



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #424

Compulsive Gambling Awareness Campaign Grant Program (DHFS -- Community, Disability, and Elder Services)

[LFB 2005-07 Budget Summary: Page 286, #8]

CURRENT LAW

DHFS is required to provide a grant to one or more individuals or organizations in the private sector to conduct public awareness campaigns on compulsive gambling. Currently, DHFS awards a grant of \$250,000 PR annually through a transfer of lottery funds from the annual appropriation for general program operations of the lottery in the Department of Revenue (DOR) to the Wisconsin Council on Problem Gambling to support: (a) a 24-hour helpline; (b) a public relations and media awareness campaign on compulsive gambling; (c) training for human service professionals in the area of compulsive gambling; (d) educational materials targeted for high school-age students; (e) a statewide conference; and (f) grants for community-based activities.

GOVERNOR

Provide \$50,000 PR annually in tribal gaming revenue to support a grant for compulsive gambling awareness campaigns. Create a PR annual appropriation in DHFS for all moneys transferred from tribal gaming revenue for compulsive gambling awareness grants and specify that the unencumbered balance in the appropriation on June 30 of each year would revert back to the tribal gaming revenue appropriation in DOA.

DISCUSSION POINTS

1. The American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Edition IV (DSM-IV), classifies problem gambling as an impulse control disorder that is

characterized by persistent and recurrent maladaptive gambling behavior that compromises, disrupts, or damages personal, family, or vocational pursuits. This includes an increasing preoccupation with gambling, a need to bet more money more frequently, restlessness or irritability when attempting to stop, "chasing" losses, and a loss of the ability to control the impulse to gamble.

2. The Wisconsin Council on Problem Gambling estimates that between 5% and 7% of Wisconsin's population, or 268,000 to 375,000 individuals, are problem or compulsive gamblers. The Council reports that seniors and adolescents are at a higher risk of become addicted to gambling than other age groups, 65% of compulsive gamblers commit crimes to finance their gambling, and the average debt of callers contacting the Council's helpline is \$31,331.

3. Nationally, an estimated 85% of adults have gambled at least once in their lives, and 60% have gambled in the past year. While statistics for Wisconsin are not available: (a) in state fiscal year 2003-04, revenue from Wisconsin lottery ticket sales totaled \$482,920,300; (b) in calendar year 2003, tribal casino net revenue totaled \$991,500,000; and (c) in calendar year 2003, revenue from pari-mutuel wagering on Wisconsin racetracks totaled \$96,412,000.

4. The Council's public awareness campaign includes six components. Since 1995, the Council has operated a 24-hour helpline for problem gamblers and their families and provides information on self-help information or groups available in the community, referrals to treatment providers, crisis center information, and other community resources. The helpline number is currently listed in approximately 130 telephone directories throughout the state. Calls to the helpline have increased from 433 calls per month in 2001 to 784 calls per month in 2004, partially attributed to the increase of listing in telephone directories. In 2004, 1,311 referrals were made from the helpline and 731 packets of information were sent.

5. In addition, in 2004, the Council: (a) received over 300 requests from high schools for educational curriculum on problem gambling; (b) hosted an annual statewide two-day conference on compulsive gambling with 152 participants; (c) provided training to 112 human service professionals; (d) continued a media campaign, including 42 ads in 11 casinos; and (e) awarded grants to local agencies to provide community public awareness activities. Beginning in May, 2004, these grants were awarded to: (a) UW-Green Bay to support a gambling prevalence survey among campus students and to distribute information on problem gambling as well as integrating gambling awareness into established substance abuse addiction programs on campus; and (b) the Sawyer County Information and Referral Center to support public awareness activities, including newspaper advertisements, billboard signage, and brochures.

6. The Council's revenue in 2004 was \$335,000, of which 70% was provided through the state grant from DHFS. In addition to the state grant, the Council is supported through donations and membership fees, a grant from the Potawatomi Tribe, and revenues from the statewide conference and training.

7. Under the bill, \$50,000 annually in tribal gaming revenue would be transferred to DHFS to support compulsive gambling awareness campaigns. The administration indicates that its

intent is to increase the current grant award to the Wisconsin Council on Problem Gambling from \$250,000 annually to \$300,000 annually. The state grant for compulsive gambling awareness campaigns has not increased since the Council first received the grant in 1998. The Director of the Council indicated that while the state grant has remained constant, the cost of public awareness activities has increased, reducing the level of public awareness activities conducted by the Council. Therefore, the Committee could decide to approve the Governor's recommendation for additional funds that would be used by the Council to support and expand its current activities.

8. Under current law, state payments from the tribes are credited to: (a) a Department of Administration (DOA) appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs; (b) the Department of Justice (DOJ) Indian gaming law enforcement appropriation; and (c) the DOA general program operations appropriation relating to Indian gaming regulation under the compacts. These appropriations constitute a "first-draw" on tribal payments and Indian gaming receipts not otherwise credited to these appropriation accounts are deposited in the general fund. Therefore, increasing tribal gaming allocations to agencies has the effect of decreasing revenue deposited in the general fund, and, conversely, decreasing or eliminating tribal gaming allocations to agencies has the effect of increasing general fund revenue.

9. Therefore, the Committee could decide to increase funding for the grant program, but at a lower level than recommended by the Governor, or the Committee could decide to use the tribal gaming revenues for another purpose and thus, delete this provision.

10. Alternatively, the Committee could decide to increase the funding for the grant program by \$50,000 annually, but continue funding the grant entirely from the annual appropriation for the general program operations of the lottery instead of tribal gaming revenue. This alternative would reduce funding for lottery operations.

ALTERNATIVES

1. Approve the Governor's recommendation.
2. Modify the Governor's provision to provide \$25,000 annually in tribal gaming revenue to support a grant for compulsive gambling awareness campaigns.

<u>Alternative 2</u>	<u>GPR-REV</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$50,000	
2005-07 FUNDING (Change to Bill)		-\$50,000

3. Delete provision. Provide \$50,000 annually in general program operations lottery funds to support a grant for compulsive gambling awareness campaigns.

<u>Alternative 3</u>	<u>GPR-REV</u>
2005-07 REVENUE (Change to Bill)	\$100,000

4. Delete provision.

<u>Alternative 4</u>	<u>GPR-REV</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$100,000	
2005-07 FUNDING (Change to Bill)		-\$100,000

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