

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

➤ \*\*

➤ Committee Hearings ... CH

➤ \*\*

➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

➤ \*\*

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi\_Misc\_pt62\_LFB

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

# Gaming Board

(LFB Budget Summary Document: Page 234)

## LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
2,9	Eliminate Gaming Board (Paper #395)
4	Indian Gaming Unclassified Director Position (Paper #396)
4	Indian Gaming Unclassified Attorney Positions (Paper #397)
5	Indian Gaming Classified and Project Positions (Paper #398)

To: Joint Committee on Finance
From: Bob Lang, Director Legislative Fiscal Bureau

## ISSUE

### **Eliminate Gaming Board [Gaming Board, Administration and Revenue]**

[LFB Summary: Page 234, #2; Page 237, #9; Page 58, #9; and Page 537, #17]

## CURRENT LAW

The Wisconsin Gaming Board coordinates and regulates all activities and promulgates rules relating to racing and pari-mutuel wagering, charitable gaming (bingo and raffles) and crane games. In addition, the Board coordinates the state's regulatory activities under the state-tribal gaming compacts regarding Indian gaming. Finally, the Board has certain rulemaking, oversight and security responsibilities relating to the state lottery. The Board is comprised of five, part-time members, appointed to four-year terms by the Governor, with the advice and consent of the Senate.

The Board is authorized an unclassified executive director position, appointed by the Governor and confirmed by the Senate. A total of 53.45 positions are authorized for the Board in 1996-97, with base funding of \$3,909,600. Positions are funded from pari-mutuel racing proceeds and other program revenue relating to charitable, crane game and Indian gaming. The agency consists of three divisions (administrative services, racing and security) and two offices (Indian gaming and charitable gaming).

While the Department of Revenue has the responsibility for operating the state lottery, the Gaming Board has broad authority to promulgate rules relating to implementing the lottery statutes. The Board is also authorized to perform certain oversight functions, as follows: (a) approve whether lottery functions are to be performed by DOR employees or provided under contract; (b) approve a major procurement contract, if the Department of Administration delegates responsibility for the procurement process to DOR; (c) approve the features and procedures for

each lottery game; and (d) conduct hearings and render final decisions relating to the suspension or termination of a lottery retailer contract.

Finally, the Board has the following security responsibilities for the state lottery: (a) provide all of the security services for the state lottery except any building and security functions that may be contracted to DOA; (b) monitor the regulatory compliance of lottery operations; (c) audit the gaming operations of the lottery; (d) investigate suspected violations of gaming law; (e) report suspected gaming-related criminal activity to the Division of Criminal Investigation (DCI) in the Department of Justice for investigation by that division; and (f) if DCI chooses not to investigate the report, coordinate an investigation of the suspected criminal activity with local law enforcement officials and district attorneys.

## **GOVERNOR**

Delete \$3,617,900 in 1997-98 and \$3,592,200 in 1998-99 and 45.85 positions annually and eliminate the Gaming Board. Provide \$3,512,600 in 1997-98 and \$3,486,900 in 1998-99 and 44.85 positions annually to the Department of Administration (one attorney position under the Gaming Board would be eliminated). The transferred funding and positions reflect various other modifications made under the bill and summarized under the Gaming Board.

Transfer the Gaming Board's current statutory responsibilities for the regulation and security of pari-mutuel racing, charitable gaming (bingo and raffle games) and crane games to DOA. Create a Division of Gaming under DOA for the regulation and security of pari-mutuel racing, charitable gaming and crane games. Transfer the Gaming Board's current statutory responsibility for the oversight and security of Indian gaming, under the state-tribal gaming compacts, to the Division of Gaming under DOA.

Provide that, on the effective date of the bill: (a) all assets and liabilities of the Gaming Board would become the assets and liabilities of DOA; (b) all tangible personal property, including records of the Board would be transferred to DOA; and (c) all contracts entered into by the Board, which are in effect, would remain in effect and be transferred to DOA. Require DOA to carry out any such contractual obligations until modified or rescinded by DOA to the extent allowed under the contracts. Provide that all incumbent employes holding positions at the Board be transferred to DOA and have all employment rights and status at DOA that they enjoyed at the Board. No transferred employe would be required to serve a probationary period. Any matters pending with the Gaming Board on the effective date of the transfer would be transferred to DOA and all materials submitted to or actions taken by the Board with respect to any pending matter would be considered as having been submitted to or taken by DOA. All rules and orders of the Gaming Board (other than rules and orders relating to the state lottery) would remain in effect until their specified expiration date or until amended, repealed or rescinded by DOA.

Delete the unclassified executive director of the Gaming Board and, in DOA, create an unclassified division administrator for gaming. Provide that the Division of Gaming be designated as a separate employing unit for the purposes of personnel transactions. Transfer the five-member Council on Charitable Gaming from the Gaming Board to the Department of Administration.

Provide that any employe in the Division of Gaming who performs any duty related to pari-mutuel racing, charitable gaming or crane games or the Executive Assistant or the Secretary or Deputy Secretary of DOA, and any member of such a person's immediate family, be subject to current conflict of interest provisions relating to the area of gaming for which the person performs duties, while that person is employed or for two years following the termination of his or her employment with DOA. The conflict of interest provisions generally restrict: (a) employment with, or having an interest in, any concern holding a license, registration or contract for gaming activities; (b) accepting anything of value from any person connected with the regulated form of gaming; and (c) participation in the forms of gaming being regulated. (Under current law, the members and employes of the Gaming Board are subject to these conflict of interest restrictions.)

Transfer all Gaming Board rulemaking, oversight and security responsibilities relating to the state lottery to the Department of Revenue (DOR). All rules and orders relating to the state lottery would remain in effect until their specified expiration date or until amended, repealed or rescinded by the Department of Revenue.

## **DISCUSSION POINTS**

1. The amounts that would be transferred to DOA reflect various other modifications to the Gaming Board's budget under the bill. If adopted, the funding and positions transferred to DOA may need to be technically corrected to reflect Committee action on these other Gaming Board provisions.

2. Prior to October 1, 1992, three agencies performed gambling-related functions: (a) the Department of Regulation and Licensing regulated charitable bingo and raffle activities; (b) the Lottery Board operated the state lottery; and (c) the Racing Board regulated pari-mutuel wagering and racing. Tribal gaming under compacts signed between August, 1991 and June, 1992, was very limited prior to October, 1992.

3. Effective October 1, 1992, the Wisconsin Gaming Commission, comprised of three full-time members, was created under 1991 Act 269 to coordinate and regulate all activities relating to legal gambling. This action: (a) eliminated the Lottery and Racing Boards and transferred the functions of these Boards to the Commission; (b) transferred the regulatory responsibilities for charitable bingo and raffles from the Department of Regulation and Licensing

to the Commission; and (c) made the Commission responsible for the state's regulatory responsibilities under the state-tribal gaming compacts.

4. Under 1995 Act 27, the 1995-97 biennial budget act, the Gaming Commission was eliminated and replaced by a Gaming Board, effective July 1, 1996. Also, on this date, the administration of the state lottery was transferred to the Department of Revenue (DOR). All other Gaming Commission responsibilities were transferred to the Gaming Board.

5. Administration officials indicate that eliminating the Gaming Board and transferring its responsibilities to DOA would allow this small agency to function more efficiently and effectively as a division with the assistance of the administrative staff of a larger agency. DOA could provide a Division of Gaming with assistance in the areas of legal counsel (allowing a current attorney position to be eliminated), personnel management, purchasing and computer resources. In addition, coordination with the Governor's office of certain gaming issues, such as Indian gaming compact negotiations, may be more effectively achieved under DOA.

6. It can be argued, however, that the oversight of gambling by a board or commission allows policy and regulatory decisions to be made through a public process and determined through a vote of the oversight body. A board or commission may be characterized by diverse points of view and the regular meetings of the oversight body provide the public with a forum to provide testimony on issues regarding gaming operations or to support or oppose proposed changes in gaming policies.

7. Further, it could be argued that an independent board or commission would have more decision-making autonomy than a departmental division. While some administrative efficiencies could be realized in the context of a large agency, the decision-making process relating to gaming regulation could also be affected by other departmental issues.

8. The elimination of the Gaming Board and the transfer of regulatory responsibilities to DOA would not preclude DOA from inviting public involvement through public hearings or the creation of ad hoc advisory groups. However, decision making under DOA would be an administrative function and would not be conducted through a public vote. It should also be noted that the elimination of the Board's attorney position may result in a loss of specialized gaming knowledge that DOA legal counsel may not easily replace.

9. It may also be argued that the Gaming Board's rulemaking, oversight and security responsibilities relating to the state lottery could provide an important monitoring function, by an autonomous body, of the operations of the only state-operated gambling function in Wisconsin.

10. However, since October, 1995, the Gaming Commission and its successor, the Gaming Board, have not performed any lottery functions. Following the execution of a memorandum of understanding between the Gaming Commission and DOR on August 17, 1995,

the administration and operation of the state lottery was assumed by DOR (about nine months ahead of the July 1, 1996, transfer date authorized under 1995 Act 27).

11. Administration and DOR officials argue that the agency responsible for a program's operation should have rule-making authority for that program. Further, the part-time Gaming Board is not viewed by these officials as having lottery oversight or security expertise appropriate for its role under current law and that DOR and the state lottery are better suited to perform these functions.

12. If the Governor's recommendation to eliminate the Gaming Board is not adopted, the Board would retain its current attorney position, which, in the absence of legal counsel provided by a large agency, would appear appropriate. If the Gaming Board is retained, it would also appear reasonable to eliminate the Board's rulemaking authority for the state lottery and to provide this authority exclusively to DOR.

13. Further, the Board's oversight functions, relating to contracting, approving the features and procedures for each lottery game and conducting hearings relating to retailer contracts, appear to be appropriate functions for DOR to perform. If the Board's oversight in these areas is eliminated and DOR assumes these functions, the situation would be analogous to when the Gaming Commission both operated the lottery and performed these lottery oversight functions.

14. Finally, it could be argued that the Board's security responsibilities for the state lottery are largely duplicative of the security oversight provided by the internal controls of the state lottery, the required financial and performance audits conducted by the Legislative Audit Bureau, a required security audit performed at least every two years by an independent firm and the criminal investigation authority of the Department of Justice. If the Gaming Board is to provide substantive security oversight for the state lottery, significant resources would need to be provided to the Board from lottery proceeds.

## **ALTERNATIVES TO BASE**

### **A. Elimination of Gaming Board**

1. Adopt the Governor's recommendation to: (a) delete \$3,617,900 in 1997-98 and \$3,592,200 in 1998-99 and 45.85 positions annually and eliminate the Gaming Board; (b) provide \$3,512,600 in 1997-98 and \$3,486,900 in 1998-99 and 44.85 positions annually to a Division of Gaming under the Department of Administration; and (c) transfer the Gaming Board's current nonlottery statutory responsibilities, assets and liabilities, tangible personal property, contracts and rules to DOA. Delete an unclassified executive director under the Gaming Board and create an unclassified division administrator in DOA. [Actual funding and positions transferred may be technically corrected, if required due to Committee action on other Gaming Board budget provisions.]

<u>Alternative 1</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	- \$210,600
[Change to Bill	\$0]
1998-99 POSITIONS (Change to Base)	- 1.00
[Change to Bill	0.00]

2. Retain the Gaming Board and its pari-mutuel racing, charitable gaming and Indian gaming responsibilities.

<u>Alternative 2</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill	\$210,600]
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	1.00]

**B. Transfer Lottery Functions**

1. Adopt the Governor's recommendation to transfer the Gaming Board's rulemaking, oversight and security responsibilities relating to the state lottery to the Department of Revenue.
2. Maintain current law.

Prepared by: Art Zimmerman

MO# ALT#1

Z	JENSEN	X	N	A
	OURADA	X	N	A
	HARSDORF	X	N	A
	ALBERS	X	N	A
	GARD	X	N	A
	KAUFERT	X	N	A
	LINTON	X	N	A
	COGGS	X	N	A

MO# ALT#1

Z	JENSEN	X	N	A
	OURADA	X	N	A
	HARSDORF	X	N	A
	ALBERS	X	N	A
	GARD	X	N	A
	KAUFERT	X	N	A
	LINTON	X	N	A
	COGGS	X	N	A

/	BURKE	X	N	A
	DECKER	X	N	A
	GEORGE	Y	N	A
	JAUCH	X	N	A
	WINEKE	Y	N	A
	SHIBILSKI	X	N	A
	COWLES	X	N	A
	PANZER	X	N	A

/	BURKE	X	N	A
	DECKER	X	N	A
	GEORGE	Y	N	A
	JAUCH	X	N	A
	WINEKE	X	N	A
	SHIBILSKI	X	N	A
	COWLES	X	N	A
	PANZER	X	N	A

AYE 14 NO 1 ABS 1

AYE 15 NO 0 ABS 1

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Indian Gaming Unclassified Director Position (Gaming Board)**

[LFB Summary: Page 235, #4]

## CURRENT LAW

Base funding for the Office of Indian Gaming (OIG) under the Gaming Board is \$381,100 with 3.75 positions: a 0.75 attorney position; 2.0 auditor positions; and 1.0 administrative assistant position. The attorney position was subsequently reclassified to an administrative officer position.

The Gaming Board is statutorily authorized five unclassified positions, but has position authority for only three positions: 1.0 PR executive director position, 1.0 PR racing division administrator position and 1.0 SEG executive assistant position funded from the state lottery. Funding for the executive assistant position was deleted under the 1995-97 biennial budget act (1995 Act 27). Two additional SEG unclassified division administrator positions (for administration and security) were transferred from the Gaming Commission to DOR with the state lottery, under Act 27. However, the Gaming Commission's (subsequently the Gaming Board's) statutory authority for all five unclassified positions remains under current law.

## GOVERNOR

Provide \$95,900 PR in 1997-98 and \$93,100 PR in 1998-99 and 1.0 PR and -1.0 SEG position beginning in 1997-98 for a Director of the Office of Indian Gaming. Provide unclassified status for the Director, who would be appointed by and under the direction of the Secretary of the Department of Administration (DOA), to administer the state's responsibility for the oversight of Indian gaming. (Under the bill, the Gaming Board is eliminated and its statutory

responsibilities for pari-mutuel racing, charitable gaming and Indian gaming would be transferred to a division under DOA.) The deleted position would be a SEG executive assistant for the Gaming Board. Delete statutory authorization for the unclassified executive assistant position under current law. (The Governor's recommendations concerning the other statutorily-authorized unclassified Gaming Board positions are discussed in Papers #395 and #397.)

## DISCUSSION POINTS

1. The Office of Indian Gaming has several responsibilities under the provisions of the state-tribal gaming compacts, including: (a) monitoring each tribe's casino gaming to ensure compliance with the compacts; (b) certifying and conducting background investigations of any person proposing to be an Indian gaming contractor, if the contract exceeds \$10,000 a year; (c) reviewing annual independent financial audits of the casinos; and (d) reviewing security audits of the casinos that are required to be performed every two years.

2. The Gaming Commission was created in October, 1992, and was provided with statutory responsibility for the regulation of Indian gaming under the compacts. An attorney position, formerly with the Lottery Board, was transferred to Indian gaming as an office director. The position became vacant on July 1, 1993. The Gaming Commission, and subsequently the Gaming Board, did not rehire the position. In September, 1996, the attorney position was converted to an administrative officer position and was filled. Board officials indicate that the duties required of the Director's position are administrative in nature and do not require an attorney.

3. It could be argued that the current administrative officer position fulfills the role of office director, having been converted from the prior attorney/director position to handle the administrative functions of the office. Based on this argument, the Governor's recommendation for an additional unclassified director position could be denied.

4. On the other hand, it could be argued that the office should play a critical role in maintaining the integrity of Indian gaming in the state. However, staffing for the Office of Indian Gaming may be insufficient to allow this role to be realized. According to Board officials, Wisconsin has one of the largest Indian gaming operations in the country, but the smallest operating budget and staff for the oversight of these operations. The creation of a director position could help to address this staffing issue. (Under the bill, four project positions would also be provided for regulatory oversight functions; these positions are discussed in Paper #398.)

5. The administration indicates that the director position for Indian gaming should be unclassified because he or she would be directly responsible for representing the administration on the oversight of Indian gaming and is appropriately appointed by a high-level member of the administration (the Secretary of DOA, under the bill).

6. Alternatively, it could be argued that the position, as Board officials indicate, is administrative in nature and could best be filled in the classified service, using competitive hiring procedures.

7. Under the bill, the Gaming Board is eliminated and its statutory responsibilities for pari-mutuel racing, charitable gaming and Indian gaming would be transferred to a division under DOA. The following alternatives are provided under two scenarios: (a) if the Committee adopts the Governor's recommendation to eliminate the Board and transfer these responsibilities to DOA; and (b) if the Board is retained.

**ALTERNATIVES TO BASE**

**A. If Governor's recommendation to transfer the Gaming Board to the Department of Administration is adopted:**

A1. Adopt the Governor's recommendation to create an unclassified Director of Indian Gaming, appointed by and under the direction of the Secretary of DOA, to administer the state's responsibility for the oversight of Indian gaming. Provide \$95,900 PR in 1997-98 and \$93,100 PR in 1998-99 for the position. Delete the statutory authority for 1.0 SEG unclassified Gaming Board executive assistant position.

<u>Alternative A1</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$189,000	\$0	\$189,000
<i>[Change to Bill]</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>1998-99 POSITIONS</b> (Change to Base)	1.00	- 1.00	0.00
<i>[Change to Bill]</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

A2. Provide a classified Director of Indian Gaming to administer the state's responsibility for the oversight of Indian gaming. Provide \$95,900 PR in 1997-98 and \$93,100 PR in 1998-99 for the position. Delete the statutory authority for 1.0 SEG unclassified Gaming Board executive assistant position.

<u>Alternative A2</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$189,000	\$0	\$189,000
<i>[Change to Bill]</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>1998-99 POSITIONS</b> (Change to Base)	1.00	- 1.00	0.00
<i>[Change to Bill]</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

A3. Delete the statutory authority for 1.0 SEG unclassified Gaming Board executive assistant position.

<u>Alternative A3</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill</i>	<i>- \$189,000</i>	<i>\$0</i>	<i>- \$189,000]</i>
1998-99 POSITIONS (Change to Base)	0.00	- 1.00	- 1.00
<i>[Change to Bill</i>	<i>- 1.00</i>	<i>0.00</i>	<i>- 1.00]</i>

**B. If the Gaming Board is retained:**

B1. Create an unclassified Director of Indian Gaming to administer the state's responsibility for the oversight of Indian gaming, to be appointed by the Executive Director of the Gaming Board. Provide \$95,900 PR in 1997-98 and \$93,100 PR in 1998-99 for the position. Delete the statutory authority for 1.0 SEG unclassified Gaming Board executive assistant position.

<u>Alternative B1</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$189,000	\$0	\$189,000
<i>[Change to Bill</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0]</i>
1998-99 POSITIONS (Change to Base)	1.00	- 1.00	0.00
<i>[Change to Bill</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00]</i>

B2. Create a classified Director of Indian Gaming to administer the state's responsibility for the oversight of Indian gaming. Provide \$95,900 PR in 1997-98 and \$93,100 PR in 1998-99 for the position. Delete the statutory authority for 1.0 SEG unclassified Gaming Board executive assistant position.

<u>Alternative B2</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$189,000	\$0	\$189,000
<i>[Change to Bill</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0]</i>
1998-99 POSITIONS (Change to Base)	1.00	- 1.00	0.00
<i>[Change to Bill</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00]</i>

B3. Maintain current law.

<u>Alternative B3</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill</i>	<i>- \$189,000</i>	<i>\$0</i>	<i>- \$189,000]</i>
1998-99 POSITIONS (Change to Base)	0.00	0.00	0.00
<i>[Change to Bill</i>	<i>- 1.00</i>	<i>1.00</i>	<i>0.00]</i>

Prepared by: Art Zimmerman

MO# 117A1 #396

JENSEN	<del>Y</del>	N	A
1 OURADA	<del>Y</del>	N	A
HARSDORF	<del>Y</del>	N	A
2 ALBERS	<del>Y</del>	N	A
GARD	<del>Y</del>	N	A
KAUFERT	<del>Y</del>	N	A
LINTON	<del>Y</del>	N	A
COGGS	Y	<del>N</del>	A

BURKE	Y	<del>N</del>	A
DECKER	Y	<del>N</del>	A
GEORGE	Y	N	<del>A</del>
JAUCH	Y	<del>N</del>	A
WINEKE	Y	<del>N</del>	A
SHIBILSKI	Y	<del>N</del>	A
COWLES	<del>Y</del>	N	A
PANZER	<del>Y</del>	N	A

AYE 9 NO 6 ABS 1

PAPER #396

To: Joint Committee on Finance  
From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Indian Gaming Unclassified Attorney Positions (Gaming Board)**

[LFB Summary: Page 235, #4]

## CURRENT LAW

The statutory responsibilities relating to Indian gaming require the Gaming Board to: (a) coordinate the state regulation of Indian gaming under the state-tribal compacts; (b) act as a gaming liaison between Indians, the general public and the state; (c) function as a clearinghouse for information on Indian gaming; and (d) assist the Governor in determining the types of gaming that may be conducted on Indian lands, and in entering into Indian gaming compacts. Base funding for the Office of Indian Gaming (OIG) under the Gaming Board is \$381,100 with 3.75 positions: a 0.75 attorney position; 2.0 auditor positions; and 1.0 administrative assistant position. The attorney position was subsequently reclassified to an administrative officer position.

The Gaming Board is statutorily authorized five unclassified positions, but has position authority for only three positions: 1.0 PR executive director position, 1.0 PR racing division administrator position and 1.0 SEG executive assistant position funded from the state lottery. Funding for the executive assistant position was deleted under the 1995-97 biennial budget act (1995 Act 27). Two additional SEG unclassified division administrator positions (for administration and security) were transferred from the Gaming Commission to DOR with the state lottery, under Act 27. However, the Gaming Commission's (subsequently the Gaming Board's) statutory authority for all five unclassified positions remains under current law.

## GOVERNOR

Provide unclassified status for three attorney positions transferred to the Office of Indian Gaming, to assist the Secretary of DOA and the Governor with the negotiation of new Indian gaming compacts in the 1997-99 biennium. The positions would be appointed by the Secretary of DOA. (Under the bill, the Gaming Board is eliminated and its statutory responsibilities for pari-mutuel racing, charitable gaming and Indian gaming would be transferred to a division under DOA.) The positions transferred to Indian gaming would include one currently unclassified position (a division administrator for racing) and two currently classified racing positions (an auditor position and an administrative officer position). Delete statutory authorization for three unclassified Board positions under current law. (Under the bill, the unclassified executive director and executive assistant positions would also be deleted and an unclassified division administrator position and unclassified director of Indian gaming position would be created.)

The recommendation would provide \$131,300 in 1997-98 and \$98,100 PR in 1998-99. These totals reflect the transfer of funds and position authority as follows: (a) deletion of \$165,500 from racing and provision of \$296,800 PR to Indian gaming in 1997-98; (b) deletion of \$165,500 from racing and provision of \$263,600 PR to Indian gaming in 1998-99; and (c) transfer of 3.0 positions from racing to Indian gaming beginning in 1997-98. The funding also includes \$50,000 in 1997-98 and \$25,000 in 1998-99 in supplies and services for hiring private legal counsel to assist in compact negotiations.

## DISCUSSION POINTS

1. Under 1989 Act 196, the Governor is authorized to enter into state-tribal gaming compacts on behalf of the state.
2. The first state-tribal gaming compact was signed on August 16, 1991, and the last on June 11, 1992. As a result, 17 Indian gaming casinos, under 11 state-tribal compacts, are now in operation across the state. Each compact remains in effect for seven years (with expiration dates falling between August, 1998, and June, 1999). The duration of the compacts is automatically extended for terms of five years unless either party serves written notice of nonrenewal on the other party not less than 180 days prior to the expiration date of the term. While notices of nonrenewal have not been issued to date, such notices are anticipated.
3. In addition to the statutory responsibilities identified above, the Gaming Board has several responsibilities under the provisions of the compacts, including: (a) monitoring each tribe's casino gaming to ensure compliance with the compacts; (b) certifying and conducting background investigations of any person proposing to be an Indian gaming contractor, if the contract exceeds \$10,000 a year; (c) reviewing annual independent financial audits of the casinos; and (d) reviewing security audits of the casinos that are required to be performed every two years.

4. The 11 tribes must jointly provide \$350,000 annually to the state as reimbursement for the state costs of regulation of Class III tribal gaming under the compacts. Each tribe's share of this total reimbursement amount is calculated annually, based on its relative share of the total amount wagered on tribal gaming statewide during the previous fiscal year. Indian gaming revenue appears sufficient to support the Governor's budget recommendations for additional Indian gaming positions in 1997-99 because the current unexpended balance of compact revenue provides a reserve from which to draw in the next biennium. However, continuation of this level of staffing beyond 1998-99 would require additional revenue.

5. Both the state's ongoing role under the compacts and the renegotiation of the compacts in the 1997-99 biennium require legal assistance. The original compact negotiations, beginning in 1991, were conducted, on behalf of the Governor, by five attorneys: a Lottery Board attorney serving as lead negotiator, two assistant attorneys general, an attorney on the Governor's staff and an attorney on the staff of DOA. The process was carried out over approximately a one-year period, with the Lottery Board attorney working virtually full-time on the negotiations and the other four attorneys assisting, on a part-time basis, as needed. For limited periods during the year, all of the attorneys spent significant time on the negotiations.

6. Authorized legal resources for Indian Gaming have not been fully utilized in recent years. The Lottery Board attorney position involved in the original compact negotiations was reassigned to be the director of OIG when the Gaming Commission was created in October, 1992. The position became vacant on July 1, 1993. The Gaming Commission, and subsequently the Gaming Board, did not rehire the position. In September, 1996, the attorney position was converted to an administrative officer position and filled by an existing staff member. Board officials indicate that the duties required of the Director's position are administrative in nature and do not require an attorney.

7. Additional legal resources available to Indian gaming would be eliminated under the Governor's budget recommendations. An attorney position, currently authorized under the Gaming Board, would be eliminated in the transfer of the Board's functions to DOA. It is possible, but not certain, that the position's incumbent, who is experienced in Indian gaming issues, could be appointed to one of the unclassified attorney positions authorized under the bill.

8. The bill would authorize three permanent, unclassified attorney positions for compact negotiations. It could be argued that compact negotiations would not require three full-time attorneys. In recent budget testimony before the Committee, the Attorney General stated that only one position would be needed for this work.

9. Administration officials, however, argue that the complexity of Indian gaming law and the need to negotiate 11 compacts, including a number of significant changes to the current compacts, will require the work of three attorneys.

10. The permanent status of the attorney positions could be questioned because compact negotiations are projected to be completed by June, 1999. Administration officials indicate that the length of any new compacts is yet to be determined and may be short-term in nature, requiring more frequent renegotiation. It could also be argued that project positions would not attract the experienced attorneys that would be desirable for compact negotiations.

11. While ongoing legal work may be needed beyond June, 1999, this additional work could be handled by one Indian gaming attorney and other state legal resources. Two of the attorney positions, under the bill, could be authorized as two-year project positions.

12. In addition, the \$50,000 in 1997-98 and \$25,000 in 1998-99 in supplies and services for hiring private legal counsel to assist in compact negotiations could be allocated to one-time funding to reflect the temporary nature of this work.

13. The administration also indicates that the three positions for Indian gaming should be unclassified because they would be directly responsible for representing the administration's views on Indian gaming and are appropriately appointed by a high-level member of the administration (the Secretary of DOA under the bill). Officials also note that the budget recommendation reallocates existing unclassified position authority under the Gaming Board, rather than creating additional unclassified position authority.

14. Another alternative that could balance the need for permanent staff with the temporary nature of the compact negotiation work would be to provide one permanent, unclassified attorney position for Indian gaming and reallocate the funding for the other two attorney positions under the bill to supplies and services, for the 1997-99 biennium only, to provide additional resources for hiring legal counsel to assist in compact negotiations. (Under the bill, \$50,000 in 1997-98 and \$25,000 in 1998-99 would be provided for this purpose.) This approach would allow for a permanent attorney to provide continuity on Indian compact issues over time and would also provide a total of \$214,600 in 1997-98 and \$184,100 in 1998-99 for additional legal assistance in negotiating the compacts.

15. Department of Justice legal resources could also be utilized for compact negotiations, as they were in the original negotiations. In budget testimony before the Committee, the Attorney General indicated that DOJ attorneys have been involved in Indian gaming issues for many years and that only a small number of attorneys around the country have this level of expertise. According to the Attorney General, newly hired attorneys may not match up well against the experienced attorneys the tribes are likely to retain. In his comments to the Committee, the Attorney General recommended that the expertise of DOJ be utilized in the upcoming negotiations and that the Committee consider providing the attorney positions recommended for DOA to DOJ instead, to handle the entire array of Indian legal issues, including environmental and trust land litigation and Indian gaming negotiations.

16. In its 1997-99 budget request, DOJ asked for \$89,000 GPR and 2.0 GPR positions in 1997-98 and \$247,500 GPR and 4.0 GPR positions in 1998-99, including three attorneys and one legal secretary, to create a specialized Indian law litigation unit. The request was intended to address the increase in Indian-related litigation cases and the numerous and complex legal issues associated with them. The request was not included in the Governor's budget recommendations.

17. It could be argued that legal resources for Indian gaming negotiations would be most appropriately provided to DOJ. One permanent classified attorney position (beginning October 1, 1997) could be authorized for DOJ with funding provided from state Indian gaming revenues. In addition, one-time funding of \$214,600 PR in 1997-98 and \$184,100 PR in 1998-99 could be provided to DOJ in supplies and services to hire additional legal assistance for compact negotiations.

18. On the other hand, given the Governor's authority to enter into compacts, it could be argued that those negotiating on his behalf should be accountable to him, and not the Attorney General.

19. Under the bill, the Gaming Board is eliminated and its statutory responsibilities for pari-mutuel racing, charitable gaming and Indian gaming would be transferred to a division under DOA. The alternatives relating to the provision of attorney positions for Indian gaming are provided under two scenarios: (a) if the Committee adopts the Governor's recommendation to eliminate the Board and transfer these responsibilities to DOA; and (b) if the Board is retained.

20. If the Gaming Board is retained, the attorney resources could still be placed at DOA. The positions would then be appointed by and accountable to a high-level member of the administration. This alternative may more closely correspond to the recommendation of the Governor regarding these attorney positions.

21. On the other hand, the positions could be placed under the Gaming Board and appointed by the Executive Director of the Board. (The Executive Director is appointed by the Governor.) It would appear the positions would still be accountable to the Governor and would be part of the office responsible for the regulation of Indian gaming under the compacts.

## **ALTERNATIVES TO BASE**

### **A. If the Governor's recommendation to transfer the Gaming Board to the Department of Administration is adopted:**

A1. *[3.0 Permanent Attorneys in DOA]*. Adopt the Governor's recommendation to provide \$131,300 in 1997-98 and \$98,100 in 1998-99 to reflect the deletion of 3.0 positions and funding from racing and the provision of 3.0 unclassified positions to the Office of Indian

Gaming in DOA to assist the Secretary of DOA and the Governor with the negotiation of new Indian gaming compacts in the 1997-99 biennium. The positions would be appointed by the Secretary of DOA. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative A1</u>	<u>PR</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$229,400
[Change to Bill]	\$0]
<b>1998-99 POSITIONS</b> (Change to Base)	0.00
[Change to Bill]	0.00]

A2. [1.0 Permanent and 2.0 Project Attorneys in DOA]. Modify the Governor's recommendation by providing that two of the attorney positions would be two-year project positions.

<u>Alternative A2</u>	<u>PR</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$229,400
[Change to Bill]	\$0]
<b>1998-99 POSITIONS</b> (Change to Base)	0.00
[Change to Bill]	0.00]

A3. [1.0 Permanent Attorney and Contracting in DOA]. Provide \$131,300 in 1997-98 and \$98,100 in 1998-99 and -2.0 positions beginning in 1997-98 to reflect the provision of 1.0 unclassified position, appointed by the Secretary of DOA, to the Office of Indian Gaming in DOA and deletion of funding and 3.0 positions from racing. Funding under the alternative would include \$214,600 PR in 1997-98 and \$184,100 PR in 1998-99 in one-time supplies and services funding to DOA for contract costs relating to hired legal counsel. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative A3</u>	<u>PR</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$229,400
[Change to Bill]	\$0]
<b>1998-99 POSITIONS</b> (Change to Base)	- 2.00
[Change to Bill]	- 2.00]

A4. [1.0 Permanent Classified Attorney and Contracting in DOJ]. Provide \$112,300 in 1997-98 and \$97,500 in 1998-99 and -2.0 positions beginning in 1997-98 to reflect the

following: (a) delete \$165,500 and 3.0 positions annually from racing; and (b) provide \$277,800 in 1997-98 and \$263,000 in 1998-99 and 1.0 classified attorney position beginning in 1997-98 to the Department of Justice for Indian gaming-related issues. Under the alternative, \$214,600 PR in 1997-98 and \$184,100 PR in 1998-99 in one-time supplies and services funding would be provided to DOJ for contract costs relating to hired legal counsel. Create a program revenue appropriation under DOJ for Indian gaming legal work and transfer \$277,800 in 1997-98 and \$263,000 in 1998-99 from state Indian gaming revenues to the DOJ appropriation. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative A4</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$209,800
[Change to Bill	- \$19,600]
1998-99 POSITIONS (Change to Base)	- 2.00
[Change to Bill	- 2.00]

A5. [No Attorneys]. Delete \$165,500 and 3.0 positions annually from racing.

<u>Alternative A5</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	- \$331,000
[Change to Bill	- \$560,400]
1998-99 POSITIONS (Change to Base)	- 3.00
[Change to Bill	- 3.00]

**B. If the Gaming Board is retained:**

B1. [3.0 Permanent Attorneys in DOA]. Adopt the Governor's recommendation to provide \$131,300 in 1997-98 and \$98,100 in 1998-99 to reflect the deletion of 3.0 positions and funding from the Gaming Board and the provision of 3.0 unclassified positions to the Department of Administration to assist the Secretary of DOA and the Governor with the negotiation of new Indian gaming compacts in the 1997-99 biennium. The positions would be appointed by the Secretary of DOA. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative B1</u>	<u>PR</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$229,400
<i>[Change to Bill]</i>	<i>\$0</i>
<b>1998-99 POSITIONS</b> (Change to Base)	0.00
<i>[Change to Bill]</i>	<i>0.00</i>

B2. *[1.0 Permanent and 2.0 Project Attorneys in DOA]*. Adopt alternative B2, except provide that two of the attorney positions would be two-year project positions.

<u>Alternative B2</u>	<u>PR</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$229,400
<i>[Change to Bill]</i>	<i>\$0</i>
<b>1998-99 POSITIONS</b> (Change to Base)	0.00
<i>[Change to Bill]</i>	<i>0.00</i>

B3. *[1.0 Permanent and 2.0 Project Attorneys in Gaming Board]*. Provide \$131,300 in 1997-98 and \$98,100 in 1998-99 to reflect the deletion of 3.0 positions and funding from racing and the provision of 3.0 unclassified attorney positions to the Office of Indian Gaming in the Gaming Board to assist the Governor with the negotiation of new Indian gaming compacts in the 1997-99 biennium. The positions would be appointed by the Executive Director of the Gaming Board. Provide that two of the positions would be two-year project positions. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative B3</u>	<u>PR</u>
<b>1997-99 FUNDING</b> (Change to Base)	\$229,400
<i>[Change to Bill]</i>	<i>\$0</i>
<b>1998-99 POSITIONS</b> (Change to Base)	0.00
<i>[Change to Bill]</i>	<i>0.00</i>

B4. *[1.0 Permanent Attorney and Contracting in DOA]*. Provide \$131,300 in 1997-98 and \$98,100 in 1998-99 and -2.0 positions beginning in 1997-98 to reflect the provision of 1.0 unclassified attorney position to the Department of Administration (appointed by the Secretary of DOA) and deletion of funding and 3.0 positions from the Gaming Board. Funding under the alternative would include \$214,600 PR in 1997-98 and \$184,100 PR in 1998-99 in one-time supplies and services funding to DOA for contract costs relating to hired legal counsel. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative B4</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$229,400
[Change to Bill]	\$0]
1998-99 POSITIONS (Change to Base)	- 2.00
[Change to Bill]	- 2.00]

B5. [1.0 Permanent Attorney and Contracting in Gaming Board]. Provide \$131,300 in 1997-98 and \$98,100 in 1998-99 and -2.0 positions beginning in 1997-98 to reflect the provision of 1.0 unclassified attorney position in the Office of Indian Gaming under the Gaming Board (appointed by the Board's Executive Director) and deletion of funding and 3.0 positions from the Board's Division of Racing. Funding under the alternative would include \$214,600 PR in 1997-98 and \$184,100 PR in 1998-99 in one-time supplies and services funding to the Gaming Board for contract costs relating to hired legal counsel. Delete statutory authority for three unclassified Gaming Board positions under current law.

<u>Alternative B5</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$229,400
[Change to Bill]	\$0]
1998-99 POSITIONS (Change to Base)	- 2.00
[Change to Bill]	- 2.00]

B6. [1.0 Permanent Classified Attorney and Contracting in DOJ]. Provide \$112,300 in 1997-98 and \$97,500 in 1998-99 and -2.0 positions beginning in 1997-98 to reflect the following: (a) delete \$165,500 and 3.0 positions annually from the Gaming Board; and (b) provide \$277,800 in 1997-98 and \$263,000 in 1998-99 and 1.0 classified attorney position beginning in 1997-98 to the Department of Justice for Indian gaming-related issues. Under the alternative, \$214,600 PR in 1997-98 and \$184,100 PR in 1998-99 in one-time supplies and services funding would be provided to DOJ for contract costs relating to hired legal counsel. Create a program revenue appropriation under DOJ for Indian gaming legal work and transfer \$277,800 in 1997-98 and \$263,000 in 1998-99 from state Indian gaming revenues to the DOJ appropriation. Delete statutory authority for four unclassified positions under current law.

<u>Alternative B6</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$209,800
[Change to Bill]	- \$19,600]
1998-99 POSITIONS (Change to Base)	- 2.00
[Change to Bill]	- 2.00]

B7. [No Attorneys]. Delete \$165,500 and 3.0 positions annually from racing.

Alternative B7	PR
1997-99 FUNDING (Change to Base)	- \$331,000
[Change to Bill	- \$560,400]
1998-99 POSITIONS (Change to Base)	- 3.00
[Change to Bill	- 3.00]

Prepared by: Art Zimmerman

MO# 1143 # 397

JENSEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
1 OURADA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
HARSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
ALBERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
2 GARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
KAUFERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
LINTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
COGGS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A

BURKE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
DECKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
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JAUCH	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
WINEKE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
SHIBILSKI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
COWLES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A
PANZER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A

AYE 8 NO 7 ABS 1

GAMING BOARD

Indian Gaming Legal Resources

Motion:

Move to provide \$277,800 PR and 1.0 PR classified attorney position in 1997-98 and \$263,000 PR in 1998-99 for Indian gaming legal services, as follows: (a) \$203,300 and 1.0 attorney position in 1997-98 and \$188,500 in 1998-99 to the Department of Justice; and (b) \$74,500 annually to the agency responsible for the regulatory oversight of Indian gaming under the state-tribal gaming compacts.

Note:

The motion would provide DOJ with funding for 1.0 attorney position and, in addition, \$140,100 in 1997-98 and \$109,600 in 1998-99 in one-time supplies and services funding for contract costs relating to hired legal counsel for Indian gaming compact negotiation. Further, the motion would provide \$74,500 annually to the agency responsible for the regulatory oversight of Indian gaming in one-time supplies and services funding for contract costs relating to hired legal counsel for Indian gaming compact negotiations.

[Change to Base: \$540,800]

[Change to Bill: -\$19,600]

MO# 480

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

<del>BURKE</del>	<del>Y</del>	N	A
<del>DECKER</del>	<del>Y</del>	N	A
GEORGE	Y	N	<del>A</del>
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 7 NO 8 ABS

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Indian Gaming Classified and Project Positions (Gaming Board)**

[LFB Summary: Page 236, #5]

## CURRENT LAW

Base funding for the Office of Indian Gaming (OIG) under the Gaming Board is \$381,100 with 3.75 positions: a 0.75 attorney position; 2.0 auditor positions; and 1.0 administrative assistant position. The attorney position was subsequently reclassified to an administrative officer position.

Base funding for the Division of Racing under the Gaming Board is \$3,234,400 with 44.7 positions.

## GOVERNOR

Provide -\$26,800 in 1997-98 and \$300 in 1998-99 to reflect the transfer of funding and position authority from the Division of Racing to the Office of Indian Gaming, as follows: delete \$143,300 and 4.0 classified positions in 1997-98 and \$152,300 in 1998-99 from racing and provide \$116,500 and 4.0 two-year project positions in 1997-98 and \$152,600 in 1998-99 to the Office of Indian Gaming. The deleted racing positions are regulation compliance investigators. The project positions for Indian gaming would include 1.0 management information specialist position to monitor on-line casino slot machines; 1.0 program assistant position to process vendor certification applications; and 2.0 auditor positions to perform casino security audits and vendor background investigations. Finally, transfer \$9,300 and 0.25 position in 1997-98 and \$12,400 in 1998-99 from racing to Indian gaming to increase a 0.75 administrative officer position to full-time.

## DISCUSSION POINTS

1. The Gaming Board requested the 4.0 two-year project positions provided under the bill in its 1997-99 budget request to the Governor. Board officials indicate that, based on a reassessment of OIG workload, the duties performed by the new positions would continue to be needed well beyond a two-year period. The Executive Director of the Board has requested that the Committee consider converting the 4.0 project positions to permanent status.

2. Under the bill, the requested positions are provided by reallocating funds and position authority from the Division of Racing. This reallocation to Indian Gaming, and other reductions in Racing resources made under the bill, are made possible by the general decline of the pari-mutuel racing industry in Wisconsin. Two of the five racetracks authorized in the state have gone out of business. The Fox Valley Greyhound Park closed on August 11, 1993, and the Wisconsin Dells Greyhound Park closed on September 9, 1996. Gaming Board officials indicate that the new level of racing resources provided under the bill (\$2,240,100 in 1997-98 and \$2,254,500 in 1998-99 with 27.85 positions) is sufficient for the regulation of racing in the 1997-99 biennium.

3. Under the provisions of the Indian gaming compacts, the responsibilities of the state include: (a) monitoring each tribe's casino gaming to ensure compliance with the compacts; (b) certifying and conducting background investigations of any person proposing to be an Indian gaming contractor, if the contract exceeds \$10,000 a year; (c) reviewing annual independent financial audits of the casinos; and (d) reviewing security audits of the casinos that are required to be performed every two years. There are currently 11 compacts in effect and 17 tribal casinos in operation.

4. It could be argued that the OIG staffing level under current law is not adequate to properly address the office's responsibilities under the state-tribal gaming compacts. Board officials have surveyed other states that have Indian gaming compacts to determine the regulatory resources provided in these states. A Board report based on this survey data indicates that Wisconsin has one of the largest Indian gaming operations in the country, but the smallest operating budget and staff for the oversight of these operations. For example, in 1994-95 the OIG staffing level of 3.75 positions provided about 0.22 positions per Indian gaming facility in the state. Six other states with Indian gaming casinos provided between 0.88 and 11.0 staff per facility.

5. The four positions provided under the bill relate to monitoring on-line casino slot machines, processing vendor certification applications and reviewing casino security audits and vendor background investigations. Board officials indicate that additional positions to perform this work is critical in freeing up other OIG staff to better monitor each tribe's casino gaming to ensure compliance with the compacts. The duties associated with the four new positions would also be ongoing in nature. Further, the Board argues that permanent status for the positions would help to attract and retain more qualified individuals for the new positions.

Officials indicate that the management information specialist position relating to monitoring on-line casino slot machines may require out-of-state recruitment.

6. Given the growth of Indian gaming in recent years and the limited staffing currently available for OIG operations, the need for the recommended increase in positions can be justified. Because the duties performed by the positions are likely to be needed for the foreseeable future and in order to attract more capable applicants, the project positions recommended under the bill could be converted to permanent status.

7. On the other hand, until the compacts are renegotiated, state responsibilities relating to Indian gaming after 1998-99 are somewhat uncertain. Approving project positions at this time would still allow the need for permanent positions to be addressed in the 1999-2001 biennial budget deliberations, when more may be known regarding new gaming compacts.

**ALTERNATIVES TO BASE**

1. Adopt the Governor's recommendation to provide -\$26,800 in 1997-98 and \$300 in 1998-99 to reflect the transfer of funding and position authority from the Division of Racing to the Office of Indian Gaming, as follows: delete \$143,300 and 4.0 classified positions in 1997-98 and \$152,300 in 1998-99 from racing and provide \$116,500 and 4.0 two-year project positions in 1997-98 and \$152,600 in 1998-99 to the Office of Indian Gaming. Transfer \$9,300 and 0.25 position in 1997-98 and \$12,400 in 1998-99 from racing to Indian gaming to increase a 0.75 administrative officer position to full-time.

<u>Alternative 1</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	-\$26,500
[Change to Bill]	\$0

2. Adopt the Governor's recommendation with the following modification: provide 4.0 permanent positions, instead of 4.0 two-year project positions, to the Office of Indian Gaming.

<u>Alternative 2</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	-\$26,500
[Change to Bill]	\$0

Prepared by: Art Zimmerman

MO# <u>ALP#2 #398</u> JENSEN <input checked="" type="checkbox"/> N A OURADA <input checked="" type="checkbox"/> N A HARSDORF <input checked="" type="checkbox"/> N A ALBERS <input checked="" type="checkbox"/> N A GARD <input checked="" type="checkbox"/> N A KAUFERT <input checked="" type="checkbox"/> N A LINTON <input checked="" type="checkbox"/> N A COGGS <input checked="" type="checkbox"/> N A	1 BURKE <input checked="" type="checkbox"/> N A 2 DECKER <input checked="" type="checkbox"/> N A GEORGE <input checked="" type="checkbox"/> N A JAUCH <input checked="" type="checkbox"/> N A WINEKE <input checked="" type="checkbox"/> N A SHIBILSKI <input checked="" type="checkbox"/> N A COWLES <input checked="" type="checkbox"/> N A PANZER <input checked="" type="checkbox"/> N A
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GAMING BOARD

Legislative Approval of Indian Gaming Compacts

Motion:

Move to provide that, before entering into any Indian gaming compact under s. 14.035 of the statutes, the Governor would be required to submit the proposed compact to each house of the Legislature for approval. Provide that the Governor may enter into the compact only if both houses of the Legislature, by a majority vote, approve the proposed compact in its entirety.

MO# 455

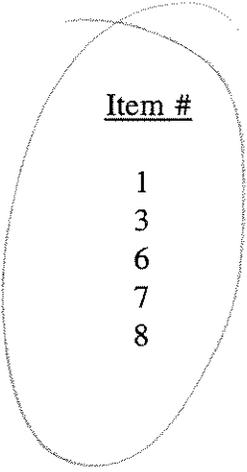
JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

<sup>2</sup> BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	Y	N	<del>A</del>
<sup>1</sup> JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 7 NO 8 ABS 1

# GAMING BOARD

## LFB Summary Items for Which No Issue Papers Have Been Prepared



<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments
3	Racing Position Reductions
6	Charitable Gaming Staff
7	Rent Savings
8	Technology Provisions

## LFB Summary Item for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
10	Denial of Licenses for Failure to Pay Child Support

MO# Items 1, 3, 6, 7, 8

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	Y	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 15 NO 0 ABS 1