*Fiscal Facts by Wisconsin Policy Forum*

**Pandemic hits casino revenues — and state**

While the pandemic’s impact on the entertainment industry has been widely reported, less attention has been paid to the significant fallout for tribal casinos and state and local revenues.

A recent state report shows that from 2020 to 2022, Wisconsin’s general fund is projected to receive at least $70 million less than originally expected from gaming revenues collected from the state’s 11 federally recognized tribes. After five years of steady revenues, the tribal gaming payments that flow into the state’s main fund declined by 81.7% last year.

This comes after tribal casinos closed for more than two months last spring during the lockdown period, then later reopened but with reduced capacity and more limited demand. Besides adding to the state’s budget challenges, this also has exacerbated financial woes facing casino workers, local and tribal governments, and Native American households.

Each of Wisconsin’s 11 tribal governments signed gaming compacts, or agreements, with the state that call for the tribe to pay the state a certain proportion of its gaming revenues. Some local governments also receive payments, including in the Milwaukee and Green Bay areas and in far northern Wisconsin.

The Department of Administration recently projected there would not be sufficient payments from tribal casinos to allow for any revenues to the state’s general fund in 2021, despite a projection made before the pandemic that more than $27 million would flow to the fund. In addition, the state could see more modest declines in additional tribal gaming revenues that are allocated for specific purposes such as tourism, conservation, and services for tribal members.

Casino workers, local communities, and tribal governments and their social services will also see losses due to COVID-19. The Potawatomi Hotel & Casino in Milwaukee — the state’s largest gaming facility — was closed from mid-March to around June 8 and reportedly laid off about 1,600 workers, or more than half its workforce, in July. Dividend payments to tribal members also were suspended. The Oneida Nation’s Green Bay casino and other facilities experienced a significant number of layoffs as well.

The impact of the pandemic varies by tribe and by community, and casino revenues will likely rebound as the pandemic eases and the economy strengthens. Yet state officials should at least bear these losses in mind as they consider their broader response to the pandemic and begin state budget deliberations in the coming weeks.

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