



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #131

Tribal Gaming Revenue Allocations

Overview of Tribal Gaming Revenue Allocations (Administration -- Division of Gaming)

[LFB 2003-05 Budget Summary: Page 44, #2]

CURRENT LAW

Indian gaming receipts are statutorily defined as moneys received by the state from any of the following: (a) tribal reimbursement for state costs of regulation of Indian gaming under Indian gaming compacts (established under the original compacts at \$350,000 annually); (b) payments by Indian gaming vendors and persons proposing to be Indian gaming vendors as reimbursement for state costs of certification and background investigations; (c) tribal reimbursement for state costs of gaming services and assistance provided by the state at the request of a tribe; and (d) other tribal payments pursuant to an Indian gaming compact.

The Indian gaming receipts program revenue appropriation in the Department of Administration (DOA) receives all state receipts relating to Indian gaming, less the amounts appropriated to DOA for general program operations relating to Indian gaming and the Department of Justice for Indian gaming law enforcement. It is from the Indian gaming receipts appropriation that the allocations are made to various state agencies. In 2002-03, \$27,402,600 is allocated to 15 agencies and 47 program areas.

GOVERNOR

Allocate, from the Indian gaming receipts appropriation in DOA, \$24,784,300 PR in 2003-04 and \$24,752,000 PR in 2004-05 to 14 agencies and 42 program areas for a variety of purposes (not including regulation and enforcement of Indian gaming).

Provide that the first \$24,352,500 received in any fiscal year under the state-tribal gaming compacts be credited to the program revenue accounts that are credited with these receipts under current law. Require that receipts in excess of this amount would be credited to the general fund, except that not more than \$112,000,000 may be paid into the general fund in 2003-04 and not more than \$125,000,000 may be paid into the general fund in 2004-05 and any fiscal year thereafter. Indian gaming receipts in excess of the general fund deposits (\$112,000,000 in 2003-04 or \$125,000,000 in 2004-05 and any fiscal year thereafter) would be credited to the appropriation accounts that are credited with these receipts under current law.

DISCUSSION POINTS

1. Under the bill, the Governor recommends the allocation of tribal gaming revenues to 14 state agencies in 42 program areas. These program areas are listed and briefly described in the attachment. Footnotes are also provided to further clarify each allocation.

2. In all cases, the allocations made under the bill represent continued funding of programs funded with tribal gaming revenue in the 2001-03 biennium. No new programs would receive tribal gaming revenue under the bill.

3. Two allocations (items 18 and 19 in the attachment) are made to the Higher Educational Aids Board (HEAB) that would be eliminated under the bill in 2004-05. The two programs funded with tribal gaming revenue in HEAB would continue under the University of Wisconsin System (items 38 and 39). However, in its deliberations on HEAB, the Committee deleted its proposed elimination, so these two allocations would be made to HEAB in both years of the 2003-05 biennium, and the UW System would not be involved.

4. Three program areas identified in the attachment (items 1, 32 and 36) are not appropriated funding under the bill in the 2003-05 biennium, but are existing appropriation accounts under current law that can only be funded with tribal gaming revenue.

5. One tribal gaming revenue allocation provided in the 2001-03 biennium (manufacturing extension center grants in the Department of Commerce) would be discontinued under the bill. However, the Committee provided \$100,000 GPR annually for this purpose.

6. In its deliberations on the Department of Veterans Affairs, the Committee deleted the allocations of tribal gaming revenue in 2003-04 and 2004-05 for operational costs relating to the Wisconsin Veterans Museum.

7. A DOA appropriation for a county management assistance program (item 1 in the attachment) that was funded in the 2001-03 biennium at \$500,000 PR annually was not funded under the bill. DOA officials indicate that this was an oversight. Legislative action would be needed to restore the funding for this purpose.

8. The allocations proposed under the bill (\$24,784,300 PR in 2003-04 and \$24,752,000 PR in 2004-05) exceed the amount that would be specified as the "first draw" on tribal

gaming revenue in each fiscal year (\$24,352,500 under the bill). This first-draw amount is identical to the anticipated tribal revenue in 2003-04 under the terms of the 1998 amendments to the gaming compacts. The intent of the provision is that the base funding for allocations of tribal gaming revenue would be funded before additional tribal gaming revenue is deposited to the general fund. The first-draw provision and other tribal gaming revenue issues are discussed in the accompanying Paper #132.

9. Four appropriations receiving one-time allocations in the 2001-03 biennium were not repealed under the bill. These appropriations are discussed in the accompanying Paper #133.

10. Several other papers relating to tribal gaming revenue funding have been prepared, in addition to those cited above. The following table provides a complete list of all the papers relating to tribal gaming revenue allocations:

Tribal Gaming Revenue Allocations

<u>Department</u>	<u>Paper Title</u>	<u>Paper #</u>
Administration -- Division of Gaming	Distribution of Tribal Gaming Revenue	132
Administration -- Division of Gaming	One-Time Tribal Gaming Revenue Allocations	133
Administration -- Office of Justice Assistance and Justice	County, County-Tribal and Tribal Law Enforcement Grant Programs	134
Agriculture, Trade and Consumer Protection	Ethanol Producer Grant Program	135
Natural Resources	Parks Account Funding	136
Natural Resources	Snowmobile Warden Transfer	137

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Attachment

ATTACHMENT

2003-05 Tribal Gaming Revenue Allocations Governor

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
1 Administration ¹	\$0	\$0	County management assistance grant program.
2 Administration--Office of Justice Assistance ²	2,078,000	2,078,000	County-tribal law enforcement and tribal law enforcement assistance grant programs.
3 Administration ³	250,000	250,000	UW-Green Bay and Oneida Tribe programs.
4 Agriculture, Trade and Consumer Protection ⁴	1,900,000	1,900,000	Grants to ethanol producers.
5 Arts Board ³	25,200	25,200	Grants-in-aid to, or contracts with, American Indian individuals or groups for services furthering the development of the arts and humanities.
6 Commerce ³	25,000	25,000	American Indian liaison, economic development liaison grants and technical assistance.
7 Commerce ³	265,100	265,100	American Indian economic liaison and gaming grants specialist and program marketing.
8 Commerce ³	94,000	94,000	American Indian economic development technical assistance grants.
9 Commerce ³	3,238,700	3,238,700	Gaming economic development and diversification grants and loans.
10 Commerce ³	488,700	488,700	Physician, Dentist, Dental Hygienist and Health Care Provider Loan Assistance Programs.
11 Health and Family Services ³	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
12 Health and Family Services ³	120,000	120,000	Cooperative American Indian health projects.
13 Health and Family Services ³	271,600	271,600	Indian aids for social and mental hygiene services.
14 Health and Family Services ³	500,000	500,000	Indian substance abuse prevention education.
15 Health and Family Services ³	1,070,000	1,070,000	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
16 Health and Family Services ³	800,000	800,000	Health services: tribal medical relief block grants.
17 Health and Family Services ³	50,000	50,000	Minority health program and public information campaign grants.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
18 Higher Education Aids Board ⁵	\$787,600	\$0	Indian student assistance grant program for American Indian undergraduate or graduate students.
19 Higher Education Aids Board ⁵	404,000	0	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
20 Historical Society ³	189,800	189,800	Northern Great Lakes Center operations funding.
21 Natural Resources ⁶	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
22 Natural Resources ⁶	1,300,000	1,300,000	One-time transfer to the parks account of the conservation fund.
23 Natural Resources ³	100,600	100,600	Management of an elk reintroduction program.
24 Natural Resources ³	128,300	128,300	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
25 Natural Resources ³	100,000	100,000	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
26 Natural Resources ²	626,500	626,500	State snowmobile enforcement program, safety training and fatality reporting.
27 Natural Resources ³	44,700	44,700	Reintroduction of whooping cranes.
28 Natural Resources ³	500,000	500,000	Grant to the Town of Swiss (Danbury) in Burnett County and the St. Croix Band for wastewater and drinking water treatment facilities.
29 Natural Resources ⁷	20,000	20,000	Costs relating to the study and reintroduction of coaster brook trout.
30 Public Instruction ²	260,000	260,000	Aid to alternative schools operating American Indian language and culture education programs.
31 Public Instruction ³	50,000	50,000	Grant to Beloit College for educational programs on Native American cultures.
32 Shared Revenue ³	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2001-03 biennium.)
33 Tourism ³	129,700	129,700	One permanent position and limited-term employees to operate or staff Wisconsin travel information centers.
34 Tourism ³	3,969,500	3,969,500	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
35 Tourism ³	31,300	31,300	Law enforcement services at the Kickapoo Valley Reserve.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2003-04</u>	<u>2004-05</u>	
36 University of Wisconsin System ⁸	\$0	\$0	Ashland full-scale aquaculture demonstration facility debt service payments. (No allocations are made in the 2003-05 biennium.)
37 University of Wisconsin System ³	250,000	250,000	Ashland full-scale aquaculture demonstration facility operational costs.
38 University of Wisconsin System ⁵	0	787,600	Indian student assistance grant program for American Indian undergraduate or graduate students.
39 University of Wisconsin System ⁵	0	404,000	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
40 Veterans Affairs ³	15,000	15,000	Grants to assist American Indians in obtaining federal and state veterans benefits.
41 Veterans Affairs ³	57,800	57,800	American Indian services veterans benefits coordinator position.
42 Veterans Affairs ⁹	193,200	160,900	Operational costs relating to the Wisconsin Veterans Museum.
43 Workforce Development ³	600,000	600,000	Grants for work-based learning programs.
44 Workforce Development ³	<u>350,000</u>	<u>350,000</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Total Allocations	\$24,784,300	\$24,752,000	

¹No funding is provided under the bill. DOA officials indicate that this was an oversight and that \$500,000 annually was intended to be allocated for this purpose.

²Base funding is modified under the bill and a more detailed description of the provision can be found in the budget summaries for this agency.

³Base funding is unchanged or modified by standard budget adjustments only. No additional description of the item is provided in the budget summaries for this agency.

⁴Tribal funding continues unchanged for this purpose, but other funding would be modified under the bill. A more detailed description of the provision can be found in the budget summaries for this agency.

⁵HEAB functions would be transferred to the UW System under the bill. Base funding for this purpose is continued and provided to HEAB in 2003-04 and the UW System in 2004-05. In its deliberations on HEAB, JFC restored HEAB, so these programs would remain under HEAB in 2004-05 in the JFC version of the bill.

⁶A greater transfer amount is provided under the bill than was provided in the 2001-03 biennium. A more detailed description of the provision can be found in the budget summaries for this agency.

⁷Base funding continues for this purpose, but the funding is appropriated under a different program to reflect a technical correction. A brief description of the provision can be found in the budget summaries for this agency.

⁸The appropriation for this purpose has no base funding and no funding is provided under the bill in the 2003-05 biennium. However, the appropriation was not included from the Chapter 20 schedule under the bill and will need to be restored.

⁹In its deliberations on Veterans Affairs, JFC deleted the tribal gaming allocation in 2003-04 and 2004-05 for the Wisconsin Veterans Museum.