

April 6, 2020

Steven Mnuchin, Secretary
United States Department of the Treasury
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Washington, D.C. 20220
tribal.consult@treasury.gov

David Bernhardt, Secretary
Tara Sweeney, Assistant Secretary - Indian Affairs
United States Department of the Interior
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RE: FORMULA FOR DISTRIBUTION OF \$8 BILLION TRIBAL CORONAVIRUS RELIEF FUND

Dear Secretary Mnuchin, Secretary Bernhardt, and Assistant Secretary Sweeney:

On behalf of the California Nations Indian Gaming Association (CNIGA), the largest association of Tribal Governments in the State of California, we respectfully submit these recommendations to guide your development of a methodology for distributing \$8 billion of tribal stabilization funding allocated in the Title VI, Sec. 601 of the CARES Act.

Based on the Treasury Department's indication that it will distribute funding pursuant to a formula rather than an application process, we strongly urge you to adopt the formula below, which prioritizes the actual economic impact of COVID-19. Such a formula is the only way the Treasury Department timely comply with the CARES Act and achieve the Act's purpose of stabilizing individual tribal economies.

DISTRIBUTION FORMULA

- **STEP 1:** Provide a \$1,000,000 **minimum distribution** to each Tribe to ensure that even the smallest Tribes have funding to address their economic needs during the pandemic
- **STEP 2:** Distribute \$1,500,000,000 among all Tribes *pro rata* based on each Tribe's enrolled tribal member **population** to ensure that larger Tribes have additional funding to address their economic needs
- **STEP 3:** Distribute the remainder of the \$8,000,000,000 fund to each Tribe *pro rata* based on **economic impact**, measured by total wages paid by the Tribe and all of its wholly owned enterprises in 2019, as documented using W-3 data, and as necessary, using Tribal 941 data. At the request of the Inspector General of the Department of the Treasury, Tribes may be required to self-certify.

This formula directly advances the economic stabilization purpose of the CARES Act by

Protecting the sovereign right of California tribes to operate gaming on their lands.

relying primarily on an objective indicator of tribal economic activity that is a current and accurate measure of the impact COVID-19 is having on each Tribe's economy. Moreover, the proposed formula addresses all Tribes' government stabilization needs, regardless of whether a Tribe has commercial enterprises, as it also accounts for wages paid to tribal government employees.

Any alternative methodology that gives exclusive or primary consideration to tribal population or other demographic data that have <u>no nexus to the economic costs wrought by COVID-19</u>, will not just violate the CARES Act but will create billion-dollar windfalls for a few Tribes while depriving hundreds of Tribes (and their neighboring communities) of the urgent economic stimulus that Congress intended.

Based on the foregoing, we strongly urge you to adopt the three-step formula proposed above. In addition, to ensure compliance with the April 27, 2020 deadline, we recommend distributions be made directly from the Treasury Department to each Tribe using existing Treasury accounts and payment mechanisms.

On behalf of the California Nations Indian Gaming Association, we thank you for your consideration and your support as we navigate the unprecedented economic crisis caused by COVID-19.

Respectfully,

Chairman James Siva

California Nations Indian Gaming Association