



STATE OF CALIFORNIA

Gavin Newsom, Governor

GAMBLING CONTROL COMMISSION

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May 3, 2024

Honorable Scott D. Wiener, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee
Attention: Ms. Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee
Attention: Mr. Christian Griffith, Chief Consultant

Subject: Notification of Anticipated Indian Gaming Revenue Sharing Trust Fund Shortfalls for Fiscal Year 2024-25

Dear Senator Wiener and Assembly Member Gabriel:

Pursuant to Government Code section 12012.90 (a), the California Gambling Control Commission (Commission) is providing the anticipated total shortfalls in payment likely to occur in the Indian Gaming Revenue Sharing Trust Fund (RSTF) to be transferred as a backfill from the Indian Gaming Special Distribution Fund (SDF) for the upcoming fiscal year (FY).

For FY 2024-25, the Commission estimates that 72 Tribes will be eligible for RSTF distributions of \$1.1 million each, for total estimated RSTF payments of \$79.2 million. As of the recent quarter, RSTF revenues for FY 2024-25 are currently projected to total approximately \$146.9 million, which is subject to change after receiving next quarter's payments. As RSTF revenues are anticipated to exceed RSTF distributions by approximately \$67.7 million, the Commission does not anticipate any shortfalls to be transferred from the SDF to the RSTF for FY 2024-25.

Pursuant to the various Tribal-State Gaming Compacts (Compacts), Tribes are required to make payments to the RSTF. The Commission, as the trustee of the RSTF, is required to make quarterly distributions from the RSTF to eligible recipient Indian Tribes that include Non-Compact Tribes or Non-Gaming and Limited-Gaming Tribes¹, as specified in the various Compacts and Secretarial Procedures.

¹ A Non-Compact Tribe is a federally recognized Tribe that is operating fewer than 350 Gaming Devices. A Non-Gaming Tribe is generally defined as a federally recognized Tribe in California with or without a Class III gaming Compact that has not engaged in, or offered, Class II or Class III gaming in any location within or outside of California, as of the date of distribution to such Tribe from the RSTF or the Tribal Nation Grant Fund, or during the immediately preceding 365 days. A Limited-Gaming Tribe is generally defined as a federally recognized Tribe in California that has a Class III gaming Compact with the State but is operating fewer than a combined total of 350 Gaming Devices in all of its gaming operations wherever located, or does not have a Class III gaming Compact but is engaged in Class II gaming, within or without California, during the immediately preceding 365 days.

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Each eligible Tribe receives \$275,000 quarterly, for an annual total distribution of \$1.1 million per eligible Tribe.

The recent Compacts require Tribes to make payments to the Commission for deposit into the RSTF or the Tribal Nation Grant Fund (TNGF). The TNGF was established to make discretionary distribution of funds to eligible Tribes to facilitate self-governance and improve the quality of life of tribal people throughout the state. These Compacts also provide that if there are insufficient monies in the RSTF to distribute \$1.1 million per year to each eligible Tribe, the Commission shall deposit all funds in the RSTF. This ensures that funding the RSTF is the first priority for these Compact payments.

If you have questions or need additional information, please contact Alana Carter, Deputy Director of the Operations Services Division, at acarter@cgcc.ca.gov.

Sincerely,

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LISA WARDALL
Executive Director

cc: Honorable Sharon Quirk-Silva, Chair, Assembly Budget Sub. No. 5
Honorable Stephen C. Padilla, Chair, Senate Budget and Fiscal Review Sub. No. 4
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Mr. Christopher W. Woods, Chief Fiscal Policy Advisor, Office of Senate President pro Tempore
Mr. Jason Sisney, Budget Director, Assembly Speaker's Office
Mr. Diego Emilio J. Lopez, Consultant, Senate Budget and Fiscal Review, Sub. No. 4
Mr. Patrick Le, Consultant, Assembly Budget Committee, Sub. No. 5
Mr. Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Mr. Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Ms. Erika Contreras, Secretary of the Senate
Ms. Cara L. Jenkins, Legislative Counsel, Office of Legislative Counsel
Mr. Greg Lucas, State Librarian, California State Library
Mr. Gabriel Petek, Legislative Analyst, Legislative Analyst's Office
Ms. Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
Mr. Nathan Voegeli, Senior Advisor for Tribal Negotiations, Office of the Governor
Ms. Mary Hernandez, Chief Deputy Legislative Affairs Secretary, Office of the Governor
Ms. Kevin Matulich, Deputy Cabinet Secretary, Office of the Governor
Ms. Erika Li, Chief Deputy Director, Budget, Department of Finance
Ms. Amy Jarvis, Program Budget Manager, Department of Finance
Ms. Emma Jungwirth, Assistant Program Budget Manager, Department of Finance
Mr. Mark Jimenez, Principal Program Budget Analyst, Department of Finance
Mr. Anthony Franzoa, Finance Budget Analyst, Department of Finance