

## 2021 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 grants 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 innovations to gaming services and technologies, including cashless wagering, 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. Nevada’s problem gambling system must 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’s strategic plan.
  
- II. COVID-19 has increased risk factors associated with problem gambling.**
  - A. Social isolation, disconnection from family and friends, loss of loved ones, loss of relationships, loss of financial security, and other mental disorders are recognized risk factors for problem gambling.
  - B. Problem gamblers are less cognitively able to assess their own risk in a number of different areas and are likely to make up a disproportionate percentage of early returnees to the gambling space as a result.
  - C. Research suggests that those who have experienced financial loss as a result of the pandemic have, as a group, increased their gambling activities. This suggests that many are gambling for non-entertainment reasons in an effort to try and mitigate the financial impact of the pandemic.
  - D. Prior national or international financial crises have influenced gambling behaviors and exacerbated gambling problems.
  
- III. Budget reductions implemented during the 2020 Special Session disproportionately affected the Revolving Account for the Prevention and Treatment of Problem Gambling.**
  - A. The original approved budget allocation for the state problem gambling fund during FY20-21 was \$2,098,054. This amount was already recognized to be insufficient to carry out the State’s Strategic Plan for Problem Gambling Services. The budgeted amount was cut by 39.25% to \$1,274,513 during the 2020 special session. Funding for other adult mental health services in Nevada experienced cuts of less than 3%.
  - B. The ACPG recognizes that COVID-19 has resulted in the need for shared pain in adjusting budgets to address predicted shortfalls in state revenues. The ACPG recommends that funding for problem gambling services be restored to the funding level originally approved during the 2019 session for FY2021, minus the ~12% cuts that the Governor has requested state agencies across the board absorb.

#### **IV. 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>**

- 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.<sup>i</sup>
- 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.

#### **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,<sup>1</sup> and that 2% of Nevada's youth may suffer from a gambling problem before completing high school. 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.<sup>iii</sup>
- 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.<sup>iv</sup>
- B. Problem gamblers manifest high rates of mental health problems<sup>v</sup> and suicide attempts.<sup>vi,vii</sup>
- C. Problem gambling is associated with loss of productivity due to problems on the job, absences, and workplace disruptions.<sup>viii</sup>
- D. While the economic impacts of problem gambling are great, social costs are immeasurable. Direct and indirect costs related to problem gambling are minimized when this issue is adequately addressed.
- E. The state problem gambling fund is critical for treatment as a payer of last resort. Often, clients have lost their insurance by the time they report for treatment, and those who retain an insurance provider often find that treatment for problem gambling is specifically excluded. Most clients receiving treatment for problem gambling are not Medicaid eligible yet cannot afford treatment due to large gambling related debts.

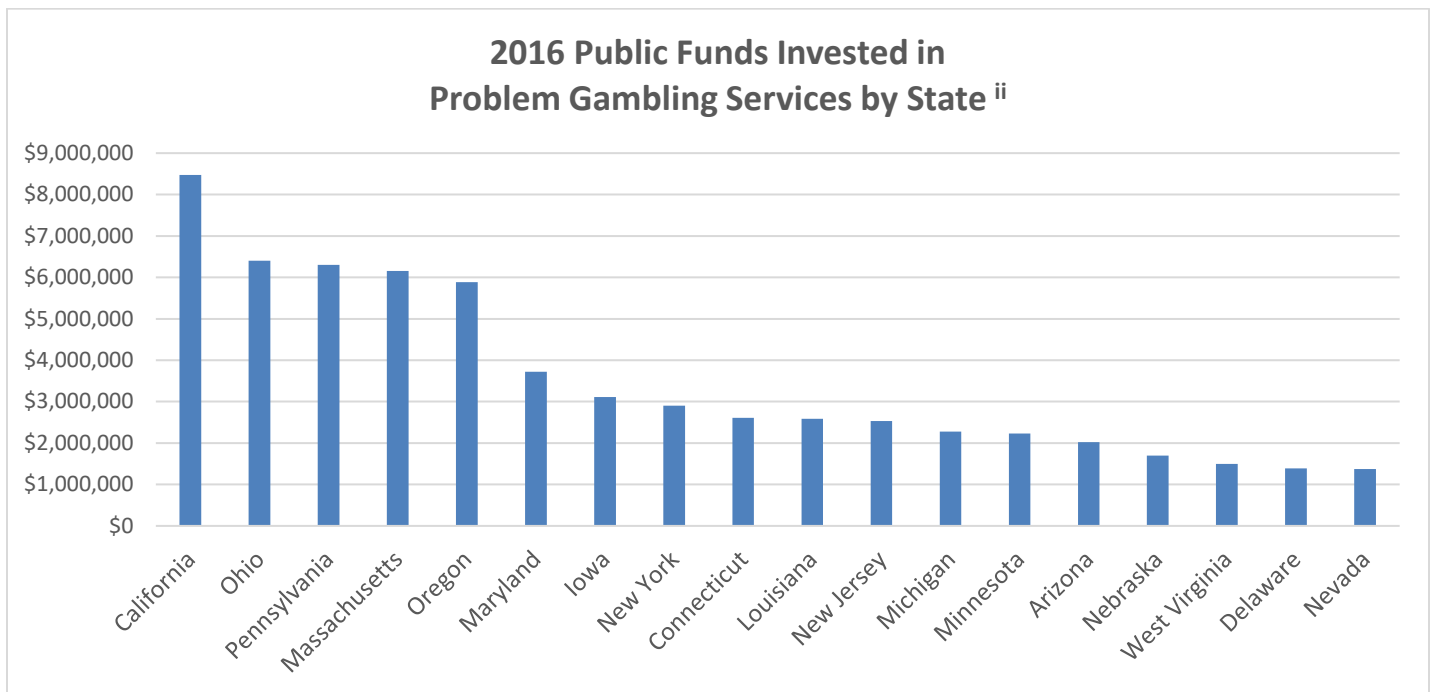
#### **VII. Treatment is effective and inexpensive**

- A. Treatment is much less expensive than its alternatives, such as incarcerating addicted persons. For example, the average cost per case for FY20 for gambling treatment was only \$1,230 for outpatient care and \$2,826 for residential care, whereas 1 year of imprisonment costs approximately \$24,000 per person.
- B. There have been over 5,000 individuals who received treatment over the past decade, countless others have gone untreated. With better funding, more can be treated.
- C. The most recent UNLV research finds that 1 year after treatment, 88% of clients report meeting their goal to stop or control their gambling, with 34% having not gambled at all since enrolling in the program, and 43% having some slips but were back on track or were meeting their goals for controlled gambling.<sup>ix</sup>

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<sup>1</sup> According to the most recent census of the population (U.S. Bureau of the Census, 2020), the population of Nevada aged 18 and over was 2,387,121. Based on these figures and problem gambling prevalence rates from Nevada's only problem gambling prevalence study 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.
- E. Nevada’s DHHS funded gambling treatment providers demonstrated their versatility by rapidly shifting to telehealth services in response to COVID-19 pandemic and reported success in their ability to help clients during the course of the pandemic.



<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> Dassopoulos, A., St. John, S., & Bernhard, B. (2020). The Nevada Problem Gambling Project: Follow-Up Research. University of Nevada Las Vegas, International Gaming Institute.