

HOUSE COMMITTEE ON

• **TRADE AND ECONOMIC DEVELOPMENT**

February 28, 2005 Hearing Room 343

8:30 A.M.am Tapes 33 - 34

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Scott Bruun, Vice-Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

MEMBER EXCUSED:

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

Gambling Addiction – Informational Meeting

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE	Speaker	Comments
TAPE 33Tape, A		
002	Chair Lim	Opens the meeting at 8:32 a.m. OOpens an informational meeting on gambling addiction.
<u>GAMBLING ADDICTION – INFORMATIONAL MEETING</u>		
039	Dr. Jeffery Marotta	Problem Gambling Service Manager, Office of Mental Health and Addiction Services. Submits copies of PowerPoint presentation relating to Problem Gambling Services (EXHIBIT A). Submits Problem Gambling Services informational material (EXHIBIT B). Submits Gambling and Problem Gambling in Oregon fact sheet (EXHIBIT C). Summarizes the type, level, and availability of gambling in Oregon.
089	Dr. Marotta	Explains the action taken by the Oregon Legislature in relation to problem gambling. Specifically addresses the following statutes: <ul style="list-style-type: none"> • SB 118 (1999), which requires that no less than one percent of lottery proceeds allocated to gambling treatment funds. • HB 5077 (2003), which eliminated the Department of Human Services allocation for gambling addiction services
115	Dr. Marotta	Speaks to the trends in the growth of the gambling treatment budget and the increase in the enrollment of treatment programs.
134	Dr. Marotta	Explains the problem gambling program in Oregon has been set up using a public health approach because the effects of problem gambling are borne by the individual, their family, and their community.
150	Dr. Marotta	Explains the problems with structure and organization of the problem gambling system Provides the details of the different components of the Oregon Problem Gambling Services (EXHIBIT A, Page 2).
193	Chair Lim	Asks if the main focus of the program is treatment or prevention.
196	Dr. Marotta	States that gambling services have focused on treatment, but recently have intensified their prevent efforts through outreach programs such as screening individuals entering other treatment programs.

217	Rep. Riley	Asks what the warning signs of a problem gambler are.
222	Dr. Marotta	Explains the warning signs of gambling addiction.
269	Rep. Merkley	Asks whether there is a relationship between the type of crimes of committed by the 25 percent of women at Coffee Creek Women's Prison identified as being problem gamblers.
277	Dr. Marotta	Addresses the connection between criminal activity and gambling.
305	Chair Lim	Asks why gambling in Oregon is higher than many other states.
312	Dr. Marotta	Responds that gambling levels are higher in Oregon because the large per capita expenditure on gaming and greater availability and access to gambling, particularly convenience gambling.
327	Dr. Marotta	Discusses the 2003 Problem Gambling Services client demographic data (EXHIBIT A, Page 3).
378	Dr. Marotta	Identifies what are common consequences of gambling, as reported by people who sought treatment in 2003.

TAPE 34, A

003	Rep. Nelson	Asks how people are referred to gambling treatment programs.
006	Dr. Marotta	States that the first contact that most people have with problem gambling programs is via the gambling hotline. It is rare for there to be a mandated treatment referral.
017	Chair Lim	Verifies that the statistics on the increase in gambling in Oregon includes tribal gaming activities.
035	Dr. Marotta	Discusses the possible reasons why the number of people seeking treatment is increasing.
070	Rep. Merkley	Verifies that 3 percent of Oregonians are believed to be problem gamblers, which are over a 100,000 people, but only 1500 sought treatment for problem gambling. Asks what has happened to the rest of the population.

074	Dr. Marotta	Explains that 2.3 percent of problem gamblers in Oregon have sought treatment, but when compared to national studies of gambling prevalence and treatment, Oregon has had 2 to 3 times greater the success at reaching problem gamblers.
100	Dr. Marotta	Admits that the Department of Human Services does not know what is happening to those who have not sought treatment.
112	Rep. Bruun	Asks if the Department of Human Services has attempted to quantify the costs, to the State of Oregon, for the 80,000 people who are not being treated.
122	Dr. Marotta	Discusses why it is difficult to accurately quantify the cost of gambling.
168	Rep. Dallum	Asks if their accural figures relating to the cost of treating problem gamblers.
183	Dr. Marotta	Answers that the average cost per client is about \$1100 dollars.
188	Rep. Riley	Asks if there are follow up studies to show how effective the problem gambling programs are.
194	Dr. Marotta	Explains the frequency of follow-up evaluations. Speaks to the results of the follow-up evaluations and the success of treatment programs (EXHIBIT B, Page 5) .
236	Chair Lim	Asks if it is possible to identify whether most of problem gamblers are a result of participating in state sponsored gaming or Indian gaming.
246	Dr. Marotta	States that 70 percent of problem gamblers come into programs reporting that it is an Oregon Lottery product that has hooked them.
268	Rep. Buckley	Asks for a copy of the Problem Gambling Services Program budget in order to know how it works in cooperation with drug and alcohol treatment programs.
275	Dr. Marotta	Submits and summarizes the Department of Human Services Problem Gambling Services Program Budget Report (EXHIBIT D) .

- 310 Rep. Buckley Asks if the Problem Gambling Services Program is administered in cooperation with drug and alcohol treatment programs.
- 315 Dr. Marotta Explains that through the use of budget dollars, the Department of Human Services has been able to institute various screening systems in county level drug and alcohol programs.
- 341 Rep. Nelson Asks if the Department of Human Services is the appropriate location for the gambling program, given its size and large numbers of clientele.
- 347 Dr. Marotta Explains why the Department of Human Services is the most advantageous agency to administer problem gambling treatment program

TAPE 33, B

- 016 Chair Lim Asks if the Department of Human Services is trying to prevent what the state is trying to promote and are trying to prevent gambling totally or teach moderation of gambling.
- 023 Dr. Marotta Explains that the Department of Human Services program philosophy is to try to minimize harm, caused or resulting from, gambling.
- 064 Dr. Marotta Concludes presentation by verifying that gambling services work, but there is still more work needs to be done to combat problem gambling.
- 099 Chair Lim Asks if the 1 percent of lottery money funds is enough to provide adequate levels of treatment.
- 101 Dr. Marotta Responds that if the program received the entire 1 percent of funds, then the current system could be maintained.
- 125 Rep. Dallum Asks what the current dollar figure allocation is in The Governor's budget for treatment programs.
- 130 Dr. Marotta Answers that based on the December 2004 revenue forecast, The Governor allocated \$7,200,000 dollars in funding.
- 156 Chair Lim

Verifies that as gambling revenue increases the amount of money dedicated to gambling treatment increases.

- 171 Dr. Marotta Confirms that when gambling levels increase, funding for problem gambling programs increase. Expresses opinion that this should be the case because with an increase in gambling there will be an increase in the number of problem gamblers and gambling- related problems.
- 218 Rep. Merkley Asks if there are different things that states have done to create a line between gambling as entertainment and gambling as a problem gambling.
- 238 Dr. Marotta Explains that there has not been a lot done to with regards how the actual structure of the machine influence the amount of revenue that might be generated from problem gamblers versus social gamblers.
- 288 Rep. Buckley Asks who is responsible for investigating what leads to excessive gambling.
- 294 Dr. Marotta Answers that the Oregon Lottery Commission does not have a problem gambling expert on staff, but that there is a strong and very cooperative relationship between himself and the Oregon Lottery Commission.
- 349 Dr. Marotta Submits Problem Gambling Service Program Budget report **(EXHIBIT D)**.
- 351 Carole Bono Assistant Director of Marketing, Oregon Lottery Commission. Attests to the strength of the relationship between Dr. Marrota and the Oregon Lottery Commission. Speaking to the responsive of the Oregon Lottery Commission in developing outreach programs that target high risk people.
- 386 Bono Cites the creation of a new outreach campaign targeted at women, college students, and senior citizens. Describes the marketing materials created in conjunction with Dr. Marotta.

TAPE 34, B

- 062 Rep. Dallum Asks if the problem gambling outreach efforts of the Oregon Lottery Commission are a part of one percent appropriation designated for problem gambling treatment.

067	Bono	Explains that the outreach programs created by the Oregon Lottery Commission are ones initiated within the Commission and are not a part of the one percent...
089	Bono	Explains that the Oregon Lottery has had a problem gambling treatment campaign and program in place since the early 1980's, but the prevention campaign and outreach is a new element of the program.
121	Chair Lim	Expresses concerns about the constitutionality of line games and whether or not they constitute the creation of a casino.
147	Steven Gilbert	Lottery Retailer, GC Investments, Inc. Submits and summarizes written testimony on problem gambling (EXHIBIT E).
257	Rep. Buckley	Asks if he has any suggestions on how to change public attitude regarding funding state services with the lottery funds instead of taxes.
268	Gilbert	Responds that no he does not know how to change public attitudes.
289	Chair Lim	Close the informational meeting on gambling issues. Adjourns the meeting at 10:13 a.m.

The following written testimony is submitted for the record without public testimony

Michael Lang	Conservation Director, Friends of the Columbia Gorge. Submits written testimony regarding off-reservation casinos (EXHIBIT F).
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EXHIBIT SUMMARY

- **A. Gambling Addiction, Problem Gambling Services Update PowerPoint presentation, Dr. Jeffery Marotta, 3 pp**
- B. Gambling Addiction, Problem Gambling Services Delivery Overview 2003-05, Dr. Jeffery Marotta, 6 pp**
- C. Gambling Addiction, Problem Gambling Fact Report, Dr. Jeffery Marotta, 3 pp**

- D. Gambling Addiction, Program Gambling Services Program Budget Report, Dr. Jeffery Marotta, 2 pp**
- E. Gambling Addiction, written testimony, Steven Gilbert, 1 p**

The following testimony is submitted for the record without public testimony.

- F. Gambling Addiction, written testimony, Michael Lang, 4 pp**