

# **HOUSE BUDGET REVIEW SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC PROTECTION, TOURISM, AND ENERGY**

## **Minutes of the 3rd Meeting of the 2025 Regular Session**

**February 19, 2025**

### **Call to Order and Roll Call**

The third meeting of the House Budget Review Subcommittee on Economic Development, Public Protection, Tourism, and Energy of the House Standing Committee on Appropriations and Revenue was held on February 19, 2025, at 12:00 PM in Room 171 of the Capitol Annex. Representative Chris Fugate, Chair, called the meeting to order, and the secretary called the roll.

### **Present were:**

Members: Representative Chris Fugate Chair; Representatives Kim King, Matthew Lehman, Bill Wesley, and Susan Witten.

Guests: Travers Manley, SVP of Gaming, KY Horse Racing and Gaming Corporation (KHRGC); Hannah Simms, Director of Sports Wagering, KHRGC; Ashleigh Bailey, Chief Legal Officer, KHRGC; Dr. Patti Clark, Director, Division of Mental Health, Dept. for Behavioral Health, Developmental and Intellectual Disabilities (BHDID), Cabinet for Health and Family Services (CHFS); and, Sarah Cooper, Legislative Liaison, CHFS.

LRC Staff: Mariah Derringer-Lackey, Joseph Holt, Sara Rome, and Spring Emerson.

### **Approval of Minutes**

The minutes of the February 12, 2025 meeting were not approved, due to a lack of quorum. They will be considered at the next meeting, scheduled for February 26, 2025.

### **KY Horse Racing and Gaming Corporation**

Ms. Simms, Mr. Manley, and Ms. Bailey presented information on the issue of problem gaming.

In response to a question from Chair Fugate regarding the amount spent on sports wagering, Mr. Manley said \$3.5 billion had been spent from September 2023 through December 2024. Of that amount, \$3.39 billion was from online wagering, \$125 million from retail wagering.

In response to a question from Chair Fugate regarding the percentage of those monies going to the Problem Gaming Fund, Ms. Simms said 2.5 percent. Mr. Manley added that it is 2.5 percent of the revenue received by operators and providers. The fiscal year adjusted gross revenue is \$1.4 billion wagered, and the adjusted gross revenue is \$136.5 million.

In response to a question from Chair Fugate regarding the flow of the funds, Ms. Simms said the Problem Gaming Helpline is managed by CHFS. The KHRGC manages the self-exclusion list, which is collected through the operators and service providers.

In response to a question from Chair Fugate regarding if the Super Bowl wagering is included, Ms. Simms said it is not included at this time, due to the reporting requirements of the service providers. The KHRGC posts the information to their website on a monthly basis.

### **Cabinet for Health and Family Services**

Dr. Clark and Ms. Cooper presented information on the Problem Gaming Fund.

In response to questions from Representative Witten, Dr. Clark said counselors on the Helpline are advised to let the caller provide their information without asking for specifics. Dr. Clark said their team works closely with some of the national experts to understand how sports wagering and online wagering impacts how usage changes, in order to push out the message to the population that would be most impacted.

In response to questions from Chair Fugate, Dr. Clark said the process includes the crisis counselor developing a rapport with the caller and, depending on their individual needs, directing them to resources for help. The helpline operates twenty-four hours per day, seven days per week. Helpline staff are employees of the providers, and all of the counselors are trained to answer all the helplines in operation. Research shows that there is a strong correlation between gambling and substance abuse.

In response to questions from Chair Fugate, Dr. Clark said funds are used to build treatment providers in communities. The cost of help per person depends on the severity of the problem. The funds are not used for direct treatment, but building the capacity of the providers to address specific needs to the community.

In response to a question from Chair Fugate regarding how much Medicaid is paying to help with gambling addiction, Dr. Clark said that information will be provided to the committee.

In response to a question from Representative Lehman, Dr. Clark said the calls are anonymous, so there is no ability to track the outcomes.

**Adjournment**

There being no further business before the subcommittee, the meeting was adjourned at 12:40 PM.