



## M E M O R A N D U M

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**Date:** September 23, 2021

**To:** California State Lottery Commission

**From:** Alva V. Johnson, Director 

**Prepared By:** Paula Negrete, Deputy Director, Legislative and External Affairs

**Subject:** Item 8(b) – Problem Gambling Prevention Contract

### **ISSUE**

The California State Lottery (Lottery) is requesting approval to enter into a new two-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 \$278,160.

### **BACKGROUND**

The Office of Problem Gambling was established under Section 4369 of the Welfare and Institutions Code and is charged with developing and providing quality statewide prevention and treatment services to address gambling disorder to the people of California.

The Lottery has had a long-standing IA with CDPH for services provided by the Office of Problem Gambling since FY 2013-14 when the program transitioned to CDPH by means of the Governor's Reorganization Plan. The Lottery had IAs for similar services since FY 2008-09 through the Department of Alcohol and Drug Programs.

The Lottery's current IA with CDPH expired on June 30, 2021 but services have continued uninterrupted. The Lottery's Procurement Program allows for the provision of services in limited circumstances until an agreement can be signed. Agreements with other

governmental entities, including state departments, in which there have been delays in processing an agreement due to lengthy processes, is one instance in which the Lottery may execute an agreement with a hard start date while services continue.

The IA specifies that the Office of Problem Gambling will provide the Lottery with maintenance of the state's Problem Gambling Helpline (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 on problem gambling for Lottery communications. The IA also provides the Lottery with membership to the Office of Problem Gambling's Advisory Board.

## **DISCUSSION**

The Lottery is committed to selling its games in a socially responsible way and dedicates resources to raise awareness on problem gambling and treatment services provided by CDPH Office of Problem Gambling. The California Lottery was the first U.S. lottery to receive the highest certification from the World Lottery Association (WLA) for its responsible gaming program.

The Lottery widely promotes the Helpline (1-800-GAMBLER) and other responsible gaming messages on its games, playslips, marketing campaigns, social media channels, and other Lottery communications.

The contract with the CDPH Office of Problem Gambling enables the Lottery to work directly with the state's problem gambling experts, gain insights from their research, and collaborate in the promotion of the Helpline—all of which are central to the enhancement of its responsible gaming program and upholding the WLA responsible gaming certification.

To ensure no break in services, the Lottery committed to continuation of services until such time the new agreement could be signed. CDPH has continued to provide services since the expiration of the prior agreement on June 30, 2021. The new agreement will reflect an effective date of July 1, 2021 to ensure services are provided consistent with contract terms and costs are reimbursable at the rates specified.

## **RECOMMENDATION**

Staff recommends the California State Lottery Commission approve a new two-year IA with the CDPH for problem gambling prevention services provided by the Office of

Problem Gambling, in an amount not to exceed \$278,160, with a hard start date of July 1, 2021 through June 30, 2023.