I came from that structure where in mental health where all of those things are defined as being required for the state to provide. And it's my understanding that there is something lacking from this statute that it requires the state to provide the service. So that being said, at this point, what would need to happen for next session is to find a legislator to take up a bill to reestablish it to what previously existed or establish something new.

Ms. O'Hare stated that is exactly what we anticipated we would need to do to reverse what happened, because it was never our intention for it to go to general fund. That was sort of a hijacked moment in the legislature, and it was quite shocking. I think everybody's intention on this committee certainly is to stabilize the funding and in whatever way, whether it's gaming tax or I think at one time, Alan, we have talked about just a flat amount or something that would be in the statute that would say, no less than or, equivalent to but not less than. Whatever that has to be is what I think we need to be working on.

Mr. Feldman stated when Governor Sandoval and Governor Sisolak proposed reformulating the old formula into a percentage of total taxes generated by gaming. That's a different construct than taxes then a percentage of gambling taxes. This was a small percentage. I'm going to say it was 5/10 might have been 6/10 of 1% of all taxes generated by the gaming industry that flowed through the Gaming Control Board and that was the proposal and I'm forgetting right now the dollar amount that that would have generated, but it was in alignment with our strategic plan. Obviously, we would have been greatly damaged in 2020, but that damage would have related to a formula as opposed to a political decision. It is a stable formula and at least it's a formula as opposed to simply go to the legislature, make your case alongside every single other group trying to make their case. I just

think it's about stability, predictability and ultimately sustainability which we absolutely don't have right now.

Ms. O'Hare stated she thinks that a discussion to wording it to have a minimum of x amount of money of dollars in the fund annually but a percentage of tax if it fell short with the minimum or something as the program would collapse if the funds would not be available.

Mr. Delap referenced NRS458A.090. in the chat

Chair Goodman stated this needs to be revised to allow receipt of money for this account. She will look into this and reach out to people who do this for a living.

Mr. Feldman stated that this appears that this is a flawed section of the statute. It talks about the creation of the revolving account, what it is going to be used for, who is going to be involved in it but does not include how it is going to be funded.

Chair Goodman states that if we have an account, and they created the mechanism for us without the funding.

Ms. O'Hare wants to note that the language what is added to section b as the for any other purpose authorized by the legislator. This is how they took our money in 2010, they added that to many places in the statute, but I didn't know that it was permanent language added.

Ms. Pittman stated that this language is to allow the state to perform sweeps and is pretty standard when we come into a budgetary crisis. I have seen it happen 3 to 4 times when we are in a recession and the pandemic. It allows the funds to be used for a different purpose.

Ms. Jones stated, wanted to share with everybody is that September is the AGA's responsible gaming education week. The whole month of September, it was previously just a weeklong event, but now it's going to be a month long and Roger Gross, editor of Global Gaming Business, which is probably the largest trade publication out there, contacted me yesterday. He said he would welcome any articles from me, which would be AGEM or any of my responsible gaming colleagues, which you all are for that publication during the month of September. Anything on problem or responsible gaming if you want to get more visibility. Roger Gross would be the guy, and if you have any questions, just send me an e-mail and can you share some of the ACPG talking points, but it might be a good opportunity to raise this issue of the challenges with state funding. I think very little people, really understand what's happening with our funding nightmare here.

Chair Goodman stated that I think you can also make a case too. One of my counselors has been doing some great research and basically, some of his numbers that he has states that .2% of the actual 10% of people in the state

that need help are only getting help. I'm really interested in some of the data that he has. I would be happy to forward some of that stuff over.

Mr. Feldman stated I'm wondering Rich or Connie, I'm asking this of you, maybe unfairly, but have either of you are aware of the existence of any comparative document about how this topic is funded state by state?

Ms. Jones stated I think the National Council on Problem Gambling has done something, I also believe the International Council on Responsible Gambling (ICRG) did some work on that some time ago, but I would say the National Council on problem gambling is probably the best resource, wouldn't you say Rich?

Mr. Taylor stated I would agree, and I recall seeing a matrix somewhere allow me to research and see what I can find, but I think I may have some files that kind of went into this topic.

Dr. Reid stated both Florida and California I think are pretty large states and both of those states have this issue statutorily required with a funding statutorily mandated, those would be two states to look at in more detail because they have been around a while and they've in terms with this issue, and that is established statutorily.

Ms. Jones stated of course, California, their problem gambling funding primarily comes from the Indians, and I think there was a requirement for the poker clubs to provide some funding, but I wouldn't swear to that. But I know most of their funding comes from the Indian casinos.

Ms. O'Hare asked Mr. Feldman what about Massachusetts? What's their funding structure?

Mr. Feldman stated their funding structure is there are two streams. One is that the Gaming Commission, through fees that it collects is required to set aside \$5 million a year. A second funding stream, I'm pretty certain as a percentage of gaming tax revenues that is directed to the state's public health department but even, I would love to be able to see if there's more detail than and frankly more accurate depiction of all of this and get a a sense of what the state of the field is.

Ms. Jones stated and of course, this is very fluid with the legalization of sports betting, some states have allowed some of that sports betting revenue to be directed toward problem gambling. Some of not. What we're looking at is the numbers that would probably be a little outdated with the other end of legalization of sports betting.

Mr. Hartwell wanted to mention the document that was being referred to with regards to the National Council is the is the summary document that Jeff Marotta actually has put together with Problem Gambling Solutions talks about from a state-to-state basis, how problem gambling is funded, which is very useful. A document unless folks were talking about something else. Jeff

could share the the link or document just with everyone as a refresher. I think it's a state by state. It looks at funding within each state and how that's generated.

Dr. Marotta stated that there are two places where you can kind of get that. One is that older report data AGA did they looked at legislation on responsible gambling, which included the funding. They cited the different funding, but that's quite a few years old. And then the other one is the report that I did. If you go to the state pages, every state has a page, it opens up with where the funding comes from. It doesn't always provide a level of detail that you're looking for though but that will give you an idea of their funding source.

Chair Goodman stated that I think it is this bodies responsibility to name someone to be our legislative liaison moving forward and I was hoping that we could take action on this, since Lesley is up there in the north. I think she would be an ideal person to be our ACPG spokesperson for the Legislature. I do not know if this committee should approve it and then forward it up to the ACPG's full board.

Chair Goodman asked for a motion for Ms. Lesley Pittman to be the spokesperson for the legislature for the ACPG. Mr. Feldman made the motion. Ms. O'Hare seconded the motion. The motion passed unanimously.

Mr. Hartwell mentioned that there is the opportunity through the National Council on Problem Gambling. There is a National Day of Advocacy coming up on the 21st that is being facilitated through that office. If anyone as an individual would like to participate, it is not too late to join in, they will coordinate some short meetings with state legislators, for you to advocate in whatever way you would like to on issues related to problem gambling or responsible gambling. You can reach out to me if you are individually interested, and I can connect you with the individual who is coordinating that.

5. Informational: Discussion on updates related to Problem Gambling Services. Stephanie Goodman, Chair

Chair Goodman updated the workgroup on the American Rescue Plan Act (ARPA) funds. Chair Goodman stated the \$3 million which was set aside for non-profits has all been allocated. The lost revenue reserve has \$ 455 million that is yet to be allocated. The main reserve has \$141.5 million that is yet to be allocated. There is \$500 million which is two trenches of \$250 million which is allocated for housing through the Home Means Nevada Initiative. I do not know what this means and how this will affect the Problem Gambling application request.

Mr. Hartwell inquired if there is anyone, they can reach out to check on the status of the individual grants.

Chair Goodman stated she has been talking with someone, and they are keeping an eye open to see if it comes up and if it is something they will contemplate. She also stated the good news is, it has been pushed up through the Department of Health and Human Services (DHHS).

Ms. Garcia inquired about the Bill Draft Request (BDR) 57 regarding the Problem Gambling Workforce Development.

Chair Goodman stated the Board of Examiners is working with Senator Roberta Lang on this and believes the working group should get involved to give the Senator their input for workforce development.

Ms. Lesley Pittman will reach out to the senator.

Ms. O'Hare inquired if this BDR is related to the Board in regard to the issue with the supervision with gambling counselors.

Ms. Garcia stated she does not have the language yet. Her understanding is it has something to do with the Board of Examiners doing some clarifications on the Problem Gambling section.

Ms. Pittman stated when she speaks with Senator Lang, she will ask her to share what she is working on with the Board of Examiners.

Dr. Reid stated he was appointed to the Board of Examiners, and they have not received any notifications on anything the workgroup has been talking about.

Chair Goodman stated is it great to have you as voice on the Board of Examiners.

- 6. Possible Action:** Approval of the next meeting and future agenda items.
Stephanie Goodman, Chair

Chair Goodman suggested forward movement with the non-executive budget being placed on the next agenda.

Mr. Feldman recommended the group take a month and do some research on the items discussed at this meeting.

Ms. Pittman stated she will talk to the legislators to get a sense of what they might support. She also suggested the workgroup get a clear path identified by the next meeting as there are deadlines to build direct requests and to make sure they are prepared by February 6, 2023.

Ms. Garcia will add one item regarding recommendations for funding options.

The next meeting will be on October 4, 2022, at 12:30 p.m.

- 7. Public Comment:** Stephanie Goodman, Chair

Ms. Pittman: I'm just throwing this out there, and I apologize if you all have already had this conversation, with the legalization of full, online gaming in a number of States and hearing chatter here in and around Nevada about moving in that direction, I'm wondering if you know if something comes up in the legislative arena in 2023. I think it would behoove us to be prepared with any information we have been able to glean from these states who have legalized full, online gaming, to demonstrate how it has impacted the problem gambling world.

Chair Goodman: That is a great suggestion. I have read several articles and even tasked one of my counselors to maybe do a little work on that.

Ms. Jones: The overall feeling on that I have is that I just read an article. This article identified three things which were lacking in legalized sports betting and one of them was the lack of funding for problem gambling as the states move forward with the legalization of sports betting. A few of those states also allowed for full casino online betting, but most of them are still just legalized sports betting. But there has been no sufficient attention to funding for problem gambling within that.

Mr. Hartwell: I'll reach out to National as well to see if there are some resources Keith can provide to us and can be sent to Kim so she can distribute it to everybody.

Ms. Garcia: Yes, just a reminder, any correspondence, please send to me and I will distribute it out, so that we are not in any sort of violation of the open meeting.

Ms. Jones: Good reminder.

My name is Sarah Adler. I am with Belz, & Case Government Affairs and I am referring back to your discussion about the BDR related to workforce development. I just want to let you know that I have been assisting the Center for the Application of Substance Abuse Technology (CASAT), Jeanyne Ward, and Michelle Berry, had identified the need to change 641C.440 to enable to broaden the pool of potential supervisors for problem gambling, interns. I reached out to Senator Lang, and she was very happy to assist with that. Lesley who volunteered to follow up with Senator Lang, I can forward you the document that I sent Senator Lang, or I'd be happy to forward that to anyone whom you would like. Thank you.

Chair Goodman: Thank you so much if you could also send it to Kim and then she can distribute it to the entire committee.

Ms. O'Hare: I just want to mention we know we have legislative sessions starting. And this year, the Council has opted to schedule our annual conference during the month of March, which is Problem Gambling Awareness Month. That means we will be moving along much more quickly to set up a program, and I know somebody is going to ask me what the dates are and I'm going to blow that. Do you remember what dates we had Ted?

Mr. Hartwell: I believe it's the 23rd and 24th, but I'm looking for it right now. I'll let you know.

Ms. O'Hare: I'm looking at my calendar. We have not specifically thought about how that might intersect with anything happening with ACPG or with the legislative session, but we just felt that this year, because there's a legislative session, it made sense for us to do it on the 23rd and 24th. We felt that it was a better bang for our buck to try to do it during Problem Gambling Awareness Month rather than competing with other conferences that take place later in the spring, that we can use the conference to highlight anything that is going on in the world of problem gambling. We are going to try to invite speakers that we know would have good, relevant information for what's going on in Nevada. Lesley, you might get a call, but I just want you to know be prepared, all of you who supported attendance, sponsor it. It will be earlier this year in March.

Ms. Jones: Will it be at the same location?

Ms. O'Hare: It will be at the same location because they treat us so well.

There were no further public comments.

8. Adjournment:

Chair Goodman asked for a motion for adjournment. Ms. O'Hare made the motion. Ms. Jones seconded the motion. The motion passed unanimously. The meeting was adjourned at 11:49 a.m.