



May 12, 2015

Honorable Mark Leno, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Shirley Weber, Chair
Assembly Budget Committee

Honorable Ricardo Lara, Chair
Senate Appropriations Committee

Honorable Jimmy Gomez, Chair
Assembly Appropriations Committee

**Notification of Available Fund Balance for the Indian Gaming Special Distribution Fund,
California Gambling Control Commission**

Section 12713 of the Government Code states: "The Department of Finance, in consultation with the California Gambling Control Commission shall calculate the total revenue in the Indian Gaming Special Distribution Fund that will be available for the current budget year for local government agencies impacted by tribal gaming. The department shall include this information in the May Budget revision." Section 12713 also requires the annual report to include the following information:

- The total amount of payments to the Gaming Special Distribution Fund (SDF) actually received in the prior fiscal year and projections for the current fiscal year (Attachment 1).
- The amount of appropriations made for the previous ten fiscal years from the SDF for local government agencies impacted by tribal gaming pursuant to Section 12012.85 (Attachment 2).
- The total number of tribes and the name of each tribe that make payments into the SDF (Attachment 3).

The attached fund condition statement shows revenues and expenditures for the fund through 2021-22 (Attachment 1), displaying a negative fund balance beginning in 2015-16. At the end of 2015-16, the SDF is projected to have a negative fund balance of \$313,000, assuming a transfer of \$25 million to the Revenue Sharing Trust Fund (RSTF).

The RSTF needs \$29.0 million to fulfill the quarterly payment obligations to non-gaming and limited gaming tribes. Given the projected shortfall in the SDF, only \$24.5 million will be available for transfer to the RSTF. This leaves a shortfall of approximately \$4.5 million. The California Gambling Control Commission has authority to redirect gaming revenues intended for the General Fund to the RSTF to fulfill the quarterly payment obligations to non-gaming and limited gaming tribes. As such, it is anticipated that General Fund revenues will be reduced by \$4.5 million in 2015-16.

If you have any questions or need additional information regarding this matter, please call Brendan Murphy, Assistant Program Budget Manager, at (916) 445-8913.

MICHAEL COHEN

Director

By:



KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Adrin Nazarian, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (3)
Mr. Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee
Mr. Mark McKenzie, Staff Director, Senate Appropriations Committee
Mr. Seren Taylor, Staff Director, Senate Republican Fiscal Office
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christian Griffith, Chief Consultant, Assembly Budget Committee
Mr. Pedro R. Reyes, Chief Consultant, Assembly Appropriations Committee
Mr. Eric Swanson, Staff Director, Assembly Republican Fiscal Committee
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Tina Littleton, Executive Director, California Gambling Control Commission
Ms. Anna Carr, Deputy Director of Legislation, California Gambling Control Commission
Ms. Julie Fisher, Deputy Director, California Gambling Control Commission

0367 Indian Gaming Special Distribution Fund (Display with Actual 2013-14 Revenue)
Revenues and Expenditures
 (dollars in thousands)

	Actual	Actual	Actual	Actual	Actual	Estimated	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Balance	\$136,429	\$113,418	\$71,476	\$61,106	\$30,496	\$15,927	\$7,056	-\$313	-\$7,682	-\$16,051	-\$25,420	-\$35,789	-\$46,158	-\$56,527
Year Adjustments	-686	1,932	11,311	-592	6,011									
Adjusted Beginning Balance	135,743	115,350	82,787	60,514	36,507	15,927	7,056	-313	-7,682	-16,051	-25,420	-35,789	-46,158	-56,527
Revenues, Transfers, and Other Adjustments:														
Other Regulatory Licenses and Permits	51	55	51	63	0	0	0	0	0	0	0	0	0	0
Renewal Fees	41	46	51	55	0	0	0	0	0	0	0	0	0	0
Miscellaneous Services to the Public	649	555	326	102	0	0	0	0	0	0	0	0	0	0
Interest Income	724	712	246	118	29	17	17	17	17	17	17	17	17	17
Interest Income from Interfund Loans	0	0	13	6	0	0	0	0	0	0	0	0	0	0
Tribal Gaming Revenues	37,670	40,653	42,170	42,590	45,187	47,215	49,187	49,187	48,187	47,187	46,187	46,187	46,187	46,187
Transfer to Indian Gaming Revenue Sharing Trust Fund	-33,700	-31,200	-27,100	-33,500	-28,200	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000
Total Revenues, Transfers, and Other Adjustments	5,435	14,288	15,759	9,434	17,016	22,232	24,204	24,204	23,204	22,204	21,204	21,204	21,204	21,204
State Operations:														
Department of Justice	13,265	13,602	13,389	14,630	17,372	19,976	20,370	20,370	20,370	20,370	20,370	20,370	20,370	20,370
California Gambling Control Commission	6,327	6,227	6,556	7,230	2,708	2,711	2,762	2,762	2,762	2,762	2,762	2,762	2,762	2,762
Department of Human Resources	165	0	0	100	0	75	75	75	75	75	75	75	75	75
State Controller	23	56	48	22	2	0	0	0	0	0	0	0	0	0
Financial Information System for California	0	18	63	141	132	22	48	48	48	48	48	48	48	48
Department of Alcohol and Drug Programs	3,980	4,400	4,337	4,270	0	0	0	0	0	0	0	0	0	0
Department of Public Health	0	0	0	0	4,323	4,319	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318
Local Assistance:														
California Gambling Control Commission:														
Local Mitigation Funding	0	29,859	9,047	9,059	9,061	0	0	0	0	0	0	0	0	0
Department of Alcohol and Drug Programs	4,000	4,000	4,000	4,000	0	0	0	0	0	0	0	0	0	0
Department of Public Health	0	0	0	0	3,998	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Expenditures	27,760	58,162	37,440	39,452	37,596	31,103	31,573	31,573	31,573	31,573	31,573	31,573	31,573	31,573
Ending Balance	\$113,418	\$71,476	\$61,106	\$30,496	\$15,927	\$7,056	-\$313	-\$7,682	-\$16,051	-\$25,420	-\$35,789	-\$46,158	-\$56,527	-\$66,896
Prudent Reserve			\$0	\$0	\$6,686	\$6,686	\$6,686	\$6,686	\$6,686	\$6,686	\$6,686	\$6,686	\$6,686	\$6,686
Available Fund Balance			\$61,106	\$30,496	\$9,241	\$370	-\$6,999	-\$14,368	-\$22,737	-\$32,106	-\$42,475	-\$52,844	-\$63,213	-\$73,582

Notes:
 Government Code 12012.85 provides that the first priority of the Indian Gaming Special Distribution Fund (SDF) is to backfill any shortfalls in the Indian Gaming Revenue Sharing Trust Fund (RSTF). The SDF is assumed to backfill in the RSTF on an ongoing basis.

Attachment 2

Funding provided to local government agencies pursuant to Government Code Section 12012.85	
2003-04	\$23,515,000
2004-05	\$31,114,000
2005-06	\$99,845,000
2006-07	\$29,963,000
2007-08*	\$283,000
2008-09	\$29,902,000
2009-10	\$0
2010-11	\$29,859,000
2011-12	\$9,047,000
2012-13	\$9,059,000
2013-14	\$9,061,000
* The amount expended in 2007-08 was part of the unspent balance from 2006-07. No additional appropriation was provided for this purpose in 2007-08.	

LIST OF TRIBES REQUIRED TO MAKE COMPACT PAYMENTS TO THE INDIAN GAMING SPECIAL DEPOSIT FUND

No.	TRIBE
1	Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation
2	Berry Creek Rancheria of Maidu Indians of California
3	Big Sandy Rancheria of Western Mono Indians of California
4	Big Valley Band of Pomo Indians of the Big Valley Rancheria
5	Bishop Palute Tribe
6	Cabazon Band of Mission Indians
7	Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria
8	Cahuilla Band of Mission Indians of the Cahuilla Reservation
9	Chicken Ranch Rancheria of Me-Wuk Indians of California
10	Coyote Valley Band of Pomo Indians of California
11	Federated Indians of Graton Rancheria
12	Hopland Band of Pomo Indians
13	Jackson Rancheria of Me-Wuk Indians of California
14	Mooretown Rancheria of Maidu Indians of California
15	Redding Rancheria
16	Rincon Band of Luiseno Mission Indians of the Rincon Reservation

No.	TRIBE
17	Robinson Rancheria Band of Pomo Indians
18	Santa Rosa Indian Community of the Santa Rosa Rancheria
19	Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation
20	Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria (Verona Tract)
21	Soboba Band of Luiseno Indians
22	Sycuan Band of the Kumeyaay Nation
23	Table Mountain Rancheria of California
24	Tule River Indian Tribe of the Tule River Reservation
25	Twenty-Nine Palms Band of Mission Indians of California
26	Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation