

# ***Stand Up For California!***

“Citizens making a difference”

standupca.org

P.O. Box 355  
Penryn, CA 95663

August 23, 2005

Honorable Governor Schwarzenegger  
Governor of California  
Attn: Honorable Peter Siggins  
Secretary of Legal Affairs  
Office of the Governor  
Sacramento, CA. 95814

## **RE: Proposed Amendments to the Special Distribution Fund**

Dear Governor Schwarzenegger:

Stand Up For California writes to you today troubled over the proposed amendments to the Special Distribution Fund (SDF) by Senator Jim Battin and Assemblymember Bonnie Garcia. We have read the one sided press statements and stories obviously generated by a select few who benefit either financially or politically from the lion's share of the fund.

In a nutshell, it is my understanding that the amendments will (1) appropriate \$20 million from the SDF to local governments impacted by tribal government gaming; (2) require the recipient counties of SDF grant monies to report annually to the State Legislature, the Department of Finance and the Gambling Control Commission; and (3) delete the January 1, 2009 sunset date on this provision of law that authorizes the appropriation of SDF monies to local governments impacted by tribal government gaming.

Without a doubt mitigating the impacts of tribal casinos on local government services is an appropriate state expenditure under the 1999 compacts and the Coyote Valley court ruling. Unfortunately the current framework and formula for disbursement is unfair:

- 1) The current formula provides funding to mitigate the impacts of only a few (highly profitable) tribal casinos. The funding should be equally available to mitigate the impacts of ALL tribal casinos in California, particularly those that are not so profitable.
- 2) Based on the information available from the 2005 reports, Special Distribution Funds are being used for a multitude of purposes other than mitigating the impacts of tribal casinos, which is a violation of the compacts and case law.
- 3) While the Special Distribution Fund has a carryover balance now, its future is in grave doubt as new compacts are negotiated that do not require tribal payments into the SDF. This puts gambling regulation and problem gambling programs at risk.

Where is the funding for providing effective state regulatory oversight of a 19.5 billion dollar and growing industry of which California tribal governments are the major players? The 1999 gaming compacts promise such oversight, for which the public has a reasonable expectation, but the Legislature has, thus far declined to provide adequate funding.

Deplorably, as shown by the attached listing SDF moneys have often been misused for purposes unrelated to the impacts of tribal casino gaming. The expenditures make the SDF appear to be a political slush fund of highly profitable gaming tribes.

For the above reasons, we respectfully request the State Auditor or another appropriate investigative agency to examine the purposes for which SDF moneys have been used, so that the legislature may fulfill its responsibility to ensure that the moneys are appropriated and disbursed for the purposes designated in the tribal state gaming compacts and in statute.

Sincerely,

Cheryl A. Schmit – Director  
916-663-3207  
[schmit@quiknet.com](mailto:schmit@quiknet.com)

CC: California State Senator Jim Battin  
California State Assemblymember Bonnie Garcia  
California State Assemblymember Jerome Horton  
Bob Lytle – Director- Division of Gambling Control  
Dean Shelton – Chairman – California Gambling Control Commission

<b>LIST OF POTENTIAL SDF ABUSES</b>
-------------------------------------

**Fresno County**

- \$150,000 to the county for tattoo removal equipment.
- \$25,000 to the county for classroom drug and gang resistance programs.
- \$54,000 to the county for an elementary school kids' camp run by the sheriff.

**Madera County**

- \$37,000 to six local school districts for field trips and after school programs.
- \$37,646 to the Picayune Rancheria for defibrillators and tribal child programs.

**Riverside County**

- \$802,500 to Banning, for a new fire engine, six black & white police units, three unmarked units, two police motorcycles, 10 shotguns and 10 handguns. (What is the crime rate in Riverside County?)
- \$67,817 to Banning for the beautification of private businesses.
- \$10,000 to Desert Hot Springs for additional police traffic patrol in a city that has no tribal casino, but which is adding 10,000 homes over the next three years.
- \$107,136 to Indio for the development of a youth master plan, promotional events and a Youth Coordinator.
- \$51,210 to Palm Springs for a youth drug and alcohol program.
- \$51,210 to Palm Springs for Police Activities League programs.

**Butte County**

- \$35,617 to the Butte County Mosquito and Vector Control District for surveillance and control of mosquitoes, including testing of the sentinel chicken flock.
- \$31,495 to Oroville for a police department typist.

**San Diego County**

- \$1,710,936 to the county to buy the sheriff a medium lift fire/search and rescue helicopter. (Is this helicopter 100 % dedicated to tribal casino incidents? If not, then the SDF should only have funded a justifiable portion of the purchase.)

**Humboldt County**

- \$12,138 the county for the Kid's Corner Program.
- \$ 3,000 the county for after school programs.

**Inyo County**

- \$26,000 to the Lone Pine Fire Department for fire rescue equipment and training (is there a casino near Lone Pine).

**Mendocino County**

- \$24,500 to the Hopland Public Utilities District for a new well. Does the Casino operate on City well water?