

Tribal Gaming and the Political Contributions Strategies of Native American Tribes in Minnesota

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Abstract:

The Indian Gaming Regulatory Act has made a big impact on tribal-state relations since it was enacted in 1988 by the federal government. Tribes have started to make campaign contributions to state and federal politicians to help try to mold lawmakers to vote for Tribal interests. My research looks at Minnesota tribes and their campaign contributions to House members during the 2005 election, and whether these lawmakers voted for tribal issues during their term. For control variables I also gathered a variety of information related to legislative districts. What my analysis has shown is that the tribes in Minnesota donate more to Democrats, winners, and incumbents. The information I collected was from different sources, such as, The National Institute on Money in State Politics, and The Minnesota House archives.

Introduction:

The Indian Gaming Regulatory Act (IGRA) gave tribes throughout the United States the right to own and operate casinos under state approval and supervision. The congress stated that the reason for this was to help tribes with the means for economic development. When this controversial legislation passed in 1988, it dawned a new era for tribes, as well as the states. The tribes that capitalized on the right to own casinos started a new approach in their political strategies. Indian gaming now is a 26 billion dollar industry with over 400 casinos throughout 30 states (Kathryn Rand 2007). In the past

tribes have use violence, protest, and courts to get their interest heard; now it seems that they are using different political tactics like campaign contribution and hiring lobbyist to get lawmakers to look at their interests more than they ever have in the past. Some of these tactics have helped. For example, California tribes have risen to the top of their political system. (J. Cummins, 2006) The Main question I explore is: Do tribal campaign contributions sway lawmakers to vote in favor of tribal interests. This is a complex question, because there are many factors to consider when determining why lawmakers vote the way they do. Steven Light states, “Although tribes have always pursued their interests, and sought to influence political outcomes, especially at the federal level, tribal casinos profits have increased tribes political influence at all levels of government.”(Steven Light, 2005) This is what I am trying to confirm in Minnesota politics. To try and answer such a complex question, I have to look at Minnesota lawmakers, and try to figure out why they vote for or against tribal issues.

State-Tribal Relations:

Tribal and state relations in the past have been harsh to say the least. Indian gaming has both helped and hurt state and tribal relations. Though tribes have gaming privileges, they must go through state regulatory processes to approve the casinos and for help regulating the tribes gaming industry.

In the article, “Indian Gaming and Intergovernmental Relations: State-Level Constraints on Tribal Political Influence Over Policy Outcomes,” Steven Light (2008) argues that non-tribal governments are starting to consider tribes “partners worthy of

consideration.” This is because of the money from casinos with which tribes are using to frame their public policy interests. Tribal and state government’s transactions have increased dramatically since the Indian Gaming Regulatory Act (Light & Rand, 2005). This is because tribes are able to use lobbyists and campaign contributions to help get their interests addressed. Light argues that tribes use casino profits to help participate in local and state governments as well as to help tribes defend their sovereignty. Revenue Sharing, which is sharing some of the profits that the tribes bring in, has become a big factor within state-tribal relationships. Minnesota tribes are not required to share revenue, but they pay a state tax. States are prohibited from taxing tribal casinos as a condition of their tribal-state compact. Revenue sharing gives states more money to help balance their budget, which is usually a big topic in political campaigns, thus making an impact on the political world. In Minnesota, the tribes have to pay an annual regulatory cost of \$150,000, where as in Wisconsin they pay millions of dollars to pay for past deficits (Light 2008). Though state and tribal relationships have gotten better over the years both sides have an agenda that they are trying to accomplish, and it seems like the tribes are willing to spend a lot to get theirs heard.

Casino Support:

Casinos have been debated on since before the IRGA was passed in 1988. Some critics have stated that it makes the community worse for the Native Americans living by casinos, but most disagree. A study that came out in 2007 by scholars from the University of Minnesota showed that tribal casino and resorts jobs generated \$429

million in direct benefits to the Minnesota economy. Rural tribal casino workers represent 9% of rural Minnesota's leisure and hospitality workforce and 18% of the rural industry payroll. (MIGA, Jan. 2001) This may have an effect on the lawmakers' decision when they vote on tribal issues. Rural House members may vote different, because of these numbers and the effect it has on their communities. Tribal casino workers are more likely to be enrolled in a healthcare plan, which helps with the state budget for Medicaid. (MIGA, 2007) In 2005 tribal casino workforce retirement savings increased \$14.7 million in Minnesota. (MIGA, 2007) These are issues that cover a wide range of what the state budget pays, so this may also help politicians to vote in favor of tribal issues.

Tribal Lobbyist:

Since the Indian Gaming Regulatory Act was enacted tribes have started making their way into American political system through hiring lobbyists. Tribes have showed through their actions that they think this is a positive way to approach policy. Tribes that have profited a lot from casinos have started to hire expensive lobbyists to help them try to pass laws in their favor. Much literature states that Indian gaming has helped tribes make a broader reputation in the American political world. This was accomplished through hiring lobbyists to lobby for their interests, just like any interest group. They have also invited politicians such as Sen. John McCain to come and visit on different occasions, which helps them politically.

In "Attention to State Legislation by Indian Nations in California: Is All Tribal Lobbying About Gaming?" Fredrick Boehmke (2006) argues that his findings show that

tribal lobbying has increased over time, and that gaming has played a crucial role in determining which tribes lobby. He studied tribal lobbying in California and the success rate of bills that the tribes are lobbying for, which shows a big impact on policy regarding gaming. This is most likely because tribes that have the money to lobby gain the revenue to do so through the gaming industry. This suggests that in California tribes have made a big impact regarding gaming and laws that effect Indian country. Cummins (2006) study tries to explain how tribes in California have made their way to the top of their political spectrum. In his study, just like many others he finds that tribe's contributions have increased dramatically since the early 90's, which strongly suggests that casino profits are the cause of their political rise. Money from casinos has made a significant impact to tribal-state relations, as well as money for different political tactics like campaign contributions and hiring lobbyists. These tactics were not available before the IGRA, because the tribes did not have the profits they receive from casinos.

Campaign Contributions:

Campaign contributions from tribes in Minnesota have become more relevant since the IGRA was passed. Tribes have spent over \$120 million since 1998(Light 2005), which suggests that they are looking to gain lawmakers support. To look at how much money that tribes have spent, Light (2008) finds that the tribal contributions within Minnesota have increased significantly through 1996-2004. (See Table 1) This shows that tribes are using their revenue to help candidates that support their interests.

(Table 1)

Year	Tribal Contributions(\$)	Total Contributions (\$)	Tribal % of Total Contributions
1996	23,228	11,076,962	.2
1998	242,931	30,558,087	.8
2000	309,800	32,214,810	1.0
2002	616,550	53,181,011	1.2
2004	668,250	26,017,709	2.5
Total	1,860,759	153,048,579	1.2

Source: Calculated using figures from Institute on Money in State Politics (n.d.) Includes contributions by governing units and tribal members.

In “The Impact of Tribal Lobbying Strategies on Indian Gaming in California,” Jeff Cummins (2007) suggests that Indian tribes in California usually contribute more money to legislators that are in office. This is because legislators that are in office can control a bill and if tribes contribute to them, they maybe more likely to vote “yes” on tribal interests. He also suggests that there will be more contributions to legislators that sit on committees that have to do with their interests. Cummins shows evidence that tribes gave mostly to incumbents in 1997-98’. He also shows that tribes target leaders in 1997-98’, because they either are more likely to win, or they already vote in tribal governments favor. Tribes contributions change in 1999-00’ elections showing that they were giving less money to legislators. Most people would think that tribes would

contribute more to a Democratic nominee than a Republican. This is not the case in California where only 29% of tribe's were donating to Democrats whereas 71% were to Republicans (Cummins 2007). Tribes have a big impact when coming to campaign contributions in California as well as many other states across the country.

In 2008, the Shakopee nation donated over a quarter million dollars. This money was given to forty-three Democrats, four Republicans, and only one 3rd party candidate. Out of these contributions there were thirty-four that were incumbents, and thirty-one of them won their election. (National Institute for Money in State Politics, 2008) This shows that the Shakopee nation contributes to more Democrats, incumbents, and winners. It seems that Minnesota Tribes donated more to Democrats, while California tribes donated to more Republicans. Does this mean that Democrats are voting on Native issues in Minnesota? This seems like the case, but to find the answer I must look at the bills the Minnesota House members voted on.

Tribes target governors when contributing to a campaign, because they are the main negotiator between States and Tribes. They also hold many other powers within the state governments such as veto power. Denise von Herrmann (March 2006) shows that the Mississippi Band of Choctaw Indians contributed more money to the Governor and Lt. Governor than any other seat in state office. This seems like the most logical seat for tribal interests to donate money too, because they hold more power than others in the state offices. The tribe also donated about the same amount to the candidates running against each other for Lt. Governor, because it was a hotly contested seat. Herrmann has

tried to answer the question: To what extent do the Choctaw Indian casinos profits influence the Mississippi state government? Though it is a complex question, it shows that they have made a bigger impact every year in their state government since the rise of the Indian gaming industry. The Choctaw have grown from a small reservation in Mississippi with a lot of poverty, to a tribal government involved in state and federal politics. This was because of the casino the tribe built to make life on the reservation better. It also been proven to work, In the book “*Indian Gaming: Tribal Sovereignty and American Politics*” by Dale Mason, Mason discusses how tribes in New Mexico donated over a quarter million dollars to the Governor’s seat, when a law passed through House and Senate banning slot machines the Governor vetoed the legislation. Though it cannot be proven that the contribution money swayed the Governors decision, it seems suspicious.

Data:

There are many things that decide how a lawmaker votes. This could be a lawmaker’s ideology, location, support, and party. Minnesota has many casinos within the state, so I look at the 2005-2006 Minnesota House of Representatives and how the different members of the House voted on bills that supported tribal interests. I took these bills that they voted on and formed an index for Indian support I gathered how much the tribes donated to each member, this information I located on a web site. (National Institute for Money in State Politics) I also gathered information regarding each House member’s district. I collected the poverty rate, minority rate, whether there were casinos inside their

districts, and other demographics. This may have an effect on the way the lawmaker votes. I also coded whether they were chair of any committees, and their vote margin in the 2006 election.

Methods

What I want to explore is whether tribal campaign contributions affect the way legislators vote on tribal issues. I also look at why tribes donate to the candidates they do, because this may reveal more information on why the legislators vote the way they do on tribal issues. With these variables I created binned variable to help with my analysis. It let me understand more about why tribes donate to public officials, and if it influences the legislator's decision when voting on tribal issues. I used a regression analysis on tribal support, with the support index as my dependant variable, and the independent variables I felt mattered. I made a graph to visually show some of my research. The bar graph shows if the legislators were donating because they were in a district with a casino. These are the methods I used to present my information, and run my analysis.

Analysis

(Figure 1)

These bar graphs show the House of Representatives in Minnesota during the 2005-06' sessions, and their voting patterns towards tribal gaming issues. I wanted to find out whether their political party and/or a casino in the Representatives district affected the way the House Members voted towards tribal gaming issues. I used four bills that affected tribal gaming, and turned it into a variable to shows how the House members voted towards tribal issues. The y-axis on the graph on the left shows the number of House members not in casinos, and the one on the right shows

members with casinos in their districts. The House members are separated into party status on the x-axis in both graphs. I inserted an index support for tribal issues as color coded, blue being the least amount support, and purple being the most. The graphs show that a casino in a lawmakers district does not affect the lawmakers vote significantly, which makes the null hypothesis correct. It seems that both parties are voting on party lines rather than if a casino were in their district. The r-square for casino in district is .533, which tells me that know these variables I can predict 53.3% of their vote. It is only .25 in casino districts, and can only predict 25% of their vote.

(Table 2)

In this analysis, I wanted to see if tribal contributions affected the way the house members voted on tribal issues. I used my tribal support variable that I created with bills that these legislators voted on regarding tribal issues. I put party as a control variable, because it has had the most significance. I combined tribal contributions, and labeled them in three different categories. The table shows that Democrats vote more for tribal issues, while Republicans vote less on tribal issues. Eighty-six percent of the Democrats that received 500 dollars or more of tribal contributions voted on tribal issues seventy-five percent of the time, but seventy percent of Democrats that received no tribal contributions voted the same way as their party members. This shows that the parties are voting on party lines rather than tribal contributions, this does not mean it doesn't affect their decision at all, but very little. The Lambda shows that member of neither party are not voting because of tribal contributions.

(Table 3)

This table is a crosstab that looks at whether a Representative received money from tribes won their re-election in 2006. I used a win/loss 2006 variable, which I created from numerous data I gathered on the MN House website. I also used the tribal campaign contributions variable that I have created. I made this table to see how much tribes are donating to winners of elections, because this might be a dominate factor in who tribes choose to donate too. My research has shown that tribes donate mostly to candidates that they expect to win the election. This does not

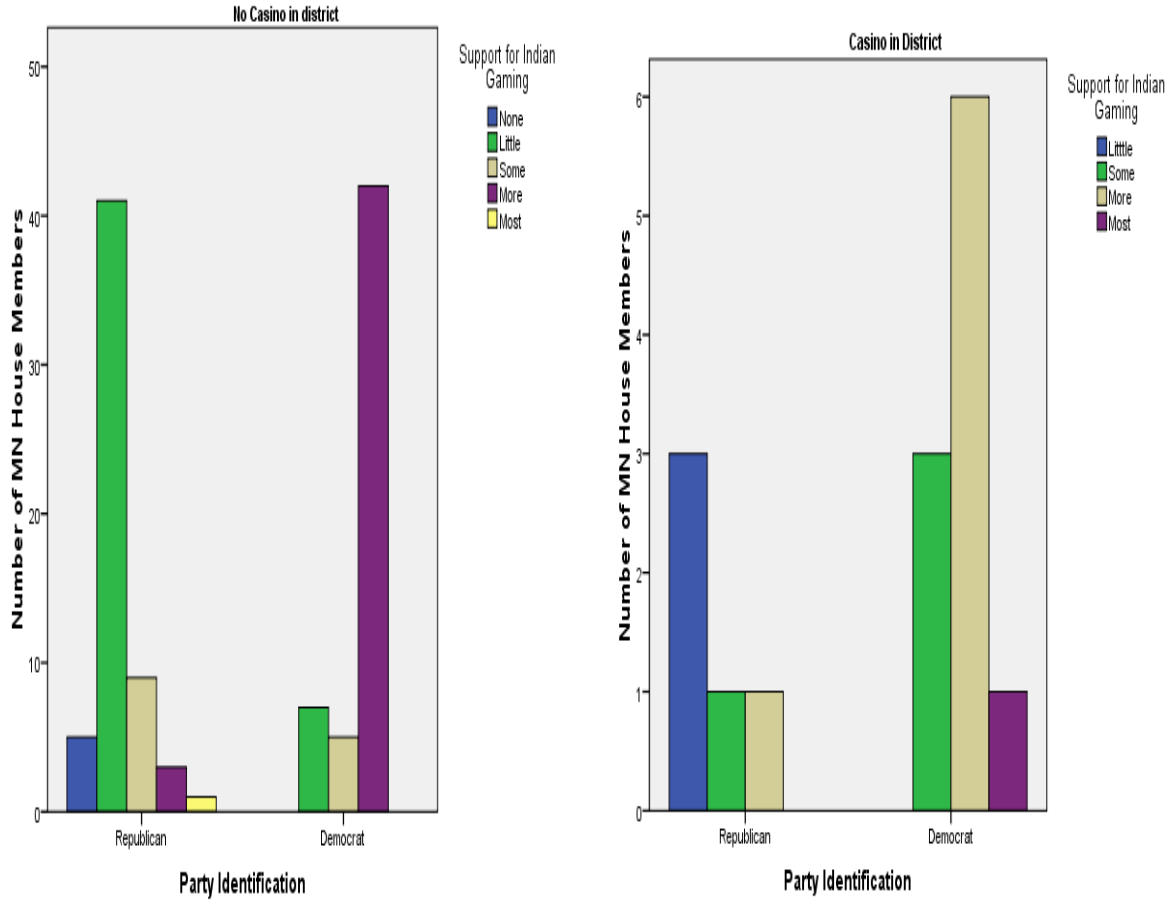
mean that the tribes do not donate down party lines, actually zero of the Democrats the tribes donated actually lost the election in 2006, while three Republicans lost their election. This might tell me that tribes donate to opposing Republicans to try and get the non-favored to win the election, because of the incumbent. This is just a theory, but much of my information shows that Native American tribes donate to Democrats and winners more than any other group in Minnesota. This may be because Democrats vote on tribal issues more than double that of a Republican. Tribes also donate to winners, and this might be because tribes don't want to waste money that could be used for their economy, and social structure.

(Table 4)

Table 4 presents a regression analysis I ran to see how much each of these variables affected the dependant variable which was my index of tribal support. I included the independent variables minorities in member's district, party affiliation, and casino in the district, number of years in office, tribal contributions, and poverty rate. These are variables that I suspect would affect a lawmakers vote towards tribal issues, because they directly affect the communities in the member's district. The regression on these variables produces an R square of .530, which tells me that with these variables I can improve my prediction on how these lawmakers vote by 53 percent. This is a high R-Square and helps me understand more about why a lawmaker votes the way they do. To find out which variables help the prediction the most you must look at the significance of these variables. Party affiliation has a strong significance, which tells me that most of these lawmakers vote down party lines rather than if there is a casino within their district. Tribal contributions are also a significant, but not nearly as strong as that of party, but it does show that every 1000\$ a tribes donates to a lawmaker he votes .291 more in favor of tribal issues. This tells me that lawmakers do vote somewhat towards tribes that donated to them. This is helpful regression, because it shows me that minority population, poverty rate, and casino in their district does not affect these lawmakers vote towards tribal issues.

(Figure 1)

Party Support for Indian Gaming With Casino in District



R-square .533(no-casino) .25(casino)

(Table 2)

Tribal Contributions and House Support for Tribal Gaming

Tribal Contributions to Tribal support				
party	Tribal contributions in Dollar			Total
	Zero	Between 0 and 500	More than 500	
Republican Support for Indian Gaming Least	3	2	0	5
%	7.1%	13.3%	.0%	7.8%
Less	32	7	5	44
%	76.2%	46.7%	71.4%	68.8%
Some	5	4	1	10
%	11.9%	26.7%	14.3%	15.6%
More	1	2	1	4
%	2.4%	13.3%	14.3%	6.3%
Most	1	0	0	1
%	2.4%	.0%	.0%	1.6%
Total	42	15	7	64
%	100.0%	100.0%	100.0%	100.0%
Democrat Support for Indian Gaming Less	5	2	0	7
%	16.7%	15.4%	.0%	10.9%
Some	4	2	2	8
%	13.3%	15.4%	9.5%	12.5%
More	21	9	18	48
%	70.0%	69.2%	85.7%	75.0%
Most	0	0	1	1
%	.0%	.0%	4.8%	1.6%
Total	30	13	21	64
%	100.0%	100.0%	100.0%	100.0%

Conclusion

Tribal Impact on American politics has increased since the IRGA was signed and put into effect. This is because Tribes have used their money to adopt political tactics to get their interests addressed. Light showed that Tribes have been making more contributions since the IGRA; this helps make an impact on the American political arena. It also gives the Tribes more respect from their legislators, thus hopefully getting their vote. Cummins proved that Tribes are targeting their issues as well as their Senators and House members through lobbying just like interest groups, and local government. This also shows that money is a big factor within the American political system and since some Native Americans tribes have generated revenue they have grown in the political world. The research that I have read shows that Native Americans have special interests and are willing to spend money to make sure that lawmakers are swaying in the direction of their interest. I have found no research that disputes that Indian gaming has given rise to a new form of relationship between tribal, state, and federal government.

Minnesota tribes donate more money to Democrats. This is because they vote on the issues that Native Americans care most about. They also donate to people that win, or are more likely to win. This shows in my scatter plot that gives me an 8% reason why tribes in Minnesota donate to different House candidates, and it's even higher significance for their party status. Casino in the district did not have a significant impact. When I ran the R-square regression it shows a small significance at the .1 level for tribal contributions. It seems that party affiliation has the biggest significance when running

the R-square correlation. Tribes donated more to Democrats, and Democrats voted on tribal issues. My assumption is that the reason that tribes donate to Democrats is because they do vote for their issues. This is because in California tribes donate to Republicans, because they vote in favor of tribal issues in California. The demographics did not have a big impact, although the money the casinos have on the rural communities may help make the legislators decision. They did donate to more candidates that won their election, which gives me the assumption that they do not want to waste money donating to long shot challengers. The tribe has donated a lot of money to get their issues addressed, and more research would help me better understand why legislator choose to vote on tribal issues, and why tribes donate to certain political members.

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