



GAMBLING CONTROL COMMISSION

2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231

(916) 263-0700 Phone

(916) 263-0499 Fax

www.cgcc.ca.gov

STEPHANIE SHIMAZU, CHAIRPERSON

TIFFANY E. CONKLIN

LAUREN HAMMOND

RICHARD SCHUETZ

May 11, 2012

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Subject: Notification of Indian Gaming Revenue Sharing Trust Fund Revenue Shortfall for FY 2012-13

Dear Senator Leno and Assemblymember Blumenfield:

Pursuant to Government Code Section 12012.90(e)(1), the California Gambling Control Commission (Commission) hereby provides to the committee in the Senate and Assembly that considers the State Budget 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 (FY).

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 trustee of 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 per eligible Tribe.

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.

Honorable Mark Leno, Chair
Honorable Bob Blumenfield, Chair
May 11, 2012
Page 2

For FY 2012-13, the Commission estimates that 72 Tribes would be eligible for RSTF distributions of \$1.1 million each, for total estimated RSTF payments of \$79.2 million. RSTF revenue for FY 2012-13 is projected to total approximately \$45.7 million. Accordingly, the Commission anticipates RSTF shortfalls of \$33.5 million to be transferred from the SDF in FY 2012-13.

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

Sincerely,



TINA M. LITTLETON
Executive Director

cc: Honorable Bill Emerson, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Sub. No. 5
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Mr. Craig Cornett, Chief Fiscal Advisor, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Budget Director, Assembly Speaker's Office (2)
Mr. Joe Stephenshaw, Principal Consultant, Senate Budget and Fiscal Review, Sub. No. 5
Mr. Mark Martin, Senior Consultant, Assembly Budget Committee, Sub. No. 4
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Richard Mersereau, Staff Director, Assembly Republican Fiscal Office (2)
Mr. Seren Taylor, Staff Director, Senate Republican Fiscal Office (2)
Mr. Gregory Schmidt, Secretary of the Senate, Senate Rules Committee
Ms. Diane Boyer-Vine, Legislative Counsel, Office of Legislative Counsel
Mr. Bill Riddle, Senior Librarian, California State Library (3)
Mr. Mac Taylor, Legislative Analyst, Legislative Analyst's Office
Ms. Anita Lee, Fiscal and Policy Analyst, Legislative Analyst's Office
Mr. Brian Brown, Managing Principal Analyst, Legislative Analyst's Office
Mr. James M. Humes, Executive Secretary for Administration, Office of the Governor
Ms. Nancy McFadden, Executive Secretary for Legislation, Office of the Governor
Mr. Jacob Appelsmith, Senior Advisor, Office of the Governor
Mr. Gareth Elliott, Legislative Affairs Secretary, Office of the Governor
Mr. David Lanier, Chief Deputy Legislative Secretary, Office of the Governor
Mr. Todd Jerue, Chief Operating Officer, Department of Finance
Ms. Lisa Mangat, Program Budget Manager, Department of Finance
Mr. Jay Sturges, Principal Program Budget Analyst, Department of Finance
Ms. Madelynn McClain, Staff Budget Analyst, Department of Finance