

Sequestration Impacts on the National Indian Gaming Commission

By Charwoman Tracie Stevens

On March 1, 2013, the President was required by law to issue across-the-board budget cuts (known as sequestration) throughout all Executive Branch programs and accounts as a result of Congress's failure to reach a deal on a balanced deficit reduction plan. In the law, Congress narrowly defined exemptions to the sequester and therefore the NIGC was impacted.

Despite the Commission's extensive efforts to exempt the NIGC from these cuts, due to its unique funding source (the agency is funded solely by fees paid by Indian tribes based on a percentage of their Indian gaming revenues), the Office of Management and Budget determined that approximately five percent of all fee payments received from tribal revenues would be sequestered. Thus, \$1.2 million of the NIGC budget has been confined until the end of the fiscal year, at which time it may be released back to the Agency. However, unless Congress reaches a deal on a balanced deficit reduction plan, the sequester may last for up to 10 years. As a result, it is likely that in fiscal year 2014, up to eight percent of the NIGC budget will be sequestered. This is no way to run a government – slashing non-federal funding for an industry that does its part to abide by the law and pay its fees and with no regard for the NIGC's responsibility to uphold a trusted government-to-government relationship.

Although federal appropriations law prohibits the taking of NIGC funds to be used for purposes other than to carry out the duties of the Commission, the sequester prohibits the NIGC in fiscal year 2013 from spending five percent of its funds, thus causing unnecessary impacts to the Agency's operations. Implementation of the sequester demands difficult choices and directly impacts employees and our mission. The Commission has examined ways to absorb and minimize impacts to tribes and our employees, while still protecting the integrity of Indian gaming. At present, the NIGC is pursuing non-furlough cost savings, such as delaying and/or foregoing new personnel hiring, freezing overtime and comp time and reducing administrative services. However, these impacts have caused some delays in processing game opinions, issuing declination letters, and other ancillary services that the Commission provides as courtesies to tribes and vendors and that they have come to appreciate. The Commission recognizes these are important services and will do its best to work closely with tribes to complete them as expeditiously as possible.

Unfortunately, these cost-saving actions alone may not be enough. The Commission is also exploring other cost-reduction options, such as conducting a cost-benefit analysis of the Agency's office space needs to explore other cost-reduction options. We will continue to look for innovative ways to cut costs while preserving our mission critical activities. The Commission will continue to monitor the sequester as it develops. Should Congress take subsequent actions that change the level or nature of these cuts, we will keep you informed.

Despite these challenges, the Commission remains committed to carrying out its mission to protect the integrity and security of Indian gaming.

Tracie Stevens is the Chairwoman of the National Indian Gaming Commission (NIGC) and a member of the Tulalip Tribes of Washington. She can be reached by calling (202) 632-7003. For more information about the NIGC, visit www.nigc.gov.