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HOUSE OF REPRESENTATIVES

HB 2355
Human Services Subcommittee
Joint Committee on Ways and Means
April 11, 2013

Thank you for hearing HB 2355 today. This bill establishes a floor, a baseline, for funding for the treatment of problem gambling. This bill is the first of several dealing with gambling addiction that will come before your committee this session.

A little history: Last session the House Human Services Committee established a work group charged with investigating the scope of gambling addictions in our state and developing recommendations to deal with this problem for the 2013 legislative session. Led by Reps. Kennemer, Parrish, Keny-Guyer and myself, the workgroup met many times, in small groups and in large groups. Stakeholders included lottery department personnel, Addictions and Mental Health agency staff, gambling policy experts, representatives from the restaurant industry, addiction treatment providers and recovering gamblers. The work group came to consensus on several pieces of legislation, introduced as committee bills this session in the Human Services Committee. HB 2355 is the result, dealing with the accessibility and stability of treatment funding.

Oregon is estimated to have 81,000 problem gamblers. The profile of these gamblers is diverse. Of the ones who seek treatment, most are female. The average age is about 48 years old. The average household income is a little over \$32,000 a year. 90% were addicted to video poker and line games, with over ¾ of the problem gamblers reporting that their neighborhood video lottery retailer was the preferred gambling location.

I'm attaching a short fact sheet about problem gamblers with this testimony. You can also find a longer, more thorough analysis at the website listed on the sheet.

Gambling addiction is similar to alcohol and drug addictions in many ways. Sometimes these addictions are co-occurring; but in many ways, gambling addictions are different. We all know people who are recovering alcoholics, go to AA meetings, and openly acknowledge that addiction is a real and continuing problem for them. But gambling addictions are hidden and shameful. Gamblers hide their problems from their spouses, their children and coworkers. Families suffer economic and emotional hardships, leading to divorce and broken families. Usually people only acknowledge their gambling problem after losing their homes, their retirement money, their families, or through crimes like embezzlement or identity theft.

However, one way in which gambling addiction ARE similar to other addictions, is that treatment WORKS. There are treatment protocols that are effective, and we need to make sure that treatment programs are accessible to all who need them.

That's where HB 2355 comes in. HB 2355 will provide stability for treatment program providers. It sets the 2011-13 treatment funding allocation as a floor for treatment dollars. By statute, gambling treatment gets 1% of lottery dollars. In bad economic times, treatment dollars have plummeted, only to be increased in subsequent biennia, then cut again, then restored. This rollercoaster effect is devastating to the treatment provider infrastructure. When dollars are cut, providers close their doors, staff moves away, and patients are left high and dry. When money comes back, it takes time to rebuild programs. HB 2355 says treatment funding be set at that statutory 1% level OR at the 2011-13 level, whichever is greater. HB 2355 is a step toward curbing that infrastructure rollercoaster.

Thank you for hearing this bill. There are others here to talk more about the impact of this legislation. I look forward to being here again soon to talk about our other problem gambling bills.



Oregon Problem Gamblers FY11-12

It is estimated approximately 81,000 adult Oregonians are problem or pathological gamblers.

Gamblers seek treatment much less readily than those with other addictions, so we expect only about 3% of those with problems to seek treatment in a given year.

Among the 1,321 adults who sought treatment in 2012, we saw the following:

- 48.6% Male 51.4 % Female
- Average Age: 47.6 years (ranged from 20 - 86 years)
- Average Annual Household Income: \$32,140 (ranged from \$0 to over \$1 MILLION)
- Marital Status: 31.5% married, 28.7% divorced, 23.8% never married, 5.7% separated, 6.1% living as married, and 3.4% widowed.
- Ethnicity: White 85.5%; Hispanic 4.4%, Asian 3.4%, Black 3.1%, Native American 1.5%, and 1.9% all other.
- Preferred game when gambling: 89.6% slots/video poker/ line games; cards 4.1%; scratch-its 1.3%; sports 0.9%; animals 0.8%; Keno 0.6%; bingo 0.6%;
- Preferred gambling location: Video Lottery Retailer 76.2%; casino 13.0%; restaurant/pub 3.5%; Food/convenience store 1.8%; internet/web 0.8%; card room 0.7%; track and off-track 0.6%
- Average gambling debt: \$26,738 (ranged from \$100 - \$1.2 million). Actual total debt reported was \$21,278,199.

In the year prior to enrolling in treatment, they suffered the following consequences, reported as directly related to their gambling:

- 47.3% reported relationship problems
- 15.8% reported problems at work (17.8% were unemployed and looking for work)
- 11.1% reported filing bankruptcy
- 10.3% reported legal problems
- 4.8% reported a suicide attempt in the past year; 27.4% reported thoughts of suicide

Additionally,

- 10.6% were heavy users of alcohol and another 23.5% reported having problems with alcohol
- 24.3% used illicit drugs and 7.9% admitted having problems with drugs

Not from our treatment data, but applying a national expert's assessment to Oregon:

Using available research on the social costs associated with problem and pathological gambling, the Oregon Council on Problem Gambling estimates the economic cost to Oregonians at approximately \$508.4 million annually. That figure is based on \$11,204 per pathological gambler and \$3,222 per problem gambler applied to the minimum and maximum estimated numbers of affected adults in Oregon. (Grinols, 2004)

For more information, go to <http://www.oregon.gov/oha/amh/pages/gambling.aspx>

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