



A New Era in California For Tribal Gaming

by Walfona Manion

June 28th marked the start of an important new era in tribal gaming in California. The California State Assembly voted to approve amended tribal gaming compacts for the Morongo Band of Mission Indians; Pechanga Band of Luiseño Indians; the Sycuan Band of Kumeyaay Indians; the Agua Caliente Band of Cahuilla Indians; and a new tribal gaming compact with the Yurok tribe. The five new agreements will last through 2030.

For Morongo, it was the culmination of a long effort and hundreds of hours of negotiations, meetings, dialogue with elected officials, and outreach to California voters. Morongo's new compact authorizes the tribe to install up to 7,500 gaming devices in two casinos and an auxiliary facility on existing tribal lands. The compact is projected to deliver more than \$3 billion in additional revenues to the state over the life of the agreement. It will create thousands of new jobs in the Inland Empire, where Morongo is based.

"The billions in new revenue that will flow into California's treasury from these compacts is vital to the state as it wrestles with its fiscal problems," said Morongo Tribal Chairman Robert Martin. "This money will help fund education, provide healthcare for those who need it most and help reduce the budget deficit." Martin notes that support for tribal gaming in California has not flagged. "The Pechanga tribe just released a poll that reports that three out of four Californians favor the recently ratified tribal/state agreements that allow more slot machines," said Martin. "Californians have been very strong in supporting Indian self-reliance and that will continue because they know the compacts are a win-win for everyone. In 1998 and in 2000, voters stood in solidarity with us twice and passed Propositions 5 and 1A," Martin continued. "Our gaming facilities, made possible by the voters' support, have brought us the revenue needed to revitalize our governments, provide services to our reservation communities and economic prosperity. Not only for our own people, but also for our neighboring communities. Now the state is struggling with some of the most difficult fiscal problems it has ever faced and tribal nations are providing desperately needed new revenue."

The California Department of Finance released a report showing that the state closed out the 2006-07 year with revenue falling \$829 million below projections. Even before those numbers emerged, the legislative analyst predicted a \$5 billion budget shortfall for 2008-09. The agreements that would bring a dramatic new influx of funds made sense to state leadership and the amended compacts were approved overwhelmingly by both houses of the Legislature and signed by Governor Arnold Schwarzenegger.

During his state Senate testimony, Martin urged lawmakers not to waste time that was costing California millions. "The

clock ran out at the end of last year's legislative session without the compacts being ratified," recalled Martin. "If these compacts had been enacted last August, hundreds of millions of dollars would already be coming in to the state's general fund. Every day that passed without these compacts taking effect costs the state another million dollars. Continued delay hurt everyone."

Negotiations between Morongo and the state began over three years ago to amend Morongo's 1999 compact. The new compact was signed by then tribal chairman Maurice Lyons and Governor Schwarzenegger last August, and was then passed off the Senate floor on April 19 with a floor vote of 23 to 10.

Opposition from the Hotel Employees and Restaurant Employees (HERE) union was the primary reason for the delay in passing the compact through the Assembly. The union had disseminated information claiming the compacts had no workers rights. Tribal leadership was quick to rebut this claim by providing copies of the 1999 Tribal Labor Relations Ordinance, negotiated by HERE and representatives of major labor groups with tribal leaders. The TLRO had been endorsed by then Senate president pro tem and labor advocate John Burton, Governor Gray Davis and Assembly Speaker Antonio Villaraigosa. The agreement clearly spells out the provisions, which allow workers at tribal gaming facilities to organize. Governor Schwarzenegger, Senate leadership, and both Democratic and Republican Assembly members unified to work towards passage of the compacts.

Martin, together with Morongo tribal council vice chair Mary Ann Andreas and council members Damon Sandoval, John Muncy, Frances Miguel, Adeline Bosworth and Leatrice Briones, worked to launch a statewide television and radio campaign educating voters about the benefits of the compact and urging the Assembly to approve the compacts. It was a bold decision and Californians responded by signing letters and endorsements supporting the compacts.

Agua Caliente, Morongo, Pechanga and Sycuan also each adopted a memorandum of agreement (MOA) with the Governor. The MOAs are government-to-government agreements separate and apart from the 2006 compact amendments. The MOAs address several issues including tribal employee compliance with state orders pertaining to spousal, family and child support; measures to combat problem gambling; implementation of minimum internal controls standards (MICS) for class III gaming that are no less stringent than those of the National Indian Gaming Commission (NIGC); state audits; and procedures for patron disputes.

"These agreements enhance our already-strong compacts and give the Legislature the assurances they need to approve the compacts, which will bring in much-needed revenue for vital

services and programs that Californians rely upon," said Governor Schwarzenegger in June. "I have said all along that these compacts will benefit California, the local communities and the tribes. Once again, we have proven that by setting partisan differences aside and working together, we can do what is in the best interest for California."

The Governor's office estimated that the amended compacts with Agua Caliente, Morongo, Pechanga, San Manuel and Sycuan would provide approximately \$500 million dollars annually to the state's general fund, and help resolve the budget deficit. This new revenue will improve education, health care, and enhance government services. In fact, California will receive more than \$20 billion throughout the life of the compacts with these tribes.

The Senate approved the MOAs with a vote of 22 to 6 and then the Assembly passed five compacts on June 28. The San Manuel Band of Luiseno Indians is still trying to get a ratified compact as well, but had not agreed to the MOA at the time of writing this. Unlike the other tribes, San Manuel has an established labor agreement at its casino.

Upon approval of the five gaming compacts, Governor Schwarzenegger praised state lawmakers: "I applaud the legislature for working in the best interest of California by approving five compacts... These compacts, which were negotiated in good faith with sovereign nations, enhance collaboration between local governments, offset environmental impacts and generate significant revenue for the state."

Reflecting the tribes' victory, Martin said, "We are at the beginning of a new era in the relationship between state and tribal governments. The adoption of this compact will tie us more closely together in working for the benefit of all our citizens. It will help extend the benefits of tribal gaming to a much wider range of services for the people of California. The advent of tribal gaming has brought an enormous economic boost to our area of the Inland Empire. We are very proud of the contributions that the Morongo tribe has been able to make to the economic prosperity of our region, to the lives of our employees, to public safety and to the quality of life in our communities. Morongo is grateful for the

opportunities California has provided for the development of our tribal businesses, the improvement of education for our children, the quality of services on our reservation and the self-reliance of our members." ♣

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