

To the Members of the California State Assembly:

I am signing Assembly Bill 1750 (Committee on Governmental Organization).

This bill addresses the first priority of the Special Distribution Fund (SDF), which is to ensure that each Non-Compact Indian Tribe receives \$1.1 million annually from the Indian Gaming Revenue Sharing Trust Fund (RSTF). If RSTF funds are not sufficient to provide the Non-Compact Tribes with the full \$1.1 million, state law requires a sufficient amount from the Indian Gaming Special Distribution Fund (SDF) be transferred to the RSTF.

This bill will require that the transfer from the SDF to the RSTF occur on a quarterly basis so that quarterly payments of \$275,000 can be made to the Non-Compact Tribes, as envisioned in the original compacts. Providing equal and timely payments will allow recipient Tribes to use their resources to promote economic development, improve infrastructure, and strengthen Tribal governments.

Now that the first priority of the SDF has been addressed, this provides a good starting point to explore whether the remaining priorities are being addressed. Most notably, I am concerned that the state is not meeting its regulatory requirements as it relates to Indian Gaming, but at the same time there is continuing pressure from local government to provide additional funding for mitigation efforts which is a lower priority than the regulatory functions. In addition, this pressure for local funding is coming without a great deal of information as to how prior funds have been spent or whether they have been spent at all.

As it relates to the use of these Indian Gaming funds, it seems that the priorities of other interests have become more important than the state's own statutory priorities, and I intend to have further discussions on this issue with the Legislature.

Sincerely,

Arnold Schwarzenegger