



STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

GAMBLING CONTROL COMMISSION

DEAN SHELTON, CHAIRMAN
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May 8, 2007

Honorable Denise Ducheny, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee
State Capitol, Room 5035
Sacramento, CA 95814

Honorable John Laird, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

Attention: Peggy Collins, Consultant

**Subject: Notification of Indian Gaming Revenue Sharing Trust Fund Revenue
Shortfall for FY 2007-08**

Dear Senator Ducheny and Assemblymember Laird:

Pursuant to Government Code Section 12012.90(e)(1), the California Gambling Control Commission (Commission) hereby provides the anticipated total amount of shortfalls in payment likely to occur in the Indian Gaming Revenue Sharing Trust Fund (RSTF) to be transferred from the Indian Gaming Special Distribution Fund (SDF) for the upcoming fiscal year.

The RSTF serves as the depository for payments made by Tribes that acquire and maintain gaming device licenses and provides disbursements to eligible, Non-Compact Indian tribes (federally-recognized tribes that are operating fewer than 350 Gaming Devices). The Commission, as the administrator for the RSTF, is required to make quarterly distributions from the RSTF in accordance with the Tribal-State Gaming Compacts (Section 4.3.2.1) and Government Code section 12012.90(e)(2). Each eligible tribe receives \$275,000 quarterly, for an annual total distribution of \$1.1 million.

Annual RSTF revenues are insufficient to fully fund RSTF distributions to eligible Non-Compact Tribes. Government Code sections 12012.85 and 12012.90 authorize moneys in the SDF to be used to make payments to eligible Non-Compact Tribes for shortfalls that occur in the RSTF, in addition to other authorized purposes.

For FY 2007-08, the Commission estimates that 71 Tribes would be eligible for RSTF distributions, for total estimated RSTF payments of \$78.1 million. Estimated RSTF revenue projections for FY 2007-08 total \$39.4 million. Accordingly, the Commission anticipates total RSTF shortfalls to be transferred from the SDF in FY 2007-08 of \$38.7 million. These estimates assume the ratification and implementation of the five amended Compacts that are pending before the Legislature.

If you have any questions or need additional information, please contact Anna Carr, Deputy Director of Legislation and Public Affairs, at (916) 263-0494.

Sincerely,



Dean Shelton
Chairman

cc: Members, Joint Legislative Budget Committee
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Mike Machado, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Honorable Dave Cox, Vice Chair, Senate Appropriations Committee
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Honorable Mimi Walters, Vice Chair, Assembly Appropriations Committee
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Keely Bosler, Consultant, Senate Budget and Fiscal Review Subcommittee No. 4
Mr. Dave Lewis, Fiscal Consultant, Senate Republican Fiscal Office
Ms. Maureen Ortiz, Consultant, Senate Appropriations Committee
Mr. Charles Wright, Consultant, Office of the President Pro Tempore
Mr. Jerome Encinas, Consultant, Office of Senate Republican Leader Dick Ackerman
Mr. Janus Norman, Principal Consultant, Assembly Budget Subcommittee No. 4
Mr. Allan Cooper, Senior Consultant, Assembly Republican Fiscal Office
Ms. Julie Salley-Gray, Principal Consultant, Assembly Appropriations Committee
Mr. George Wiley, Consultant, Office of the Assembly Speaker
Mr. Todd Jerue, Program Budget Manager, Department of Finance
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Mr. Gregory Schmidt, Secretary of the Senate
Ms. Diane Boyer-Vine, Legislative Counsel
Mr. Jason Dickerson, Senior Fiscal & Policy Analyst, Legislative Analyst's Office
Mr. Chris Kahn, Legislative Secretary, Office of the Governor
Mr. Michael Pro시오, Chief Deputy Legislative Secretary, Office of the Governor
Ms. Cynthia Bryant, Deputy Chief of Staff and Director of OPR, Office of the Governor
Mr. Dan Dunmoyer, Cabinet Secretary, Office of the Governor
Ms. Janet Coles, Senior Librarian, California State Library