

TITLE: The Relationship Between The State Of New York And The Issue Of Problem Gambling: The Need To Fully Fund And Expand Existing Compulsive Gambling Programs

BY: JAMES MANEY, NYCPG Executive Director & MARIANGELA MILEA, NYCPG Assistant Executive Director

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James Maney



Mariangela Milea

The Relationship Between The State Of New York And The Issue Of Problem Gambling: The Need To Fully Fund And Expand Existing Compulsive Gambling Programs

In this article the New York Council on Problem Gambling (NYCPG) reviews the history of gambling, problem gambling and problem gambling funding in the State of New York.

Also included is the Council's recommendation for developing a comprehensive plan that addresses the impact and needs of New Yorkers regarding this public health issue.

One of the greatest challenges the State of New York faces is the increased competition for the shrinking pool of state resources in a time when New Yorkers face the greatest proliferation of gambling opportunities. Clearly, the heightened vigilance the state faces must also be paralleled by vigilant attention to all New Yorkers who are adversely affected by problem gambling.

The Governor's 2004-2005 Budget, has the Office of Alcohol and Substance Abuse Services (OASAS) assuming administration of the State's 1.3 million Compulsive Gambling Education and Treatment Program from the Office of Mental Health (OMH) in FY 2004-05, thereby consolidating programs dedicated to the treatment and prevention of addictive disorders within a single state agency. The 2004-05 Executive Budget further strengthens this program by providing an additional \$2 million in funding over two years.

Throughout New York's rich history of gambling, the challenge lawmakers have been continually faced with is the proper balancing of increased proliferation of gambling opportunities and increased proliferation of problem gambling. *(See New York State and Gambling*

Historical Timeline.) As early as 1777, lawmakers realized the dangers of problem gambling. William Tryon, who was appointed as Captain General and Governor-in Chief of the province of New York by King George III was ordered to not approve any public or private lotteries without the approval of the Royal Court because the King was concerned that lotteries were affecting the spirit of industry and drawing attention from a persons proper calling and occupation. (*The New York State Task Force on Casino Gambling, 1996.*) Indeed, New York lawmakers and New York residents today must also consider the dangers and risks of gambling and minimize the adverse impact of problem gambling.

In 1972, the Board of Trustees of Gamblers Anonymous in the New York City area did just that by requesting their Spiritual Advisor, Monsignor Joseph A. Dunne, to establish a Council on Compulsive Gambling, now known as the National Council on Problem Gambling, to do what they could not do because of anonymity – call national attention to the increasing problem of compulsive gambling in the United States. The National Council on Compulsive Gambling received support from members of Gamblers Anonymous, medical practitioners such as Dr. Robert L. Custer, pioneer of treatment services, a few influential citizens, foundations, and a small paying membership.

After the National Council on Problem Gambling relocated from New York to Washington, D.C. in 1994, a network of providers and concerned individuals believed that it was important to have a Council that would focus on problem gambling advocacy, education and treatment at the State level and established The New York Council on Problem Gambling, Inc.

Initially, the Council was an all-volunteer organization. Board members were responsible for all activities of the Council. Most Board members were also service providers. In 1995, the Council hired its first Executive Director, incorporated, established an office based in Albany, secured stable funding under contract with the Office of Mental Health, and provided a focus for statewide initiatives to increase public awareness about problem and compulsive gambling and advocate for support services and treatment for persons adversely affected by gambling.

In the following year, as lawmakers contemplated the authorization of casino gambling and the possibility of off-reservation Indian gaming, Governor Pataki commissioned the New York State Task Force on Casino Gambling to assess the potential affects of casino gambling throughout New York State including those of problem gambling. With respect to this matter, the Task Force concluded that educational programs related to prevention of gambling related problems and interventional and treatment programs to assist those who are problem or pathological gamblers should be authorized, allowing for the funding of problem gambling awareness and treatment organizations to be continuous rather than experience the year to year uncertainty. The Task Force also reported that funding should not be limited to the treatment of pathological gamblers, but should be extended to provide for research. (*The New York State Task Force on Casino Gambling, 1996.*)

Additionally, the Task Force recommended that an enabling or implementing legislation governing the regulation of legalized casino gambling include a self-exclusion statute in the nature of that proposed in Missouri. (See: Missouri Title 11, Department of Public Safety, Division 45-Missouri Gaming commission, Chapter 17, Voluntary Exclusions: 11 CSR 45-

17.010-Duty to Exclude-Standard of Care.) In 2002, Senate Bill S.4137-B by Senator Larkin and in the Assembly by Members Gromack and Canestrari, which made provision for the voluntary exclusion of persons by amending the racing, pari-mutuel wagering and breeding law and the mental hygiene law, in relation to compulsive gambling assistance, became law (Chapter 434).

In 2000, as the controversy over the issue of gambling heightened, then comptroller, Carl McCall issued his agency's report, New York State Gambling Policies in which he outlined the State's actions on gambling from all aspects. The Comptroller called for a moratorium on gambling by the Governor and the Legislature, until such time they establish a comprehensive plan of action that addressed policy implications and associated matters (e.g. problem gambling).

As the state's economy plummeted after the days following our Nation's attacks on September 11, 2001, Mr. McCall's recommendation for a moratorium was dismissed, and six new Indian-run casinos, the installation of video lottery terminals at racetracks and the entry of New York into the multi-state lottery game known as MegaMillions were adopted into state law. Steeped in economical development ideas, lawmakers assembled to determine how to disburse gambling revenues, but failed to address the growing issue of problem gambling even though the 2001 legislation explicitly provided for the setting aside of funding for the prevention and treatment of problem gambling.

The new Seneca Niagara Casino in Niagara Falls and Lottery games including MegaMillions are generating large sums of gambling revenues for the state with Seneca Niagara providing \$39 Million and the Lottery \$1.8 Billion this year alone. Moreover, after all Video Lottery Terminal (VLT) venues are opened, the VLT industry is estimated to bring in excess of \$2.5 Billion per year. State lawmakers continue to approve gambling expansion options as the panacea for New York's budget shortfall woes. Unfortunately, there are not enough problem gambling treatment, prevention and education services in New York to deal with the resurgence of this serious public health issue.

Albeit, the New York Council on Problem Gambling maintains a neutral stance on gambling, and is well aware of and exceedingly concerned about the impacts of gambling expansion on problem and compulsive gambling. According to the National Gambling Impact Study Commission's Final Report, the presence of a gambling facility within 50 miles roughly doubles the prevalence of problem and pathological gambling. (*See 50-mile radius map.*) Since the opening of the new casino in Niagara Falls, the number of people seeking counseling for gambling problems in that area was 53 percent above the previous year. In addition to this significant rise, a 15 percent increase in bankruptcy filings in the region was also recorded. The area's bankruptcy judge, Judge Bucki, shared that the increased availability of legalized gambling is a major factor. (*Buffalo News, Betting on bankruptcy, January 6, 2004*)

Creighton University has released a study confirming that problem gamblers are more susceptible to problems when they have convenient access to casinos. The study compared roughly 250 counties across the country with commercial or tribal casinos with non-casino counties with similar demographics. It found the cumulative growth rate on personal bankruptcies in casino counties to be more than 100 percent higher than the non-casino counties

between 1990-1999.

Unless addressed, the compulsive gamblers betting activity will reach the point where it compromises, disrupts and destroys his or her personal life, family relationships, professional pursuits and economic security. Neglect or abuse of children, spouse or partner, divorce, poverty, arrest and/or imprisonment, mental breakdown or suicide are all likely outcomes of gambling addiction. With more than three-quarter million adult residents having experienced problems due to gambling, this under recognized public health issue is in need of proper attention immediately.

In July 1996, Gambling and Problem Gambling in New York - A 10-Year Replication Survey, 1986 to 1996, was published. This report was developed under the contract between OMH and the New York Council on Problem Gambling (NYCPG). The survey was conducted by Dr. Rachel Volberg, now of Gemini Research.

The main purpose of the 1996 survey was to examine changes in the prevalence of gambling-related problems among adults in New York in the last decade. The study was to also identify the types of gambling causing the greatest difficulties for the citizens of New York. A large sample of New York adults (1,829) were interviewed in April 1996 about the types of gambling they have tried, the amounts of money they spend on gambling, and about gambling-related difficulties.

In summary, the 1996 prevalence study revealed that New York State experienced a 74% increase in problem gambling prevalence from the previous study done in 1986. In the 1996 study, data indicated New York State has the highest prevalence for lifetime problem gambling (7.3%) and the third largest percentage of current prevalence (3.6%) in the nation, in comparison to states that have conducted similar studies. This data suggests that there are more than three-quarter million residents who have had problems due to gambling at some point during their lives and at least an additional one-quarter million New Yorkers who are currently experiencing serious to severe difficulties. The three forms of gambling that present the greatest risk to New Yorks adult population are casino gambling, State-sponsored lottery games and sports betting. This data does not include adolescents or the millions of New Yorkers adversely affected by the problem gamblers activities.

During 1997, NYCPG conducted through a contract with Gemini Research, a prevalence study of adolescent problem gambling. The study Gambling and Problem Gambling Among Adolescents in New York State, released in March 1998, was supported by a one-time appropriation from OMH. It documented that despite a legal gambling age of 18, gambling has become a pervasive problem among thousands of children in New York and is growing at a rapid pace. It revealed that 14% of New Yorks youth are at risk of developing problems due to gambling and an additional 2.4% are currently experiencing severe difficulties.

Since the last prevalence study was conducted, the Legislature has introduced new forms of gambling and expanded existing forms beyond record levels. Bearing in mind that increased gambling expansion begets increased problem gambling, a new prevalence study must be conducted to determine the rate of increased prevalence and to enable lawmakers to craft appropriate policy and legislation.

Finally, high prevalence plus new gambling initiatives equals a need for more treatment services. We must strengthen our efforts to close the gaps in treatment, education and prevention. Without adequate funding for problem gambling, New York will not be ready to address the adverse impacts of this hidden disorder. Delays in addressing this need will only exasperate an all ready severe situation.

Furthermore, one of the most powerful conclusions drawn during the Councils forum on the impact of problem gambling on our community held in Saratoga, New York in May 2004 was that additional gambling treatment programs are needed throughout our state. Our helpline shows that the number of calls received in 2003 from throughout the state stands at 58,250; nearly 20 times more than in 1996 when 3,200 calls were received. Additionally, approximately 1,900 persons received outpatient treatment from the six state-funded treatment providers in 2003 six times more than in 1996 when there were only 300 clients.

Local efforts to link those in need to support services for problem gamblers and their families are coordinated statewide by the NYCPG. The States 24-hour toll-free Problem Gambling Helpline, which provides the supportive intervention, information about gambling addiction and referrals for local treatment to professional problem gambling provider programs and self-help (Gamblers Anonymous and Gam-Anon) can be found on the back of all lottery tickets, pari-mutuel tickets, and on VLT machines at casinos and signage in OTB parlors and Race Tracks.

Regrettably, interviews conducted by Zogby International reveal only nine percent of respondents were aware of a Problem Gambling Treatment Center in their area. While, one-fourth of respondents said they knew someone who has run into debt problems, job problems, legal problems or family problems because of gambling or betting too much. (*Zogby International, Polling/Marketing Research Public Relation Services Marketing Strategies, Utica, NY, March 2004*)

When problem gambling strikes the outcome is unmistakably tragic and devastating for the problem gambler who can feel deep in guilt and deeper in panic, wondering how he got himself into such a mess. This years Councils forum in Saratoga looked at raising awareness about problem gambling, engaging concerned residents and community leaders in meaningful dialogue to address the impact of problem gambling, and gaining knowledge about the services available for all those affected by problem gambling. Though daunting, reaching these objectives is vital to those who are suffering from the adverse impacts of problem gambling in our communities and will require unprecedented levels of commitment on our part. New York is clearly falling short in the fight against problem gambling.

To aid in this battle, the New York Council on Problem Gambling certified New York States first group of Gambling Treatment Counselors and Approved Supervisors in 2001. It is the goal of the Council to expand and diversify the New York State network of qualified problem gambling treatment providers. The Councils New York State Certification Program establishes standards for practioners in the field, and ensures that an applicant is qualified to provide direct counseling or therapy for individuals and/or family members who have been adversely affected by problem and pathological gambling. The New York Certified Gambling

Treatment Counselors and New York State Approved Supervisor certification processes make certain that all problem and pathological gamblers and their loved ones receive the best treatment available.

The Council has been gratified by the response shown by the professional community to its certification program, and is pleased to say that to date there are nearly 30 qualified counselors and supervisors. While efforts such as this help to mitigate the impacts of problem gambling, the States plan to accelerate the movement to increase opportunities for New Yorkers to gamble creates a ripple effect requiring additional support to stop the spread of problem gambling throughout the state.

Currently, underway is a multi-faceted approach by the State to expand gambling to generate revenues to be used to solve the states fiscal woes. This year the Governor proposed eight new racinos be put out for bid. Advances such as the tentative settlement with the Seneca-Cayuga Tribe of Oklahoma for a downtown Rochester casino, and tentative agreement between the Cayuga Indian Nation and the state to build a casino at Monticello Raceway in the Catskills have been reached. The newly approved measure to allow video lottery terminals on the high-speed ferry between Rochester and Toronto will be addressed by the Legislature when it reconvenes to approve the 2004-05 budget.

In short, funds for problem gambling services have not increased in proportion to the proliferation. In fact, it was not until 1981 that the public health issue of problem gambling even registered on the Richter scale with legislation authorizing \$200,000 for education, prevention, treatment, training and research. (*See New York State Funding of Problem Gambling Historical Timeline.*) Even under the states greatest expansion of gambling in 2001, funding for problem gambling was under-resourced with a bewildering reduction in funds. As more and more gambling opportunities throughout New York unfold, lawmakers must carefully examine the ramification.

Studies, surveys and data gathered regarding problem gambling are adding up to a volume of information that is enough to supply the necessary impetus for lawmakers to not only confirm the presence of problem gambling, but move to do something about it. The Council recommends developing a comprehensive plan that addresses the impact and needs of New Yorkers regarding this public health issue. This plan should include the development of a Public Health Awareness Initiative; access to prevention and treatment services for all New Yorkers; new research addressing and thoroughly examining the impact of problem gambling, special populations (teens, seniors, minorities and substance abusers), and the effectiveness of prevention and treatment; establishment of residential problem gambling treatment programs; and implementation of a school-based problem gambling prevention curriculum.

Over the years, gambling and the funding of problem gambling services experienced a disproportionate relationship. As New York moves into the future, this relationship must be amended to reflect the ever-changing landscape and plans must be made to curb the disparities. All New Yorkers deserve access to the services they so desperately need. A sound and healthy financial future of our state requires it.

Timeline One

NEW YORK STATE FUNDING OF PROBLEM GAMBLING

- 1981** legislation authorized the Office of Mental Health \$200,000 for education, prevention, treatment, training, and research
- 1982** additional \$500,000
- 1988** funding cut to \$598,000
- 1991** funding cut to \$396,000
- 1996** appropriation of \$1.5 million for problem gambling education and treatment program
- 2001** funding reduced to \$1.3 million
- 2003** established the Problem and Compulsive Gambling Education, Prevention and Treatment Fund no additional funding
- 2004** Executive Budget provides an additional \$2 Million in funding over two years

Timeline Two

SIGNIFICANT EVENTS IN THE FIELD OF PROBLEM GAMBLING

- 1949** Gamblers Anonymous group started on West Coast
- 1957** Jim W. & Sam J. found modern Gamblers Anonymous on Friday the 13th
- 1960** Gam-Anon founded
- 1972** National Council on Problem Gambling founded
- 1980** DSM III criteria for pathological gambling published and adopted by American Psychiatric Association. (APA)
- 1985** First National Conference on Problem Gambling held in NY
- 1986** first Problem Gambling Prevalence Survey conducted in NY
- 1987** DSM III-R criteria for pathological gambling developed and published
- 1994** DSM IV criteria for pathological gambling published by APA
- 1995** New York Council on Problem Gambling founded
- 1996** Gambling & Problem Gambling in NY: 10 year Replication Survey, 1986 to 1996; first NYCPG Conference held
NYS Task Force on Casino Gambling National Gambling Impact (NGISC) Study Commission formed by Congress
- 1999** first study of Gambling & Problem Gambling Among Adolescents in NY
NGISC Final Report contains 76 recommendations - 36 of which directly address problem and pathological gambling
- 2004** administrative transfer from NYS Office of Mental Health to NYS Office of Alcohol & Substance Abuse

Timeline Three

NEW YORK STATE AND GAMBLING

- 1656** Ordinance of October 26, 1656 prohibited gambling during Church hours on the Sabbath
- 1721** prohibited unauthorized lotteries

- 1741** imposed penalties on inn & tavern owners who permitted billiards, truck or shuffleboard on premises.
- 1746-**
- 1774** authorized more than one dozen public lotteries for diverse causes
- 1772** anti-lottery law passed
- 1777** NYS Constitution passed without provisions related to gambling
- 1821** Constitution adopted first reference to gambling
- 1846** Constitution amended the lottery language prohibited all lotteries
- 1894** other forms of gambling were addressed constitutionally
- 1939** pari-mutuel betting on horse racing authorized
- 1957** religious, charitable and certain non-profit groups were authorized to conduct bingo
- 1966** State lottery for Education amendment was approved
- 1975** the religious, charitable and certain non-profit exception was expanded to include games of chance
- 1988** Federal Indian Gaming Regulatory Act allows federally recognized Indian tribes to petition the Governor of their host state for a compact allowing Class III gambling
- 1995** authorized QuickDraw
- 2001** authorized six Indian-run casinos, vlts and state entry into multi-state lottery