

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

February 3, 1999 Hearing Room B

3:00 p.m. Tapes 12 - 13

MEMBERS PRESENT: Sen. John Lim, Chair

Sen. Avel Gordly, Vice-Chair

Sen. Verne Duncan

Sen. Tony Corcoran

Sen. Bill Fisher

MEMBER EXCUSED:

STAFF PRESENT: Carol Rives, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: SB 118 Public Hearing

Commission Activities and Funding

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 12, A		
002	Chair Lim	Opens meeting at 3:12 p.m. and opens public hearing on SB 118.
<u>SB 118 PUBLIC HEARING</u>		

017	Carol Rives	Administrator. Explains SB 118, which allocates three percent of net proceeds from video lottery games to counties for community mental health programs for treatment of emotional and behavioral problems related to gambling.
039	Mike McCracken	Executive Director, Association of Oregon Community Mental Health Programs. Presents (EXHIBIT A) and testifies in support of SB 118.
074	McCracken	Continues with a summary of recent changes in the organization of the Gambling Addiction Treatment Programs (GATP), which includes the establishment of regional programs to serve the counties.
097	McCracken	Outlines a recent survey of gambling by Oregon youth, and agrees with the chair on the need for more money for programs.
115	Sen. Duncan	Asks about the gambling addiction clients and whether they are court ordered or volunteers for treatment.
123	McCracken	Answers that the gambling treatment clients are all volunteers and are seeking treatment largely due to the effectiveness of outreach programs and the Lottery advertising regarding gambling addiction treatment.

130	Sen. Duncan	States that it is ironic that we advertise for the Lottery and then advertise for addiction treatment programs.
136	Sen. Corcoran	Remarks that the Lottery advertises games, but would not need to advertise the video games, which seem popular.
147	McCracken	Details that the advertising he referred to was for treatment of gambling addictions. Continues by outlining priorities for the next biennium, one of which is better outreach to minorities.
174	Vice-Chair Gordly	Remarks that she supports the outreach program, and suggests that the minority commissions may be additional resources for these outreach programs.
183	McCracken	States that if the Governor's budget and HB 2156 are passed, funding for the gambling addiction treatment programs will be increased by approximately \$1 million.
191	Thomas Moore	President, Herbert and Lewis, Inc. States that approximately 3.3 percent of adult Oregonians are problem or pathological gamblers, but only a small percentage of these gamblers will seek treatment. Estimates that 842 people will come in for

treatment in the coming year and stresses that the system is at capacity. Summarizes a recent survey that found that 4.1 percent of adolescents in Oregon are problem or pathological gamblers.

255	Chair Lim	Asks for a definition of a pathological gambler.
261	Moore	Answers that a pathological gambler is one experiencing financial, personal, physical, or emotional problems due to gambling. Adds that pathological gamblers have progressed past the point where they have a choice to simply quit. Adds that a pathological gambler would go through withdrawal if they quit.
267	Vice-Chair Gordly	Asks for the type of gambling that adolescents are engaging in.
271	Moore	Summarizes the results of the survey which indicates that adolescents are gambling with charitable organizations (raffles), lottery games other than video poker, and in casinos (one-half in casinos located outside of Oregon). Adds that studies show that parents who gamble are more likely to have adolescents with gambling problems. States that there is a correlation between problem gambling and other high-risk behavior.
295	Chair Lim	Asks about the problem gamblers who do not seek treatment.
304	Moore	Answers that those problem gamblers may still have functional lives, or at the other extreme, have lost everything and given up.
314	Chair Lim	Asks about the social cost.
317	Moore	Answers that they are studying the issue and outlines efforts to determine social cost.
331	Sen. Duncan	Asks about a definition of social cost.
336	Moore	Responds that there is some anecdotal information available, but that the data collection is in its infancy. Continues by summarizing treatment programs. Notes that the completion rate for those in treatment is 40 percent. States that at a 6-month follow-up, 65 percent are abstaining from gambling, and a further 9 percent say they rarely gamble.
381	McCracken	Stresses that studies show that 4.1 percent of adolescents are problem gamblers. Adds that this population needs treatment immediately and only three treatment programs exist in North America for adolescents. Explains that this is one of the areas that will require additional funding and that the 1 percent of total lottery proceeds requested by the Governor will not be enough.

422	Chair Lim	Asks about prevention programs.
426	McCracken	Responds that some counties are involved in prevention programs and outlines some of the programs in existence.

TAPE 13, A

002	Karen Mainzer	Statewide Program Coordinator, Gambling Addiction Treatment Programs. Outlines that the Association of Oregon Community Mental Health Programs is asking for 1 percent of total lottery proceeds rather than 3 percent of total video poker proceeds. Summarizes other differences between SB 118 and HB 2156.
020	Sen. Corcoran	States that the Lottery is seen as a source of funding for different programs. Asks whether the "take" paid to video poker retailers may be a source of funds.
038	McCracken	Responds that they have not discussed those particular sources of funds, but are rather responding to the Governor's concerns about problem gambling.
054	Chair Lim	Summarizes that these treatment programs are funded to \$4.4 million in the current biennium and the proposed changes would provide \$5.8 million in the next biennium. Asks for confirmation on the \$588 million projections for total lottery proceeds in the next biennium.
066	Rives	Responds that those figures are correct.
067	Vice-Chair Gordly	Asks about the fiscal and revenue impact statements.
068	Rives	Responds that the committee has received both statements.
077	David Hooper	Public Affairs Manager, Oregon Lottery. Notes that the Lottery spends \$600,000 a year on advertising for treatment of problem gambling. States that the Lottery does not advertise video poker.
101	Chair Lim	Asks about the projection of \$588 for the upcoming biennium in total lottery proceeds.
111	Hooper	Responds that is correct. Chair Lim discusses with Hooper the projected amounts available under the proposed bills and whether the Lottery Commission has looked into the social cost of gambling. Hooper states that many of the studies about social costs are waiting for national standards to be developed.
156	McCracken	Summarizes efforts to develop standards to measure social cost.

OVERVIEW OF MINORITY COMMISSION ACTIVITIES AND FUNDING

202	Christopher Williams	Executive Director, Oregon Commission on Hispanic Affairs. Presents (EXHIBIT B) and states that the representatives of the Commission on Black Affairs and the Commission on Asian Affairs are not able to attend the meeting.
221	Williams	Continues testimony and outlines organization and current programs, pages 2-6 of the exhibit.
273	Tracy Davies	Executive Director, Oregon Commission for Women. Presents (EXHIBIT C) and testifies on recent Commission projects, to include development of a newsletter and seminars.
320	Davies	Continues testimony on other efforts of the Commission to become a link between organizations and an information source.
330	Sen. Duncan	Supports the commissions' efforts and discusses the budget cuts of last session. Asks if the commissions could combine some of their support activities to reduce overhead expenses.
381	Williams	Responds that the overhead cost from Department of Administrative Services is approximately \$10,000 per annum. Adds that there is a great deal of collaboration between the commissions.

TAPE 12, B

002	Sen. Duncan	States that he would like some information to take to Ways and Means for the commissions' budget proposals.
016	Vice-Chair Gordly	Remarks that the commissions serve constituencies that traditionally have been under-served. Wonders whether the commissions have the resources to adequately serve these constituents and whether the legislature is utilizing these commissions to their fullest potential as information resources.
061	Vice-Chair Gordly	Continues by commending the commissions for the work they have accomplished and wonders if the resources of the Hispanic Affairs Commission are being stretched, particularly with the assistance given to state agencies.
087	Williams	Responds that the services the Commission provides to the different State agencies save tax dollars. Summarizes services provided to state agencies, page 2 of (EXHIBIT B).
119	Vice-Chair Gordly	Commends the Commission for Women for moving away from the

perception that it is a partisan organization. Summarizes the statistics presented, page 1 of (**EXHIBIT C**). Reemphasizes the need for the legislature to utilize the commissions as information resources.

160	Sen. Fisher	Commends efforts of the commissions.
173	Sen. Corcoran	Remarks that studies in California show that social services are underutilized by minority populations.
193	Sen. Duncan	Discusses the problems of women undergoing divorces and the often alarming changes in their economic status.
215	Sen. Fisher	States that economic expenses double when a couple divorces.
239	Layne Barlow	Oregon Men's Association. Testifies in opposition to the Commission for Women and gender-specific legislation.
288	Barlow	Reviews recent articles in the Oregonian newspaper about women. States that men in Oregon are also in need of services provided by the state.
304	Barlow	Summarizes that men have nowhere to go for services and inequities exist for services. States that the gender politics in Oregon need to be diffused.
338	Vice-Chair Gordly	Comments that the Commission for Women is not a minority commission. Supports the idea of diffusing gender politics, but disagrees with the idea of abolishing the Commission for Women.
386	Sen. Duncan	States that he agrees that services do not exist for men and that this is a problem that should be addressed.
428	Barlow	States that a bias exists. Summarizes findings of the Family Violence Intervention Steering Committee from Multnomah County.
461	Barlow	Relates anecdotal information regarding a juvenile who would not receive any services if in the father's custody.
486	Chair Lim	Closes informational meeting and adjourns meeting at 4:38 p.m.

Gary Roulier, Carol Rives,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 118, Oregon Gambling Addiction Treatment Programs, Mike McCracken, 8 pp

B ñ Oregon Commission on Hispanic Affairs, Christopher Williams, 14 pp

C ñ Oregon Commission for Women, Tracy Davies, 3 pp