



COMMONWEALTH of VIRGINIA

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COMMISSIONER

DEPARTMENT OF
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September 1, 2025

To: The Honorable Louise L. Lucas, Chair, Senate Finance Committee
The Honorable Luke E. Torian, Chair, House Appropriations Committee

From: Nelson Smith, Commissioner, Department of Behavioral Health and Developmental Services

Re: Item 295 GG & SS, 2025 Special Session I

Item 295 Chapter 725 items GG and SS of the 2025 Special Session I *Budget Bill HB1600* 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 and October 1, respectively, after the close of each fiscal year. The language states:

GG. 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.

SS. The Department of Behavioral Health and Developmental Services shall report annually, by September 1, on the expenditure of funding from the Problem Gambling Treatment Fund, including allocations to the Community Services Boards, and include a description of the purposes for which the funding is being used. The department shall evaluate best practices in treating program gambling that may include statewide initiatives to address the negative effects of problem gambling. The department shall report back any findings on best practices and potential statewide initiatives to the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees by October 1, 2025.

In accordance with this item, please find enclosed the report for the close of the fiscal year 2025 (July 1, 2024-June 30, 2025). Staff are available should you wish to discuss this report.

CC: Janet V. Kelly, Secretary, Health and Human Resources



Problem Gambling Treatment and Support Fund Allocation, Expenditures, and Revenues

(Item 295 GG & SS, 2025 Special Session I)

September 1, 2025

DBHDS Vision: A Life of Possibilities for All Virginians

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Introduction

The Problem Gambling Treatment and Support (PGTS) Fund began FY 2025 with an allocation of \$2,306,899. In September 2024, an additional \$315,732 was approved, bringing the total appropriation to \$2,622,631. Total FY 2025 revenue reached \$5,495,094, sourced from sports betting, casinos, historical horse racing, unclaimed prizes, and interest.

There remains a growing demand for problem gambling prevention, treatment, and recovery services across Virginia. In FY 2025, \$2,531,857 was spent on these services. The projected need for FY 2026 is approximately \$4.3 million, to support expanding services statewide, operation of the Virginia Problem Gambling Council, and strengthening service oversight.

Revenues

- **Sports Betting:** \$2,584,864 (28% increase from FY 2024), driven by full operator participation and elimination of promotional tax deductions
- **Casinos (Bristol, Danville, Portsmouth):** \$1,256,369 (22% increase), due to new permanent locations
- **Historical Horse Racing Machines:** \$477,829
- **Unclaimed Prizes:** \$909,569
- **Interest:** \$266,462
- **Total FY 2025 Revenue:** \$5,495,094 (15% increase)

Table 1: PGTS Fund Revenues

The following table shows the details of revenues occurring in FY 2025.

Code	Description	Amount
1135	Hx Horse Betting	\$477,829
1208	Sports Betting Tax	\$2,584,864
1209	Casino Gaming Tax	\$1,256,369
7108	Interest	\$266,462
8120	Game Ref – Casino Fines	\$0
9035	Gaming Prize – Unclaimed Casino Prizes	\$909,569
Total		\$5,495,094

Expenditures

- **Administration:** Two full-time DBHDS staff managed 41 contracts, 55 training courses, monthly grantee meetings, a new youth curriculum, a young adult media campaign, and an outcomes dashboard. They also served on national boards and led the PGTS Advisory Committee.
- **Treatment & Recovery:** \$1,194,897 (via MOA with VCU and VA Council on Problem Gambling) supported services including:
 - 589 screened referrals; 344 full intakes; 272 referred to clinicians and 100% to Certified Peer Recovery Specialists

- 38 new certified treatment providers (129 total to date) and 13 new certified peers (22 total to date)
- Peers also provide outreach and presentations on getting help for gambling disorder.
- **Prevention:** \$921,500 provided to 39 CSBs for:
 - Community outreach, capacity building and education campaigns
 - 718 merchant visits for outreach and training
 - Over 3.2 million media impressions promoting the helpline, safer gambling, signs and symptoms, voluntary self-exclusion, and youth prevention
 - Development of a high school curriculum and a young adult-focused campaign launching in FY 2026
- **Evaluation:** \$100,000 was allocated for service evaluation, but delays pushed some spending into FY 2026.
- **Community Engagement:** Conferences and summits were held in Southwestern and South-Central Virginia, drawing over 250 attendees.
- **Advisory Committee (PGTSAC):** Met quarterly in FY 2025, coordinated by the Prevention Coordinator whose position is funded by the PGTS fund.

Table 2: PGTS Fund Budget Allocation and Expenditures

The following table provides amounts and details budget allocation and expenditures occurring in FY 2025.

Item	Budget	Expenditure	Explanation
Administrative	\$210,747	\$211,848	Salary and benefits for 2 FTE's, supplies, printing, technology, and operations
Workforce Development	\$13,888	\$10,887	Training for staff, providers, and community organizations on problem gambling. Organizational memberships, conference fees.
CSB Grants	\$921,500	\$921,500	Grants to 39 CSB's to build capacity, workforce development, implementation on problem gambling prevention services and promotion of problem gambling services. Including participation in evaluation, curriculum and media development.
VCU MOA	\$1,207,496	\$1,194,897	Dollar amount reflects remaining amount for 12 months of a 15-month contract. MOA with VCU to expand a network of treatment and recovery providers and provide training on PG services and reimburse for services. And \$20,000 contract with Evive to pilot the app.
VDH MOA	\$12,000		Add 2 questions to the VDH adult behavioral health survey.
OMNI contract	\$140,000	\$140,000	Contract to coordinate development of Problem Gambling Prevention curriculum for public schools, media campaign, dashboard, CSB training, and strategic plan.
DBHDS Research and Eval Contract	\$100,000	\$37,622	Contract for professional evaluation of PG services
Travel	\$5,000	\$3,492	Travel for conference, meetings, site visits
Education and Promotion	\$12,000	\$11,611	Promotion and educational materials
Total	\$2,622,631	\$2,531,857	Budget Allocation - Expenditure

Best Practices in Treating Problem Gambling

Treating gambling disorder generally includes a combination of therapy, support, and sometimes medication when co-occurring conditions occur.

1. Assessment and Diagnosis

- Include an initial assessment to determine if there may be a potential problem.
- Comprehensive evaluation to understand the severity and underlying issues.

2. Psychotherapy

- **Cognitive Behavioral Therapy (CBT):** Research shows this to be most effective; helps patients recognize and change harmful gambling behaviors and thoughts (Eriksen, J. et al., 2023).
- **Motivational Interviewing:** Enhances motivation to change. (Petry et al., 2017; Cowlshaw et al., 2012) Appears most effective when combined with CBT (Eriksen, J. et al., 2023).

3. Support Groups

- Gamblers Anonymous and similar peer-support groups provide social support and accountability (Hodgins et al., 2009).

4. Financial Counseling and Social Support

- Helps manage money and reduce financial harm caused by gambling in conjunction with psychotherapy or other supports.

5. Integrated Treatment

- Address co-occurring mental health or substance use disorders concurrently (Yarbakhsh et al., 2023).

Conclusion

FY 2025 saw increased revenue and service expansion across Virginia. Continued funding growth is essential to meet statewide demand and sustain momentum into FY 2026. Regulatory requirements for the Problem Gambling Treatment and Support Fund are provided below for reference.

Problem Gambling Treatment and Support Fund Regulation: § 37.2-314.2.

A. As used in this section:

"Compulsive gambling" means persistent and recurrent problem gambling behavior leading to clinically significant impairment or distress, as indicated by an individual exhibiting four or more of the criteria as defined by the Diagnostic Statistical Manual of Mental Disorders in a 12-month period and where the behavior is not better explained by a manic episode.

"Problem gambling" means a gambling behavior that causes disruptions in any major area of life, including the psychological, social, or vocational areas of life, but does not fulfill the criteria for diagnosis as a gambling disorder.

B. There is hereby created in the state treasury a special non-reverting fund to be known as the Problem Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenue accrued to the Fund pursuant to subsection A of § 58.1-4038 and money required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1 shall be paid into

the state treasury and credited to the Fund. Interest earned on money in the Fund shall remain in the Fund and be credited to it. Any money remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing counseling and other support services for compulsive and problem gamblers, (ii) developing and implementing compulsive and problem gambling treatment and prevention programs, and (iii) providing grants to support organizations that provide assistance to compulsive and problem gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.

2020, c. 1197, 1218, 1248, 1256, § 37.2-314.1.