



## **COVID-19 Relief Needed to Protect Indian Country Health and Avoid Catastrophic Economic Damage**

by Ernest L. Stevens, Jr.

Congress enacted the CARES Act on March 27, 2020 to address the initial blow of the COVID-19 pandemic. At the time, the CDC reported 1,800 deaths due to the virus with 112,000 positive cases. Since passage, COVID-19 has taken more than 190,000 American lives and the total number of positive cases has surpassed more than 6 million people.

Indian Country has been especially hard hit. The CDC reports that on a per capita basis, Native Americans have the highest COVID-infection rates, and are at the highest risk of hospitalization and serious injury due to the lack of adequate health care and infrastructure.

The damage to tribal government economies is equally devastating. For more than 240 Native Nations, tribal government economies are anchored by Indian gaming, hotel, restaurant and entertainment operations. These enterprises constitute our tax base, raising revenue to provide health care, education, public safety, housing and other vital services to Reservation residents.

In 2019, Indian gaming operations generated a record \$35 billion in gross revenue and an additional \$6.2 billion in ancillary revenues from hotels, entertainment, restaurants and retail operations.

In mid-July, Klas-Robinson released a report estimating that tribal government-owned enterprises will sustain 35% revenue losses in 2020 compared to 2019 revenues, and won't fully recover until 2024. In the Indian gaming and hospitality sector alone, this means that tribal governments will lose nearly \$30 billion in revenue from 2020 – 2022 over our record high 2019 gross gaming revenue figures.

Compare this to last decade's Great Recession, where Indian gaming lost \$200 million in revenue in 2009, and then immediately bounced back to positive gains for the next decade. As COVID-19 continues to plague our nation, the job losses continue to pile up for hundreds of Native Nations, and the stress to meet ongoing financial obligations rises on a daily basis.

More than five months after passage of the CARES Act, it is clear that Congress must take even bolder action to meet the ongoing challenges to our national healthcare system and economy. The CARES Act provided initial health resources and economic relief. However, the slow and unsteady implementation initially shut tribal governments out of key economic programs, costing lives and livelihoods. These short-falls must also be addressed in the next COVID-relief package. To help our economies recover, tribes must be able

to access every available resource and tool. We cannot afford to leave anything on the table.

The House of Representative and the U.S. Senate have unveiled competing COVID-relief packages in the HEROES Act, which the House passed in mid-May, and the HEALS Act, which was unveiled in July. Negotiations have stalled, while our nation continues to suffer. State and local governments are also pressing the federal government to take swift action to prevent significant cuts to essential services, and local government worker layoffs. Indian tribes are likewise looking to Congress and the Administration for help to stem the economic impacts of the coronavirus, and speed America's recovery.

From Indian Country's perspective, the next COVID-relief package must include additional funding for the Coronavirus Relief Fund. Tribal leaders nationwide have voiced support for an additional \$20 billion for tribal governments through the CRF with important changes that make funding more flexible to replace lost revenues and respect the local decision-making of tribal leaders, and extend the deadline to spend down the funds.

When Congress passed the CARES Act in late March, tribal governments were essentially shut out of the Paycheck Protection Program for weeks. When tribes were granted access to the program, nearly all PPP funding was depleted. As a result, Indian Country is calling on Congress to appropriate another round of PPP funding that is dedicated to tribal governments to protect vital jobs and maintain ties to our employees.

Indian Country has also been shut out of the CARES Act's largest economic program – the Economic Stabilization Fund. Under this program, Congress appropriated \$500 billion to the Treasury Department and the Federal Reserve to stabilize the credit markets for governments and mid-sized businesses. The fund delivers low interest loans to increase liquidity of governments and businesses, offering the potential to hit the pause button on financial pressure in the short term, so that they can ride out this pandemic and recover in the long term. The CARES Act defined tribal governments as states for purposes of the Fund. However, Treasury and the Federal Reserve have failed to establish a lending facility that works for Indian tribes. This has to be a priority for the next COVID-relief bill in Congress and we must continue pressing the Administration to open this opportunity to tribal governments.

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The Indian gaming industry makes up the 12th largest employer in the U.S. and is responsible for more than 308,000 direct jobs and an additional 450,000 indirect jobs for American families. The majority of tribal government enterprises are located in the most rural parts of our nation, and the economic impacts of COVID-19 on our economies and the ripple effect on our neighboring communities has been devastating for the past six months.

While tribal governments continue to coordinate with regulators and health experts relying on the science and tracking data to cautiously resume operations, we know that eventual economic recovery from this pandemic will, by necessity,

be slower. Without additional support from the federal government, many tribal government enterprises will not recover and vital jobs throughout rural America will be lost forever.

We have fought the pandemic for six months, and the impacts to our health, economy, and way of life are unparalleled. Congress and the Administration must come together for the American people to meet this challenge. ♣

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