



# MEMORANDUM

**To:** California State Lottery Commission      **Date:** June 25, 2008

**From:** Joan M. Borucki  
Director

**Prepared By:** Heather Lambert, Deputy Director  
Corporate Communications Division

**Subject:** Item 9(f) - Interagency Agreement with California Office of Problem Gambling

## **ISSUE**

Should the California State Lottery Commission (Commission) approve an interagency agreement for the 2008-09 FY in the amount of \$250,000.00 with the California Office of Problem Gambling (OPG) to provide for the maintenance of the California State Lottery's (Lottery) problem gambling helpline, appropriate literature/brochures for distribution to helpline clients and retailers, articles for Lottery publications, content for the Lottery web site, and any additional programs that further the purposes of the OPG and aid players with problem gambling issues?

## **RECOMMENDATION**

Lottery staff recommends that the Commission approve the request.

## **BACKGROUND**

The Lottery acts as a good corporate citizen by offering support to players who may have gaming-related issues. Although not required by the Lottery Act, the Lottery initiated the longest standing problem gambling effort in the state by starting the Lottery's problem gambling helpline (888-277-3115), the first in the state in 1998.

In 2003, the California Legislature created an Office of Problem Gambling (OPG) at the Department of Alcohol and Drug Programs within the Health and Human Services Agency. This office was tasked with developing a statewide problem gambling prevention program including a toll-free helpline and referral service, a public awareness

campaign, empirically driven research programs, and best practices in prevention and treatment.

The Lottery has enjoyed a strong relationship with the OPG since its inception and looks forward to expanding that relationship. In the 2007-08 FY, the Lottery transitioned its gambling helpline number (888-277-3115) to the number now used statewide (800-GAMBLER). We will continue our commitment to printing problem gambling warnings and providing the new phone number on our tickets, brochures and advertisements, and on our terminals throughout the state.

Since 2003, the Lottery has sponsored Public Service Announcements (PSAs) on both television and radio that air during National Problem Gambling Awareness Week. In 2006, the Lottery expanded this effort and aired PSAs throughout the entire month of March. During the 2007-08 FY, we worked with OPG to create a fresh PSA that is now being aired throughout the state year-round in order to raise awareness. We also hope to expand the distribution of the PSA and offer it in languages other than English and Spanish.

During the 2006-07 FY, the helpline received 6,635 calls, 238 of which were specific to Lottery related problem gambling issues.

In 2007, the Senate Governmental Organization Committee convened to address the issue of problem gambling in the state. The conclusion from this hearing was that the efforts of the various gaming entities in the state were bifurcated making it difficult for a consumer to know where to turn if they had a gambling problem; that the public would be better served having one helpline and one problem gambling message, and that the OPG was the best place for this as it would take the maintenance and messaging out of the hands of gaming experts (lottery, tribes, card rooms) and place it in the hands of the state's problem gambling experts. Therefore, the Lottery is proposing transitioning its current in-house problem gambling program to that of the OPG.

The Lottery's efforts towards problem gambling are not required by any federal or state statute and have occurred at the behest of various directors and commissions over the years.

## **DISCUSSION**

After the Senate Hearing in 2007, the Lottery attempted to initiate this interagency agreement for the 2007-08 FY, but the OPG had already gone through the state budget process and could not accept an interagency agreement for this amount without a budget change proposal (BCP) approved by the legislature, so the decision was made

to do the interagency agreement for the 2008-09 FY (July 1, 2008-June 30, 2009) and that the OPG would build the money into their budget up front in the budget process. In the meantime, the Lottery began the process last year of updating our web content and changing the Lottery problem gambling number to the 1-800-GAMBLER used by the OPG on all tickets, terminals, brochures, etc. Additionally, the Lottery committed additional funds to the cause above and beyond the maintenance of the hotline in an effort to increase awareness and funding of such programs.

The \$250,000.00 agreement amount will cover the cost of the calls generated by Lottery brochures and postings to the 1-800-GAMBLER helpline including counseling and referral services, all literature and brochures needed for helpline clients and for distribution throughout the state via our network of retailers for the year, content for our newsletters and web site, and any other projects that further the purpose of the OPG.

It may be necessary to continue an abbreviated version of the current CCPG contract until the old helpline number no longer appears on any Lottery materials or machinery.