

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 727 (Senator Dorman)

Finance

Referred to Environmental Matters

Compulsive Gambling

This amended bill requires the Secretary of the Department of Health and Mental Hygiene (DHMH) to establish an Office of Compulsive Gambling for the coordination of treatment for compulsive gamblers. The bill also requires the Secretary to make grants from State and federal funds to help public agencies or nonprofit organizations establish and operate local programs for compulsive gamblers and their families. The Secretary must promulgate regulations governing grants. The Office of Compulsive Gambling and the grant program are to be funded as provided in the State budget.

Within the Office of Compulsive Gambling, the Secretary must establish a ten-member Compulsive Gambling Advisory Committee. Among other things, the committee is to make funding recommendations and prepare a comprehensive plan for compulsive gambling services.

Fiscal Summary

State Effect: Indeterminate significant increase in State and federal fund expenditures. Revenues would not be affected.

Local Effect: Indeterminate increase in local revenues and expenditures.

Small Business Effect: Meaningful effect on small businesses as discussed below.

Fiscal Analysis

State Expenditures: DHMH estimates that this bill would cost \$18.8 million on an annual basis to implement. This estimate includes \$17.6 million for the full cost of treatment for 10,000 patients (20% of the estimated number of compulsive gamblers in Maryland), and \$1.2 million for administrative costs and advisory council expenses. The estimate assumes

that the cost of compulsive gambling treatment is comparable to that for substance abuse treatment.

The Department of Fiscal Services (DFS) advises that while the costs could be substantial, the actual impact would depend on (1) whether the State would be required to pay for the full cost of treatment for compulsive gamblers; (2) the number of people the program would be required to serve; (3) the extent to which compulsive gambling treatment compares to substance abuse treatment in terms of cost, length of stay, and effectiveness; and (4) the extent to which compulsive gambling treatment is available to serve Maryland residents. The bill requires the Secretary of DHMH to promulgate regulations regarding the eligibility of individuals requesting treatment under this program. These regulations would determine the magnitude and cost of the program. For illustrative purposes, the Alcohol and Drug Abuse Administration's proposed fiscal 1998 budget includes \$56.6 million for substance abuse treatment for some 50,000 clients and \$3.3 million for administration.

Local Effect: To the extent that grants are made to local governments to establish and operate programs for compulsive gamblers, local revenues and expenditures could increase.

Small Business Effect: The bill would favorably affect nonprofit compulsive gambling treatment providers to the extent that the State provides treatment grant funds. In addition to increasing revenues for existing compulsive gambling treatment providers, the bill may promote the development of new ones.

Information Source(s): Department of Health and Mental Hygiene, Department of Fiscal Services, Compulsive Gambling Center, Inc.

Fiscal Note History: First Reader - March 4, 1997

lc Revised - Senate Third Reader - March 28, 1997

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