



# County of Fresno

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## Legislation Text

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**File #:** 16-1364, **Version:** 1

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**DATE:** October 18, 2016

**TO:** Board of Supervisors

**SUBMITTED BY:** Jean M. Rousseau, County Administrative Officer

**SUBJECT:** Fresno County Fiscal Year 2015-16 Indian Gaming Special Distribution Fund Annual Report

### RECOMMENDED ACTION(S):

#### **Approve Fresno County Fiscal Year 2015-16 Indian Gaming Special Distribution Fund Annual Report to the State Legislature.**

The California Government Code §12716 mandates counties that administer grants from the Indian Gaming Special Distribution Fund (IGSDF) to submit an annual report to the State of California by October 1<sup>st</sup> of each year. The Fresno County Indian Gaming Local Community Benefit Committee (Committee) Operating Policy and Procedure requires that the Board of Supervisors approve the annual report; a local policy and not required by the California Government Code.

For FY 2015-16 there was continued uncertainty of reporting requirements due to the Governor continuing to not allocate any IGSDF to counties in FY 2016-17. In late August of 2016 the County received confirmation that the IGSDF annual report would still be due October 1, 2016 to report any expenditures of prior year grant funds to maintain eligibility for future grant funding so the report was prepared and submitted timely. Retroactive approval of the report based on our local policy is requested due to Board Agenda timing requirements for the item.

### ALTERNATIVE ACTION(S):

There is no viable alternative action as submission of the annual report to the State Legislature is a requirement.

### FISCAL IMPACT:

There is no impact on Net County Cost. Administrative costs are allowable under the grant guidelines.

### DISCUSSION:

On March 11, 2014 your Board approved receipt of \$886,973 in FY 2013-14 Indian Gaming Special Distribution Fund (IGSDF) to be expended in FY 2014-15 and on April 1, 2014 your Board approved submission to the State IGSDF applications from the District Attorney and Sheriff. The County IGSDF funds were received and the funding was provided to the District Attorney (\$359,108.50), Sheriff (\$262,133.50), and Waterworks District #18 (\$153,168), and Administrative fees of (\$12,324). As of June 30, 2015 the only remaining funding was for the District Attorney in the amount of \$125,577.76. No expenditures were made during FY 2015-16 and the funds earned interest in the amount of \$3,974.78 bringing the total remaining June 30, 2016 amount to \$129,552.54. The District Attorney plans to expend this remaining balance in FY 2016-17.

In May 2015, the Committee allocated residual accrued interest of \$10,329.96 to Auberry Volunteer Fire District for the purchase of six sets of turnouts, three helmets and four pairs of boots. In June 2015 \$10,597.03 (\$10,329.96 plus additional interest of \$267.07) was paid to the district. These funds were spent in FY 2015-16.

In March of 2014 the State of California Legislative Analyst's Office presented to the Senate Governmental Organization Committee its *Shortfalls in Indian Gaming Funds* report citing annual shortfalls in IGSDF revenues each Fiscal Year, estimated at a total of \$30 million since 2008-09, requiring transfers from the State's General Fund to the IGSDF in order to fund local mitigation grants. California Government Code §12012.85 prioritizes the use of the IGSDF, these priorities include:

- (a) Grants, including any administrative costs, for programs designated to address gambling addiction.
- (b) Grants, including any administrative costs, for the support of State and local government agencies impacted by tribal government gaming.
- (c) Compensation for regulatory costs incurred by the State Gaming Agency and the Department of Justice in connection with the implementation and administration of tribal-state gaming compacts.
- (d) Payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. This shall be the priority use of moneys in the Indian Gaming Special Distribution Fund.

As local mitigations are the lowest priority, ultimately the Governor did not include any IGSDF funding in FY 2015-16 or 2016-17 for counties to provide local mitigation grants. Throughout 2016 staff has been in communication with the California State Association of Counties in an effort to determine the future of IGSDF, which is still uncertain. The last meeting of the Fresno County Indian Gaming Local Benefit Committee was in May 2015 where they approved the District Attorney to carry over FY 2014-15 funding to continue investigation and prosecution of cases with a nexus to Indian Gaming in FY 2015-16 and distribute prior years accrued interest (\$10,330) in the local Indian Gaming Special Revenue Fund that was not specifically attributed to prior period grants or administrative fees received and held by the County. No funding was awarded to any other entity in FY 2015-16.

In late August it was confirmed to staff that although there was no IGSDF funding allocated to counties for FY 2016-17, the annual IGSDF report for FY 2015-16 was due by October 1, 2016. Due to Board Agenda timing requirements and routine nature of the annual report, October 18, 2016 was the first Board available date to submit this item for your Board's approval.

REFERENCE MATERIAL:

BAI #18, April 1, 2014  
BAI #24, March 11, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

Indian Gaming Special Distribution Fund Annual Report Fiscal Year 2015-16

CAO ANALYST:

Debbie Paolinelli