



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #125

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

[LFB 2005-07 Budget Summary: Page 49, #1]

CURRENT LAW

Indian gaming receipts are statutorily defined as moneys received by the state from any of the following: (1) tribal reimbursement for state costs of regulation of Indian gaming under Indian gaming compacts; (2) payments by Indian gaming vendors and persons proposing to be Indian gaming vendors as reimbursement for state costs of certification and background investigations; (3) tribal reimbursement for state costs of gaming services and assistance provided by the state at the request of a tribe; and (4) other tribal payments pursuant to an Indian gaming compact.

The first draw on Indian gaming receipts is to the following appropriations: (1) a Department of Administration (DOA) Indian gaming receipts appropriation in the amount necessary to make all of the transfers specified under the appropriation to other state programs (in 2004-05 these transfers total \$22,605,000 PR); (2) a DOA general program operations appropriation relating to Indian gaming regulation under the compacts (with base funding of \$1,501,900 PR); and (3) a Department of Justice (DOJ) Indian gaming law enforcement appropriation (with base funding of \$117,200 PR).

Indian gaming receipts not otherwise credited to these appropriation accounts are deposited in the general fund.

GOVERNOR

Tribal Gaming Revenue Estimate. Estimate tribal gaming revenues in the 2005-07 biennium at \$133,976,300 in 2005-06 and \$150,726,100 in 2006-07. These projections include

\$30,000,000 annually in payments by the Ho-Chunk Nation that were due in the 2003-05 biennium but have not yet been made to the state.

Tribal Gaming Revenue Appropriations. Appropriate \$31,667,800 PR in 2005-06 and \$29,854,800 PR in 2006-07 in tribal gaming revenue, as follows: (1) \$29,821,500 PR in 2005-06 and \$28,064,800 PR in 2006-07 to state agency appropriations for programs unrelated to tribal gaming regulation or law enforcement; (2) \$1,725,600 PR in 2005-06 and \$1,668,900 PR in 2006-07 for the regulation of tribal gaming in DOA; and (3) \$120,700 PR in 2005-06 and \$121,100 PR in 2006-07 for tribal gaming law enforcement in DOJ.

General Fund Revenue Estimate. Include \$102,269,200 in 2005-06 and \$120,809,400 in 2006-07 in the bill's general fund condition statement to reflect net tribal gaming revenues credited to the general fund.

DISCUSSION POINTS

1. The Governor has recommended appropriating tribal gaming revenue to 15 state agencies, in 48 program areas, including the DOA regulation and DOJ law enforcement appropriations relating to tribal gaming. The attachment to this paper lists each of these program areas along with a brief program description.

2. Of these 48 programs areas, 39 are already authorized under current law. For 27 of the 39 currently authorized programs, the Governor has recommended appropriating the same amount each year in the 2005-07 biennium as was provided in 2004-05 (modified by standard budget adjustments in some cases). The remaining 12 of the 39 currently authorized programs would have their base funding modified beyond the amounts necessary for standard budget adjustments.

3. Nine new program areas would be created under the bill and would result in increased tribal gaming allocations of \$904,700 PR in 2005-06 and \$910,500 PR in 2006-07. These programs are identified as items 7, 13, 21, 32 through 35, 42, and 43 in the attachment and are listed in the following table:

New Allocations under AB 100

<u>Item #</u>	<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2005-06</u>	<u>2006-07</u>	
7	Arts Board	\$25,200	\$25,200	State aid for American Indian arts.
13	Corrections	327,400	0	Jackson Correctional Institution wastewater treatment facility. (One-time funding.)
21	Health and Family Services	50,000	50,000	Compulsive gambling awareness grants.
32	Public Instruction	260,000	260,000	Alternative school American Indian education aids.
33	Public Instruction	0	150,000	Grants for diversity education programs.
34	Public Instruction	80,600	263,800	American Indian language and cultural education program operations.
35	Public Instruction	50,000	50,000	Beloit College grant.
42	Veterans Affairs	40,000	40,000	Grants to assist American Indians in obtaining federal and state veterans benefits.
43	Veterans Affairs	<u>71,500</u>	<u>71,500</u>	American Indian services veterans benefits coordinator position.
	Total	\$904,700	\$910,500	

4. No tribal gaming allocations have been recommended for three agency programs (items 36, 40, and 44 in the attachment). However, these programs continue to have existing appropriation accounts that can only be funded with tribal gaming revenue.

5. Indian gaming receipts not otherwise appropriated to state agencies are deposited in the general fund. Increasing tribal gaming allocations to agencies, either by providing additional funding to existing programs or by establishing and funding new programs, has the effect of decreasing the amount of tribal gaming revenue that would otherwise be credited to the general fund. Various papers relating to agency allocations of the tribal gaming revenue have been prepared, or will be prepared for the Committee's consideration. These are identified in the attachment.

6. The AB 100 general fund condition statement shows general fund revenue of \$102,269,200 in 2005-06 and \$120,809,400 in 2006-07 from tribal gaming. On May 16, 2005, in a letter to the Co-Chairs of the Committee, this office reestimated general fund revenue relating to tribal gaming at \$74,136,300 in 2005-06 and \$85,301,600 in 2006-07. These amounts are lower than the amounts projected under the bill by \$28,132,900 in 2005-06 and \$35,507,800 in 2006-07.

Prepared by: Art Zimmerman
Attachment

ATTACHMENT

2005-07 Tribal Gaming Revenue Appropriations Governor

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2005-06</u>	<u>2006-07</u>	
1 Administration	\$500,000	\$500,000	County management assistance grant program.
2 Administration--Office of Justice Assistance	1,050,000	1,050,000	Tribal law enforcement assistance grant program (Paper #120).
3 Administration--Office of Justice Assistance	958,400	958,400	County-tribal law enforcement programs: local assistance (Paper #120).
4 Administration--Office of Justice Assistance	79,200	79,200	County-tribal law enforcement programs: state operations (Paper #120).
5 Administration	250,000	250,000	UW-Green Bay and Oneida Tribe programs.
6 Agriculture, Trade and Consumer Protection	1,900,000	0	Grants to ethanol producers.
7 Arts Board	25,200	25,200	State aid for American Indian arts (Paper #155).
8 Commerce	112,900	112,900	American Indian economic liaison and gaming grants specialist and program marketing.
9 Commerce	94,000	94,000	American Indian economic development technical assistance grants.
10 Commerce	25,000	25,000	American Indian liaison, economic development liaison grants, and technical assistance.
11 Commerce	3,238,700	3,238,700	Gaming economic development and diversification grants and loans (Papers #210 and #845).
12 Commerce	488,700	488,700	Physician, Dentist, Dental Hygienist and Health Care Provider Loan Assistance Programs.
13 Corrections	327,400	0	Jackson Correctional Institution wastewater treatment facility (One-time funding) (Paper #230).
14 Health and Family Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
15 Health and Family Services	120,000	120,000	Cooperative American Indian health projects.
16 Health and Family Services	271,600	271,600	Indian aids for social and mental hygiene services.
17 Health and Family Services	500,000	500,000	Indian substance abuse prevention education.

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2005-06</u>	<u>2006-07</u>	
18 Health and Family Services	\$1,070,000	\$1,070,000	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
19 Health and Family Services	800,000	800,000	Health services: tribal medical relief block grants.
20 Health and Family Services	150,000	150,000	Minority health program and public information campaign grants.
21 Health and Family Services	50,000	50,000	Compulsive gambling awareness grants (Paper #424).
22 Higher Education Aids Board	787,600	787,600	Indian student assistance grant program for American Indian undergraduate or graduate students.
23 Higher Education Aids Board	404,000	404,000	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
24 Historical Society	207,600	207,600	Northern Great Lakes Center operations funding.
25 Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
26 Natural Resources	98,000	98,000	Management of an elk reintroduction program.
27 Natural Resources	146,000	146,000	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
28 Natural Resources	100,000	100,000	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
29 Natural Resources	1,082,700	1,082,700	State snowmobile enforcement program, safety training and fatality reporting.
30 Natural Resources	56,000	56,000	Reintroduction of whooping cranes.
31 Natural Resources	250,000	250,000	Grant to the Town of Swiss (Danbury) in Burnett County and the St. Croix Band for wastewater and drinking water treatment facilities (Paper #556).
32 Public Instruction	260,000	260,000	Alternative school American Indian education aids (Paper #616).
33 Public Instruction	0	150,000	Grants for diversity education programs.
34 Public Instruction	80,600	263,800	American Indian language and cultural education program operations (Paper #616).
35 Public Instruction	50,000	50,000	Beloit College grant for education programs about Native American cultures (Paper #616).
36 Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2005-07 biennium.)

<u>Department</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2005-06</u>	<u>2006-07</u>	
37 Tourism	\$189,500	\$189,500	One project position and limited-term employees to operate or staff Wisconsin travel information centers (Paper #710).
38 Tourism	9,115,700	9,149,400	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks (Paper #711).
39 Tourism	32,300	32,300	Law enforcement services at the Kickapoo Valley Reserve.
40 University of Wisconsin System	0	0	Ashland full-scale aquaculture demonstration facility debt service payments. (No allocations are made in the 2005-07 biennium.) (Paper #184).
41 University of Wisconsin System	388,900	492,700	Ashland full-scale aquaculture demonstration facility operational costs (Paper #784).
42 Veterans Affairs	40,000	40,000	Grants to assist American Indians in obtaining federal and state veterans benefits (Paper #804).
43 Veterans Affairs	71,500	71,500	American Indian services veterans benefits coordinator position (Paper #804).
44 Veterans Affairs	0	0	Operation of Wisconsin Veterans Museum. (No allocations are made in the 2005-07 biennium.)
45 Workforce Development	600,000	600,000	Grants for work-based learning programs (Paper #846).
46 Workforce Development	<u>350,000</u>	<u>350,000</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Subtotal (Non-Regulatory Items)	\$29,821,500	\$28,064,800	
47 Administration	\$1,725,600	\$1,668,900	General program operations for Indian gaming regulation under the compacts.
48 Justice	<u>120,700</u>	<u>121,100</u>	Investigative services for Indian gaming law enforcement.
Subtotal (Regulation/Enforcement)	\$1,846,300	\$1,790,000	
Total Appropriations	\$31,667,800	\$29,854,800	