December 15, 2014

To:     COMMISSIONERS
        Chris Stearns, Chair
        Bud Sizemore, Vice-Chair
        Kelsey Gray, PhD.
        Julia Patterson
        Ed Troyer

EX OFFICIO MEMBERS
        Senator Steve Conway
        Senator Mike Hewitt
        Representative Christopher Hurst
        Representative Bruce Chandler

From:    Julie Lies, Assistant Director, Tribal & Technical Gambling Division

Subject: Summary of Tribal Contributions

Introduction and Overview

This report will summarize the community impact; charitable; smoking cessation and prevention; and problem gambling education, awareness, and treatment contributions made by the 22 Tribes operating Class III gaming facilities as required in their Tribal-State Compacts.

The agency’s Tribal Gaming Unit is tasked with reviewing and ensuring compliance with the contribution requirements in the Compact. Unit staff verify accrual and disbursement of charitable, smoking cessation, and problem gambling funds. Unit staff also verify disbursement of local impact funds. We do not maintain amounts paid to individual organizations for these distributions.

Agent in Charge Harvey and I participate in community impact committee meetings.

If you have additional questions please contact me.
Community Impact & Charitable Contribution – General Information

The most recent community impact and charitable contribution amounts are for the Tribes fiscal year 2012. Tribes accrue funds in 2012, distribute in 2013, and Tribal Gaming Unit staff verify contributions in 2014.

Contribution calculations are based on net receipts which is the amount wagered less prizes paid. For 2012, total tribal net receipts were approximately $2,225,320,000. Approximately 92% of net receipts come from the Tribal Lottery System (TLS) terminals.

Community Impact – The Compact provides up to 2% of table game net receipts to be paid to local governmental agencies impacted by the gaming operation. Appendix X2 includes up to .5% from TLS for impacts not funded by the 2% accrual.

Types of local governmental agencies:

- General government organizations including city, county, and tribal governments.
- Fire & emergency service organizations including city fire departments, county fire districts, and regional fire authorities. They also include ambulance services, E911, and Medic One.
- Local law enforcement organizations including city police departments, county Sheriff’s offices, and the Washington State Patrol. Tribal police departments are also included in this category because they are often first responders.
- Other organizations that received funding include: Evergreen Council on Problem Gambling, hospitals, chambers of commerce, and county economic development offices.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2012</td>
<td>$6,655,027</td>
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<tr>
<td>2011</td>
<td>$6,175,640</td>
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<td>2010</td>
<td>$6,870,767</td>
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Charitable – Appendix X2 provides .5% of TLS net receipts, less any cost of developing, licensing, or otherwise obtaining the use of the TLS, to be distributed to bona fide charitable and non-profit organizations within Washington State.

Types of Organizations:

- Social & Community Services organizations would include medical organizations such as March of Dimes, Muscular Dystrophy Association, Red Cross, food banks, housing authorities, veteran organizations, fraternal organizations, and cultural programs.
- Educational programs would include schools, academies, PTA’s, colleges, scholarships and libraries, etc.
- Youth programs would include such organizations as Boys & Girls Clubs, Boy Scouts, Girl Scouts, YMCA, as well as camps for youth.
- Church organizations would include various churches, academies, ministries, festivals, etc.
- Sports organizations would include parks and recreational centers as well as baseball, basketball, football, hockey, rodeo organization, etc.
- Tribal organizations received funding for museums, cultural programs, educational programs, environmental programs, and various Native American organizations.

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<td>2010</td>
<td>$10,323,739</td>
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Smoking Cessation and Problem Gambling Education & Awareness Contribution -
General Information

The most recent contribution amounts are for Tribal fiscal year 2013 - Tribes are required to pay the contributions 15 days after the end of their fiscal year.

Calculations are based on net receipts which is the amount wagered less prizes paid. For 2013, total tribal net receipts were approximately $2,239,434,000. Approximately 93% of net receipts come from the TLS terminals.

**Smoking Cessation** – provides .13% of TLS net receipts, less any cost of developing, licensing, or otherwise obtaining the use of the Tribal Lottery System, to governmental, charitable, or non-profit organizations for smoking cessation, prevention, education, awareness, and treatment in Washington State.

**Types of Organizations:**

- Most distributions are made to tribal governmental health services programs.
- Examples of charitable and state government organizations receiving funding include: Asian Pacific Islander Coalition Against Tobacco, Seattle Care Alliance, St. Peter Providence Foundation, Together Tobacco Free, Washington State Health Care Authority

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<td>$1,861,979</td>
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Problem Gambling - provides .13% of total Class III gaming net receipts, less any cost of
developing, licensing, or otherwise obtaining the use of the TLS, to governmental, charitable, or
non-profit organizations for problem gambling education, awareness, and treatment in
Washington State.

Types of Organizations:

- Most distributions are made to tribal governmental health services programs.
- Examples of charitable and state government organizations receiving funding include: Evergreen Council on Problem Gambling, Camas Institute, Washington State Division of Alcohol & Substance Abuse

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<th>Year</th>
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