



## Senate Ways and Means Committee

March 7, 2013

### Problem Gambling Services in Kansas

Chair Masterson and members of the Committee, thank you for the opportunity to appear before you today to discuss problem gambling services in Kansas. I am Keith Whyte, Executive Director of the National Council on Problem Gambling (NCPG). The National Council on Problem Gambling is the national advocate for programs and services to assist problem gamblers and their families. NCPG was founded in 1972 and is a non-partisan, non-profit foundation that is neutral on gambling. NCPG and its 35 state affiliate chapters, including the Kansas Coalition on Problem Gambling, work together to provide services for problem gamblers and their families.

I am here today to support Kansas Coalition on Problem Gambling and because decisions made in Kansas have national ramifications. That is, states look to other states when forming policy. Kansas had been viewed as a national model for balanced gambling policy by reinvesting 2% of net gaming revenues into programs to reduce harm associated with state owned gambling. The Problem Gambling and Addictions Fund (PGAF), the backbone of Kansas' balance gambling policy, is being raided to fill budget gaps that are outside of the funds intended purpose. Kansas and the nation need to have monies from this fund spent as originally intended.

Because the state of Kansas legalizes, owns and profits from a state lottery and casinos, it has an ethical and economical obligation to reduce gambling related harm. Problem gambling prevention and treatment reduces the financial cost and emotional trauma to youth, families and communities and improves quality of life, family relationships, financial and mental health, housing and other key indicators of health and welfare.

It is important to remember that gambling is prohibited unless a specific form is affirmatively legalized. When a state gives its imprimatur to the activity, and especially as Kansas is the only state to have public ownership (becoming the "house" or "bookie") of both the lottery and casino gambling, a social contract is created with its citizens. The government of Kansas has an obligation to protect the general health of its residents, and promote their life, liberty and happiness. When the 2007 Kansas Expanded Lottery Act was proposed and narrowly passed it included a provision allocating 2% of the state's new gambling revenue to mitigate problem gambling and other addictions. While the statute gave the state leeway to use some of the funds

to address addictions other than gambling, it is my understanding the Governor's Recommended 2014 Budget, as originally proposed, directs 100% of the fund to areas outside of problem gambling services. While the media reports the Governor may be "receptive" to restoring \$740,000 of the \$8.6 million (less than 10% of the total), the original intent to redirect 100% was breathtakingly irresponsible and leaves advocates for problem gamblers extremely skeptical about their Government's promise to be responsible operators and regulators of gambling.

A recent survey of 1,600 Kansans found overwhelming public support to address problem gambling—approximately 90% agreed it was either "very important" or "important" to use public funds to make problem gambling treatment available and affordable. This same survey documented the rate of casino visitation in Kansas is higher than the national average and half of Kansans reported to have gambled in the past 30 days. While gambling participation in Kansas is higher than the national average, problem gambling awareness is low. One in 12 gamblers reported they have bet more than they could afford to lose and 15% of Kansas residents report being personally negatively affected by the gambling of others.

The PGAF fund actually makes government more efficient, more transparent and more responsible to the Kansas taxpayer. Research shows every \$1 spent on problem gambling services saves at least \$6 in social costs. In addition to providing a safety net to the thousands of problem gamblers and their families, the Kansas Problem Gambling and Addictions Fund lays the foundation for local community and civic groups to develop proactive policies and programs to mitigate the negative impact of gambling addiction on their towns and neighbors.

I urge you to support a balanced gambling policy by using the Problem Gambling and Addictions Fund as originally intended. I urge you to return a small percentage of the state's new gambling revenue back to programs that reduce gambling related harm. Investing in problem gambling services saves the state money by reducing pressures on state services, such as criminal justice costs, and more importantly investing in problem gambling prevention and treatment saves families, saves lives, and strengthens our communities.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions.

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