



COMMONWEALTH of VIRGINIA

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COMMISSIONER

DEPARTMENT OF
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To: The Honorable Janet D. Howell, Chair, Senate Finance & Appropriations Committee
The Honorable Barry D. Knight, Chair, House Appropriations Committee

From: Nelson Smith, Commissioner, Department of Behavioral Health & Developmental Services (DBHDS)

Item 311. JJ.2 of the 2022 Special Session I Appropriations Act directs the Department of Behavioral Health and Developmental Services (DBHDS) to report on the Problem Gambling Treatment and Support fund budget allocation, expenditures and revenues to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 after the close of each fiscal year. The language states:

2. The Department of Behavioral Health and Developmental Services shall report annually, by September 1 of each year, on the revenue collections, expenditures and allocations of the Problem Gambling Treatment and Support Fund for the prior fiscal year to the Department of Planning and Budget and the Chairs of House Appropriations and Senate Finance and Appropriations Committees.

The Problem Gambling Treatment and Support Fund (PGTS) was created in 2020 to help mitigate any potential problems that may occur as a result of expanding gambling in Virginia. Collection of revenues into the Fund began in January 2021. The first revenue source was from a temporary fee on illegal skill games (also known as "Gray Machines") charged on electronic gaming machines (EGM) from July 2020 through June 2021. Two percent of the fees went to the PGTS, totaling \$2.1 million for FY2021. The other source of revenue into the fund was sports betting. In January 2021, funding from taxes collected on sports betting operators' adjusted gross income began to accrue in the PGTS account. Between January and June of FY2021, \$287,454 of revenues from sports betting went into the PGTS fund. The first Problem Gambling position was filled at the end of May 2021, so distribution of funds to begin building problem gambling services in Virginia did not begin until FY2022. With the majority of the funding going towards conducting a needs assessment to determine areas of need and build capacity in communities and across the state to build knowledge and skills to mitigate problem gambling.

Please see Table 1 for a comparison of the Problem Gambling Treatment & Support Fund budget versus expenditures for FY2022. Table 2 describes revenues collected for the fund during FY2022.

Table 1: PGTS Fund Budget Allocation and Expenditures, FY2022

Item	Budget	Expenditure	Explanation
Administrative	\$197,350	\$122,280	Salary and benefits for 2 FTE. One of the FTE was only on staff for 5 months.
Workforce Development	\$28,343	\$1,442	Training for staff, providers, and community organizations on problem gambling. Organizational memberships, conference fees.
Statewide Adult Assessment	\$10,000	\$10,000	Add two questions on gambling to the 2022 VDH Behavioral Risk Factor Survey
CSB Grants	\$1,600,000	\$1,600,000	Grants to all 40 CSB's to conduct community needs assessments and build capacity on problem gambling prevention services
VCU MOA	\$124,985	\$71,420	Contract with VCU and the Virginia Council on Problem Gambling to build a network of treatment and recovery providers and provide training on PG services. The contract started 3 months later than planned.
Travel		\$331	Travel for conference, meetings, site visits
Total	\$1,960,678	\$1,805,474	Budget Allocation - Expenditure

Table 2: PGTS Fund Revenues, FY2022

Code	Description	Amount
939	Gambling	
1206	Local Games Tax	\$202,800
1208	Sports Tax	\$650,057
7108	Interest	\$4,150
	Total	\$857,007