



MEMORANDUM

To: Representative Zack Stephenson

From: John Wayne Barker

Re: HF2366

Date: April 13, 2021

Chair Stephenson and Committee members, my name is John Wayne Barker and I am the Executive Director of Merrick, Inc., a 501(c)(3) nonprofit that provides life enrichment activities and work supports to over 375 adults with intellectual or developmental disabilities (I/DD).

While a monopoly in perpetuity was given to the tribes, charitable gambling was provided to our local communities as a way to generate dollars for their unique priorities. For many these funds are used to support fire and police departments, local youth sports, park & trail improvements, and services to those less fortunate in their communities. In our case, only 90% of our service cost is covered by federal and state Medicaid funds. This gap of 10% amounts to nearly \$500,000 annually and we use lawful purpose expenditures (LPE) from our charitable gambling operations to help fill that gap. For us, electronic gaming accounts for almost 50% of our annual proceeds available for a LPE and it is a vital source of rent revenue for bar businesses that are an important part of the local economy.

It is unfortunate that the tribes are now attempting to diminish our ability to generate LPEs after two failed attempts with an administrative law judge. Tribes have the exclusive ability to lure people to their casinos and offer games, food, and entertainment that no one else can offer in the State of Minnesota and it is shameful that they would actually seek to diminish our ability to generate LPEs for local community priorities. For what reason would we pass legislation in Minnesota that requires one party to get “worse” instead of expecting the other party to get “better”.

The administrative law judge has twice ruled that these games meet statutory regulations and I urge the committee to not favor the tribes over our local communities. Please vote no on HF2366.