



2023 Budget Update of Publicly Funded Problem Gambling Services in the United States

Supplement Report to “2021 Survey of Publicly Funded Problem Gambling Services in the United States.”¹

Prepared by Problem Gambling Solutions, Inc.
May 2024



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

Acknowledgements

The 2023 budget updates of the Survey of Problem Gambling Services in the United States is a project of the National Association of Administrators for Disordered Gambling Services (NAADGS).

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

The report was prepared by Problem Gambling Solutions, Inc.

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Survey collection methodology

Phase I: Key Informant Survey

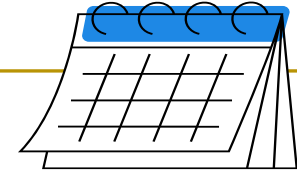
NAADGS Survey budgetary updates were completed by key informants from one or more government agencies or a designated third party.

Phase II: Public Records Requests

Official request for public records were made when key informants were unavailable.

Phase III: Online Search & Reconciliation

Data were validated with publicly available information (e.g., online sources) whenever available and applicable. When inconsistencies were detected between key informants and published agency budget documents, data from official budget documents were used.




Data collection period occurred between December 5, 2023, and April 28, 2024

Data completion rates



- Data completion rates were high, with **100%** of the 43 states¹ (with publicly funded programs) reporting 2023 allocation rates and **98%** reporting expenditure rates.
- In 2023, 8 states did not fund problem gambling services: AK, AL, HI, ID, MS, MT, UT, and TX.

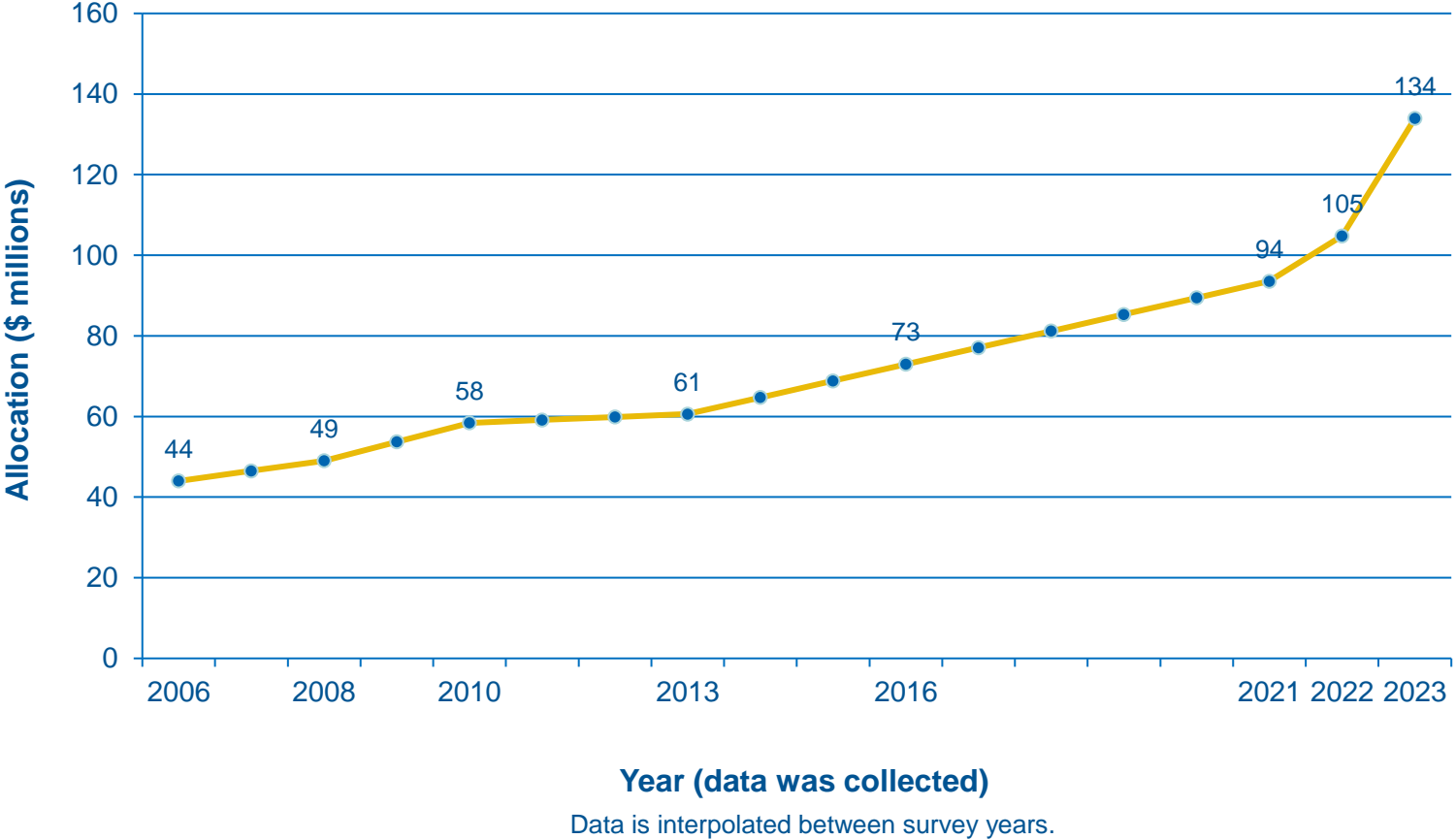
U.S. State Agency Problem Gambling Services Allocations: 2006 - 2023



Problem gambling services allocations have grown an annual average of 12% over the period of 2006 to 2023.

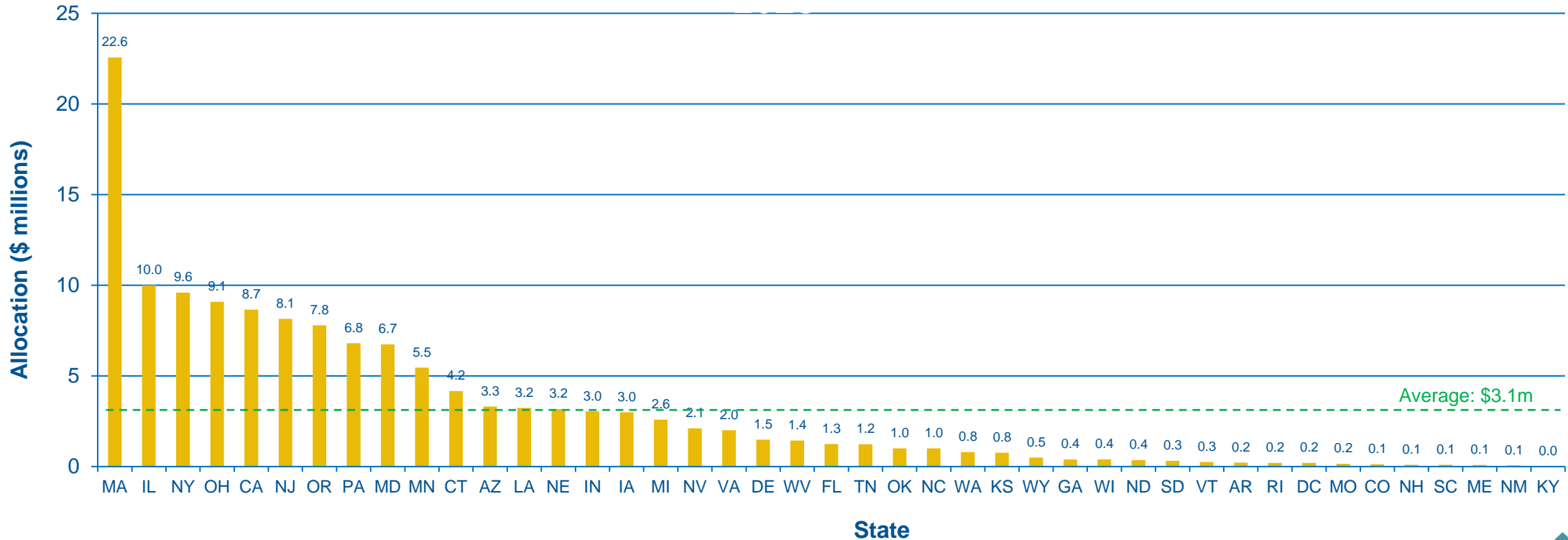
There was a significant percentage increase between 2023 and 2022 (28%) due primarily to NY and MA which had substantial absolute and percentage increases.

(See later section.)



U.S. State Agency Problem Gambling Services Allocations, by state: 2023¹

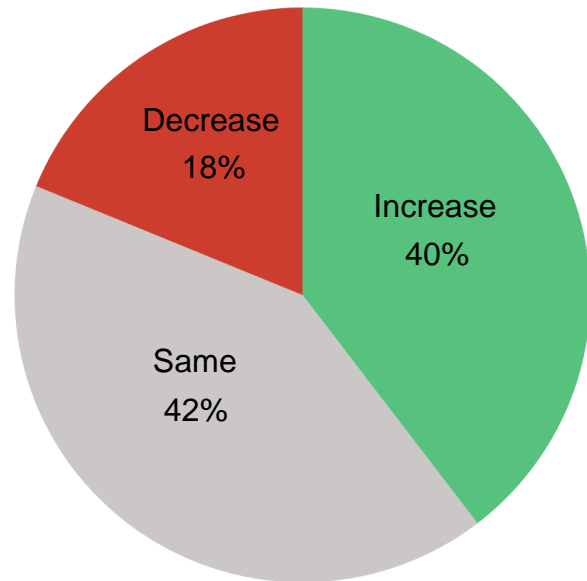
There was a wide range of state allocation levels, from \$22.6m for MA and \$.01m for KY. The average 2023 allocation was \$3.1m. (The median was \$1.2m.)



1. Only includes states with positive funding.

Summary of allocation changes between 2022 and 2023¹

40% of states increased allocations between 2023 and 2022, while 18% decreased and 42% maintained the same level of funding. KY initiated funding in 2023. TN had the largest percentage increase, followed by NY and MA.



Decrease (%)	Same	Increase (%)		
WA: -0.2	NV, PA, IN, IA, FL, NC, ND, WY, GA, WI, AR, RI, MO, SC, ME, DC, CO, NH	KY: First year	SD: 32.4	
CA: -0.7		TN: 586.1	CT: 29.5	
WV: -1.5		NY: 166.7	AZ: 29.5	
DE: -1.8		MA: 112.8	KS: 26.5	
NM: -3.1		VT: 66.9	LA: 25.2	
OR: -3.4		IL: 47.1	NJ: 12.7	
MN: -3.8		MD: 46.4	VA: 2.0	
MI: -41.2		NE: 42.9	OK: 0.1	
			OH: 39.9	

1. Only includes states with positive funding.

States with largest increases in 2022-23 allocations



Tennessee: **586%**

TN allocation increased 586%, from \$180,000 to \$1,235,000.

The increase was due to an increase in TN's privilege tax, a byproduct of legislation legalizing sports wagering, which is a source of income for supporting problem gambling services.



New York: **168%**

NY allocation increased 168%, from \$3,600,000 to \$9,600,000.

The increase was due to new legislation related to mobile sports wagering which directs \$6,000,000 to problem gambling treatment and education.



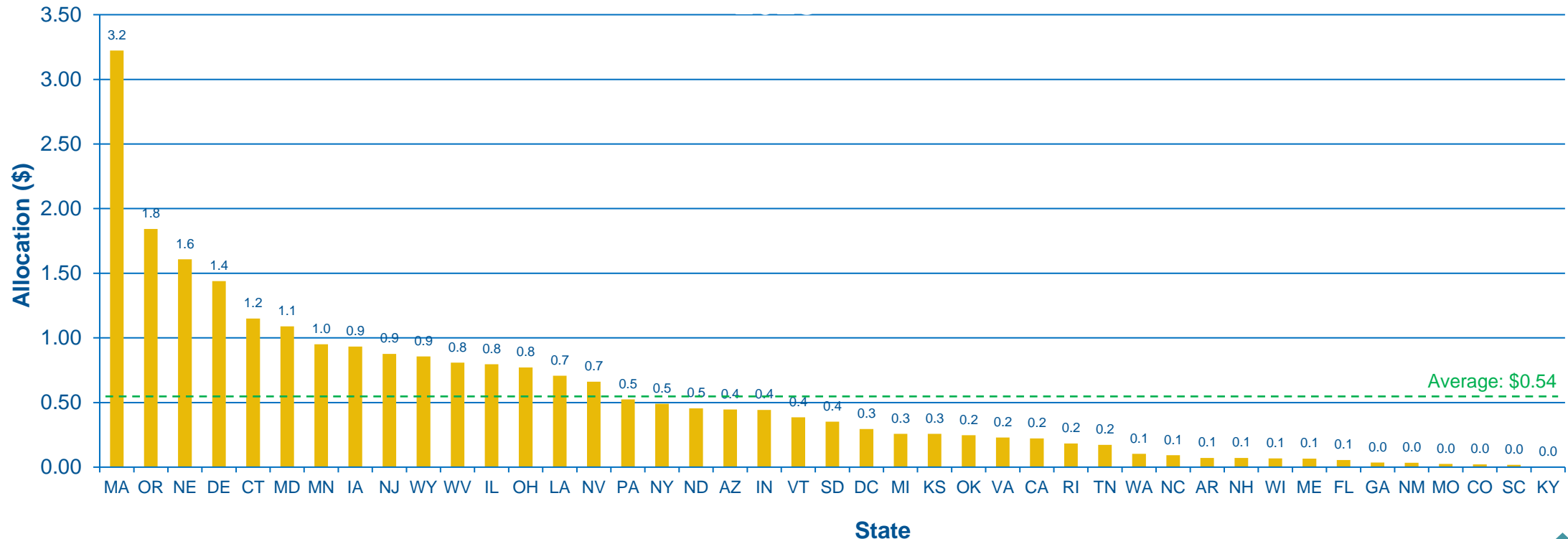
Massachusetts: **113%**

MA allocation increased 113%, from \$10,600,000 to \$22,562,012.

The increase was largely due to legislation legalizing sports wagering, which allocates a portion of sports wagering to problem gambling programs and services.

U.S. State Agency Problem Gambling Services Per Capita Allocations, by state: 2023*

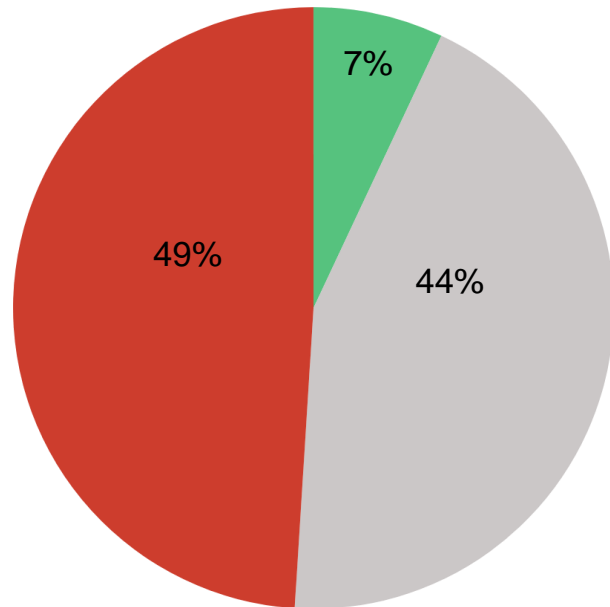
There was a wide range of state per capita allocation levels, from an average of \$3.22 for MA and \$0.002 for KY. The average per capita allocation was \$0.54. (The median was \$0.35.)



* (a) "Allocations" defined as budget authority; actual expenditures may vary. (b) Only includes states with positive funding. (c) The allocation for RI is set at a minimum of \$200,000, whereas most other states set allocation at a maximum to be expended.

Summary of 2023 allocations versus expenditures¹

Distribution of states



Expenditures as a percent of allocations

Change

Expenditures exceed allocations by more than 5%

Comments

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

Expenditures within 5% of allocations

44% of states spent their full allocation within 5%.

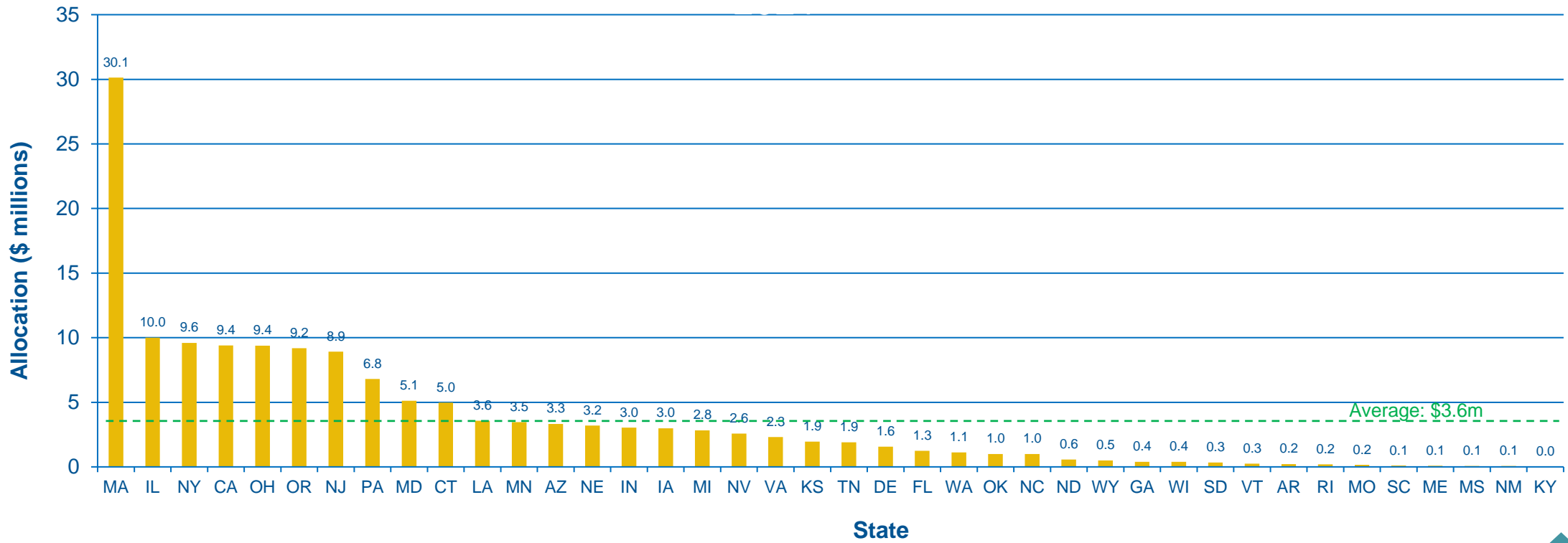
Expenditures less than 95% of allocations

About half of states spent less than 95% of their 2023 allocations. Factors contributing to expenditures below allocations included delays in procurement, staffing and contractor shortages, as well as recent increases in budgets that had yet to be operationalized.

1. Only includes states with positive funding.

U.S. State Agency Problem Gambling Services Allocations, by state: 2024*

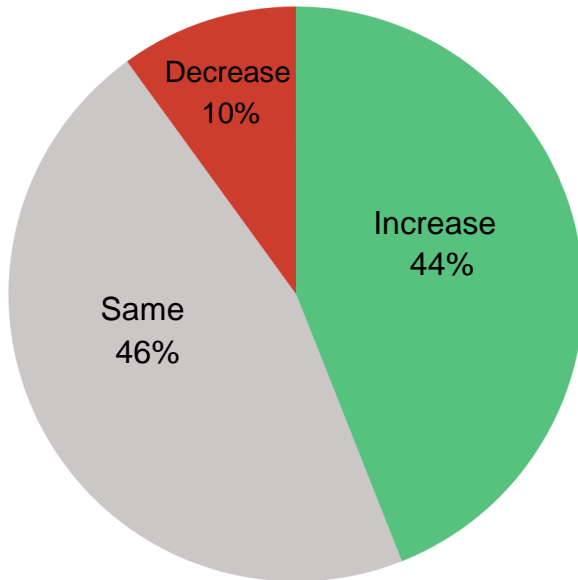
There was a wide range of state allocation levels, from \$30.1m for MA and \$.01m for KY. The average 2024 allocation was \$3.6m. (The median was \$1.9m.)



* (a) "Allocations" defined as budget authority; actual expenditures may vary. (b) Only includes states with positive funding. (c) The allocation for RI is set at a minimum of \$200,000, whereas most other states set allocation at a maximum to be expended.

Summary of allocation changes between 2023 and 2024¹

44% of states increased allocations between 2024 and 2023, while 10% decreased and 46% maintained the same level of funding. MS initiated funding in 2024. KS had the largest percentage increase, followed by ND and TN.



Decrease (%)	Same	Increase (%)	
OK: -0.04	KY, NY, VT, IL, AZ, PA, IN, IA, FL, NC, WY, GA, WI, AR, RI, MO, SC, ME, NM	MS: First year	VA: 15.3
MD: -23.9		KS: 156.6	LA: 10.6
MN: -36.4		ND: 58.9	NJ: 9.6
DC: -100.0		TN: 53.9	MI: 9.0
		WA: 39.1	CA: 8.5
		MA: 33.6	DE: 5.6
		NV: 22.3	SD: 5.0
		CT: 19.6	OH: 3.2
		OR: 17.8	NE: 0.38

1. Only includes states with positive funding. Data is unavailable for CO, NH, and WV.

Summary

- Allocations to problem gambling services continues to grow, both in total dollars and number of states providing funding.
- There continues to exhibit stark differences in funding levels, both in absolute and per capita terms, across jurisdictions.
- Many of the recent increases in funding is linked to revenues tied to online wagering and sports betting.
- Gaps between allocations and expenditures are commonly due to 1) procurement delays; 2) staffing shortages and / or lack of skills needed to meet job requirements; and 3) unexpected shortfalls or windfalls in allocations tied to gambling revenues.

Funding problem gambling services compared to gambling revenue

Most states fund their problem gambling services using revenue generated from legalized gambling.

Aggregated funding across U.S. states for problem gambling services increased a record 28% from 2022 to 2023, for a total investment of \$134 million.

Nationwide sports betting revenue grew by 46% in 2023, increasing to \$11.04 billion from \$7.56 billion in 2022.¹

As a result of the record-breaking commercial gambling revenue in 2023, state and local governments received an estimated \$14.44 billion in gaming taxes throughout the year.¹

In aggregate, every dollar states generated from commercial gambling, \$0.009 was invested in problem gambling services.

1. American Gaming Association (CY2023). Commercial Gaming Revenue Tracker. https://www.americangaming.org/wp-content/uploads/2024/01/CY-2024_CGRT_v2.pdf

Thank you

If you have any questions and / or comments regarding this research, please contact:

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