



CNIGA

California Nations Indian Gaming Association

April, 2004

Vol. II, Issue III

Inside This Issue:

Opposition to the Card Room & Racetracks' Deceptive Gambling Proposition Continues	p. 2
Chairman Miranda Addresses UNLV law students	p. 2
Jake Speaks	p. 3
CNIGA Washington D.C. Impact Week	p. 4
UCLA Media Symposium	p. 4
American Gaming Summit	p. 6
Associate Member Profile: Sodak Gaming Gold Member	p. 7

Rep. Pombo's Staff Visits California Tribe

Chairman Wayne Mitchum of the Cachil Dehe Band of Wintun Indians braked his four-wheel drive in a soggy agricultural bottom land that makes up most of the tribe's 4,000-acre reservation north of Sacramento.

"We'll never get away from the casino," Mitchum said of the tribe's Colusa Casino just off Interstate 5. "But this is the direction we're going," he said, waving his arm over the vast acreage. "This is our future."

The tribal casino, which currently employs 500 and soon will be expanded to include a hotel, has enabled the tribe to purchase most of its fields of rice, alfalfa, walnuts and other crops. But it's the agriculture operation, real estate and other non-gaming businesses that Mitchum believes will secure the tribe's future prosperity and protect the Cachil Dehe Band's heritage, language and customs.

Mitchum, who as a child labored as a field hand picking walnuts and prunes, believes it's important that his children and others on the reservation develop a work ethic and not rely on government revenues from the casino. "We need to keep them hungry," he says.

Staff members with the U.S. House Resources Committee, chaired by Republican

Congressman Richard Pombo from Tracy, CA toured the tribe's reservation and agriculture lands Feb. 27. Resources committee tribal affairs specialist Tom Brierton; Chris Fluhr, the committee's director of Native American and insular affairs; and staffer Chris Foster said they were particularly impressed with the tribe's community health and wellness program, which serves both tribal members and non-Indians.

The Colusa Indian Health and Dental Clinic provides the latest in medical care and technology, including a state-of-the-art dialysis center that is intended to serve the growing rate of diabetes both on and off the 272-acre reservation.

Mitchum's mother, brother and a sister all died of complications from the disease.

The clinic employs a number of health care practitioners, including a family practitioner, certified physician's assistant, a dentist and a certified dental assistant. A satellite clinic in Arbuckle was opened in 2000.

"You don't normally see anything like this is a rural area," said Brierton. "This is truly impressive."

The staffers said they would explore methods of speeding up Medical, Medicaid and
Congressional Visits: Continued on Page 5

Tribal Job Growth at 17.1%

California tribal government job growth for the year ending Feb. 2004 grew by 17.1 percent, according to figures released March 12 by the state Employment Development Department.

Tribes employ 43,800 workers, according to EDD figures, a 0.9 percent increase over the 43,400 workers employed in January.

Statewide, unemployment stood at 6.2 percent.

Indian gaming continues to consistently be one of the areas to grow

as the state's economy rebounds. Economists generally believe that for every job created at an Indian casino, three jobs are created in the broader economy. .

"Tribal governments' consistent record of creating jobs is helping California decrease its unemployment rate at a time when the State needs it most," said Jacob Coin, CNIGA Executive Director, "We are proud of the contributions tribes are making to the California economy."

Opposition to Deceptive Gambling Proposition Continues to Gain Momentum

Opposition is gaining momentum to the proposed initiative that would give 30,000 slot machines to California card clubs and race tracks as tribes, Republican and Democratic political leaders and civic groups organize to fight the initiative.

Under the auspices of Californians Against the Deceptive Gambling Proposition (CADGP), a growing number of the state's 107 tribes have signed or adopted resolutions opposing the proposed measure and individuals have signed statements opposing the measure.

In addition, the California Police Chiefs Association, the National Tax Limitation Committee and the San Bernardino County Safety Employees Benefit Association are on record against the initiative.

The eight-member tribal steering committee for CADGP has requested that tribes mobilize opposition to the proposed initiative among tribal members, surrounding community organizations and vendors. The steering committee, which has a weekly conference call and meets separately at CNIGA meetings, is also

asking each tribe to designate an "information coordinator" who would become the point person to distribute materials about the proposition to tribal members.

"We're getting strong support from tribes in terms of resolutions and sending us names of community organizations that oppose the initiative or want presentations about it," said Anita Mangels, a spokesperson for the committee. "But we need even more names and organizations because you can never have enough."

The board of CNIGA has unanimously opposed the initiative because it would be a breach of the agreement made with the state's tribes which granted them exclusive right to slot machines under Proposition 1A, passed by a two to one margin by voters in 2000.

"This initiative is a sham," said Jacob Coin, executive director of CNIGA. "It purports to address the state's deficit and make tribal casinos pay 25% of gaming revenues, but what it is really about is giving the private, out-of-state owners of five race

tracks and 11 card clubs 30,000 slot machines."

Anthony Miranda, chair of CNIGA, urged tribes to continue to send the organization resolutions opposing the measure and also to return the economic impact surveys which will help CNIGA and the campaign in opposition to the card clubs/race tracks' initiative illustrate the wide range of positive impacts Indian gaming has on the state of California.

The economic surveys are being analyzed by Dr. Bruce Strombom of Analysis Group Inc. No information on individual tribes will be released in any form to CNIGA, other tribes or the public by Analysis Group which will collectively assess the information it receives.

If copies of the economic impact survey questionnaire have been misplaced, tribes can get replacement copies by contacting Susan Jensen, CNIGA Director of Communications at 916-448-8706. All completed forms should be sent to Analysis Group.

CNIGA Executive Committee and Staff Commit to Create Value

Taking CNIGA to a new level of effectiveness was a goal set by Anthony Miranda when he took the reins as chairman in December 2003.

"We need to create value in the organization for our member Indian tribes, our associate member suppliers and vendors and others who interact with CNIGA," said Chairman Miranda. With that, the Executive Committee and staff began, on March 11, what will likely be a series of strategic planning activities to set goals and objectives for the organization.

As a starting point, the group determined that all organizational components and services of CNIGA are on

the table to be reviewed and recast, if needed, in order to create value.

Among the priority goals identified were improving the image of tribal government gaming in the state. Establishing stronger and more effective legislative, political and policy relationships between tribal, state and federal governments was listed as a fundamental need. The opportunity to redesign the CNIGA trade show and conference was also embraced by the group as one of the goals to be achieved.

CNIGA treasurer Ken Gilbert commended the team for taking the initiative to plan. These efforts will also

include working on the membership organization, its standing committees and working groups on a variety of issues.

"We began working as a team with our CNIGA staff and we intend to continue that direction to strengthen our organization," said Michael Hunter, CNIGA secretary. "We all recognize that we're here to serve our member tribes and we'll keep working to earn their trust and their confidence."

CNIGA Executive Committee members who participated in the planning session were CNIGA officers Miranda, Gilbert and Hunter, and at-large regional representatives Priscilla Hunter and Leon Benner. All of the CNIGA staff participated as well.

Chairman Miranda Lectures UNLV Law Students

Anthony Miranda, chairman of the California Nations Indian Gaming Association, discussed the history of tribal government gaming in the Golden State last month with students from the Boyd School of Law at the University of Nevada, Las Vegas.

Miranda's visit followed a similar lecture last year by CNIGA Executive Director Jacob Coin.

Miranda outlined the chronology of tribal gaming in California and discussed its evolution and potential impact on Nevada.

"The Anthony Miranda visit with students of the UNLV gaming law policy class is a high point in the history of the program," said Robert Faiss, class instructor and chairman of the gaming law department, Lionel, Sawyer & Collins law firm.

Jake Speaks

Fighting the Myth of the Rich Indian

A lot has been written about the “myth of the rich Indian,” the mistaken notion that tribal government gaming has eliminated poverty and neglect in Indian Country. While the benefits of tribal gaming are evident in the 28 states where some 220 tribes operate 330 casino and bingo operations, prosperity has not trickled down to most Native Americans.

Tribal government gaming generated \$14.5 billion in revenues in 2002, but just 41 of the operations won 65 percent of the gross. Roughly 20 percent of tribal casinos are generating 80 percent of the revenues.

Most tribal casinos and bingo halls are marginal operations providing valuable jobs and economic development on Indian lands. But they are not creating untold riches.

Of course, if you were to stack all the newspaper articles written about the lucrative Foxwoods Resort in Connecticut, it would tower over what has been published about all the other 329 tribal gaming operations in the United States. The result is the misconception that all Indians are rich Indians.

This myth of the rich Indian has created some tragic consequences in California.

As a result of a deepening budget deficit, Gov. Arnold Schwarzenegger and the state Legislature is proposing to make some drastic cuts in state and local services to needy American Indians. Local American Indian tribes could see the end of a new experiment in managing their own welfare programs.

Elected officials are proposing to slash by 70 percent (\$30.5 million from \$43 million) funding to the Temporary Assistance to Needy Family program being administered by the California Tribal TANF Programs.

In addition, state and local funding for substance abuse and alcohol prevention at Indian health clinics has been slashed from \$2.8 million to \$100,000, virtually wiping out the program.

“The non-Indian community believes that because of the success of gaming tribes there is no need to provide services to indigent Indians living in California,” says Marilyn Delgado, tribal li-

aision, California Tribal TANF Partnerships. “What people do not realize is that most of the 300,000 Indians in California are not members of California tribes. Many are members of tribes not recognized by the federal government. Others are members of tribes that are not significantly benefiting from gaming.

“The state of California has the responsibility to provide for all needy people, including Indian people who reside within the state,” Delgado says. “Furthermore, it is not the responsibility of gaming tribes to provide for needy Indians who are not members of their tribe.”

Tribal leaders are coordinating to petition the governor not to cut the funding, Dennis Turner, project director for the tribal welfare program in San Diego County, told the North County Times newspaper.

“We need to work with the governor’s office and that’s what’s happening,” Turner said.

Tribal welfare is a \$90 million program that receives about half of its funding from the state. It receives \$46 million from the federal government. However, losing \$30 million from the state could spell doom for the fledgling programs, Delgado said.

Until 1996, needy tribal members had to look to county government to access welfare programs, which were often far from the remote Indian reservations.

Under federal welfare reforms that took effect in 1996, tribes were allowed to administer their own programs, thus taking them off local governments’ hands. Tribal officials have said the change allowed greater spending flexibility and the ability to provide local services.

H.D. Palmer, a spokesman at the state’s Department of Finance, told the newspaper the cuts are being proposed because of a “declining tribal case load” in welfare rolls. He added that the state would continue to fund tribal welfare and that the program would continue to receive federal money.

“There is still revenue through state and local programs,” Palmer said. “They

will still be receiving federal funding.”

A MISGUIDED POLICY



Meanwhile, Gov. Schwarzenegger is calling for California gaming tribes to rewrite portions of tribal-state gaming compacts agreed to in 1999. He wants a greater share of tribal gaming revenues to help bail the state out of its fiscal woes. The governor singled out Indians in the October recall election that swept him into office, claiming tribes did not pay “their fair share.”

The concept of “fair share” will be discussed and hopefully resolved by the tribes and the governor’s negotiating team, which over the next several months will be redrafting portions of existing compacts and writing new agreements. If the governor’s team believes all California Indians are rich Indians, the talks may be a learning process.

As is the case nationally, much of the publicity surrounding tribal government gaming in California centers on the larger, more lucrative operations, the “Foxwoods” of California, so to speak.

But there are some 54 tribal government casinos in the Golden State, and only 15 have the maximum 2,000 machines as allowed in the tribal-state compacts. There are between 40,000 and 50,000 enrolled members of the state’s 107 federally recognized tribes. And more than 6,000 of them are members of just two tribes, the Hoopa Valley and Yurok tribes in Northern California.

Hoopa Valley has fewer than 350 machines. Yurok has no machines at all. Hoopa Valley is still struggling with some 40 percent unemployment. Much of the Yurok reservation is without essential services such as water and electricity. Many tribal members live below the poverty level.

As California Nations Indian Gaming Association Chairman Anthony

Jake Speaks: Continued on Page 4

Jake Speaks: *continued from page 3*

Miranda suggested in his landmark speech in January, the contributions of tribal gaming to the economic well being of American Indians and their non-Indian neighbors has been “nothing short of spectacular.”

But tribes in California and throughout the country have a long way to go before they achieve economic and social parity with their non-Indians neighbors. And, as Miranda also pointed out, it must be done without

compromising basic principles of sovereignty and self-governance.

The prospects of us all becoming rich Indians will likely remain a myth. But we can secure for our children, and the generations to come, a secure and bright future.

Coin is executive director of the California Nations Indian Gaming Association, an association of more than 60 Indian nations in the state.

Among his responsibilities and duties are organizational development, policy and legislative advocacy, education on tribal governmental gaming, tribal sovereignty and political development. Prior to his current work at CNIGA, Coin was executive director of the National Indian Gaming Association (NIGA) in Washington, D.C. He is a member of the Hopi Indian Tribe, Tobacco Clan, from the Village of Kykotmovi in Arizona.

CNIGA Sets Sights on Washington D.C.

The CNIGA Washington Impact Week, March 22 – 26, is an opportunity for California tribal leaders and representatives to positively impact federal legislation and policy issues that impact tribal governments across the country.

CNIGA staff has teamed up with Washington-based tribal lobbyists and representatives for California tribes to develop a schedule of meetings and one-on-one visits with United States Senators and Members of Congress to discuss issues of pressing importance to tribal government gaming. As it turned out, the impact week planning could not have been scheduled at a better time.

The Senate Committee on Indian Affairs will hold hearings on S. 1529, the Indian Gaming Regulatory Act Amendments of 2003 on March 24 and CNIGA member tribes will be able to attend the hearing. Additionally, tribes will be able to voice their concerns on the bill directly

to Senator Ben Nighthorse Campbell, principle author of the bill. Sen. Campbell of Colorado, who recently announced that he would not seek re-election, is Chairman of the Indian Affairs Committee. He is a member of the Northern Cheyenne Tribe of Montana.

Another issue of great importance to California tribes, as well as tribes in the Western United States, is the pending presidential nomination of William G. Myers, III for a lifetime appointment to the Ninth Circuit Court of Appeals. The Senate Judiciary Committee has scheduled a vote on the nomination for March 25. The nomination has drawn opposition from Indian tribes and intertribal organizations across the country.

As solicitor at the Department of Interior, Mr. Myers revoked a prior Solicitor’s Opinion prohibiting a proposed mining operation from moving forward on lands that are considered sacred to the

Quechan Indian people in California. Myers admitted that he had not consulted with the Quechan Nation before revoking the opinion. At the same time, he admitted to having had direct talks with the Canadian company that would have mined the land for gold.

“The Washington Impact Week will be especially important given the range of critical issues that tribes have to face,” said Jacob Coin, CNIGA executive director.

Among the federal officials invited to address the CNIGA member tribes during the impact week are Assistant Secretary Dave Anderson, Sen. Daniel Inouye of Hawaii, Rep. Richard Pombo of California and NIGC Chairman Phil Hogen. CNIGA will also hear from Rep. Dale Kildee of Michigan who is Co-Chair of the Congressional Native American Caucus, and Mr. Ruben Barrales, director of the Intergovernmental Affairs Office at the White House.

SAVE THE DATE -- April 20/21

Second Annual Symposium On Native American Issues
&
The California Press

Location: The UCLA Law School

Co-Sponsors:

UCLA Native Nations Law & Policy Center

&

The Harvard Project on American Indian Economic Development

Congressional Visits: *continued from page 1*

Indian Health Service reimbursement to the clinic.

The tribe's Wellness Center includes the latest exercise equipment, basketball and volleyball courts and a swimming pool. The tribe also operates the Hand In Hand Daycare facility, an early learning center and after school program.

Brierton said the Colusa tribe is a sterling example of how gaming is

helping tribal governments diversity their economies beyond casinos, efforts that contribute to the prosperity of surrounding non-Indian communities. Virtually all the tribe's 2,700 acres of agricultural acreage is non-trust land, generating not only produce, but tax revenues.

Pombo's staff last year toured Mooretown, Paskenta, Colusa, the Redding Rancheria and the Hoopa Valley

Tribe near Eureka in an effort to educate themselves and Congress about tribal economic development and nation building efforts in California and throughout the country.

"This is important," Mitchum said of the visit by Pombo's staff. "This is exactly the kind of story that needs to be told."

Colusa Indian Community Wellness Center

A full-service health club for the entire community.

27,000 sq ft facility including full court gymnasium with volleyball and basketball courts

Six lane swimming pool with aqua aerobics and aqua yoga

Weight room featuring matrix cardio and circuit equipment, treadmills, exercise cycles, and free weights

Cardio classes including aerobics, guts, butts & stretching, kid's and adult kick-boxing and more



Colusa Indian Community Wellness Center Gymnasium



Colusa Indian Community Wellness Center Lap Pool

Summit Panel Explores Future of Tribal Gaming in California

The uncertainty surrounding the future of tribal government and non-Indian commercial gaming in California was explored in depth by a panel of experts at last month's American Gaming Summit in Las Vegas.

Anthony Miranda, chairman of the California Nations Indian Gaming Association, and attorney Howard Dickstein were both cautiously optimistic about preliminary discussions

he said, referring to former Gov. Gray Davis.

Dickstein said preliminary talks between a coalition of seven tribes and Schwarzenegger's point man "have been conducted in an atmosphere of respect," in which the administration believes "there's nothing inherently suspect about tribal jurisdiction."

Tribes are seeking elimination of the existing cap of 2,000 machines, Dickstein

The proposal is on shaky legal ground because it would impose state laws on tribes, which are federally regulated, Dickstein said.

"We are confident it will go down sooner rather than later," he said.

Some of the smaller tribes' casinos could be "put out of business" if they had to pay that much of their revenue to the state, he added.



A panel of industry experts discussed tribal government gaming in California at the American Gaming Summit last month in Las Vegas. Participating were (seated from left) Howard Dickstein, partner, Dickstein & Zerbi; Anthony Miranda, chairman, California Nations Indian Gaming Association; Andrew Zarnett, director, high yield research, Deutsche Bank Securities, Inc.; Glenn Christenson, executive vice president and CFO, Station Casinos, Inc.; and Stephen Szapor, chief operating officer, The Innovation Group. Dave Palermo moderated the event. (Photo courtesy Ascend Media Group.)

with newly elected Gov. Arnold Schwarzenegger, who is seeking a greater share of tribal government revenues to help alleviate a \$22 billion state budget deficit.

Miranda praised the Schwarzenegger administration for backing up its commitment to quickly appoint a representative to renegotiate components of 1999 tribal-state compacts and negotiate new deals with non-gaming tribes.

"They did what they said they were going to do," Miranda said. "It wasn't until the Davis administration was backed into a corner ... that it started to negotiate,"

said. They are also hoping to lengthen the terms of the existing 20-year compacts.

The future growth of gaming in California is contingent not only on the ongoing talks between tribes and the governor, but economic conditions and at least three proposed ballot initiatives, one of which could result in an explosion of non-tribal slot machine gaming at state race tracks and card rooms.

Panelists were critical of the proposal to allow card clubs and racetracks in urban areas the right to offer up to 30,000 slot machines unless all gaming tribes agree to pay 25 percent of their gambling revenue to the state's general fund.

Money raised by the initiative would go to local programs rather than directly into the general fund to help pay off the state's budget deficit, Miranda said. Meanwhile, racetracks would be allowed to stop or relocate their racing activities once they get slots, he said.

Panelists said they hadn't yet formulated a final position on two other ballot proposals that haven't yet been published by the state.

The Agua Caliente Band of Cahuilla Indians in Palm Springs has proposed paying 8.8 percent of gambling profit in

Continued on Next Page

Continued from Previous Page:

exchange for unlimited slot machines and casinos on tribal land.

Another initiative by an anti-Indian group would cap slot machines at 3,000 per tribe, require payment of at least 8.8 per cent of casino profits to the state, require tribes to offer employment rights to casino workers and negotiate with local governments to offset traffic problems and other environmental effects of their casinos.

Both plans would allow tribes to maintain their monopoly on slot machines.

Glenn Christenson, executive vice president of Las Vegas-based Station

Casinos Inc., said his company is moving forward with plans to develop casinos in partnership with two California tribes. The company has a deal with the United Auburn Indian Community and is operating its Thunder Valley Casino near Sacramento.

"It's a very large market, and we plan to take advantage of it," Christenson said.

Dickstein cautioned there is only so much tribal land in California.

"While I think there are certainly opportunities, they are either going to be smaller or they are going to be helping

existing operations take the next step with some financing or development," he said.

Las Vegas will likely continue to benefit from the expansion of gambling in California, said Andrew Zarnett, a Deutsche Bank analyst. On the other hand, Laughlin and Reno already have seen gambling declines.

Stephen Szapor, chief operating officer, The Innovation Group, said additional machines and the evolution of tribal gaming from stand-alone casinos to resorts would both play a role in the growth of tribal government gaming in California.

Profile: CNIGA Gold Level Associate Member Sodak Gaming - Committed to California Indian Gaming

Sodak was a catalyst for growth after the passage of the Indian Gaming Regulatory Act in 1988, and for the last 14 years Sodak has brought superior games and progressive systems to casinos large and small across Indian Country. The company has been there to offer creative financing to tribes for getting casino operations up and running. Sodak was willing to provide financing to tribes very early on and fight side-by-side with tribes to protect tribal sovereignty. As a result, exceptional relationships were forged. In addition to providing financial assistance, the company also became a resource for tribes concerning legal, operational and regulatory matters. All of these services, which were essential in the early years of Indian Gaming, continue to be vitally important as growth continues in new and existing markets.

Equitable, creative financing that tied payback to the performance of the games allowed tribes to invest more capital in their casino facilities. The depth and profitability of the IGT product gave Indian casinos a real growth advantage. Sodak was growing as well and established itself as an industry leader.

In addition to being a strong political advocate on tribal

sovereignty issues, Sodak has donated millions of dollars to Indian Country causes and concerns including support for the National Indian Gaming Association, educational programs that benefit Indian students, and a pledge of \$1.5 million to CNIGA. "We value our relationship with California tribes and are proud to offer them the very best products and services," said Sodak CEO Roland Gentner. "It's great to be a part of this Indian Gaming success story, and we'll work hard to be there in the future. Our Class II products for example, offer California casinos exciting new opportunities for growth."

Sodak provides products and services to Indian casinos from its headquarters in Rapid City, SD. The company had earned the distinction of being IGT's biggest customer, prior to Sodak's merger with IGT in 1999, and has continued to be entrusted with Native American sales in the US. It serves customers coast-to-coast and

border-to-border with two regional service centers in California, and one each in Arizona, Minnesota and New Mexico. An Oklahoma opening of a Class II service center is scheduled for August. To complete the map, remote service technicians cover 17 states to provide quick solutions for customers in need.

Sodak/IGT has entered the Class II bingo market with Reel Touch™ Bingo. Sodak is the only company to have use of all of IGT's top-performing themes including Wheel of Fortune®. This and others will be offered on a wide area progressive system. IGT's Reel Touch™ Bingo is offered with the same service, machine reliability and advanced technologies that are part of its Class III product.

A large part of Sodak's success in Indian Country can be attributed to its willingness to provide fair and equitable financing on the sale of machines and ancillary products. Rollie Hill, Vice President of Sales at Sodak and former associate board member of the National Indian Gaming Association, said, "Sodak is proud that our creative financing has been instrumental in casino profits and the resulting tribal programs and projects seen across Native America."





California Nations
Indian Gaming Association

1215 K Street, Suite 1020
Sacramento, CA 95814

Phone: 916-448-8706
Fax: 916-448-8758
Web site: www.cniga.com

CNIGA Executive Committee Members

Anthony Miranda
CNIGA Chairman
Pechanga Band of Luiseno Indians

Michael Hunter
CNIGA Executive Secretary
Coyote Valley Band of Pomo Indians

Mary Ann Martin Andreas
CNIGA Vice Chairwoman
Morongo Band of Mission Indians

Ken Gilbert
CNIGA Treasurer
Mooretown Rancheria

Executive Committee Members At-Large

Leon Benner, Eastern Representative
Redding Rancheria

Butch Murphy, Central Representative
Pechanga Band of Luiseno Indians

Priscilla Hunter, Northern Representative
Coyote Valley Band of Pomo Indians

Daniel Tucker, Southern Representative
Sycuan Band of the Kumeyaay Nation