



WRITTEN STATEMENT OF BRIANNE M. DOURA-SCHAWOHL  
LEGISLATIVE DIRECTOR, NATIONAL COUNCIL ON PROBLEM GAMBLING

SCA-6, Senate Constitutional Amendment to Legalize Sports Betting

Dear Chair Dodd, Vice Chair Wilk, and members of the Committee:

On behalf of the National Council on Problem Gambling (NCPG) we urge you to amend SCA-6 to better protect Californians who suffer from, or may develop, gambling disorders.

In addition to the recommendations by the California Council on Problem Gambling to extend the existing self-exclusion program to cover sports betting and incorporate NCPG's Internet Responsible Gambling Standards into sports betting regulations, we strongly suggest that Section 19 (j)(9)(C) be amended to remove the arbitrary, unnecessary and counterproductive cap on problem gambling funding.

(C) In addition to the taxes prescribed by this paragraph, each approved racetrack operator shall remit 1 percent of their gross gaming revenue from all sports wagering, and each federally recognized Indian tribe shall remit 1 percent of their gross gaming revenue from online sports wagering, to fund problem gambling programs. ~~The total amount collected from all operators pursuant to this subparagraph shall not exceed 10 million dollars (\$10,000,000).~~

There is no evidence to suggest that capped amount is adequate to fund comprehensive problem gambling programs for every California citizen. As gambling on sports increases so will gambling problems. The cap is counterproductive and potentially more costly for the state because every dollar spent on prevention and treatment of a gambling problem saves the state of California at least two dollars in social costs, primarily healthcare and criminal justice.

NCPG and the California Council on Problem Gambling provided extensive written testimony on sports wagering to this committee on January 8, 2020. See the complete statement provided by myself and Robert Jacobson for additional information and recommendations. Highlights include:

Problem gambling, or gambling addiction, is an important public health matter and includes all gambling behavior patterns that compromise, disrupt or damage personal, family or vocational pursuits. Problem gamblers can experience devastating consequences on their or their family's finances, relationships, and mental and physical health. In extreme cases, problem gambling can result in financial ruin, legal problems, loss of career and family, or even suicide.

The estimated cost of gambling disorder to California taxpayers, families and communities is \$7.57 billion. Problem gamblers also have high rates of co-occurring substance abuse and mental health disorders, including smoking, alcohol use and abuse, drug use and abuse, depression, and suicidal behavior.

Our 2016 National Survey of Problem Gambling Services found that ranked of 20<sup>th</sup> out of the 40 states that provide public funding.



CCPG's helpline, which is funded under a contract with the Department of Public Health's Office of Problem Gambling, received just under 20,000 calls, more than 500 texts, and more than 350 web chats during FY18, with over 3,500 individuals being referred for help services as a result.

When expanding gambling California should: 1. Dedicate at least one percent of revenue to prevent and treat gambling addiction. 2. Develop robust and enforceable responsible gaming programs for sports betting licensees and all gambling operators. 3. Conduct surveys of the prevalence of gambling addiction prior to expansion and at regular periods thereafter to assess problems. 4. Establish a consistent minimum age for gambling.

NCPG and CCPG have additional concerns about the impact of sports betting on the health of athletes, as research indicates that athletes are more likely to be at risk for addictions. Preventing and treating gambling addiction among players protects their health and the integrity of the game. NCPG's Safer Sports Betting Initiative (SSBI). The initial SSBI goal is to raise awareness of potential gambling addiction-related problems and suggested responsible gambling solutions among states, leagues, gambling operators, and other stakeholders.

Sports betting legislation that allows online gambling options may further increase risk factors for gambling addiction, but this technology also allows additional opportunities to enhance the responsible gaming features described above including setting limits and exclusion programs. Therefore, we urge legislators and regulators to utilize NCPG's best practice Internet Responsible Gambling Standards (IRGS) as the basis for any internet or mobile gaming. Gaming vendors and operators are encouraged to pursue NCPG's Internet Compliance Assessment Program (iCAP) to receive an independent audit confirming they meet the IRG Standards.

NCPG is a nonprofit organization, founded in 1972, that leads state and national stakeholders in the development of comprehensive policy and programs for all those affected by problem gambling, serves as the national advocate for programs and services to assist problem gamblers and their families, and works to improve health and wellness by reducing the personal, social and economic costs of problem gambling. NCPG is neutral on legalized gambling.

On behalf of the National Council on Problem Gambling, we would like to thank the Chair for the opportunity to submit our remarks for the record and we would be happy to respond to any questions that you may have.

Sincerely,

*Brianne M. Doura-Schawohl*

Brianne M. Doura-Schawohl  
Legislative Director

Cc: Keith Whyte, Executive Director, National Council on Problem Gambling  
Robert Jacobson, Executive Director, California Council on Problem Gambling