



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

SUBJECT: PROBLEM GAMBLING
ASSESSMENT

FROM: Angel Rios, Jr.
Jennifer A. Maguire

DATE: September 12, 2017

Approved

D. D. S. L.

Date

9/21/17

RECOMMENDATION

- (a) Adopt the following Fiscal Year 2017-2018 Appropriation Ordinance amendments in the General Fund:
- (1) Eliminate the Problem Gambling Reserve in the amount of \$75,000; and
 - (2) Establish a City-Wide Expenses appropriation for Problem Gambling to the Department of Parks, Recreation, and Neighborhood Services (PRNS) in the amount of \$75,000.

OUTCOME

The recommended actions allocate funding for a qualified nonprofit agency to provide direct counseling services and educational programs in 2017-2018.

BACKGROUND

During the Fiscal Year 2016-2017 budget process, Council Member Tam Nguyen introduced Budget Document (BD) #39 stating that "Problem Gambling has been a big issue in the Asian and Pacific Islander (API) Community in San José and Santa Clara County for many years," and recommended funding to support a community-wide assessment of the gambling problems in the API community. In reference to BD #39, the Mayor's 2016-2017 June Budget Message stated, "...it appears that experts have already conducted such a study in this county within the last three years. Before we start spending money on more studies, I would like to seek the expertise of local experts—including service providers such as Asian Americans for Community Involvement and Asian American Recovery Services—to identify what specific additional studies our professionals need to better understand problem gambling. When we receive this

information, we can then assess whether dollars might be better spent on more studies, or on actual treatment.” The Mayor’s June 2016 message further stated that “the City Manager allocate \$75,000 one-time General Fund dollars in a reserve for further Council deliberation upon receipt of a report on the City Manager’s findings to the responsible Council committee.” PRNS completed this assessment and presented the results to the Neighborhood Services and Education Committee on August 10, 2017.

A Problem Gambling Alliance (PGA) was formed sometime between 2011-2013 to reduce the negative consequences of problem gambling to target communities in the greater San José area. This PGA consortium, made up of the organizations of Asian Americans for Community Involvement (AACI), Asian American Recovery Services (AARS), Breathe California, and the UCLA Gambling Studies Program, was formed as part of the 2009 City cardroom litigation settlement, in which the cardrooms provided charitable donations to organizations identified by the Healthy Neighborhoods Committee (or successor or similar committee of the Council). The PGA is not currently active as a consortium, and AACI is the current agency in direct receipt of the charitable contribution contract with Garden City and Bay 101. Based on the settlement agreements, Garden City makes an annual charitable contribution of \$250,000 with that amount increasing by 3% each year; and Bay 101 pays 5.15% of yearly earnings before taxes, depreciation and amortization or the sum of \$125,000 to be paid as an annual charitable contribution in perpetuity. The settlement with the cardrooms was set up so that the City would not be involved as a conduit for the money.

The PGA consortium conducted important research and provided important services that included:

- conducting focus groups with over 100 participants in multiple languages (i.e. English, Vietnamese, Tagalog, and Mandarin);
- collecting over 1,400 surveys;
- identifying key barriers to seeking mental health services, such as lack of culturally and linguistically competent services, and feelings of shame;
- providing hundreds of individuals and families with services that ranged from prevention to intervention, and individual treatment;
- finding that gambling frequency was higher in San José than other cities in the Bay Area and statewide; and
- providing multi-level services to over 30,000 community members in culturally and linguistically appropriate formats.

ANALYSIS

Staff has completed its research and outreach to key experts in the field. Staff worked with Kelly Chau, Director of Wellness Services from AACI, Razelle Buena Vista, Managing Director of Clinical Services for AARS, and Dr. Hien Do, Professor of Sociology at San José State University to identify existing research, review completed service reports, and discuss challenges and needs surrounding the issues of gambling within the Asian and Pacific Islander (API)

community. PRNS staff also consulted with the San José Police Department, the City Auditor's Office, and reviewed the County's 2011 report on the "Status of Vietnamese Health."

These local experts: 1) have already established the needs and input from the local community; 2) have the practical results in terms of service implementation; 3) continue to be involved with the State's Office of Problem Gambling; and 4) continue to actively work in similar projects across the San Francisco Bay Area. The result of the City's direct conversations with the experts was that they agreed no additional studies would generate anything of significance to what was already known about the negative impacts of problem gambling. Dr. Do reiterated this concept by stating that the prevalence of gambling as an accepted part of this community's cultural traditions and the prevalence of shame is well understood; thus, additional studies would not provide new information. Based on their professional assessments, there is a greater need for funds to directly support an expansion of culturally and linguistically sensitive services that include outreach, prevention education, and direct treatment services.

At the August 10, 2017, Neighborhood Services and Education Committee meeting, the Committee: 1) accepted staff's direction to recommend that the City Council appropriate the \$75,000 held in the Problem Gambling Reserve to provide gambling mitigation services for the API community [following a competitive selection of a service provider(s)]; and 2) directed City staff to come back to the Committee in Spring 2018, with a report on the use of the settlement funds since 2014.

EVALUATION AND FOLLOW-UP

PRNS will release a Request for Information (RFI) to assess agencies that have the capacity to provide gambling mitigation services directly to the API community. Assuming positive results to the RFI process, PRNS will enter into a contract with one or more agencies to deliver services, and will report back in an information memorandum. The County had also established \$75,000 as a match contingent on the City's completion of a "Best and Current Practices Research Analysis of Problem Gambling in the API Community." City staff will continue to follow up with the County to align their funds to ensure provision of direct services, if possible.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the October 3, 2017, Council meeting.

COORDINATION

This memorandum has been coordinated with the City Auditor and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This item does not have input from any board or commission.

COST SUMMARY/IMPLICATIONS

This budget action transfers \$75,000 from the General Fund Problem Gambling Reserve into a designated City-Wide Expenses appropriation for use once a problem gambling mitigation services provider is identified for the Asian and Pacific Islander community.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund a contract with a qualified nonprofit agency to provide direct services and educational programs for problem gambling.

Fund #	Appn #	Appn. Name	Total Appn.	Rec. Budget Action	2017-2018 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	New	Problem Gambling	N/A	\$75,000	N/A	N/A
001	8464	Problem Gambling Reserve	\$75,000	(\$75,000)	N/A	6/20/2017, 29962

*The 2017-2018 Proposed Operating Budget was adopted June 20, 2017. The Adopted Budget included the re-budget of the Problem Gambling Reserve in the amount of \$75,000.

CEQA

Not a Project, Public Project Number PP17-003, Agreement resulting in no physical changes to the environment.

/s/
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Director of Parks, Recreation,
and Neighborhood Services


JENNIFER A. MAGUIRE
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For questions, please contact Neil Rufino, Deputy Director, at (408) 535-3576.