



governmentattic.org

"Rummaging in the government's attic"

Description of document: National Indian Gaming Commission (NIGC) National Tribal Leader Briefing, Sept 24, 2020

Requested date: 25-September-2020

Release date: 02-October-2020

Posted date: 22-July-2024

Source of document: Agency FOIA Officer
National Indian Gaming Commission
1849 C Street NW
Mailstop #1621
Washington, DC 20240
Fax: (202) 632-7066
Email: foia@nigc.gov

The governmentattic.org web site ("the site") is a First Amendment free speech web site and is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



October 2, 2020

Re: NIGC-FOIA-0114

This letter responds to your Freedom of Information Act (FOIA) 5 U.S.C. § 552, request to the National Indian Gaming Commission (NIGC) received in the FOIA office on September 25, 2020. In your letter you stated that you were seeking:

A copy of the presentation slides, briefing agenda, and similar materials used for the national Tribal Leader Briefing held on September 24, 2020.

Search Results

The NIGC FOIA Office has completed a search of its relevant recordkeeping systems and located 3 documents (totaling 17 pages) that are responsive to your request.

The NIGC FOIA Office has reviewed the responsive documents and, as a result, has determined that 2 of these documents (totaling 7 pages) can be released to you in full. The remaining document (totaling 10 pages) is being released to you with partial redactions implemented pursuant to Exemption Five of the FOIA. *See* 5 U.S.C. §§ 552(b)(5). All the responsive documents are being sent to you via email with this letter. A more detailed explanation of the Exemption 5 and its application follows.

FOIA Exemption 5

Exemption Five of the FOIA allows for the withholding of “inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency.” 5 U.S.C. § 552(b)(5). Accordingly, Exemption Five traditionally incorporates the civil discovery privileges: the deliberative process privilege, the attorney-client privilege, and the attorney work product privilege, among others. *See U.S. v. Weber Aircraft Corp.*, 465 U.S. 792, 800 (1984). In this instance, the documents are being protected from disclosure under the deliberative process privilege.

In order to qualify for the deliberative process privilege, the information must meet three requirements. First, it must be internal to the executive branch agencies. *See* § 552(b)(5). Second, the information must be pre-decisional, meaning it was prepared prior to an agency decision. *See Mapother v. Dep’t of Justice*, 3 F.3d 1533, 1537 (D.C. Cir. 1993); *Schell v. HHS*, 843 F.2d 933, 941 (6th Cir. 1988). Third, it must constitute a direct part of the deliberative process by offering recommendations or expressing opinions on legal and policy matters. *Access Reports v. Dep’t of Justice*, 926 F.2d 1192, 1196 (D.C. Cir. 1991). The information being withheld under this privilege is contained in some policy-related statements in a talking points document. In a last minute decision, these statements were dropped from the presentation even though they remained in the document. Release of this information would infringe upon the NIGC’s deliberative process and, accordingly, violate the interests protected under Exemption Five. *See Russell v. Dep’t of the Air Force*, 682 F.2d 1045, 1048 (D.C. Cir. 1982).

Fees

Please note that for fee assessment purposes you were designated as a “all others” requester and, therefore, required to pay all fees for the full reasonable direct costs incurred for searching for and reproducing records if that total costs exceeds \$15.00, except that the first 100 pages and the first two hours of manual search time shall not be charged. Because the fees did not exceed \$15.00, you are not being assessed any charges.

Closure of Request

As this completes the processing of your request, the NIGC now considers your request closed. Pursuant to 25 C.F.R. § 517.8, you may challenge the NIGC FOIA Office’s determination by submitting a written appeal to the National Indian Gaming Commission, 1849 C Street N.W., Mail Stop #1621, Washington, D.C., 20240 no later than ninety (90) days after the date of this letter. *See* 5 U.S.C. § 552 (a)(6)(A)(i)(III)(aa). Both the letter and the envelope should be clearly marked “Freedom of Information Act Appeal.” The written submission should include copies of the original request, the denial, and a brief statement of the reasons you believe the denial to have been in error.

Please be advised that you have the right to seek dispute resolution services from the NIGC’s FOIA Public Liaison or the Office of Government Information Services (OGIS). If you wish to contact the NIGC’s FOIA Public Liaison, please contact Jo-Ann Shyloski at (202) 632-7003 or by way of e-mail at Jo-Ann_Shyloski@nigc.gov. If you would prefer to contact OGIS, you may do so in any of the following ways:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road - OGIS
College Park, MD 20740-6001
E-mail: ogis@nara.gov
Web: <https://ogis.archives.gov>
Telephone: (202) 741-5770
Fax: (202) 741-5769
Toll-free: 1 (877) 684-6448

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at (202) 264-0676.

Sincerely,



Tim Osumi
Chief FOIA Officer



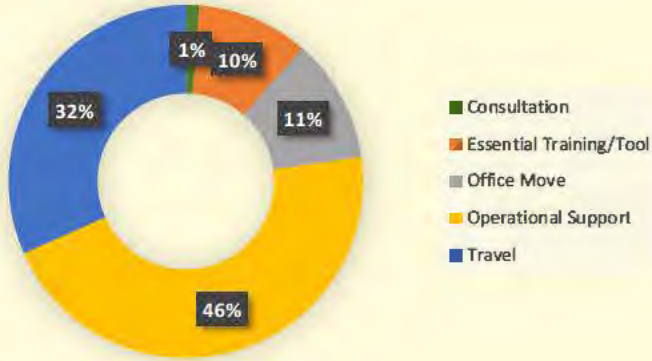
Budget Briefing & Feedback Session
National Indian Gaming Commission
with Tribal Leaders

September 24, 2020



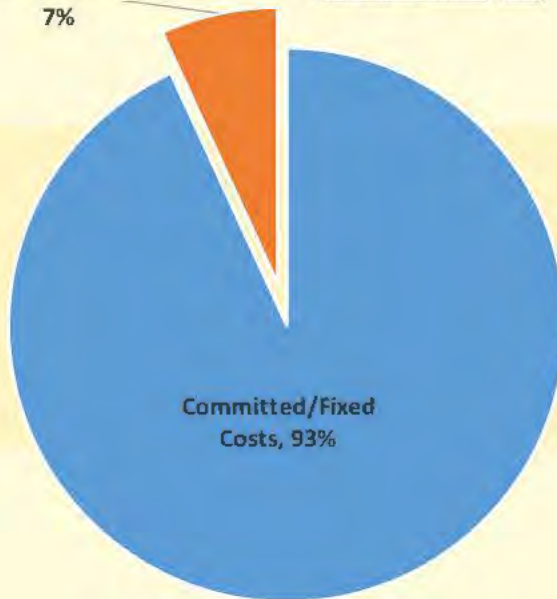
FY21 Budget

Variable Costs

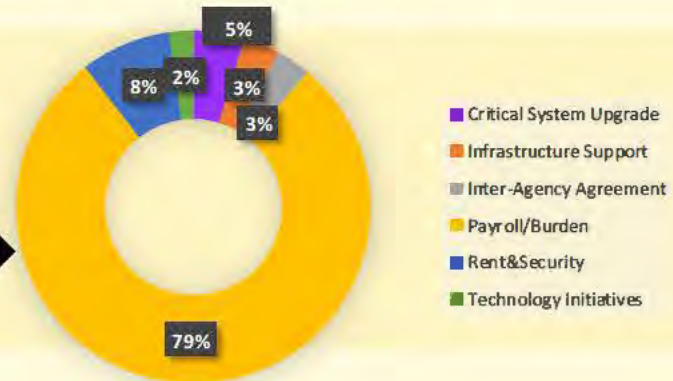


Variable Costs,
7%

FY21 Budget



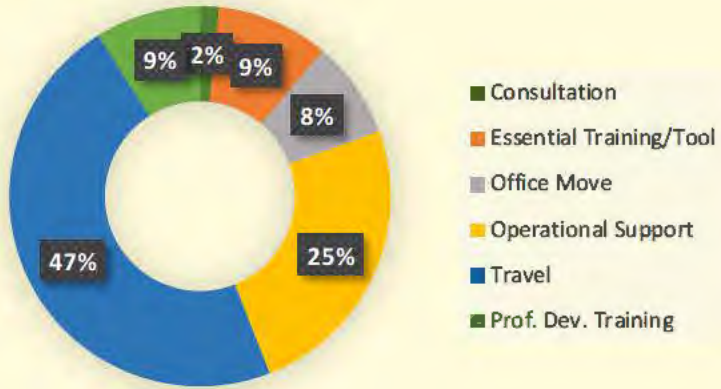
Committed/Fixed Costs



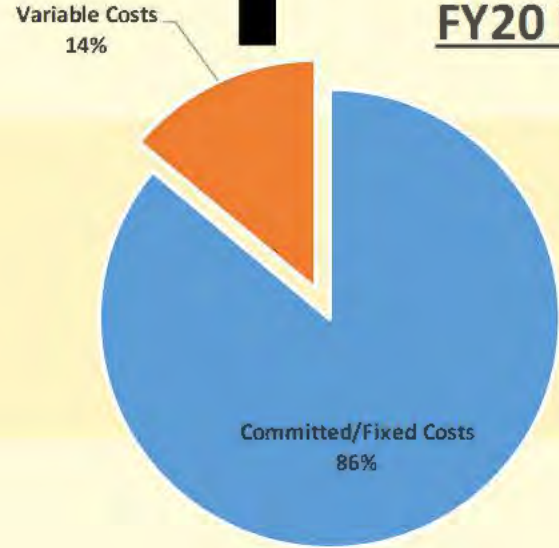


FY 20 Budget

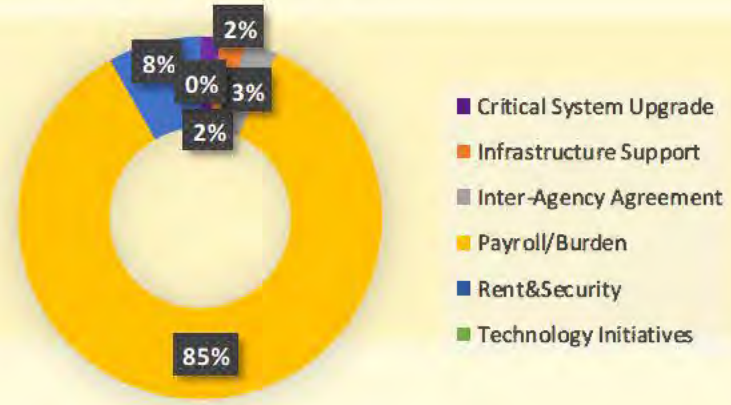
Variable Costs



FY20 Budget



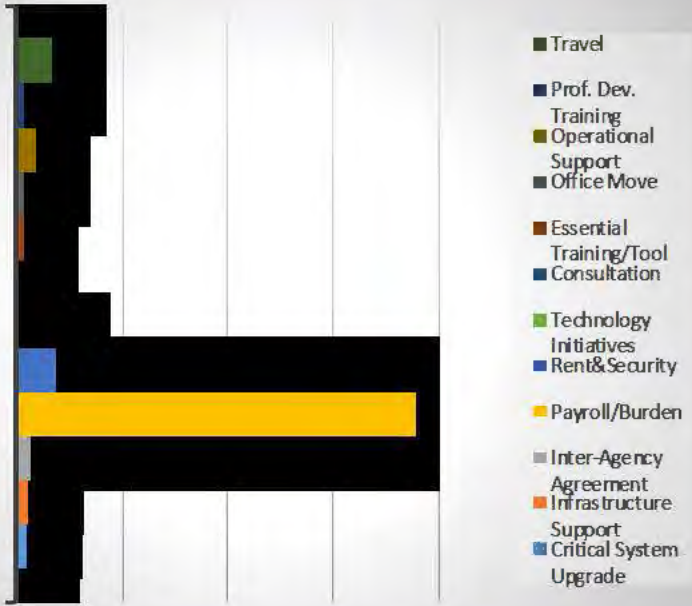
Committed/Fixed Costs



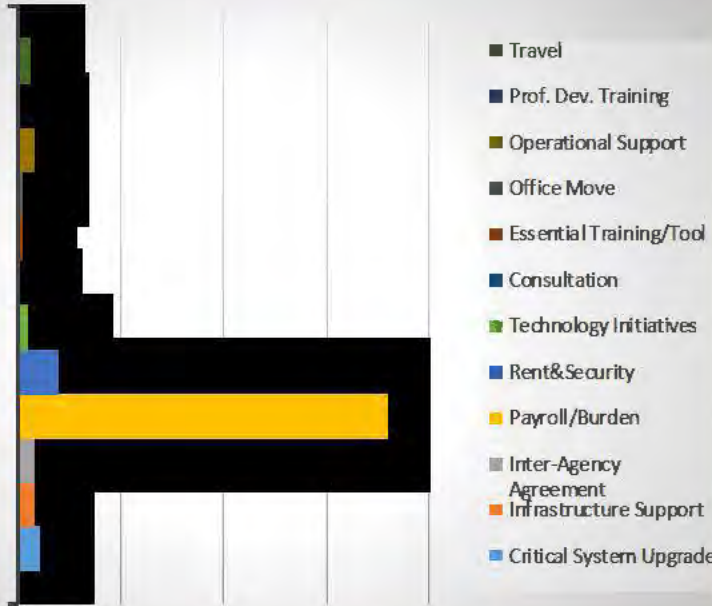


FY21 vs FY20 Budget

FY20 BUDGET



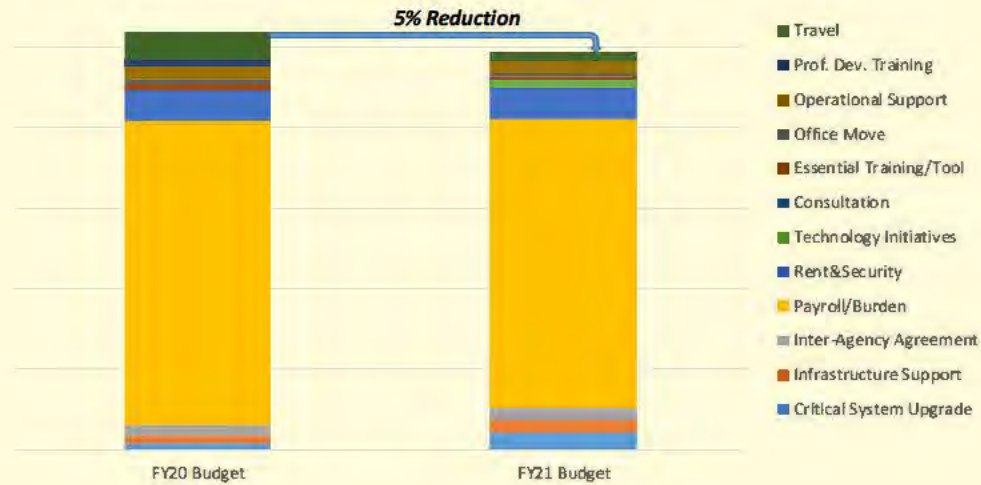
FY21 BUDGET



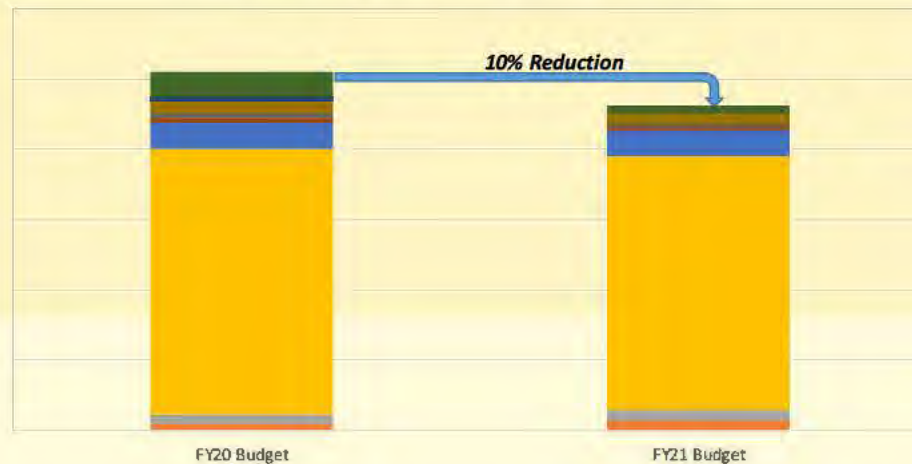


FY21 Budget Reduction

FY21 vs FY20 Budget



FY21 vs FY20 Budget
(excluding Technology Investment)





Plans for Ongoing Outreach

- Quarterly feedback session on operations
- Region planning discussions in the spring
- Two commission-led listening sessions in the summer and an opportunity for written comments

NIGC_Outreach@nigc.gov



September 18, 2020

Sent Via Email

Dear Tribal Leader:

This letter is to provide additional information on how to register for the Commission's budget briefing that was referenced in my September 3, 2020 letter. The NIGC has committed to a national tribal leader briefing as a new addition to the NIGC budget development process. During this teleconference briefing, the Commission will overview forward looking features in the coming budget, discuss topics that you have raised regarding the budget's impact, and invite additional dialogue during the remainder of 2020 and during 2021 around issues related to the NIGC's budget development process.

This teleconference call is scheduled for September 24, 2020 from 3:00 p.m. to 4:30 p.m. EST. To receive call-in information, please RSVP for the Tribal Leader Briefing by emailing Ms. Rita Homa at Rita.Homa@nigc.gov.

It is the NIGC's goal that an ongoing opportunity to engage with tribes around the budget will improve the NIGC's planning processes and build on innovations the NIGC has made in recent years.

Sincerely,

A handwritten signature in blue ink that reads "E. Sequoyah Simermeyer".

E. Sequoyah Simermeyer
Chairman

DRAFT

I. Welcome and Introductory Comments

Thank you everyone for your time today. This is a national teleconference with tribal leaders, tribal gaming commissioners and the National Indian Gaming Commission. The Commission's goal is to establish increased communication with tribal leadership about the NIGC's budget development process. This expansion in the way the NIGC meets its commitment to outreach is a new step for the Agency. And I am looking forward to the additional opportunities during the remainder of 2020 and throughout 2021 that the Commission will outline later in this call. This is a call for tribal leaders and tribes' gaming commissions so I would like to ask that if there are any members of the media that you please exit the call. We also thank tribal leaders for your patience as we overview information about our budget and your written comments before the teleconference operators facilitates any questions or comments from tribal officials who are on the call.

I am Sequoyah Simermeyer. I am from the Coharie Tribe in North Carolina and have been serving as the NIGC Chairman since the start of this year. As we will discuss during our presentation the pandemic's impact continues to shape planning processes. As I have stated in a number of dear tribal leader letters this year and throughout a summer listening sessions series the Commission held, the NIGC team knows that the pandemic is having significant impacts on tribal communities and presenting unprecedented challenges to you as tribal leaders as you work to protect and provide for your communities. As a regulatory body, we will continue to support your work whenever possible and promote our shared interest in protecting tribal assets. Our planning process is also guided by the NIGC's commitment to provide a unique regulatory role at a national level. We are dedicated to being efficient and innovative without forgoing our statutory responsibilities and the role that the NIGC, along with industry and tribal government, has contributed to tribal gaming's reputation for integrity. I am joined by my colleague on the Commission, Vice Chair Kathryn Isom-Clause. I would like to turn the conversation over to the Vice Chair to share few words and to overview the format for this session.

KIC Opening Comments

Good afternoon. I'm Kathryn Isom-Clause. I'm Taos Pueblo, and I'm the Vice Chair of the National Indian Gaming Commission. Thank you for joining us today for this Budget Briefing and Feedback Session.

Throughout the summer, we held outreach sessions related to COVID-19. Those sessions were an opportunity for us to provide information and resources, and to maintain open lines of communication with tribal leaders and regulators. It's been valuable to us as an Agency, and I hope to the participants, to have this regular communication while we're unable to travel and hold in-person events. As we develop the Agency's FY 2021 budget, we'd like to continue in that spirit and provide background and information on our budget, including the adjustments we're making due to the pandemic.

Typically we provide information on our budget primarily through the Green Book. It's especially important for us to provide more information on our budget this year, however, because the Green Book projections are finalized in January and February, which was before the

DRAFT

effects of the pandemic. As we've formulated our budget, as well as our policies and day-to-day processes, we've actively sought ways to reduce our spending and direct and indirect costs or burdens on tribes, while fulfilling our statutory mandates.

Before we get to our presentation, I'd like to provide an overview of our agenda for today. First, Chairman Simermeyer will provide an overview of the comments we've received on the budget from tribal leaders. We appreciate the feedback we've received already, and hope to hear more today and following the call. Next, the Commission and senior staff will discuss key considerations in the budget development process. You should have all received slides earlier today by email. We'll walk through those charts during that portion. Next, Chairman Simermeyer will go over some budget features and management commitments. Finally, we'll outline a proposal for ongoing outreach on the budget. After that, we'll open the line for comments and questions. We know there are many demands on your time, and we truly appreciate your thoughts as leaders and regulators. I'd like to thank those who have already commented and everyone who is joining us today. On that note, I'll turn back to Chairman Simermeyer to provide an overview of the comments we've received on the budget.

Proposed Format:

- I. Introductory comments by the Commission
- II. Commission overview of tribal leaders feedback
- III. Commission presentation on key considerations in the budget development process
- IV. Budget Features and Management Commitments
- V. Commission's future plans for ongoing outreach around the budget
- VI. Opportunity for tribal leader feedback and questions for the Commission to consider further.

I want to thank the Vice Chair for her collegial approach to expanding the budget development process. We share a commitment to outreach and know that any decision making process can only be made stronger by inviting tribes' perspectives.

II. Overview Tribal Leaders Feedback

Moving to our next area of discussion I want to express the Commission's appreciation for not only your participation today, but for the feedback that tribal leaders provided on the impact of the NIGC budget.

During August and September we received a number of written statements from tribes. These comments ranged from local to national considerations about the budget and the NIGC's process for developing its budget. Most commented on the current impact that the pandemic has had on operations, tribal regulatory capacity and tribal government services. There was an overall willingness to continue engaging with the Commission on future discussions around the NIGC budget, and to assist the Commission in developing more forward looking and transparent approaches to budget discussions.

DRAFT

Your comments were heard by not only the Commission and agency leadership at headquarters, they were reviewed by regional offices. Your comments helped to shape the NIGC budget proposal that we are going to discuss today. Your comments also raised issues of concern that the Commission is continuing to deliberate about and will continue to engage with tribes on. For example, the need to look at all areas of support to maintain and plan for NIGC operations that are impacted by the COVID pandemic, and tribes' desire for the NIGC to promote both internally and externally the impact that the Pandemic has had on the resources that are available to tribal communities.

Finally, in light of written and informal feedback from Indian country and before discussing the proposed FY 21 budget, it will be helpful to provide background on three topics—carry over, managing NIGC operations cost, and (b) (5). The Vice Chair and I want to briefly talk about these items to help clarify the NIGC's circumstances and intentions. Then we will move to presentations on the FY 21 budget proposal that the Commission is currently considering and that was influenced by your feedback and perspectives. With that, let me turn the conversation back to the Vice Chair.

(A.) Carryover Transition Balance KIC

Unlike other Federal agencies, the Commission's authorizing legislation does not provide for full funding at the beginning each fiscal year. Instead, the Commission receives quarterly fee payments. Maintaining a healthy transition balance is essential to the fiscal integrity of the agency because our funding is subject to significant cash flow variations due to our unique statutory funding provisions. This carryover transition balance is necessary to cover the first and second quarter of operation until the fees are actually received and credited to the operating account. For example, fees collected on or before the December 31, 2020 due date will provide the operational capital for the first three months of calendar year 2021. The Commission attempts to maintain a transition balance to fund the first two quarters of the new year in order to absorb any cash flow variations that may occur.

In order to set the Commission's fee rate accurately each year, we monitor the carryover transition balance very closely and consider the existing balance before we determine the final fee rate each year. As evidenced by the current low fee rate of 0.062%, adopted since 2016, the Commission has been utilizing the transition balance to fund a portion of our operational expenditure each year. Using FY20 as an example, the fee receipt based on the current 0.062% was estimated to be \$20 million, whereas the agency's spending requirement was budgeted at \$25 million. The anticipated shortfall of \$5 million in FY20 has been funded by the transition balance carried over from FY19. The Commission has not raised the fee rate since 2012. On the contrary, the fee rate has been reduced each year from 0.074% in 2012 to 0.062% in 2016, and we have maintained the same low fee rate for the past four years.

Another step the Commission has taken in recent years to set the fee rate accurately and to reduce the likelihood of an excessive carryover transition balance is to promulgate regulations that changed the time of year when the fee rate is assessed. As you will also see in the FY 21 budget that we will overview, we are emphasizing oversight measures to develop stronger

DRAFT

metrics with which we can predict future costs so we can more accurately calculate a fee rate reflecting our annual spending budget.

(B.) Managing NIGC's Current Operation Costs - SS

Thank you Vice Chair. The second item we want to touch on relates to managing NIGC's current operation costs. As tribal leaders know, the NIGC has implemented a number of cost saving measures since the spring. In a spring Dear Tribal Leader letter, the NIGC shared the cost saving measures it is taking. These measures have included hiring freezes, limitations on promotions, the removal of professional development costs for employees, canceling in-person regional trainings, moving to virtual trainings, and limiting travel and purchase expenditures to only mission critical items that are subject to heightened scrutiny. Considerations around the impact of cost savings have been and continue to be part of the agency's decision making. Those considerations include the impact of cost savings on the NIGC's ability to provide services, maintain public confidence, respond to unique requests during a dynamic and unprecedented shutdown/reopening, and to monitor health and safety.

These measures were put in place to provide as much flexibility as possible as tribes dealt with the uncertainty of unprecedented closures during quarterly fee payments, challenging decisions faced by tribal leaders, and the NIGC's readiness to help maintain the integrity of operations through guidance, planning and oversight tools that have been part of the NIGC's coordination with tribes, your regulatory bodies and operations.

While as of today there are approximately 433 gaming operations that have reopened, we know that all operations have had to and continue to reduce their activity. We are monitoring and have recently begun to get a measure of the economic impact from these closures and reduced operations. We are also keenly aware of the challenging decisions that tribal leaders are continuing to face. And for that reason we are grateful for tribes coordination with NIGC regions and compliance staff to make quarterly fee payments.

We are continuing the NIGC cost saving measures put in place on April 7, 2020 for the foreseeable future and have made those measures part of the budget development process for FY 21. We are also continuing to monitor and assess our costs by implementing oversight measures, and looking critically to find new ways to be more efficient with our costs. For example we have recently committed to virtual training formats to reduce costs for both the NIGC and tribes that participate in NIGC trainings. And in another example, early in 2020, the Commission limited plans to fill 25 staff positions that were included in the NIGC's January submission to the FY 21 budget projection. The planned 135 headcount represents the agency's FY20 budget and a preliminary FY21 projection that was estimated based on the FY20 budget. Our current headcount is at 115 which will be significantly lower than our budgeted count of 135 at the end of September 2020. We are still working to finalize our FY21 budget and will not include all of the additional positions in the budget for the upcoming fiscal year.

Now let me turn it back to the Vice Chair for the third point we would like to make.

(C.) (b) (5) - KIC

DRAFT

The third and final point we'll address before getting to the slides relates to the reporting of the annual Gross Gaming Revenue, or GGR. Annually the NIGC announces the prior year's gross gaming revenue, which is a key component of assessing the health and success of the industry as a whole. In early summer as the current Commission began its preparations to make this annual announcement, the NIGC staff briefed the Commission on the impact that recent changes in the model accounting standards could be having on the audited financial statements tribes submit to the NIGC. Specifically, the staff raised concerns that for some tribes, the annual audited financial statements the NIGC staff uses to determine the total amount of Gross Gaming Revenue did not include the amounts, but instead reported only Net Gaming Revenue. This impacts the comparison that has been used in past years as part of the GGR announcement. In order to make sure that any comparisons and in particular this year's announcement about the FY19 industry-wide GGR are accurate, we asked for additional information related to the independent financial audits.

The Commission needs this information to accurately report the annual gross gaming revenue number. We also use the Gross Gaming Revenue number to ensure that we are setting our fee rate so as not to violate IGRA's mandate that the Agency not collect more than .080% of the gross gaming revenues of all tribal gaming operations. This information is only shared in the aggregate was only being requested for the purposes I've mentioned. (b) (5)

III. Explain Key Considerations In the Budget Development Process — Commission Presentation

Before referencing some graphic slides to help explain the current budget planning. I would like to underscore some other main objectives behind the NIGC Budget for the coming FY 2021. First, as with any NIGC budget the FY 2021 NIGC budget reflects the needs that exist in order for the NIGC to meet its mission—which at its core is the protection of tribal assets and the integrity of Indian gaming. A second area of focus for this budget has been to emphasis decision making needed for forward looking planning beyond FY 21. This second area of consideration includes addressing deferred investments that the NIGC must make as well as addressing the unique challenges the COVID pandemic has had on the Indian gaming industry. And a third area of consideration reflects the NIGC's focus on accountability by developing opportunities for transparency in the way it manages and monitors the agency operations and most importantly in its stewardship of the fees paid by tribes that fund the NIGC's operations. Taken together these three areas of consideration help to reduce the uncertainty that exists in any planning process and the uncertainty that the COVID pandemic in particular has created.

With that let me turn the discussion over to Ms. Yvonne Lee, she is the NIGC's Director of Finance and talk through the slide presentation that's everyone should have received as part of

DRAFT

your rsvp for this session. If you do not have those slide right now, that is okay, we can put this and other information related to the NIGC's budget planning effort on the NIGC website. And with that I will turn it over to Ms. Lee, thank you Yvonne.

Proposed Talking Points for the Slides:

Slide #2 (FY21 Budget):

We are currently working to finalize our FY21 budget and here is a preliminary view of our budget components for your information. As you can see from the pie chart, 93% of our spending are fixed in nature, meaning those costs have already been committed at this point, such as our payroll related expenditures, which represent 79% of our fixed costs. The preliminary FY21 budget reflects the hiring and promotional freeze which has been in effect since April this year.

Only 7% of our budget is "variable", or is more flexible in nature and can be curtailed to a certain degree through maximizing the operational efficiency. Travel budget, consultation, and the cost to support our daily operation, all fall into this category. Again, our FY21 variable costs reflect the result of the cost saving measures implemented since April including the suspension of the entire employee professional development training program throughout FY21. In addition, the "Office Move" budget represents the anticipated move costs to relocate some of our regional offices to lower the rent payment and to reduce our footprint. As leases expire, the agency follows the GSA requirements for assessing the agencies needs on space and has taken a proactive approach to reduce overall agency space while still meeting the needs of the agency.

Slide #3 (FY20 Budget):

This slide shows the components of our FY20 budget for the comparison purpose. Similar to the previous chart for FY21, majority of our FY20 budget is fixed or committed, with payroll related costs representing a significant portion of our budget. In FY20, travel and operational support costs represent a bigger portion of our budget comparing to FY21. 9% of our variable cost budget in FY20 was allotted for employee development training program which has been completed removed in FY21.

Slide #4 (FY21 vs FY20 Budget):

The 3rd chart is bar graphs comparing our budget for FY21 and FY20 to show the areas of reduction. While we are trying every effort to reduce our budget wherever possible, there are areas where enhancement is desperately needed in FY21, such as the infrastructure support and critical system upgrade. These new investments in FY21 are reflected in the bars at the bottom of the FY21 chart. As a result of a recent external IT assessment and FBI audit, many of the agency's infrastructure and system have reached the end-of-life, therefore, require major upgrades. The infrastructure and system upgrade are critical to provide security protection of data in order to comply with FISMA and NIST , and FBI CJIS requirements

Slide #5 (FY21 Budget Reduction):

Currently our preliminary FY21 budget shows a 5% decrease from FY20 budget as illustrated on the top bar graph. Excluding the new investment required in FY21 to upgrade our agency's

DRAFT

infrastructure and system, the cost reduction in FY21 as a result of the cost saving measures was 10%.

(ESS) Thank you, Yvonne. I want to ask for Dustin Thomas to share a little more information about our technology costs and to give some context to the impact from these costs on the agency and we know tribal gaming regulatory authorities have felt from some of these technology investments including the requirements from the Criminal Justice information. Services or C-J-I-S or CJIS upgrades.

Dustin

Thank you, Dustin. I think the work the NIGC team has had to navigate with CJIS compliance illustrates that as a regulatory body, the NIGC has been and continues to try to be aware of our costs while at the same time using resources and making investments that are necessary for any regulatory body to do its job. Our national profile requires us to play a role at over 500 operations in over 240 tribes in 29 states and last year alone we facilitated over 80,000 finger point checks that helped support tribal licensing processes and the industry's overall integrity.

IV. Budget Features and Management Commitments

Now we would like to bring your attention to some of the unique features that are being considered in the FY21 budget development as well as some of the management commitments the Agency will be undertaking throughout the coming year. Specifically I want to touch on technology investments, the agency's facility costs, and oversight measures we are taking to manage and find cost reductions throughout the coming year.

Let me start with saying a little bit more about Technology Investments.

An earlier graphic comparison and discussion that Yvonne Lee discussed showed the significant impact of a technology investment that will be needed during the coming year. If the agency did not need to make this investment, the overall budget could be greater from the FY20 budget that currently exists. Nonetheless, the agency needs to make these investments to address critical decision making. These investments were identified as necessary both by an FBI audit of the NIGC's fingerprint program as we discussed and by a 2019 third party technology system audit of all the NIGC's technology systems. To help identify solutions we have brought on a CIO with the expertise to manage and to find the most efficient and effective way to implement these technology projects. He also comes to the agency with a strong background in cyber security. The agency's security and stewardship of its technology systems is an important part of our overall agency goals, an expectation of any federal agency, and part of the NIGC commitment to good governance practices in the way we manage our resources.

GSA driven costs - Another feature in the agency's budget and a possible area of cost savings later in FY 21 and possibly next year is the NIGC facility costs. Our largest physical footprint is the NIGC headquarters. In 2018 the agency expanded its footprint to 22,000 square feet.

DRAFT

However, the agency's lease is set to expire in the summer of 2021 and we face a potentially significant increase in our rent. And today we know that the additional amount of space is more than the Agency needed to satisfy its staffing level needs. We also have learned that during the past six months the agency has been able to operate with maximum telework status without having a significant reduction in productivity. For those reasons, the agency is taking steps to reduce the size of the NIGC headquarters in accordance with GSA or Government Services Agency requirements. It is a possibility that the agency will be in a less costly space by late summer 2021. Also during this coming year, I have asked the NIGC's staff to help prepare the Commission for a discussion with tribes about the use and costs associated with space in the field. I hope to provide tribes with this information and then have a planning discussion with tribes during FY 2. The goal of the discussion will be to know if there are more efficient and effective ways to manage the staffing needs in the field and be sure we are in close proximity to the tribes that we serve.

Finally, I want to talk about management practices already taken this year and that will continue to be implemented in order to manage operations. The Agency has four areas of focus in its work including a focus on accountability. Meeting this commitment to accountability requires the NIGC to be transparent in our operations, to be forward looking in our planning, and to ensure that all parts of the NIGC whether in the field or at headquarters operate in a uniform and predictable way. In order to do this the Agency has and will continue to implement management and oversight tools for its operations. Earlier in the year, the agency created and implemented an authorization matrix. This ensures that an oversight and approval process exists for all recurring and discretionary purchases. The agency has also focused on standardizing and implementing performance management tools across the agency to help assess staffing needs. The agency also focused on reviewing informal practices that if standardized and published would make the operations more transparent and more accountable. And the agency in the spring began a planning process to assess its ten-plus-year-old accounting software so that the agency can move toward a software system that reconciles and monitors its costs with more frequency. Finally, I am grateful to the Vice Chair and senior leadership that the Commission has committed to holding a weekly Commission Meeting. That meeting not only takes official action on policy matters in a more efficient way, it also identifies new opportunities for agency planning.

During the coming year there will be a continued focus on improving policies and practices at the NIGC. This improvement will include removing outdated practices especially when the updates create cost savings. By eliminating unnecessary requirements and having more uniform standards, the existing staff resources will focus on more high value work that contributes to the NIGC's role of protecting tribal assets. For example, finding efficiencies in travel will build on travel adjustments made this past year because of the pandemic and can now create cost savings. Another possible area to focus on includes the agency's interagency agreements in providing personnel services. As the agency continues to give attention to this we will reduce the burdens on the tribes we serve. And we will also find cost savings within the FY 21 budget that will help the agency to prepare for coming fiscal year's budget needs.

These management tools, the analysis of our facility costs, and addressing deferred technology investments are important to meeting NIGC responsibilities. And because of the COVID pandemic's impact, these areas are an important feature in the NIGC's planning process to adjust

DRAFT

agency's operations during the industry's ongoing recovery. I hope to continue it provide updates in these and other areas throughout the coming year.

V. Plans for Ongoing Outreach Around the Budget Moving Forward

Slide 6. — (Three new events in budget Development: Quarterly Feedback Sessions, Spring Regional Planning Dialogues held in the Spring, and Two National Tribal Leader Listening Sessions and Written Comment Opportunity held in the Summer.)

Before we move to inviting tribal leaders comments on the information we presented, I want to thank you for your patience and ask for a few more brief minutes to outline the current plans that the Commission has for growing our coordination with tribes during the rest of 2020 and during 2021 around budget planning and our operations. There are three new events in the NIGC budget development process. These three events are on the last slide in the power point you received.

Moving forward, we are proposing three new events during the budget development process: first quarterly feedback sessions for tribes on the status of NIGC operations; second, region planning discussions with tribes in the spring led by NIGC region offices; and finally, two commission led listening sessions in the summer along with an opportunity for written comments.

As I describe these three events during the coming year, I want to acknowledge that this is different from how the NIGC has operated in the past. Being innovative in our outreach and promoting accountability have both been focuses for me as Chairman. These are not intended to create new burdens or requirements for tribes—I know that as tribal leaders you and your team have a lot of demands on your time. With that in mind, these events are intended to increase tribes' access to information and opportunities to influence and inform the NIGC's planning processes. If there are more appropriate ways to institutionalize this outreach during the coming year, please do not hesitate to share your views now or as we plan and announce these events. As the agency shares more about this information I will work make sure that we are mindful on the demands on your time and resources.

So briefly, let me share a little more about these three events.

The next event will be a feedback session similar to today's discussion. The Commission and Agency Senior Staff would like to begin holding end-of-quarter feedback sessions with tribes. These feedback sessions will help the NIGC remain accountable through updates to tribes about the agency's operations, spending and cost savings, and any anticipated budget adjustments. It will also provide a quarterly forum to discussion as we all learn more about the loss in operation revenues from closures and modified operations due to the pandemic.

A second event are region-wide discussion sessions. The Agency would like to add region-led discussions with tribes early in the NIGC budget development process in order for the tribes' perspectives to inform the NIGC office and division budget proposals early in the budget development process. As you and your staff know, the NIGC Region Directors for the eight NIGC regions can be a wealth of institutional knowledge. They can also serve as advocates for creative ways the NIGC can address local challenges. Effective and efficient government

DRAFT

operations are often closest to the people they serve. During the NIGC's typical budget development cycle, region directors play an important role during the late spring months by developing an initial budget proposal and budget narrative. This proposal has traditionally outlined region office costs. Moving forward, as part of that initial proposal, we would like to begin developing a narrative based on discussions between tribal stakeholders and the region offices about both regions' activity and headquarters' activity. Input from these discussions can help the budget to better serve the NIGC mission. This will help to ensure the budget at both the regional and agency-wide levels reflect tools and approaches that meet the regulatory needs at the local level. Each region is empowered to coordinate its discussion with tribes in the most efficient and effective way. While in the past regional training conferences could have been an appropriate forum, the spring 2021 will likely include virtual and telephonic discussion sessions.

Finally, during mid and late summer the Commission would like to propose two listening sessions with tribal leaders. The first listening session would introduce the proposed consolidated budget that is recommended by NIGC's offices and divisions to the NIGC Commission for approval. This version of the proposed budget is typically ready by late July. This first listening session will be followed up by a request for written comments from tribes. A second listening session would provide an opportunity for the Commission to explain how adjustments in the agency-wide budget proposal attempted to account for tribe's views and recommendations as well as any other considerations that were part of the Commission's deliberations. The second listening session would occur before the Commission votes on a final budget for FY 2022 and after it has made adjustments to the July version—this version will typically be ready in mid to late September.

I hope these new elements to the NIGC budget development process will enhance how the budget serves the NIGC mission and underscore the Agency's current commitment to accountability and outreach.

With that, I want to thank you for your time and ask our moderator to facilitate any comments from tribal leaders.