

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE

GPR-Tribal \$27,216,200

Governor: Deposit tribal gaming revenues of \$2,029,800 in 2021-22 and \$25,186,400 in 2022-23 into the general fund. In addition, appropriate \$25,172,500 in 2021-22 and \$36,255,400 in 2022-23 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) appropriations for the regulation of tribal gaming in DOA [\$2,079,100 in 2021-22 and \$2,079,300 in 2022-23]; (b) tribal gaming law enforcement in the Department of Justice (DOJ) [\$200,300 annually]; and (c) allocations totaling \$22,893,100 in 2021-22 and \$33,975,800 in 2022-23 to various state agencies for other programs.

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOA general program operations appropriation relating to Indian gaming regulation; (b) the DOJ Indian gaming law enforcement appropriation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified to other programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriations are deposited in the general fund.

Under the compacts, payments to the state may be proportionally reduced in the event of a natural or man-made disaster that affects gaming operations. In 2019-20, payments were postponed because of casino closures during the COVID-19 pandemic. As a result, DOA's gaming receipts appropriation is expected to have a closing balance of -\$28,430,900 in 2020-21. Tribes are scheduled to submit the postponed 2019-20 payment in three installments (in 2021-22, 2022-23, and 2023-24). These scheduled payments are included in the estimated tribal payments for the 2021-23 biennium. The calculation for the general fund tribal revenue under the bill is summarized in the following table.

General Fund Revenue, Tribal Gaming

	<u>2021-22</u>	<u>2022-23</u>
Opening Balance	-\$28,430,900	\$0
Estimated Tribal Payments	\$54,897,100	\$60,458,100
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	<u>300,000</u>	<u>600,000</u>
Total Revenue	\$55,687,700	\$61,548,700
Program Allocations to State Agencies	\$25,172,500	\$36,255,400
Program Reserves	54,500	106,900
Tribal Gaming General Fund Revenue	\$2,029,800	\$25,186,400

As noted, allocations under the bill to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total \$25,172,500 in 2021-22 and \$36,255,400 in 2022-23 under the bill. Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 18 state agencies in 52 program areas, including the DOA regulation and DOJ enforcement appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of the 52 program allocations, 28 are identical amounts to those provided in the 2019-21 biennium. Of the 24 allocations that changed, 10 were affected by standard budget adjustments only [identified in the table below as items #14, #23, #24, #28, #29, #31, #44, #46, #51, and #52]. The remaining 14 are:

- a. Tribal grants [item #1, create an appropriation and provide \$11.0 million in 2022-23 to award grants to federally recognized tribes and bands];
- b. Tourism marketing contract [item #2, create an appropriation and provide \$400,000 annually to promote tourism featuring Native American heritage and culture];
- c. Director of Native American affairs [item #3, create an appropriation for tribal relations and provide \$125,600 in 2021-22, \$160,100 in 2022-23, and 1.0 position annually];
- d. Tribal youth wellness center [item #4, increase of \$350,000 annually];
- e. UW-Green Bay and Oneida Tribe programs assistance grants [item #6, increase of \$109,300 annually];
- f. Technical assistance program [item #7, increase of \$110,000 annually];
- g. Wisconsin grant program for tribal college students [item #21, increase of \$48,200 in 2021-22 and \$96,400 in 2022-23];

- h. Management of an elk reintroduction program [item #32, convert \$128,700 and 0.5 positions annually from tribal gaming revenue to the conservation fund];
- i. Reintroduction of whooping cranes [item #34, convert \$83,000 and 0.5 positions annually from tribal gaming revenue to the conservation fund];
- j. State snowmobile enforcement program [item #35, convert \$1,284,900 and 9.0 positions annually from tribal gaming revenue to the conservation fund];
- k. Grants to replace race-based nicknames, logos, mascots, or team names associated with American Indians [item #36, create an appropriation and provide \$200,000 annually for grants to school boards];
- l. General tourism marketing [item #39, convert \$4,300,000 annually from tribal gaming revenue to general purpose revenue and transfer \$200,000 annually to DOA for administration of a tourism marketing contract];
- m. Elderly transportation grants [item #42, convert \$435,600 annually from tribal gaming revenue to the transportation fund];
- n. Tribal economic development [item #50, create an appropriation and provide \$390,000 annually for economic development grants to Native American small business owners].

2021-23 Tribal Gaming Revenue Appropriations -- Governor

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2021-22</u>	<u>2022-23</u>	
1	Administration	\$0	\$11,000,000	Tribal grants.
2	Administration	400,000	400,000	Tourism marketing contract.
3	Administration	125,600	160,100	Tribal relations.
4	Administration	350,000	350,000	Youth treatment wellness center.
5	Administration	563,200	563,200	County management assistance grant program.
6	Administration	356,800	356,800	UW-Green Bay and Oneida Tribe programs assistance grants.
7	Administration	189,500	189,500	Tribal governmental services and technical assistance.
8	Children and Families	1,867,500	1,867,500	Tribal family services grants.
9	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
10	Corrections	50,000	50,000	American Indian tribal community reintegration program.
11	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
12	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
13	Health Services	445,500	445,500	Indian substance abuse prevention education.
14	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
15	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
16	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
17	Health Services	106,900	106,900	American Indian health projects.
18	Health Services	22,500	22,500	American Indian diabetes and control.
19	Health Services	0	0	Minority health program and public information campaign grants.
20	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
21	Higher Education Aids Board	530,000	578,200	Wisconsin Grant Program for tribal college students
22	Higher Education Aids Board	405,000	405,000	Tribal College Payments
23	Historical Society	229,800	229,800	Northern Great Lakes Center operations funding.
24	Historical Society	317,800	317,800	Collection preservation storage facility.
25	Justice	695,000	695,000	Tribal law enforcement grant program.
26	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
27	Justice	490,000	490,000	County law enforcement grant program.
28	Justice	123,900	123,900	County-tribal law enforcement programs: state operations.
29	Kickapoo Valley Reserve Board	73,600	73,600	Law enforcement services at the Kickapoo Valley Reserve.
30	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
31	Natural Resources	174,700	174,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
32	Natural Resources	0	0	Management of an elk reintroduction program.

	Agency	Program Revenue		Purpose
		2021-22	2022-23	
33	Natural Resources	\$84,500	\$84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
34	Natural Resources	0	0	Reintroduction of whooping cranes.
35	Natural Resources	0	0	State snowmobile enforcement program, safety training and fatality reporting.
36	Public Instruction	200,000	200,000	Grants to replace race-based nicknames, logos, mascots, or team names associated with American Indians.
37	Public Instruction	222,800	222,800	Tribal language revitalization grants.
38	Public Instruction	0	0	Tribal language revitalization grants, program operations.
39	Tourism	4,267,100	4,267,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
40	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
41	Tourism	24,900	24,900	State aid for the arts.
42	Transportation	0	0	Elderly transportation grants.
43	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
44	University of Wisconsin System*	254,500	254,500	Ashland full-scale aquaculture demonstration facility debt service payments.
45	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
46	Veterans Affairs	100,800	100,800	American Indian services veterans benefits coordinator position.
47	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
48	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
49	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
50	Wisconsin Economic Development Corporation	<u>390,000</u>	<u>390,000</u>	Tribal economic development.
	Subtotal (Non-Regulatory Items)	\$22,893,100	\$33,975,800	
51	Administration	\$2,079,100	\$2,079,300	General program operations for Indian gaming regulation under the compacts.
52	Justice	<u>200,300</u>	<u>200,300</u>	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	\$2,279,400	\$2,279,600	
	Total Appropriations	\$25,172,500	\$36,255,400	

*The tribal gaming general fund revenue calculation under the bill did not include a debt service reestimate of \$2,000 in 2021-22 and -\$57,800 in 2022-23 for the aquaculture demonstration facility. Under the bill, the appropriation would be provided \$256,500 in 2021-22 and \$196,700 in 2022-23 to reflect debt service reestimates.

[Bill Section: 478]

2. NATIVE AMERICAN ASSISTANCE GRANTS

PR	\$11,000,000
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Governor: Provide \$11,000,000 in 2022-23, funded by tribal gaming revenues, to award grants of equal amounts to the 11 federally-recognized tribes and bands in the state to meet the needs of members. Grant funds could not be used to pay gaming-related expenses.

[Bill Sections: 99, 460, and 484]

3. NATOW CONTRACT TRANSFER

PR	\$800,000
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Governor: Create an annual appropriation, funded by tribal gaming revenues, for American Indian tourism marketing. Transfer administration of the Native American Tourism of Wisconsin (NATOW) marketing contract and \$400,000 annually from the Department of Tourism to DOA. Require DOA to award the amount appropriated to the Great Lakes Inter-Tribal Council (GLITC).

Currently, Tourism administers \$200,000 each year under contract with NATOW, a part of GLITC, for marketing tribal destinations and producing promotional materials. The administration indicates additional funding would aid in the economic recovery of tribal tourism. Funds are intended to increase NATOW's technical assistance capacity and to identify recovery initiatives and marketing strategies for tribal entities. [See "Tourism."]

[Bill Sections: 111, 112, 464, 482, and 9143(1)]

4. TRIBAL YOUTH WELLNESS CENTER

PR	\$700,000
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Governor: Provide \$350,000 annually, funded by tribal gaming revenues, to build a youth substance abuse and mental health treatment center led by the Great Lakes Inter-Tribal Council. Modify DOA's existing appropriation for the center to repeal the limitation that funds may only be used to create architectural plans. Under 2019 Act 9, one-time funding of \$640,000 was provided to create architectural plans for the center. Additional funds would be used to develop operational plans, complete program design, and secure a suitable location for the center.

[Bill Section: 461]

5. DIRECTOR OF NATIVE AMERICAN AFFAIRS

	Funding	Positions
PR	\$285,700	1.00

Governor: Create an unclassified position to serve as the Director of Native American Affairs, responsible for managing relations between the state and tribes. Provide \$125,600 in 2021-22, \$160,100 in 2022-23, and 1.0 position annually, funded by tribal gaming revenues. The position would be placed in executive salary group 3 (a salary range of \$76,315 to \$125,923 under the 2019-21 compensation plan).

[Bill Sections: 93, 465, 485, 522, and 2505]

6. **NATIVE AMERICAN ECONOMIC DEVELOPMENT; TECHNICAL ASSISTANCE PROGRAM**

PR	\$220,000
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Governor: Provide \$110,000 annually, funded by tribal gaming revenues, to the Great Lakes Inter-Tribal Council to support its technical assistance program. The program promotes economic development on tribal lands by providing management assistance for existing businesses, start-up assistance to new businesses (including the development of business and marketing plans), and technical assistance to help businesses gain access to financial support. The program is provided base funding of \$79,500 annually from tribal gaming revenues.

7. **UW-GREEN BAY SUMMER CAMP PROGRAMS**

PR	\$218,600
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Governor: Provide \$109,300 annually, funded by tribal gaming revenues, to the University of Wisconsin-Green Bay. The administration indicates that funds would be used for educational summer camp programs developed in partnership with the Oneida Nation of Wisconsin. Funds would support STEM-related (science, technology, engineering and mathematics) camps for up to 288 students in grades three through 11 and provide access to UW-Green Bay's college credit program for high school students.

8. **BINGO AND RAFFLE APPROPRIATION**

Governor: Combine the PR appropriations for raffle and bingo program operations. Remove the current law requirement that unspent bingo funds must be transferred to the lottery fund at the end of each fiscal year. The bill would not modify bingo or raffle fees, nor would it modify the total amount authorized for program operations.

Under current law, bingo and raffle licenses may be granted to any local religious, charitable, service, fraternal, or veterans' organization, and to any organization to which contributions are deductible for tax purposes. Fees are deposited in appropriations for bingo and raffle regulation, respectively. The Wisconsin Constitution requires that state revenues from charitable bingo be used for property tax relief, with the exception of funds used for regulation.

In 2019-20, the bingo appropriation had an unsupported overdraft of \$38,100 and no bingo revenue was transferred to the lottery fund. Revenues from bingo have declined in recent years, while revenues from raffles have increased. The administration indicates that combining the appropriations would increase administrative flexibility, as revenues from raffle fees would help offset the bingo overdraft. Base funding for bingo regulation is \$359,500 and 3.2 positions, while base funding for raffle regulation is \$299,000 and 2.9 positions.

[Bill Sections: 477, 488, 614, 1455, and 2894 thru 2901]