



## Compact Funds for Nongaming and Limited Gaming Tribes

### Introduction

Since 1999, tribal-state compacts have established several funds designed to benefit nongaming and limited gaming tribes in California. The '99 compacts created two funds: 1) the Revenue Sharing Trust Fund (RSTF), whose purpose is to provide up to \$1.1 million to non-gaming tribes, and 2) the Indian Gaming Special Distribution Fund (SDF), which was created to backfill any shortfalls that might occur in the RSTF for non-gaming tribes, provide funds for local governments and special districts that are impacted by tribal government gaming, gambling addiction programs, reimbursement to the Division of Gambling Control and the California Gambling Control Commission for regulatory costs, and “any other purpose specified by the Legislature.” In 2012, Governor Jerry Brown concluded a compact with the Federated Indians of the Graton Rancheria that established the Tribal Nation Grant Fund (TNGF). The TNGF has been included in all subsequent compacts successfully negotiated with the State. In 2016, the California Native American Education and Scholarship Fund was established in the Pechanga Compact. And in 2023, the Federated Indians of Graton Rancheria included a supplementary RSTF payment.

### The Revenue Sharing Trust Fund (RSTF)

- The 1999 Compact established two separate funds into which tribes may be required to pay. Tribes seeking to increase the number of gaming devices beyond the greater of 350 or the number operated on September 1, 1999 had to obtain licenses for the additional devices. Annual fees for more than 350 licenses ranged from \$900 to \$4,350 per licensed device. These fees are paid into the Revenue Sharing Trust Fund, which is administered by the California Gambling Control Commission and disbursed to tribes operating fewer than 350 gaming devices.
- Each “Non-Compact Tribe” is to receive up to \$1.1 million per year; if insufficient money is available, the receipts are to be distributed in “equal shares.” A Non-Compact Tribe is defined as a federally-recognized Tribe in California, with or without a Class III Gaming compact with the State, that has not engaged in, or offered, class II gaming or Class III Gaming in any location whether within or without California, as of the date of distribution to such tribe from the Revenue Sharing Trust Fund, or during the immediately preceding three hundred sixty-five days.
- As of March 31, 2024, 72 tribes were receiving funds from the RSTF.

### The Indian Gaming Special Distribution Fund (SDF)

- The Indian Gaming Special Distribution Fund (SDF) was created by the 1999 Tribal-State Compact and was fully financed by 26 tribal governments that operated more than 200 gaming devices as of September 1, 1999. Tribes that were operating more than 200 gaming devices on September 1, 1999 must pay between 7% and 13% of the net win from that number of devices into the SDF for the following purposes:

- Backfilling any shortfalls that might occur in the RSTF for non-gaming tribes;
- Funding for the Office of Problem and Pathological Gambling within the State Department of Alcohol and Drug Programs for problem gambling programs;
- Reimbursement to the Division of Gambling Control and the CGCC for regulatory costs directly related to Indian gaming;
- Funding for local governments and special districts impacted by tribal gaming;
- Any other purpose specified by the Legislature

### **The Tribal Nation Grant Fund (TNGF)**

- In 2012, Governor Jerry Brown signed a compact with the Federated Indians of Graton Rancheria that first established the TNGF to make discretionary distribution of funds to Non-Gaming Tribes and Limited-Gaming Tribes, upon application, for purposes related to effective self-governance, self-determined community, and economic development. Since then, all successfully negotiated compacts have included TNGF provisions.
- The fiscal operations of the TNGF are administered by the State Gaming Agency, which acts as limited trustee, with no duties or obligations except for the receipt, deposit, and distribution of monies paid by gaming tribes for the benefit of RSTF-eligible Tribes.
- In September 2018, Governor Jerry Brown signed AB 880 (Gray) into law, establishing the Tribal Nation Grant Fund Panel and the Tribal Nation Grant Fund Program, through which the panel may award grants and make other distributions from the fund to eligible tribes with the assistance of the Tribal Advisor, the Bureau of Gambling Control, and the California Gambling Control Commission. Only non-gaming and limited gaming tribes in California are eligible for these funds.
- Eligible tribes can apply for more than one grant, and more than one eligible tribe can apply jointly, but the funds cannot be used for gaming or per capita payments. Eligible purposes or projects may include, but are not limited to, development of curricula in a tribal language or culture, housing, support for compliance with the federal Indian Child Welfare Act, vocational training, community development, investments in tribal schools and colleges, support of tribal government institutions and tribal courts, non-gaming economic diversification, or investment in public health, information technology, renewable energy, water conservation, cultural preservation or awareness, educational programs, or scholarships.

### **California Native American Education and Scholarship Fund**

- In 2016, the Pechanga Band of Indians established the California Native American Education and Scholarship Fund to provide scholarships and support educational programs that benefit enrolled members of limited and non-gaming tribes.

### **Supplementary RSTF Payments**

- In 2023, the Federated Indians of Graton Rancheria established supplementary payments into the RSTF to provide non-gaming tribes and limited-gaming tribes with additional funding above and beyond the current distribution in an effort to promote tribal self-sufficiency and strong tribal governments.