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National Association of Administrators For Disordered Gambling Services

PGS
Problem Gambling Solutions, Inc.

2025 BUDGET UPDATE OF PUBLICLY FUNDED PROBLEM GAMBLING SERVICES IN THE UNITED STATES

Prepared by
Problem Gambling Solutions, Inc.

July 2026

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Acknowledgements

The Survey of Problem Gambling Services in the United States and its budget updates are projects of the National Association of Administrators for Disordered Gambling Services (NAADGS) to further its mission to enhance state and federal efforts to raise awareness, educate, and mitigate the potential impact or related harm of gambling.

We are grateful to all the state agency administrators who helped in gathering the reported information.

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Suggested Citation:

Marotta, J., Vazquez, P., & Yamagata, G. (2026). 2025 Budget Update of Publicly Funded Problem Gambling Services in the United States. Windsor, CO: National Association of Administrators for Disordered Gambling Services.

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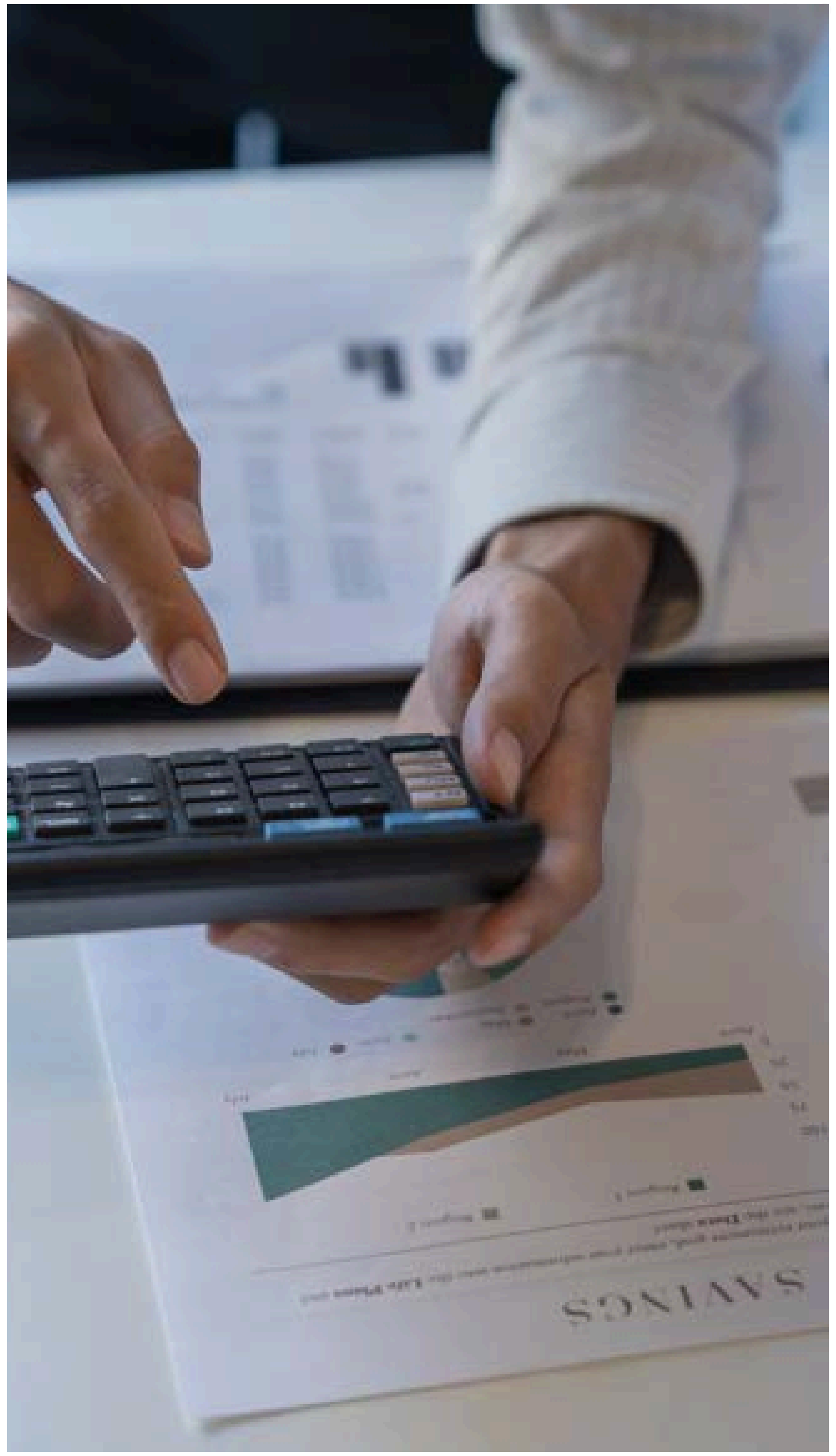

Executive Summary

This report provides an update on publicly funded problem gambling services in the United States, summarizing state fiscal year (FY) 2025 allocations and expenditures and presenting available FY2026 funding projections. Drawing on information from state agencies, public records, and budget documents, the report offers the only national assessment of public investment in problem gambling prevention, treatment, recovery support, and related services.

Public funding for problem gambling services continues to expand nationally. Known state allocations increased from approximately $94 million in FY2021 to $204 million in FY2026, reflecting unprecedented growth in public investment. Funding growth accelerated substantially after FY2022, coinciding with the rapid expansion of legalized sports wagering and increasing recognition of gambling-related harms as a public health concern.

In FY2025, 43 states reported publicly funded problem gambling programs, while Alaska, Alabama, Hawaii, Idaho, Montana, Texas, Utah, and the District of Columbia reported no dedicated funding. Aggregate FY2025 allocations was approximately $188 million, with substantial variation among states. A relatively small number of jurisdictions account for a disproportionate share of national funding, while many states continue to operate with comparatively limited resources. This uneven distribution contributes to significant differences in service capacity and access across the country.

Known FY2025 expenditures totaled approximately $145 million. Although expenditures were less than the total allocated funding, reported gaps were frequently associated with implementation factors such as procurement delays, contracting timelines, workforce shortages, and program start-up activities rather than with reductions in need or demand for services. These findings highlight the importance of building administrative and workforce capacity alongside funding increases to ensure that available resources are translated into services.

Changes in funding between FY2025 and FY2026 were widespread but uneven. Approximately 34% of funded jurisdictions reported funding increases exceeding 5%, 12% reported funding declines exceeding 5%, and the remaining 54% experienced relatively stable funding with changes of less than 5%. States with dedicated funding mechanisms tied to gaming revenue were often among those experiencing the largest increases. Missouri, Virginia, and Louisiana reported some of the most substantial year-over-year growth, illustrating how sports wagering legislation, revenue-based funding formulas, and gaming revenue growth can influence investments in problem gambling services.

Per-capita funding levels varied dramatically among states, underscoring persistent disparities in public investment. While some jurisdictions have developed robust funding structures that support comprehensive prevention, treatment, recovery, and safer gambling initiatives, others continue to fund services at levels that may limit statewide reach and effectiveness. As gambling opportunities continue to expand, per-capita funding provides an important benchmark for evaluating the adequacy and sustainability of state investments.

Overall, the findings demonstrate continued national momentum in problem gambling service funding and increasing recognition of gambling-related harm as a public health issue. At the same time, substantial differences in funding levels, implementation capacity, and service availability remain. Future progress will depend not only on increasing allocations but also on strengthening the systems needed to deploy funds effectively, evaluate outcomes, develop the workforce, and ensure equitable access to services across all jurisdictions.

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Introduction

The National Association of Administrators for Disordered Gambling Services (NAADGS) is a national membership organization of state administrators of public funds for problem gambling services.

The organization was formed in 2000 as the Association of Problem Gambling Service Administrators (APGSA) to support the development of services that will reduce the impact of problem gambling in the United States. In 2021, the APGSA adopted a new name, NAADGS.

Central to this mission, NAADGS conducts the only national survey of problem gambling services in the United States, providing information on funding, services available, administrative structures, state profiles, and state contacts.

NAADGS offers state memberships and does not have a position for or against legalized gambling.

This report presents an update on publicly funded problem gambling services in the United States. Unlike many other mental health and addiction service systems, there is no federal agency designated to fund, coordinate, or oversee state problem gambling service programs and policies. As a result, national data collection efforts conducted by non-governmental organizations play a critical role in documenting state activities, informing policy and program development, and tracking national trends in problem gambling services.

In 2006, the Association of Problem Gambling Service Administrators, renamed the National Association of Administrators for Disordered Gambling Services (NAADGS) in 2021, began sponsoring national assessments of state-funded problem gambling services. The NAADGS Survey is a validated state assessment process rather than a traditional survey. Information provided by state problem gambling administrators is reviewed alongside public records, agency documents, budget materials, and input from additional key informants. Reported findings are reconciled and verified before publication, resulting in a comprehensive and accurate profile of each state's publicly funded problem gambling service efforts.

Historically, NAADGS surveys have collected information across a broad range of service system components, including funding, administration, treatment, prevention, workforce development, program evaluation, and safer gambling initiatives. Comprehensive surveys were conducted for fiscal years 2006, 2008, 2010, 2013, 2016, and 2021. These surveys provide detailed assessments of the structure, funding, and operation of state-funded problem gambling services and remain the most comprehensive source of information on problem gambling service systems in the United States.

Beginning with the FY2022 survey cycle, NAADGS adopted a staggered reporting approach. Rather than conducting a comprehensive survey every year, abbreviated surveys are fielded between comprehensive assessments solely for updating state budget and expenditure information. Budget update surveys have been conducted for fiscal years 2022, 2023, and 2025.

Throughout this report, fiscal years refer to the state fiscal year being reported rather than the year in which data collection occurred. For example, FY2025 generally refers to the period beginning July 1, 2024, and ending June 30, 2025. Although fiscal year dates vary among states, expenditures and budget allocations are reported according to each state's designated FY2025 reporting period.

The most recent comprehensive survey, capturing data from FY2021, included all 50 states and the District of Columbia.[1] Information was collected on services funded by state agencies with legislated or line-item budgets dedicated to addressing problem gambling. The survey documented state funding levels, administrative structures, treatment and prevention services, workforce development activities, program evaluation efforts, and the extent of legalized gambling across the country. Services not funded through a U.S. state agency, such as those provided by tribal governments, private entities such as health insurers or gaming operators, and community-based organizations, such as Gamblers Anonymous, were outside the scope of the survey.

This report presents findings from the FY2025 budget update survey. As with previous budget update reports, the survey was limited to collecting and validating information on state problem gambling budgets and expenditures. FY2026 budget allocations were also collected; however, because the survey was conducted during FY2026, expenditure data for that fiscal year were not yet available. While narrower in scope than the comprehensive NAADGS surveys, these interim assessments provide important insight into evolving funding levels, public investment trends, and state fiscal priorities related to problem gambling services.

Together, the NAADGS survey series provides the only ongoing national assessment of publicly funded problem gambling services in the United States. By documenting both the structure of state service systems and the resources dedicated to addressing gambling-related harm, these reports support policymakers, administrators, researchers, advocates, and service providers in understanding and advancing efforts to prevent and treat problem gambling nationwide.

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Data Collection Method

Data were collected between March and June 2026 in three phases:

1. **Key Informant Survey**
NAADGS Survey budgetary updates were completed by key informants from one or more government agencies or a designated third party.

2. **Public Records Requests**
Official request for public records were made when information from key informants were unavailable.

3. **Online Search & Reconciliation**
Data were validated with publicly available information (e.g., online sources) whenever available and applicable. When inconsistencies were detected between key informants and published agency budget documents, data from official budget documents were used.

Data Completion
Data completion rates were high, with 100% of the 43 states with publicly funded programs reporting FY2025 allocation rates, 95% reporting 2026 allocation rates, and 100% reporting 2025 expenditure rates. In both FY2025 and FY2026, seven states (AK, AL, HI, ID, MT, TX, and UT) and the District of Columbia did not fund problem gambling services.

ABOUT THE NAADGS SURVEY

The NAADGS Survey is more than a traditional survey. While it begins with structured responses from designated state problem gambling administrators, the information collected is subsequently validated through a comprehensive review process. Responses are compared against publicly available documents, budget records, legislative materials, agency reports, and information obtained from additional key informants. When discrepancies are identified, follow-up verification and reconciliation are conducted to ensure accuracy and consistency.

As a result, the findings presented in this report reflect a triangulated assessment of each state's problem gambling efforts rather than a simple compilation of self-reported survey responses. This methodology enables NAADGS to produce a more accurate and comprehensive profile of state programs, funding, services, and policies across the nation.

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Problem Gambling Service Budget Allocations Over Time

Problem gambling services allocations have increased substantially over the past two decades (Figure 1). Between FY2006 and FY2026, total state allocations for problem gambling services grew at a compound annual rate of approximately 8 percent. Growth accelerated considerably following FY2022, with total allocations increasing at an annual compounded rate of 18 percent between FY2022 and FY2026. This acceleration coincides with the rapid expansion of legalized sports wagering and increasing state recognition of the need for prevention, treatment, and recovery support services.

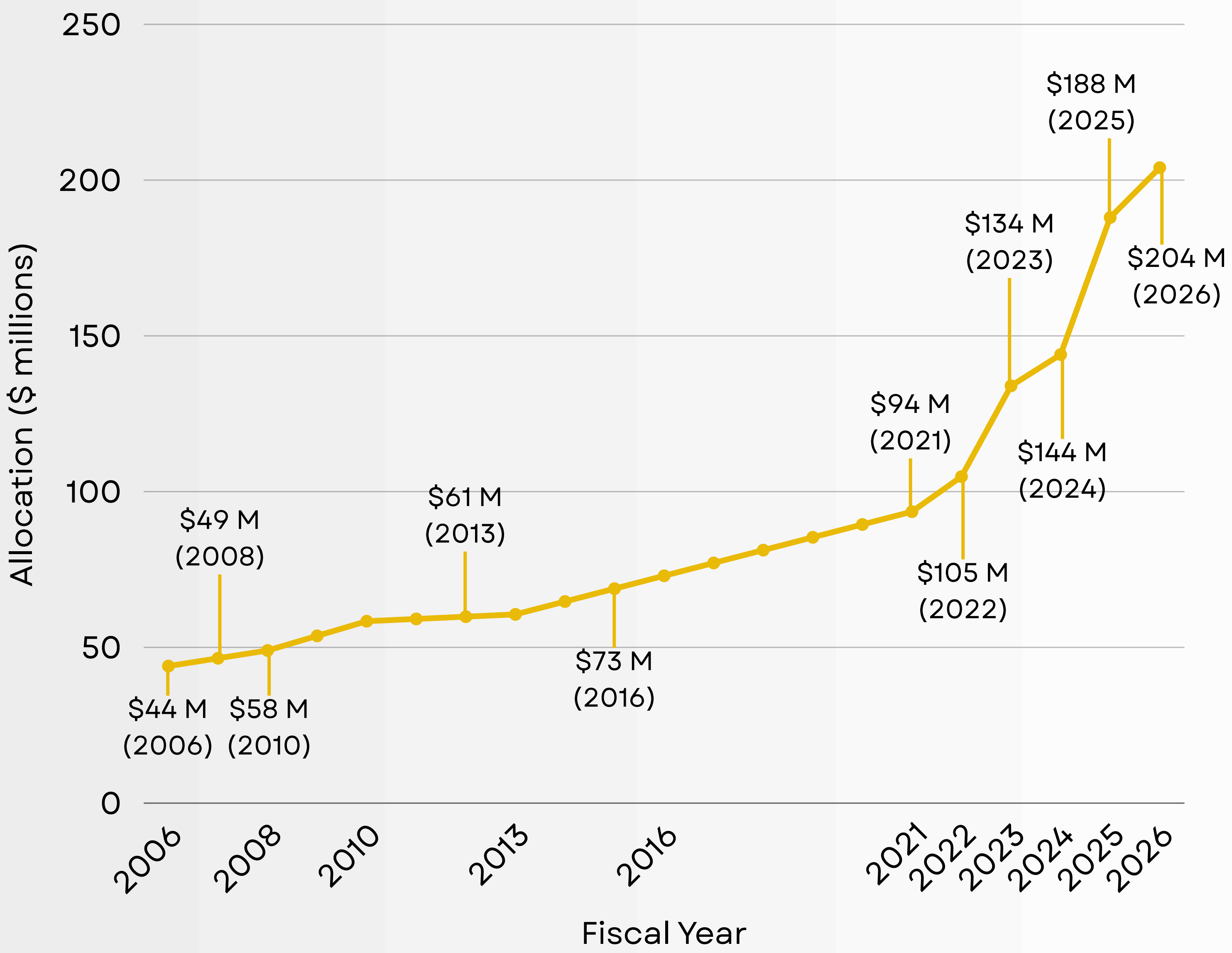
While aggregate funding has increased significantly, growth has not occurred uniformly across states. A relatively small number of states account for a disproportionate share of the overall increase, reflecting differences in funding mechanisms, legislative priorities, gambling market maturity, and the availability of dedicated revenue sources. Massachusetts, for example, has experienced substantial growth in problem gambling funding and represents a notable outlier relative to most other states. As a result, national growth trends should not be interpreted as evidence of consistent increases across all jurisdictions.

The expansion of legalized sports wagering appears to be an important factor contributing to recent funding growth. Since the Supreme Court's 2018 decision in Murphy v. NCAA struck down the federal sports betting ban, 39 states and the District of Columbia have legalized sports wagering. Americans have legally wagered more than $668.6 billion on sports, generating over $12 billion in state tax revenue.[2] In many jurisdictions, legislation authorizing sports wagering established dedicated funding streams for problem gambling services or increased existing allocations, creating a direct link between gambling market growth and investments in prevention, treatment, research, and safer gambling initiatives.

Despite these gains, funding growth remains uneven and often disconnected from measures of gambling participation, gambling revenue, or problem gambling prevalence. Consequently, substantial variation persists in states' capacity to provide prevention, treatment, recovery support, and public awareness services. The continued expansion of legalized gambling may create opportunities for additional investment in problem gambling services, but future growth will depend largely on state policy decisions regarding funding mechanisms and resource allocation.

Figure 1

Total State Allocations to Problem Gambling Services Over Time



Data is interpolated between survey years

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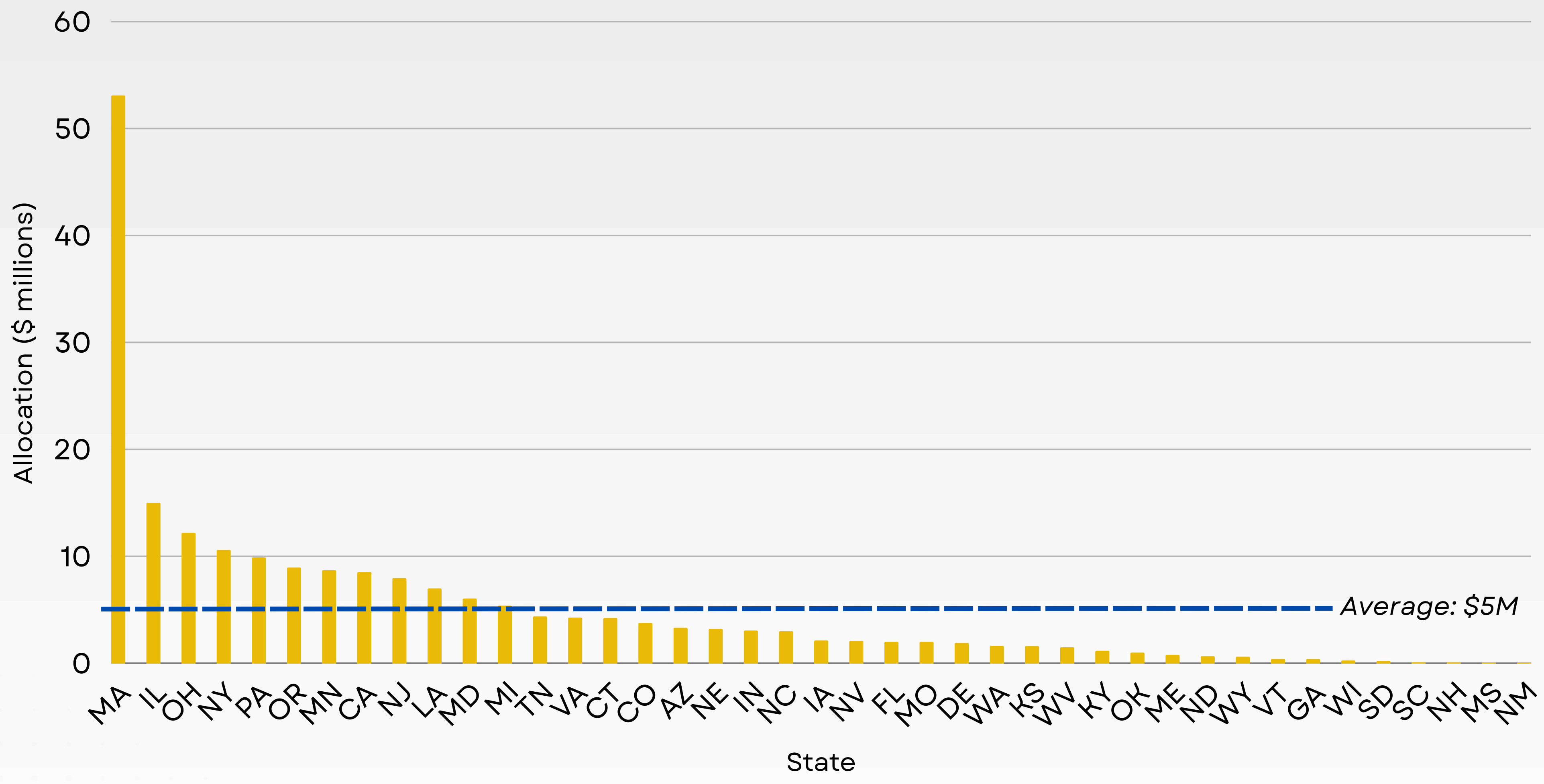
FY2026 Budget Allocations for Problem Gambling Services

Figure 2

FY2026 State Allocations for Problem Gambling Services*



*
- *Only includes states with funding designated for problem gambling services.*
- *Budget Allocations defined as the agency's legislatively approved budget authority for spending on problem gambling services*
- *The Massachusetts allocation is composed of two agency problem gambling service budgets: The Massachusetts Gaming Commission ($8,072,134) and the Massachusetts Department of Public Health, DPH ($45,017,180). The DPH budget included new revenues and unused revenues carried forward.*
- *Rhode Island is missing as their allocation is based on actual expenditures. At the time this FY2026 data was collected, the fiscal year had not concluded therefore their allocation was unknown.*

While national funding for problem gambling services has increased substantially over the past two decades, funding levels continue to vary considerably across states (Figure 2). In FY2026, allocations ranged from $53.1 million in Massachusetts to no dedicated problem gambling service funding in Alaska, Alabama, Hawaii, Idaho, Montana, Utah, Texas, and the District of Columbia. The average allocation across all states was $4.2 million, compared with a median of $1.9 million, indicating an uneven distribution of resources across states. Excluding states with no public funding, the average allocation increases to $5.0 million and the median to $2.1 million.

The gap between the average and median allocation suggests that a relatively small number of states account for a disproportionate share of total funding. In fact, the five highest-funded states account for approximately half of all problem gambling funding nationwide. Although several states have made substantial investments in problem gambling prevention, treatment, recovery support, and workforce development, many others continue to operate with comparatively limited resources. As a result, residents' access to problem gambling services can differ significantly depending on where they live.

These findings highlight the importance of looking beyond national funding totals to understand state-level capacity. The availability of dedicated funding remains a key factor influencing a state's ability to develop and sustain a comprehensive problem gambling service system. As gambling opportunities continue to expand across the United States, addressing disparities in funding may become increasingly important to ensuring equitable access to prevention, treatment, and recovery services.

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PER CAPITA ALLOCATION

There was a wide range of state per capita allocation levels, from $7.40 for Massachusetts (MA) to $0.02 for South Carolina (SC; Figure 3). On average, the per capita allocation was $0.81 with a median of $0.56.

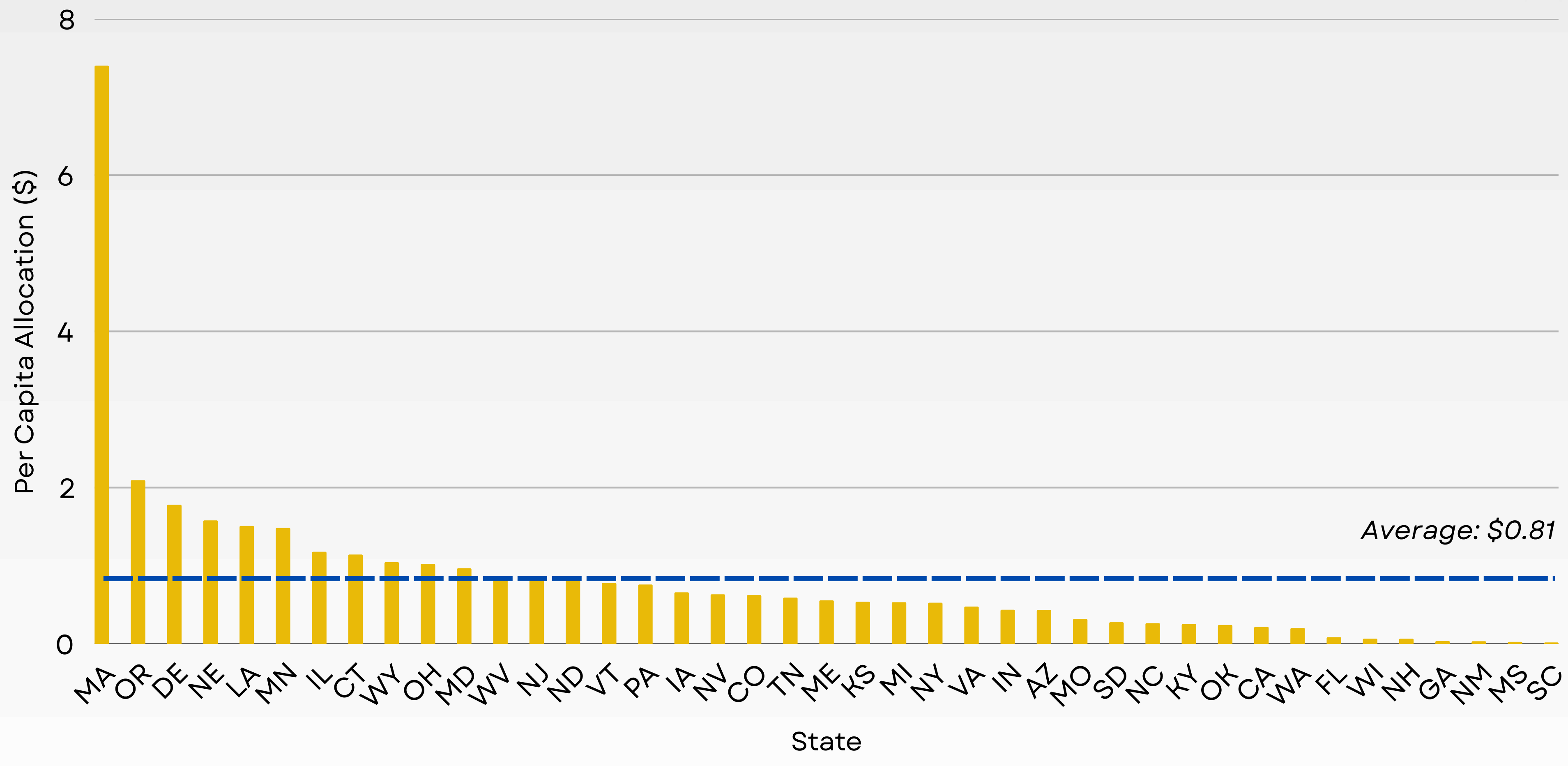
While total allocations provide an important measure of a state's investment in problem gambling services, they do not fully capture the relative level of support available to residents. States vary dramatically in population size, making direct comparisons of total funding potentially misleading. A state with a large overall budget may, on a per-resident basis, invest less in problem gambling services than a smaller state with a more modest total allocation.

Examining funding on a per-capita basis provides a standardized measure that allows for more meaningful comparisons across jurisdictions. Per-capita funding reflects the amount of public investment available relative to the size of the population potentially affected by gambling-related harms. This perspective helps identify states that have prioritized problem gambling services at a level that exceeds what might be expected based solely on population size, as well as states where funding levels may be comparatively limited despite substantial total expenditures.

Per-capita analysis also highlights the influence of different funding models. States with dedicated revenue streams tied to gaming taxes, sports wagering receipts, or statutory allocations often achieve higher per-capita funding levels than states relying on annual appropriations or limited contractual arrangements. As gambling opportunities continue to expand across the United States, per-capita funding provides a useful benchmark for assessing the adequacy and sustainability of public investments in prevention, treatment, recovery support, research, and safer gambling initiatives.

Figure 3

FY2026 Per Capita State Allocations for Problem Gambling Services*



** Data represented here only includes states with funding designated for problem gambling services. When including the seven states and the District of Columbia that recieve no dedicated problem gambling services funding, the average per capita allocation falls to $0.68 and the median falls to $0.48.*

Change in Budget Allocations for Problem Gambling Services Between FY2025 and FY2026

Although overall funding for problem gambling services continued to increase between FY2025 and FY2026, growth was not distributed evenly across states (Table 1). Some jurisdictions experienced substantial increases in funding, while others reported relatively stable budgets or declines (Figure 4). These changes reflect differences in state funding mechanisms, legislative priorities, and the extent to which problem gambling funding is linked to gambling revenues.

States that dedicate a portion of gaming taxes or gaming revenues to problem gambling services were often among those reporting the largest increases. As sports wagering and other forms of gambling continue to expand, revenue-based funding models can generate additional resources for prevention, treatment, and recovery support services. In several states, increased gambling revenues translated directly into larger allocations for problem gambling programs.

At the same time, not all states experienced growth. Some jurisdictions reported flat funding levels despite increases in gambling activity, while others saw decreases due to lower-than-anticipated gaming revenues, changes in appropriations, or shifts in budget priorities. These findings highlight the varying levels of stability associated with different funding structures. States that rely on annual appropriations may be more susceptible to budget fluctuations, whereas states with dedicated revenue streams often experience funding levels that more closely track gambling market performance.

The variation in FY2025-to-FY2026 changes demonstrates that national growth in problem gambling funding is being driven by a relatively small number of states with substantial increases. As a result, aggregate national funding totals can mask important differences in how individual states are investing in services to address gambling-related harm. The following analysis highlights the states that experienced the largest increases in funding between FY2025 and FY2026 and examines some of the factors contributing to those changes.

Table 1

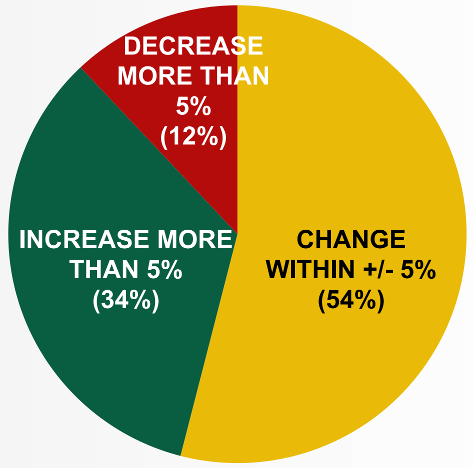
Change in State Allocations for Problem Gambling Services Between FY2025 to FY2026*

Decrease more than 5% (%)	Relatively Flat Budget Change within +/- 5%	Increase more than 5% (%)	
NJ: -7.3	AZ, CA, FL, GA, IN, KY, MA, MD, MI, MN, MS, NC, ND, NE, NM, NY, OK, PA, SC, VT, WI, WV	MO: 1,202†	CO: 26.1
SD: -18.7		VA: 62.7	DE: 15.5
NV: -21.1		LA: 52.8	OR: 14.8
KS -25.7		IL: 50.0	WY: 14.7
IA: -28.7		ME: 46.5	TN: 6.6
		WA: 35.0	NH: 6.2
		OH: 34.1	CT: 5.4

*Only includes states with funding designated for problem gambling services.
†The percent is based on a relatively small base of $153,606

Figure 4

Change Summary of State Allocations to Problem Gambling Services Between FY2025 and FY2026



The largest allocation increases between FY2025 and FY2026 illustrate several different pathways through which states expand problem gambling service funding. Missouri reported the largest percentage increase, rising from $153,606 to $2 million following the passage of sports betting legislation effective December 2025. Because Missouri's prior allocation was relatively small, the percentage increase is especially large and should be interpreted in that context.

Virginia's allocation increased from $2.6 million to $4.3 million after the state aligned its budget more closely with revenues generated from gambling-related taxes. The additional funding is intended to support expanded prevention activities, gambling disorder screening and referral in behavioral health settings, data dashboard development, a statewide young adult survey, support for the Virginia Council on Problem Gambling, and recovery and treatment technology.

Missouri (1,202%)
Missouri's allocation increased from $153,606 to $2,000,000. The passage of sports betting legislation, which became effective in December 2025, has increased allocation.

Virginia (63%)
Virginia's allocation increased from $2,622,631 to $4,268,180. Because Virginia bases its annual appropriation on gambling revenues collected in the previous fiscal year, the substantial FY2025–FY2026 increase reflects rapid growth in legalized sports betting revenues. However, continued revenue growth means the FY2026 appropriation again falls below actual current-year revenue collections.

Louisiana (53%)
Louisiana's allocation increased from $4,579,756 to $7,000,000.
The increase was due to higher gaming revenues available for appropriation to fund problem gambling services.

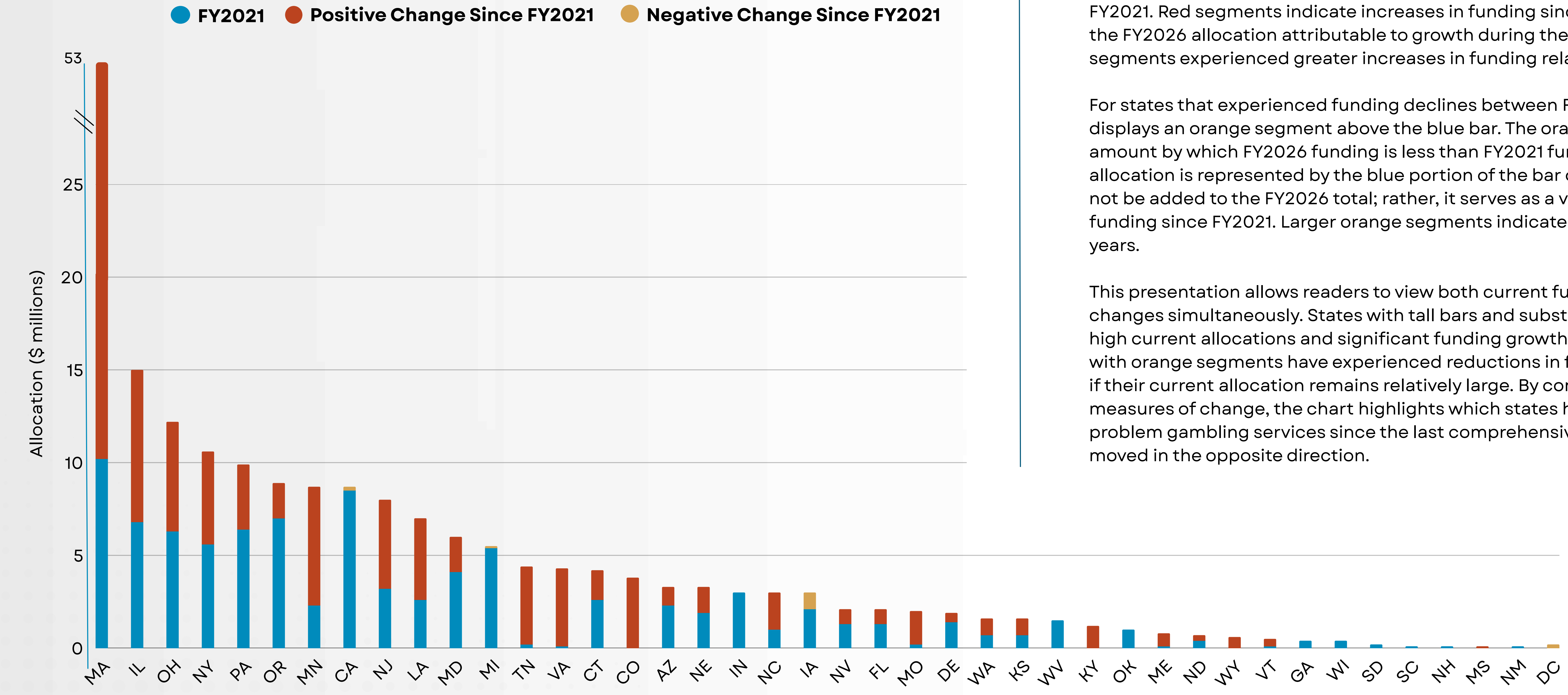
Louisiana's allocation increased from $4.6 million to $7 million, reflecting higher gaming revenues available for appropriation to problem gambling program services. Together, these examples show that recent allocation growth is often tied to new gambling legislation, stronger alignment between gambling revenues and service budgets, or increases in gaming revenues available for appropriation.

Revenue-based funding mechanisms can help problem gambling service budgets grow as gambling markets expand, but they can also create variability. States that rely on a percentage of gaming revenues may see increases when gambling revenues rise and decreases when revenue sources decline. Kansas, for example, reported a decrease in FY2026 estimates because brick-and-mortar casino revenues were down. These patterns underscore the importance of both dedicated funding streams and stable planning structures to support sustained service capacity.

Problem Gambling Services Budget Changes: FY2021 to FY2026

Figure 5

FY2021 and FY2026 State Allocations for Problem Gambling Services*



*Refer to Figure 2 for additional details regarding the data presented.

Figure 5 illustrates changes in state problem gambling service allocations between FY2021 and FY2026. Each bar represents a state's FY2026 allocation and visually distinguishes the portion of that allocation that reflects growth or decline relative to FY2021 funding levels.

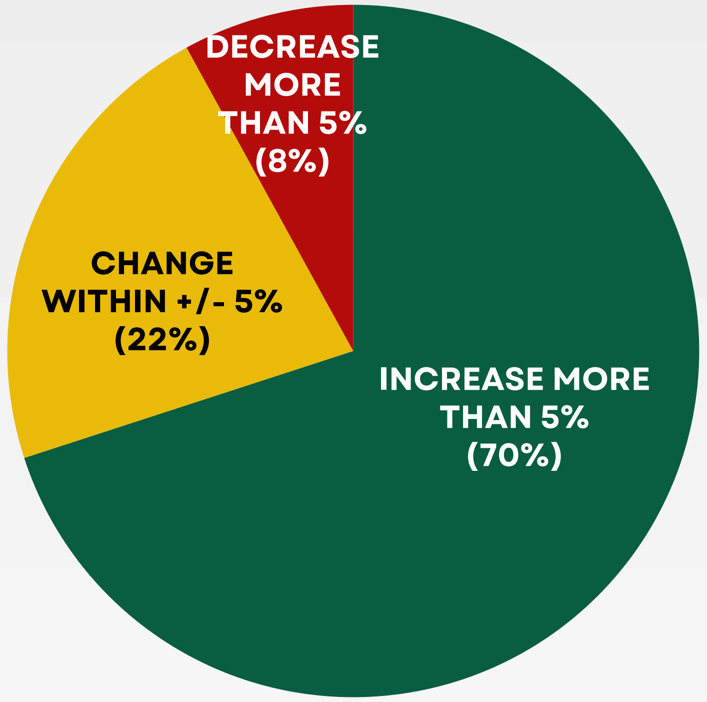
The blue portion of each bar represents the amount of funding that was already in place in FY2021. Red segments indicate increases in funding since FY2021 and show the portion of the FY2026 allocation attributable to growth during the five years. States with larger red segments experienced greater increases in funding relative to their FY2021 baseline.

For states that experienced funding declines between FY2021 and FY2026, the chart displays an orange segment above the blue bar. The orange segment represents the amount by which FY2026 funding is less than FY2021 funding. In these cases, the FY2026 allocation is represented by the blue portion of the bar only. The orange segment should not be added to the FY2026 total; rather, it serves as a visual indicator of the reduction in funding since FY2021. Larger orange segments indicate greater declines over the five years.

This presentation allows readers to view both current funding levels and historical changes simultaneously. States with tall bars and substantial red segments have both high current allocations and significant funding growth since FY2021. Conversely, states with orange segments have experienced reductions in funding over the same period, even if their current allocation remains relatively large. By combining current allocations with measures of change, the chart highlights which states have expanded investments in problem gambling services since the last comprehensive NAADGS survey and which have moved in the opposite direction.

Figure 6

Change Summary of State Allocations for Problem Gambling Services Between FY2021 and FY2026



Underspent budgets can threaten future allocations. For example, to address a budget deficit, the District of Columbia's annual budget was eliminated in FY2024 after remaining unspent for several years.[3] The Department of Behavioral Health states that it provides problem gambling treatment services without additional funding; however, the loss of allocated funds will hinder any expansion of services.

The five years between FY2021 and FY2026 were marked by substantial expansion in state funding for problem gambling services. As shown in Figure 6, a strong majority (70%) of states increased their allocations during this period, reflecting growing recognition of gambling-related harms and increasing investment in prevention, treatment, recovery support, research, and safer gambling initiatives.

The predominance of states reporting funding increases suggests that problem gambling services have become a higher policy priority in many jurisdictions since the last comprehensive NAADGS survey. In several states, growth coincided with the expansion of legalized sports wagering and the creation or enhancement of dedicated funding mechanisms tied to gambling revenues. These funding structures enabled states to translate gambling market growth into additional resources for public health and behavioral health services.

At the same time, the distribution of changes demonstrates that funding growth has not been universal. Nearly one-quarter of states maintained relatively stable funding levels over the five years, indicating that investments have not kept pace with the rapid expansion of gambling opportunities. A smaller group of states reported declines in funding, underscoring the continued influence of state-specific budget decisions, revenue fluctuations, and differing approaches to funding problem gambling services.

Taken together, these findings point to a significant national shift toward increased public investment in problem gambling services since FY2021. However, the variation in state experiences also highlights the absence of a consistent funding model across jurisdictions. As a result, the capacity of states to provide prevention, treatment, recovery support, and public awareness services continues to vary considerably, even amid overall national growth.

Table 2

Change in State Allocations to Problem Gambling Services Between FY2021 to FY2026

Decrease of more than 5% (%)	Change within +/- 5%	Increase of more than 5% (%)		
DC: -100	CA, GA, IN, MI, NM, OK, SC, WI, WV	SD: 7	ND: 83	MN: 278
IA: -29		OR: 27	NY: 91	MA: 420
NH: -7		DE: 37	OH: 95	ME: 648
		AZ: 42	IL: 121	MO: 1,202
		MD: 47	WA: 122	TN: 2,089
		PA: 55	KS: 125	VA: 7,660
		FL: 60	NJ: 153	WY: 8,476
		CT: 62	LA: 171	CO: 12,513
		NV: 67	NC: 200	
		NE: 73	VT: 234	

States with the largest percent change in allocation between FY2021 and FY2026 include Colorado, Wyoming, and Virginia. Additionally, Kentucky and Mississippi began receiving funds during this period. Kentucky established its state problem gambling fund with the legalization of sports betting in FY2023, financed by 2.5% of sports wagering taxes and licensing fees. Mississippi had funds for problem gambling services from 1990 to 2017, at which time it was eliminated with statewide budget cuts; however, funding was restored in 2024.

Colorado (12,513%)
Colorado saw a huge increase in funding, from $30,000 to a steady $2.5M per year following the passage of HB22-1402 in FY2023, which reserves funds for the Responsible Gaming Grant Program.

Wyoming (8,476%)
Wyoming, whose FY2021 base allocations were just over $7,000, saw growth in funding with the legalization of online sports wagering and the Online Sports Wagering Act, which requires that the first $300,000 of online sports wagering tax revenue be allocated for problem gambling services. Wyoming receives additional funds from the state Lottery and is allowed to roll over unspent funds.

Virginia (7,660%)
Prior to the legalization of sports wagering, problem gambling services in Virginia were funded by 0.8% of casino taxes.[4] In 2021, sports betting was legalized, coming with an additional 2.5% of gaming revenue going toward problem gambling services.

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FY2025 Differences Between Allocations & Expenditures

State allocations provide an important measure of planned investment in problem gambling services, but expenditures offer additional insight into the extent to which those resources were translated into services during the fiscal year. While allocations reflect funds authorized for problem gambling activities, expenditures represent the actual dollars spent on prevention, treatment, recovery support, workforce development, research, public awareness, and other program activities.

Across reporting jurisdictions, FY2025 expenditures were generally lower than allocated amounts. This pattern is common in publicly funded health and behavioral health programs and does not necessarily indicate a lack of demand for services or reduced program activity. In many states, expenditures are affected by the timing of procurement processes, contract execution, workforce recruitment, program expansion efforts, and other administrative factors that can delay spending beyond a single fiscal year.

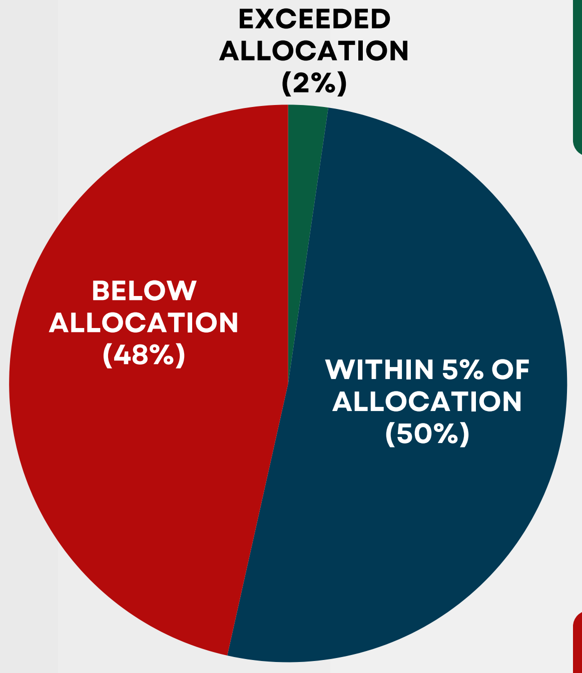
The relationship between allocations and expenditures also provides insight into the maturity of state problem gambling service systems. States with well-established provider networks and administrative infrastructure may be better positioned to fully utilize available funding, while jurisdictions implementing new initiatives or expanding services often require time to build capacity before allocated funds are fully expended. As a result, temporary gaps between allocations and expenditures may reflect system development rather than underinvestment.

At the same time, expenditure data underscore the importance of looking beyond budget authorizations when assessing state commitment to addressing gambling-related harm. Allocation levels indicate the resources available to support services, but expenditures provide a more direct measure of how those resources are being deployed. Together, these measures offer a more complete picture of public investment in problem gambling services and the capacity of states to translate funding into meaningful prevention, treatment, and recovery outcomes.

As legalized gambling continues to expand and states increase investments in problem gambling services, tracking both allocations and expenditures will become increasingly important. Monitoring the relationship between funding and spending can help identify implementation challenges, inform resource planning, and support efforts to ensure that dedicated funds are effectively reaching individuals, families, and communities affected by gambling-related harm.

Figure 7

Summary of State Allocations vs. Spend on Problem Gambling Services FY2025



Expenditures **exceeded** allocations by more than 5%

One state agency exceeded its allocation by more than 5%. For FY2025, Oregon's Problem Gambling Services budget authority was established before the state determined that unspent funds from prior years would no longer be carried forward. As a result, the agency's expenditures exceeded its allocation.

Expenditures fell **within 5%** of what was allocated

Half of the states reported year-end expenditures within 5% of their annual allocations. State agency programs typically strive to manage expenditures so that spending closely matches allocated funding while remaining within budget limits.

Expenditures were **underspent** by more than 5% of what was allocated

Just under half of the states reported expenditures at least 5% below their allocated budgets. Common factors contributing to underspending included procurement delays, staffing challenges, contractor shortages, and budget authority increases received well into the fiscal year, leaving limited time to implement and expend the additional funds.

Problem Gambling Funding in Context & Policy Implications

FUNDING IN CONTEXT

The findings presented in this report indicate that public funding for problem gambling services has increased substantially over the past two decades, with particularly rapid growth occurring since FY2022. Despite these gains, investments in problem gambling services remain modest when viewed within the broader context of public funding for addiction-related prevention, treatment, recovery, and harm reduction efforts.

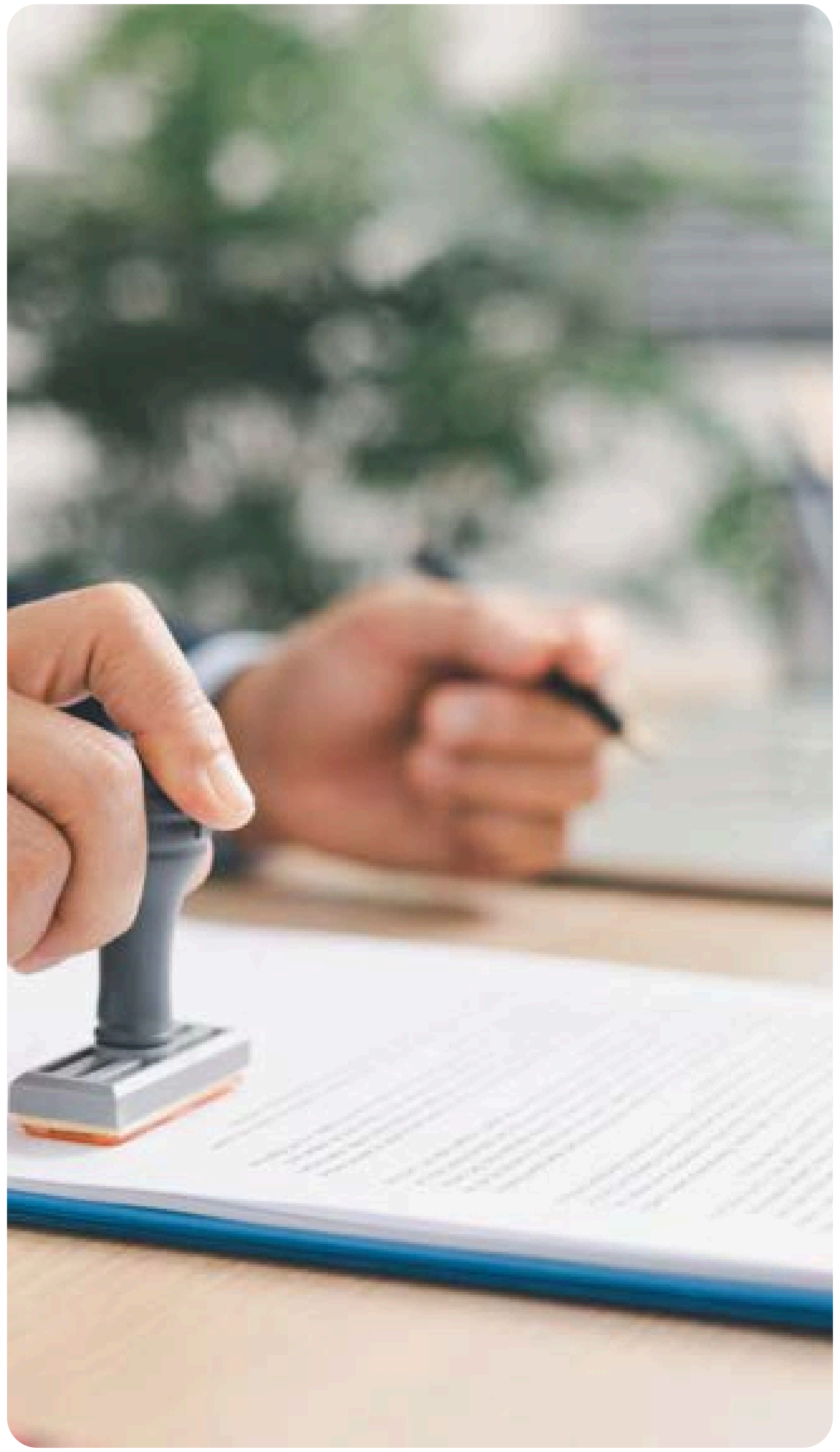
For example, the Office of National Drug Control Policy's FY2025 National Drug Control Budget requested approximately $44.5 billion for federal drug control activities, including prevention, treatment, recovery support, harm reduction, and enforcement initiatives.[5] In addition, a single federal initiative, the State Opioid Response (SOR) and Tribal Opioid Response (TOR) grant programs, provided more than $1.5 billion to states and Tribal communities in FY2025 to address opioid-related harms.[6] By comparison, the total FY2025 amount allocated by states to problem gambling services ($188 million) represents only a small fraction of public expenditures directed toward substance use prevention and treatment.

Differences in funding levels are partially explained by differences in prevalence. According to the 2023 National Survey on Drug Use and Health (NSDUH), approximately 48.5 million Americans aged 12 and older (17.1%) experienced a substance use disorder during the past year, including 28.9 million (10.2%) with an alcohol use disorder and 27.2 million (9.7%) with a drug use disorder.[7] In contrast, estimates of past-year gambling disorder among U.S. adults are approximately 1.0% of the population.[8] One challenge is that the U.S. does not currently have a gold-standard national prevalence survey equivalent to the Substance Abuse and Mental Health Services Administration's (SAMHSA) National Survey on Drug Use and Health. Many gambling disorder prevalence figures still rely on studies conducted before or during the early sports betting expansion.

However, prevalence alone does not fully explain the disparity in public investment. A growing body of research demonstrates that gambling-related harms extend well beyond the relatively small proportion of individuals who meet diagnostic criteria for gambling disorder. Gambling harms can affect financial stability, mental and physical health, family relationships, employment, educational attainment, housing security, and community well-being.[9] Recent public health frameworks have emphasized that gambling-related harm exists along a continuum and affects a substantially larger population than those who would qualify for a clinical diagnosis.[10]

The comparison with substance use funding highlights the developmental stage of the nation's problem gambling response system. While substance use prevention and treatment systems have benefited from decades of sustained federal and state investment, federal investment in programs to reduce gambling harms is nearly non-existent, and many state problem gambling programs remain relatively small and continue to operate with limited staffing, provider networks, research capacity, public awareness infrastructure, and treatment resources. As legalized gambling opportunities continue to expand across the United States, states may face increasing pressure to ensure that investments in prevention, treatment, recovery support, research, and public education keep pace with the potential for gambling-related harms.

The findings of this report suggest that public investment in problem gambling services is growing, but that the field remains in a period of development and expansion. Continued monitoring of funding levels, expenditures, and service capacity will be important to understanding whether investments are sufficient to address gambling-related harms and support a comprehensive public health response.



Viewed on a per-affected-person basis, public investment in problem gambling services remains considerably lower than investment in substance use prevention and treatment systems. As legalized gambling expands across the United States and gambling products become increasingly accessible through digital and mobile platforms, states may face growing pressure to align public investments in prevention, treatment, recovery support, and research with the scale of gambling-related harms experienced by individuals, families, and communities.

Table 3

Comparing Funding and Impact of Gambling Disorder and Substance Use Disorders

Issue	Estimated Affected Population	FY2025 Public Funding	Approx. Funding per Affected Person
Gambling Disorder	2.5 million[11]	$188 million	$75
Substance Use Disorders	48.4 million[12]	$44.5 billion*	$919

*The $44.5 billion figure is a federal budget, while the $188 million figure is state funding designated to reduce harms related to gambling disorder (GD). There are no dedicated federal funds to address public harms related to GD. The FY2025 public funding to address substance use disorder (SUD) does not include substantial additional state and local spending; consequently, the true disparity in per-affected-person public investment to reduce harm related to SUD vs GD is considerably larger than 11-to-1.

POLICY IMPLICATIONS

Unlike substance use disorders, there is no federal agency charged with funding, coordinating, or overseeing problem gambling services in the United States. Responsibility for addressing gambling-related harm has therefore fallen largely to individual states. As the findings in this report demonstrate, this state-based approach has resulted in substantial variation in funding and service capacity. While some states have developed robust systems supported by dedicated funding streams, others invest little or no public funding in problem gambling prevention, treatment, recovery support, or research.

The comparison with substance use disorder funding highlights this structural difference. Public investments in substance use prevention and treatment benefit from substantial federal funding, national leadership, established research infrastructure, and widespread treatment systems. Problem gambling services have no comparable federal support. Consequently, although public funding for problem gambling services has grown significantly in recent years, investments remain modest relative to the scale of gambling-related harm and continue to depend largely on state policy decisions.

As legalized gambling continues to expand, the absence of a coordinated national response may contribute to widening disparities in access to care. Individuals experiencing gambling-related harm can face dramatically different levels of service availability depending on where they live. The findings suggest that future policy discussions should focus not only on increasing funding levels, but also on establishing sustainable funding mechanisms, strengthening service infrastructure, and improving consistency in access to prevention, treatment, and recovery services across states.

Ultimately, the continued growth of legalized gambling raises an important policy question: whether the nation's response to gambling-related harm should remain primarily a state responsibility or whether a more coordinated public health approach is needed to support states in addressing a growing behavioral health concern.

Summary

The FY2025 NAADGS Budget Update demonstrates that public funding for problem gambling services continues to grow across the United States. Since NAADGS began tracking state funding in 2006, allocations have increased substantially, with particularly strong growth occurring in the years following the expansion of legalized sports wagering. Between FY2021 and FY2026, most states increased their allocations for problem gambling services, and national funding reached its highest level since data collection began.

Despite this progress, funding remains unevenly distributed across states. FY2026 allocations ranged from more than $53 million in Massachusetts to no dedicated state funding in several jurisdictions. While some states have established comprehensive funding mechanisms tied to gambling revenues, others continue to invest limited resources despite the availability of legal gambling products. As a result, access to prevention, treatment, recovery support, research, and public awareness services varies considerably across the country.

The report also highlights the importance of examining expenditures in addition to allocations. While many states spent most of their available funding, others reported expenditures substantially below budget authority. Common factors included workforce shortages, procurement delays, contracting challenges, and the time required to implement newly authorized funding. These findings suggest that increasing allocations alone is insufficient; states must also invest in the infrastructure and workforce necessary to translate funding into services.

A recurring theme throughout the report is the growing role of gambling-related revenues in supporting problem gambling services. Many of the largest funding increases were associated with new gambling legislation, sports wagering expansion, or dedicated revenue streams linked to gaming activity. While these funding mechanisms have enabled significant growth in some states, they have also contributed to substantial variation in funding levels and service capacity across jurisdictions.

The findings further underscore the unique position of problem gambling within the broader behavioral health landscape. Unlike substance use disorders and other major public health concerns, there is no federal agency responsible for funding or overseeing problem gambling services. Consequently, the development of prevention, treatment, recovery, and research systems has been left largely to individual states. The resulting patchwork of investments has produced substantial disparities in service availability and public health capacity.

Overall, the FY2025 Budget Update reflects meaningful progress in the nation's response to gambling-related harm. Public investment is increasing, awareness of the issue continues to grow, and many states are strengthening their service systems. At the same time, the findings reveal persistent gaps in funding, infrastructure, and access to care. As gambling opportunities continue to expand throughout the United States, policymakers, regulators, and public health leaders will face increasing pressure to ensure that investments in problem gambling services keep pace with the potential for gambling-related harm. The challenge moving forward is to increase funding and to build sustainable systems capable of delivering effective prevention, treatment, recovery support, and research across all states.

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