




M E M O R A N D U M

Date: June 29, 2023

To: California State Lottery Commission

From: Alva V. Johnson, Director 

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Legislative and External Affairs

Subject: Item 9(e) – Problem Gambling Prevention Contract

ISSUE

The California State Lottery (Lottery) is requesting approval to enter into a three-year Interagency Agreement (IA) with the California Department of Public Health (CDPH) for problem gambling prevention services provided by the Office of Problem Gambling in the amount of \$510,000.

BACKGROUND

The Office of Problem Gambling (OPG) is charged with developing and providing quality statewide prevention and treatment services to address gambling disorders to the people of California. OPG's prevention program includes overseeing the state's toll-free California Problem Gambling Helpline (Helpline). Individuals in need can call, chat, or text the Helpline to begin problem gambling treatment. Helpline callers receive problem gambling counseling from a licensed therapist who specializes in gambling disorders with the goal to engage and transition the caller to outpatient treatment services under the California Gambling Education and Treatment Services Program (CalGETS).

OPG also manages problem gambling awareness campaigns like Problem Gambling Awareness Month (nationally recognized during the month of March) and administers problem gambling awareness trainings for non-profits, health professionals, law enforcement, and gambling industry personnel.

The Lottery has had long-standing IAs with CDPH for problem gambling prevention services provided by OPG since fiscal year (FY) 2008-09 when the program was housed

within the Department of Alcohol and Drug Programs, and later transitioned in FY 2013-14 to CDPH (by means of the Governor's Reorganization Plan).

This proposal for problem gambling prevention services includes the following services and outreach. OPG will provide maintenance of the state's Problem Gambling Helpline, reporting on Helpline data, development of appropriate literature/brochures for distribution to Helpline clients and Lottery retailers, and assistance drafting content to raise public awareness of problem gambling for Lottery communications. The IA also provides the Lottery with membership to the OPG Advisory Board. The Advisory Group is comprised of state regulating agencies, gambling industry representatives, educators, researchers, and advocates who discuss priorities and strategies for educating and training individuals engaged in problem gambling-related issues.

DISCUSSION

To date, the Lottery has not increased funding to account for inflation and rising costs to maintain the Helpline. The most recent funding increase for similar IAs occurred in FY 2017-18 in the amount of \$19,080, bringing the current-day two-year contract amount to \$278,160.

OPG staff requested that the IA term change to a three-year agreement for administrative purposes. This proposal would provide \$170,000 in funding to the OPG per year to account for inflation and support 50 percent of the annual cost of the Helpline, resulting in an annual increase of \$30,920.

The Lottery recognizes its social responsibility to minimize the impact its products may have on individuals who have or are at risk of developing a gambling disorder. As such, the Lottery has a well-established responsible gaming program that has received the highest certification from the World Lottery Association (WLA). Promotion of the Helpline is central to its program. The Lottery widely promotes the Helpline (1-800-GAMBLER), OPG treatment services, and other responsible gaming messages on its games, playslips, marketing campaigns, social media channels, and other Lottery communications.

RECOMMENDATION

Lottery recommends the California State Lottery Commission approve a three-year IA with the CDPH for problem gambling prevention services provided by the Office of Problem Gambling, in the amount of \$510,000, for a contract term of July 1, 2023 through June 30, 2026.