

**Pennsylvania Veterans of Foreign Wars Testimony on
Small Games of Chance Legislation in Support of HB 169**

*Testimony submitted for the PA House of Representatives
Gaming Oversight Committee hearing on May 5, 2011
to discuss Legislation to Modernize Pennsylvania's
Small Games of Chance Regulations*



**Submitted on May 5, 2011 by Department of Pennsylvania
Veterans of Foreign Wars State Adjutant John A. Brenner,
who also serves as the Chairman of the State Veterans Commission**

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Good morning Majority Committee Chairman Curt Schroder, Minority Chairman Randy Valukovich and other members of the House Gaming Oversight Committee. I am John Brenner, State Adjutant of the Pennsylvania Veterans of Foreign Wars. I am also the Chairman of the State Veterans Commission and it is in that role that I am here today.

The State Veterans Commission consists of representatives of all major veterans' organizations throughout the Commonwealth. The Commission meets regularly to consider, among other things, pending legislation that is of interest to veterans.

The veterans organizations represented on the State Veterans Commission have non-profit missions focusing on serving their communities. Service is the focal point of why veterans service organizations were created and why they still exist today. Veterans service organizations are not bars and their goal is not to make a profit. We believe that our collective mission is truly honorable and one that the State of Pennsylvania should support.

Here today are local post representatives from the VFW, American Legion, AMVETs, Disabled American Veterans and other veterans groups. These veterans represent non-profit, volunteer-based organizations that use small games of chance to support community programs.

Their track record of improving lives through community donations and volunteerism are truly success stories.

Our groups—which represent most of the state’s nearly one million veterans—unanimously support passing House Bill 169. We have worked for at least seven years to modernize small games of chance. At the invitation of legislators, we participated in the creation process of legislation to accomplish this mission including House Bill 169. We’re not fixated on a bill number. It is the content of 169 that we strongly support.

We believe that this bill best captures the improvements most needed to modernize small games regulations into the 21st century. House Bill 169 keep the original intent of small games in place—that is to help non-profits to raise money for community service.

The small games issue is important to veterans service organizations and the communities they serve. Veterans who lead these non-profit organizations do so to continue serving their nation and do so as volunteers. We are brothers and sisters who share a common experience, and in some cases combat on the front line.

Many of us live today with the physical and emotional scars of war-time service. We’ve seen some of the worst that this world can bring upon

itself. This experience drives us to better our communities, our state and our nation. Our non-profit structure requires us to vote on how small games earnings are given out; we do not take this privilege lightly.

The missions and operating structures of veterans organizations should not be compared to commercial enterprises that exist to make a profit. We urge you to not allow bars and taverns into small games of chance. Personally, I believe that it is shameful that for-profits are trying to piggy-back on the attempts of veterans and volunteer-driven non-profits to get into small games of chance. You know, it is hard enough to find enough volunteers to perform community service. Our veterans groups do a fine job of organizing volunteers and raising the resources needed to be active in the community. I believe we deserve to be treated differently.

The State recognized the difference between non-profit service organizations and businesses when it created small games to assist non-profits in fundraising. Please keep it that way.

At the very least, please keep our efforts to modernize small games of chance regulations separate from any bill that would allow bars and taverns into small games. This would allow legislators who do not support small games of chance for profit establishments to vote no, without impacting the non-profits who exist to serve their communities.

There are many for-profit places in our state to gamble already. Non-profit service organizations are seeing our small games earnings fall considerably in some areas due to the rapid growth of for-profit gaming in Pennsylvania. That impact affects how many donations we can make to our community.

I will make one more comment about for-profits trying to get into small games. Banks often complain that credit unions play by different rules in offering financial services. Yes, they do. Credit unions are member-driven financial cooperatives that use earnings to strengthen their operations and activities as non-profit organizations. Banks are for-profit enterprises and their earnings go only to the people who own their stock.

Banks and credit unions operate using different rules because they are chartered to run with different structures and with different organizational goals. The same philosophy should apply with the small games issue. Small games of chance were created for use by non-profits. Veterans service organizations are chartered by Congress to serve their communities. Bars and taverns are licensed as for-profit commercial entities. They should not be allowed to offer small games of chance, period.

As you know by this testimony, we are not in favor of House Bill 906 in large part because it expands who qualifies as an eligible organization.

Moving back to House Bill 169, the action items included in this bill are badly needed. Veterans service organizations support higher payout limits of \$25,000.

We also support more well-defined rules for accountability because we know there is a concern that raising limits could lead to more monies not being accounted for on the books. Like in politics, business and sports, there are some people in the small games community who break the rules. We want this to stop. We like the fact that House Bill 169 clearly lays down the rules.

We also know that there is confusion now about how small games regulations are enforced and what role local and county officials play. We believe House Bill 169 will lead to consistency in how the rules are interpreted and enforced across the state.

Veterans organizations in Pennsylvania have a very strong reputation of community service in part by donating funds to many worthy causes. The VFW, for example, takes great pride in donating funds to better the lives of their local communities:

- Since July 1, 2008 through the end of the 2010 year, PA VFW posts and their Ladies Auxiliaries donated more than six million dollars for community service projects
- During this time VFW volunteers performed more than 650,000 hours of volunteer service
- This community activity, driven largely by volunteers, happens because VFW posts exist as operational bases for running programs that improve Pennsylvania.

Many posts cannot respond to the growing number of donation requests because the need is high. This is in part due to the slow economy and the fact that State sources of funding are drying up.

We also like the fact that House Bill 169 allows for using some of the earnings to help non-profits cover some of the costs of functioning as service organizations. Some lawmakers may not understand the need for non-profits to use some of the earnings to stay financially viable.

Consider this fact: Many local veterans posts face combined monthly electricity and gas bills of several thousand dollars. These veterans groups are just trying to make ends meet in order to stay open as service organizations. I don't think anyone in this room wants to see our non-profit service groups close—certainly not the groups who rely on us.

Membership dues, small fundraisers and even food and beverage sales are not enough to cover expenses to keep many non-profit service organizations running. Being able to use 40% of small games of chance earnings to help meet our expenses—as House Bill 169 calls for—will be critical to keeping veterans service organizations around to assist those who need a helping hand.

If local non-profit service organizations cannot survive, the result will be more than the loss of a few jobs. Our donations to fire companies, ambulance service providers, police departments, food pantries, soup kitchens, emergency response charities, youth programs, health education charities, military troops and many other essential services will fall or disappear completely.

Our community service also develops patriotism among people of all ages—including youth, who are the future leaders. We reach into the community through public events, patriotic holiday programs, classroom presentations and much more. You can see that keeping non-profits viable as service organizations is an investment that benefits everyone.

There is one very important misconception among many lawmakers that I would like to clear up today. Some lawmakers think that when a non-

profit organization runs a small game with a \$5,000 payout, that the non-profit takes in \$5,000 of earnings. That is incorrect and far from reality.

Expenses to run the game include the payout amount and the cost to purchase the game. On average, game sponsors yield earnings of only 15% or less of the total game payout.

We are asking for the weekly ~~prize~~^{payout} limit to increase to \$25,000, as called for in House Bill 169, so we have more funds to donate and to help keep non-profits open to fill a much-needed role in society. We are also asking that payouts of \$26 or less are not included in the weekly payout limit/

To show the impact of small games of chance earnings at the local level, I would like to introduce Joel Ellis of Lititz to you. He is the Commander of VFW Post 1463 in Lititz and his post has an impressive history of community service that has a substantial and life-changing impact on their community.

(JOEL ELLIS TO SPEAK)

(BACK TO JOHN BRENNER)

Thanks Commander Ellis.

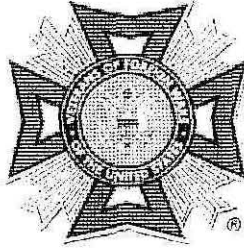
Many service organizations perform this type of community support. Often small games earnings are given to students to further their education. VFW Post 7530 in Mechanicsburg recently handed out more than \$5,300 in scholarships. This is a blessing when the future of financial aid for education is in question.

The Committee Chairman asked that I address two other bills today. To date, the Veterans Service Commission has not reviewed or voted on Bills 1323 and 1288, so we have no official position.

Once again, though, we see House Bill 169 as the best bill to meet the urgent need to modernize small games of chance regulations.

Veterans service organizations improve the lives of Pennsylvanian's from all regions of the state—your constituents, from all walks of life. The level at which we can continue this is due largely to the fundraising we do through small games. House Bill 169 will generate the funds and support we need to continue this successful community service, without placing further demand on the State budget.

Thank you for allowing us to be a part of this hearing today. We also thank you for your service to the great state of Pennsylvania and its people.



Department of Pennsylvania Veterans of Foreign Wars



**John A. Brenner
Past State Commander**

John joined Susquehanna Post #2493, Mt. Wolf, in December 1966 after returning from Vietnam. A Radio Teletype Operator in the Army, he served from 1965 to 1967. He has been an active member of the VFW since joining. As Life Member of his Post, he has served and/or chaired many committees. And for quite a few years has chaired the Memorial Day Bean Soup project. He has instituted a life membership program, which has helped eligible Post members to purchase a life membership.

On the District level he has served as VOD, Buddy Poppy, and Legislative chairman. And during his year as District Jr. Vice Commander served as community activities chairman. During his District Sr. Vice year he served as District Membership Chairman. He is very proud that District 21 has reached 100% in membership for the year. On July 11, 1998 during the Department Convention he was sworn in as Commander of District 21 for 1998-1999. He completed that year as an All-American District Commander.

He has worked very hard over the past several years to assure that public awareness of the VFW is positive one. John was named York County's outstanding Young Veteran of the Year in 1979. During the Veterans Day Program on November 11, 2000 he was honored as the 2000 recipient of the York County Veteran Meritorious Service Award for outstanding service and accomplishments.

A Past President of the Northeastern Jaycees, he was presented with the Lester Wise Memorial Award for distinguished service to the community and to his fellow man. He also received the prestigious US JCI Senator and U.S. Jaycee Ambassador Awards from the local Chapter. Past President of the Mt. Wolf Boro Council, he served his community for ten years. An active member of St. John Lutheran Church, Mt. Wolf, he is a past President of the Church Council and sings on the Chancel Choir. Among his other affiliations are Zeredatha Lodge #451, and Judge of Elections of Mt. Wolf Boro.

John served the Department of Pennsylvania as Teener Baseball Chairman, Delinquent Membership Chairman, Assistant Sergeant at Arms, Loyalty Day Chairman, and Life Membership Chairman. Sworn in as Department Jr. Vice Commander on July 13, 2002, he has traveled extensively throughout PA representing the Department Veterans of Foreign Wars and promoting its programs. As Jr. Vice Commander, he served on the PA War Council and represented the Department on the Veterans Council. On June 28, 2003, he took the oath of office as Sr. Vice Commander for 2003-2004.

John organized and chaired District 21 "Walk for Diabetes" raising \$10,000.00. Presently John is serving as Department Adjutant being appointed to this position February 1, 2008.

John retired from Pennsylvania Power & Light Company after 32 years of service as an Electrician at Brunner Island. PP&L honored him with the company's Distinguished Community Service Award. PP&L donated \$500.00 in his name to the Mt. Wolf VFW Teener Baseball fund as well as \$500.00 to the Northeastern Jaycees as part of this award. Since his retirement he has established his own Electrical Business.

John and his wife Sandy were married in January 1967 after his return from Vietnam. They are the proud parents of three children – John, Jane, and Jeff. They have four grandchildren Matthew, Katelyn, Samuel and Lexi. In his spare time, John enjoys umpiring Little League Baseball and spending time with his grandchildren.

John served as State Commander in 2004-2005 and President of the PA Veterans War Council that year. He was also a member of the PA State Veterans' Commission during his term as State Commander.