



2022 Budget Update: Publicly Funded Problem Gambling Services in the United States

Prepared by

Problem Gambling Solutions, Inc.

February 2023

Supplemental Report to “*2021 Survey of Publicly Funded Problem Gambling Services in the United States*”

https://naadgs.org/wp-content/uploads/2022/06/NAADGS_2021_Survey_of_Publicly_Funded_Problem_Gambling_Services_in_the_United_States_v2.pdf

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Survey Respondents:

We are grateful to all the state agency administrators who completed a survey or helped in the gathering of survey information

Survey Collection Methodology

- ▶ Data Collection Period from December 5, 2022, to February 10, 2023
- ▶ Phase I: Key Informant Survey
 - NAADGS Survey budgetary updates were completed by key informants from one or more government agencies or a designated third party
- ▶ Phase II: Public Records Request
 - Official requests for public records were made when key informants were unavailable
- ▶ Phase III: Collateral Information Check
 - Data were validated with publicly available information (e.g., online sources), when applicable

Questions Asked

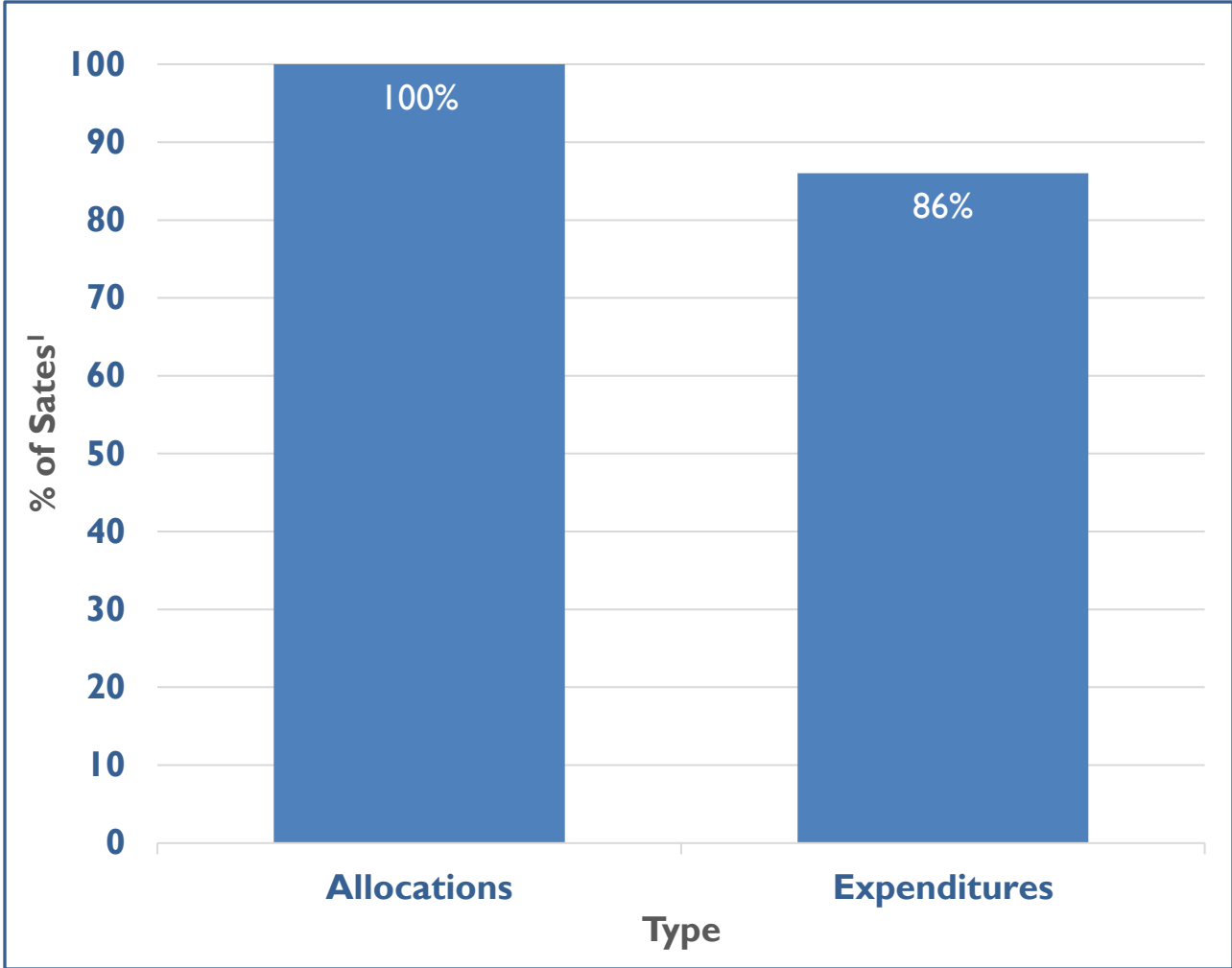
FY22 Budget Update Survey and Interview

Key Informant Questions

1. What was your SFY 2022 problem gambling service allocation (budget authority)?
2. What were your actual expenditures for your SFY 2022 problem gambling services?
3. If your actual expenditures varied by more than 5% of your budget allocation, please briefly explain.
4. What is your current SFY 2023 allocation (budget authority)?
5. If your budget changed more than 5% from SFY 2021, could you please describe what led to this change? If the change was due to new legislation, please provide some detail.

Note: As the survey was fielded midway through FY 2023, FY 2023 expenditure information could not be collected and in some cases FY2023 allocations were unknown as some states base their allocation on gaming tax transfers that span the entire fiscal year or in the case of RI, allocations are based on expenditures. A 2023 budget update is scheduled for January 2024 that will enable a full accounting of FY2023 budgets.

2022 Budget Update: Participating States¹

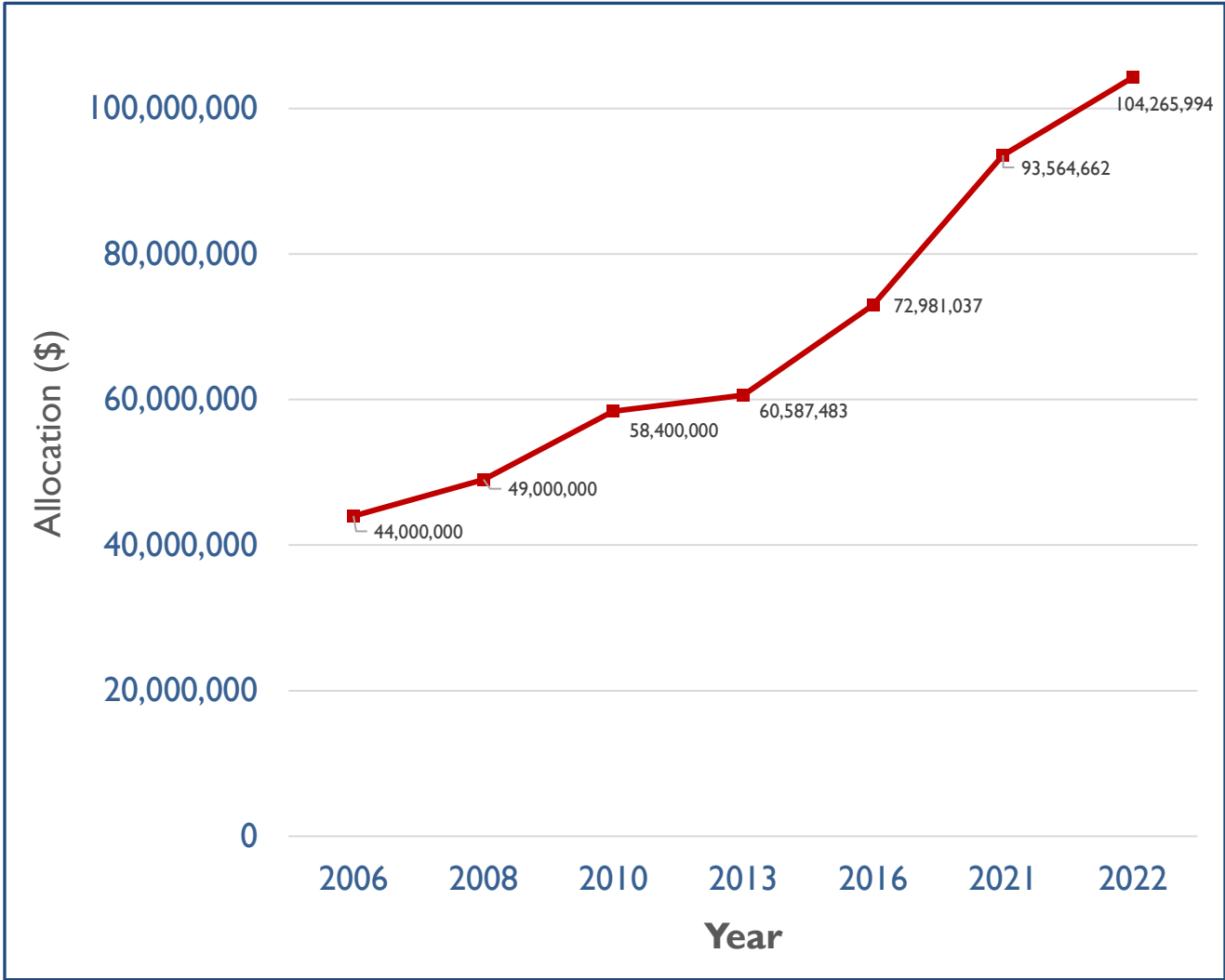


Comments

- Budget (allocation) data was collected from all 42 states that funded problem gambling services in 2022.
- 9 states did not fund problem gambling services in 2022.
 - AK, AL, HI, ID, KY, MS, MT, UT, and TX
- Expenditure data was collected from 44 states.
 - 35 states funding problem gambling services and 9 states that were not funding problem gambling services.

¹. Includes the District of Columbia.

U.S. State Agency Problem Gambling Services Allocations Between 2006 - 2022



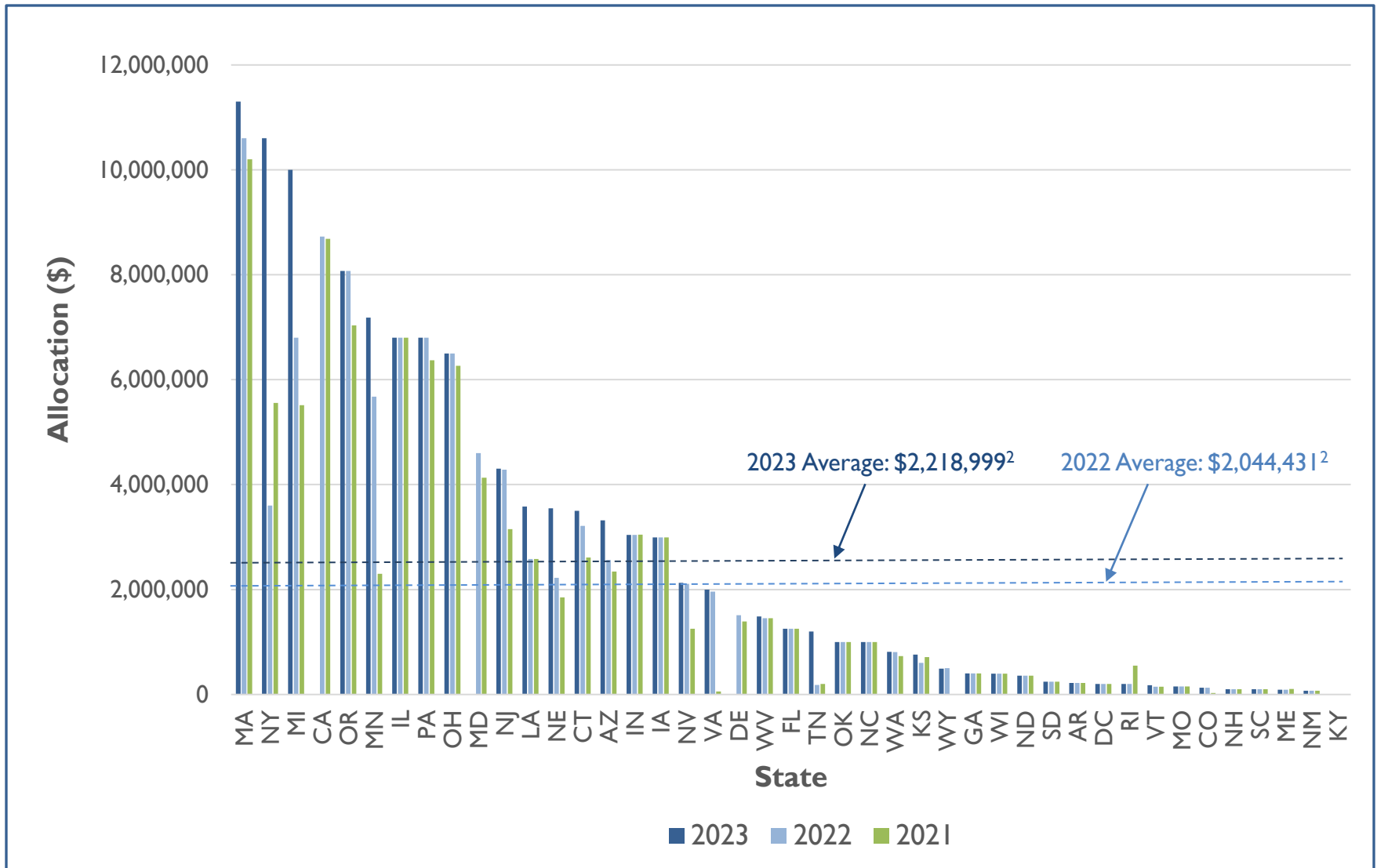
Annualized Percent Change

Period	Change
• 2006 - 2008	• 6%
• 2008 - 2010	• 9%
• 2010 - 2013	• 1%
• 2013 - 2016	• 6%
• 2016 - 2021	• 5%
• 2021 - 2022	• 11%

Average Annualized Percent Change: 6%

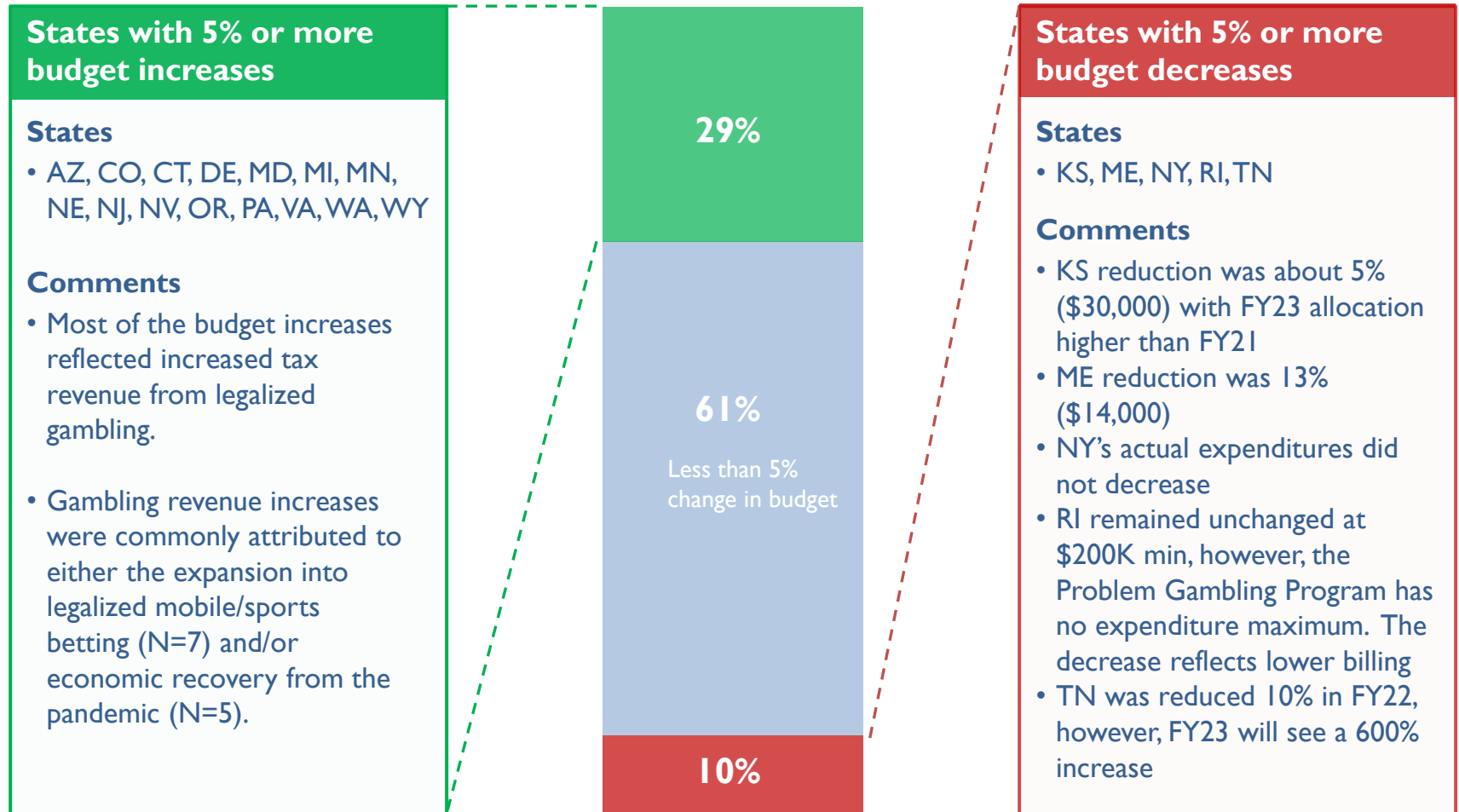
Note: Funds rolled over from previous years have been excluded from totals.

2021, 2022, 2023 Allocations - by state¹



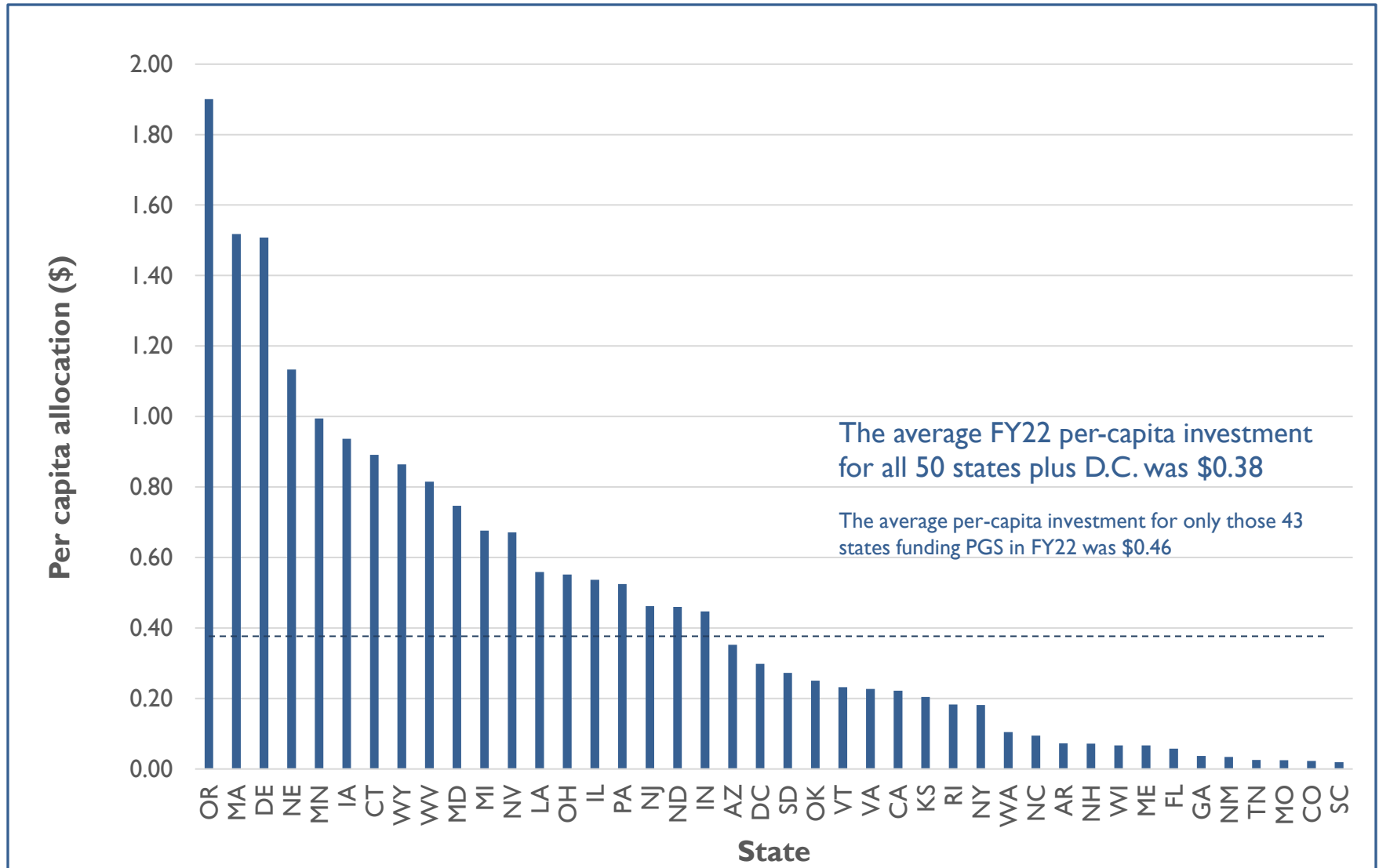
1. District of Columbia is included. When possible, funds carried over from the previous year were excluded. States with no publicly funded problem gambling services are not included. 2023 budget authority unavailable for CA, DE, and MD as allocations based on end of FY gaming revenue calculations (survey conducted mid-FY23). 2. Average allocations include all 50 states plus D.C.

2021 and 2022 Allocations – Summary of Changes¹



1. Includes states with no state-funded problem gambling services. Carry-over funds are removed from allocations if they can be identified.

Per-capita Investment in Problem Gambling Services for State Fiscal Year **2022** by state¹



1. District of Columbia is included. When possible, funds carried over from the previous year were excluded. States with no publicly funded problem gambling services are not included. 2020 Census Population Estimates were used for 2022 values.

2022 Allocations and Expenditures¹

Expenditures as a percent of Allocations

Expenditures exceed allocations by more than 5%

- 4 state agencies supplemented designed funding for problem gambling services with other funding such as general dollars to meet needs beyond what the PGS allocation could provide.

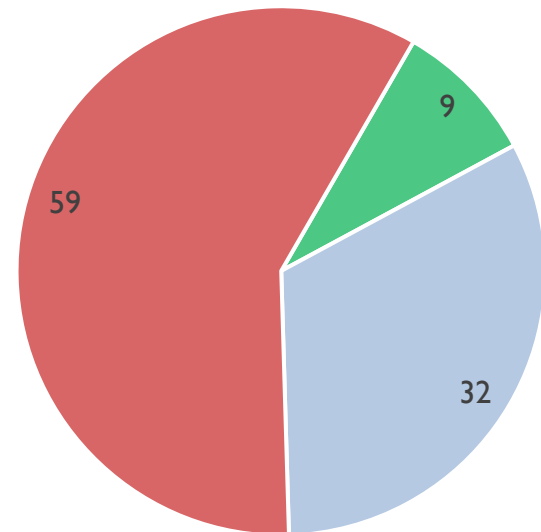
Expenditures within 5% of allocations

- About one-third of state agencies funded to provide problem gambling services spend their full allocation (within 5%).

Expenditures less than 95% of allocations

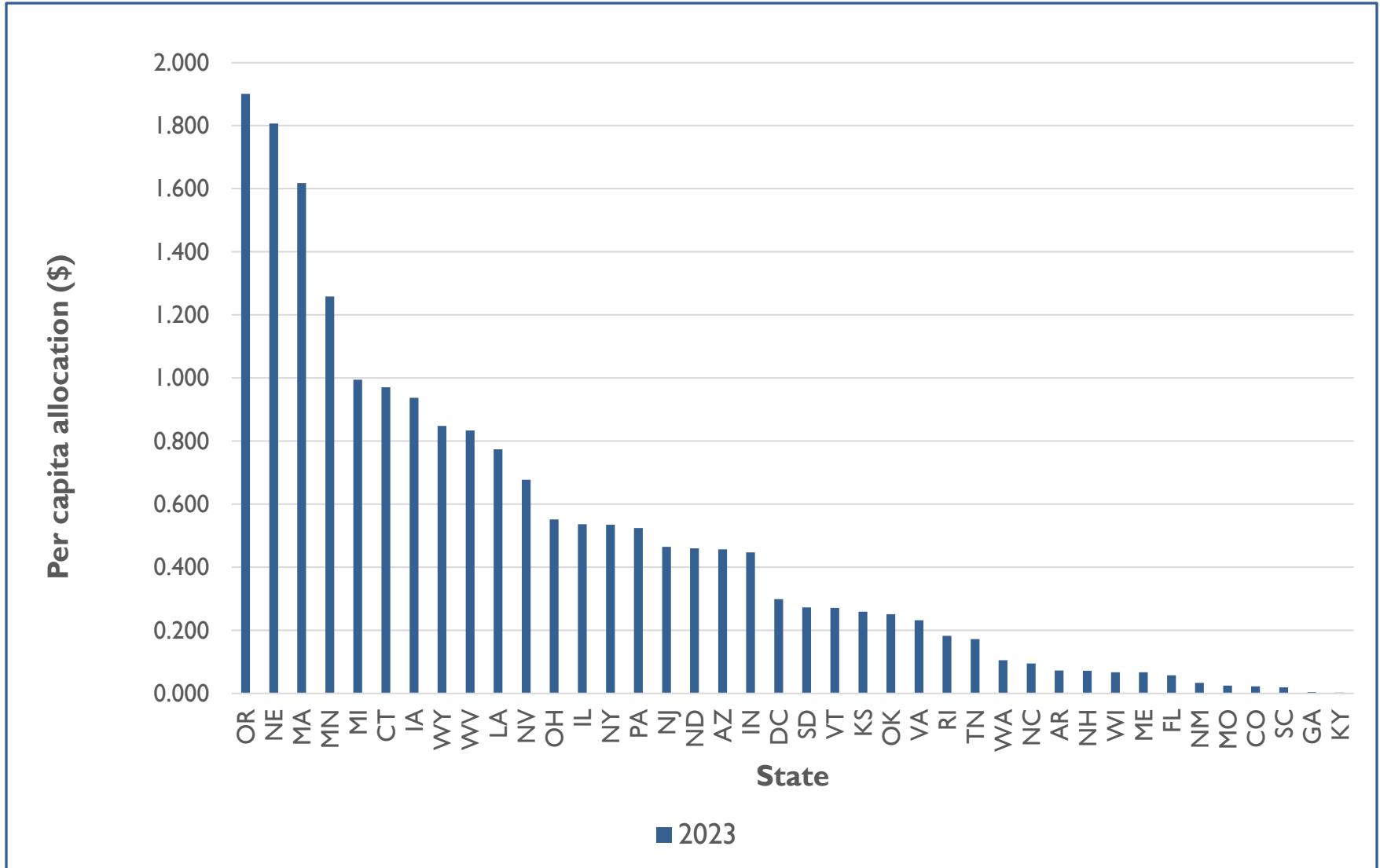
- When asked to explain why expenditures were less than 95% of allocation, key informants most frequently reported expenditures were impacted by the continued effects of COVID-19; most notably workforce shortages.

Distribution of Cases



1. Does not include states with no state-funded problem gambling services.

Preliminary Per-capita Investment in Problem Gambling Services for State Fiscal Year 2023 by state¹



1. District of Columbia is included. When possible, funds carried over from the previous year were excluded. States with no publicly funded problem gambling services are not included. 2020 Census Population Estimates were used for 2023. Data not available for CA, DE, and MD as allocations based on end of FY gaming revenue calculations (survey conducted mid-FY23). These figures are considered preliminary as they are subject to change. Final FY23 PGS investments will be collected after FY23 concludes.

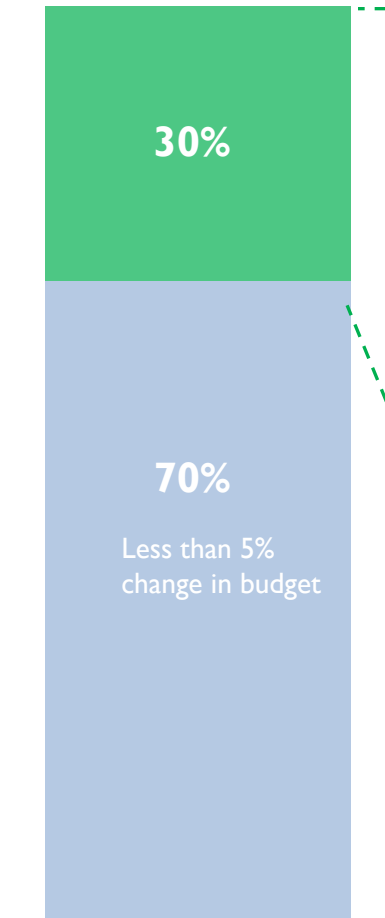
2023 Allocations – Summary of Changes¹

- 2023 budget authority data collected from 48 states.

- For some states allocation based on gaming revenue (CA) or expenditures (RI) which are computed following the end of the fiscal year

- No states reported a decrease in allocations for 2023.

- Average increase was 7%²



States with 5% or more 2023 budget increases

States

- AZ, CT, KS, KY, LA, MA, MI, MN, NE, NY, TN, VT

Comments

- Most of the budget increases reflected increased tax revenue from legalized gambling. The increased gambling revenues were commonly related to the state's expansion into legalized sports betting and mobile wagering.

1. Includes states with no state-funded problem gambling services. Carry-over funds are removed from allocations if they can be identified.

2. Computation excludes KY, since it grew from \$0 in 2022 to \$10,000 in 2023, and two outliers.

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