

Statement
By the Kentucky Council on Problem Gambling, Inc. (KYCPG) for the
Interim Joint Committee on Licensing, Occupations, and Administrative Regulations
Monday, July 31, 2023

Co-Chairmen Koch and Schickel and Members of the Committee:

I am Mike Stone, Executive Director of the Kentucky Council on Problem Gambling, Inc. (KYCPG). I am thankful for the opportunity to address the Committee today on behalf of the Council, which is a 501(c)(3) non-profit organization whose mission is to increase awareness of problem gambling, promote prevention and research, and advocate for the availability of treatment. Most of the Committee is familiar with the Council and its effort to provide objective information about problem and addicted gambling.

The first and most important message I wish to convey on behalf of the Council is gratitude for the General Assembly including language in House Bill 551 to establish a publicly funded problem and addicted gambling awareness, education, prevention and treatment program in Kentucky. The Council has advocated for such a program for more than 20 years. Kentucky now joins 42 other states and districts, as well as the rest of the world, in recognizing disordered gambling is a real, public health issue. It is defined as an addictive disorder in the American Psychiatric Association's *Diagnostic and Statistical Manual of the Mental Disorders, Fifth Edition (DSM-5)*. Again, thank you!

A publicly funded program to address problem and addicted gambling is needed. Research by academics such as Jon Grant, Ph.D., University of Chicago; Timothy Fong, M.D., UCLA; and Howard Shaffer, M.D., Harvard University, document the addiction. The latest statistics from survey firm IPSOS showed that 78 percent of Kentucky adults gambled over the past year. That is more than 3.2 million Kentucky citizens.

Research conducted by Council Board member Scott Hunt, Ph.D., Associate Dean, College of Justice, Safety, and Military Science, Eastern Kentucky University, revealed as many as 165,000 Kentucky adults exhibit problem gambling traits, and as many as 64,000 have a gambling addiction. Using a median of \$9,000 that academic research indicates is the average annual social cost per addicted gambler, Kentucky's addicted gambler cost is \$576 million.

Additionally, the Kentucky Incentives for Prevention (KIP) survey conducted by REACH of Louisville, of sixth, eighth, 10th and 12th grade public school students showed more than 26 percent of high school seniors gambled for money or possessions during their lifetimes. The KIP survey indicated almost 2 percent of the more than 100,000 respondents reported gambling led to financial problems or problems with family, work, school, or personal life, which are criteria for gambling addiction. The Council supports the 1-800-GAMBLER helpline, which is operated from RiverValley Behavioral Health in Owensboro. Helpline calls and texts increased from 294 in 2018 to 709 in 2022. Through the first six months of 2023, calls are averaging more than two per day.

In Kentucky, a stigma still is attached to problem and addicted gambling. People are fearful of self-identifying due to anticipated derision and embarrassment. This is why gambling addiction is in part viewed as a hidden addiction. State recognition will drive public awareness and increase messaging by the gambling industry. The example of other states is this will increase demand for services to help individuals recover from the addiction, and others to recognize the warning signs and avoid problems.

It is a false narrative that awareness of problem and addicted gambling and providing services for problem and addicted gamblers will decrease gambling participation, thus harming the gambling businesses and lowering the revenue accruing to the state. That has not happened in any other jurisdiction. Kentucky gambling businesses already are working to raise awareness. Almost all are Council dues-paying members supporting awareness efforts. Gambling enterprises like Caesars, which will operate the new sports book at the Red Mile, have detailed problem gambling policies, including a self-exclusion policy that bans those on the list from going to any Caesars property. Indiana and Ohio have statewide self-exclusion systems. Such a program is recommended for Kentucky.

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The Council already has met with representatives of the Department of Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) to offer help in developing the regulations to implement the problem gambling program. The Council will not administer nor be a part of program oversight. That is the role for a public agency. Fortunately, Kentucky can adapt the many best-practice initiatives from the other states and countries as it forms its problem and addicted gambling program.

The Council does have some concerns. One is diversion of resources to other addiction prevention and treatment programs. House Bill 511 did not specify the funds raised are solely to address gambling problems and addictions. Clearly, that was the General Assembly's intent, but history from other states shows funds purportedly earmarked for problem gambling services were diverted to other uses. The Council asks for General Assembly oversight on this issue.

Two is rolling out problem and addicted gambling services before the awareness, education, prevention, and treatment infrastructure is ready for the influx of individuals seeking services. The first steps must include training of staff to perform the services. The Council has volunteered to use its accrued grants and donations to pay for a week-long training of counselors before the public program's implementation. They then could seek certification as gambling counselors by the International Gambling Counselor Certification Board.

The last concern is cost. House Bill 551 is projected to raise \$500,000 for problem and addicted gambling services. Research provided by the National Association of Administrators of Disordered Gambling Services (NAADGS) reports the average expenditure on problem and addicted gambling services among the 42 states and jurisdictions with publicly funded programs is 28-cents per capita. Using U.S. Census Bureau data, that computes to \$1.2 million for Kentucky. The Council stands by the total per capita number because of the evidence of services that need to be directed toward youth.

While the funds realized from House Bill 551 are significant and will let Kentucky build a program, the example of other states is the demand for services soon will eclipse the funds available. If and when additional funding is directed to the program, the Council reiterates its long-held advocacy that all legally sanctioned gambling in Kentucky share in the cost of the program. Gambling is an equal-opportunity addiction. Each gambling entity contributes to the problem and should share in the cost.

Again, thank you for this opportunity and for your effort to address this issue. I am available for questions.

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