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**BILL: SB 42 Problem Gambling**

**NEVADA DEPARTMENT OF HUMAN RESOURCES, DIRECTOR'S OFFICE**

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Good morning Chairman Raggio and members of the Senate Finance Committee. I am Mike Willden, Director of the Department of Human Resources. I am here today to address sections 10-15 and 19 of SB 42.

Before I address the fiscal impact of the bill, I would like to provide some background/history for the committee.

The Department of Human Resources (DHR) used Rev Max (Maximus) funds to contract with Gemini Research, Inc. (Rachel Volberg, Ph.D.), to conduct two studies (one each for adults and adolescents) to determine the extent of problem gambling in Nevada. The final reports of the studies were published on March 22, 2002. I have provided you copies of the Executive Summaries of the studies for your reference. The entire report can be provided or is available to review on the DHR website at [hr.state.nv.us](http://hr.state.nv.us) (reports and statistics).

The **adult report** indicates Nevada has the highest incidence of current problem and probable pathological gamblers of any of the 11 states where prevalence studies have been conducted. The study estimates that between 2.2 % and 3.6 % of Nevadans over age 18 are current problem gamblers, and between 2.7 % and 4.3 % are

probable pathological gamblers. This means approximately 100,000 adult Nevadans have a gambling problem.

The *adolescent report* indicates that of the five states where studies of problem gambling have been done, Nevada has the lowest percentage of at-risk adolescent gamblers and the second lowest percentage of problem adolescent gamblers. 1.3 % to 3.1 % of Nevada adolescents were classified as problem gamblers and another 8.1 % to 11.7 % were classified as at-risk for developing gambling problems.

Recommendations from the two studies are summarized as follows:

Adults:

1. Work with insurance companies to obtain coverage for treatment
2. Refinement of public education and prevention services
3. Support industry policies/programs to minimize gambling difficulties
4. Expanding training opportunities to educate mental health and substance abuse treatment professionals in how to screen
5. Establish state-level certification program/ensure appropriate services
6. Increase funding to support education, prevention and treatment
7. Continued monitoring problem gambling prevalence

Adolescents:

1. Establish statewide prevention program
2. Cooperative efforts between government agencies and private sector to discourage adolescent gambling

3. Develop and refine public education and prevention services
4. Provide training to various professionals who work with troubled adolescents to screen and refer for help
5. Funding for treatment services
6. Evaluate programs and monitor effectiveness

Presently there are no problem gambling treatment services provided, sponsored, or funded by DHR. Mental Health and the Bureau of Alcohol and Drug Abuse counselors neither treat nor screen for gambling addiction. Treatment services are provided by a limited number of private organizations/practitioners.

Information and training are provided primarily through the Nevada Council on Problem Gambling in Las Vegas.

Regarding the fiscal impact related to sections 10-13 and 19, the bill requires the Department of Human Resources to administer the "Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling." The money in the account is to make grants to qualified organizations or persons that provide programs for the prevention and treatment of problem gambling. The bill allows the Director to accept grants, donations, and gifts. The bill requires the Director to adopt regulations regarding the procedures for applying for grants, the criteria for determining whether to award a grant and the procedures to distribute the money in the Revolving Account

to Support Programs for the Prevention and Treatment of Problem Gambling in a fair and equitable manner.

The bill is silent regarding the intent to have the Department of Human Resources actively seek grants, donations, and gifts but the funding appropriated in Section 19 of the bill will probably be exhausted quickly if it is not supplemented. The bill would require someone to receive and evaluate applications for funding, review and process requests for payment, and monitor grantee activity. For these reasons we are including a .5 FTE Social Services Program Specialist III in the fiscal impact. The Social Services Program Specialist is the classification determined to be appropriate for this work by an occupational study completed during the FY 02-03 biennium. This person will be responsible for seeking grant funds as well as other duties associated with granting funds to community organizations or persons that provide programs for the prevention and treatment of problem gambling.

The bill also requires the adoption of regulations which will require review by the LCB Legal Division. By statute the LCB may charge \$25 per hour for the time spent reviewing the proposed regulations. There is also a cost in holding the required workshops associated with adopting a regulation.

A copy of the DHR fiscal note is included with my written testimony.