



QUECHAN INDIAN TRIBE

Fort Yuma Indian Reservation

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**TESTIMONY OF
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**SENATE COMMITTEE ON INDIAN AFFAIRS
OVERSIGHT HEARING ON DOUBLING DOWN ON INDIAN GAMING:
EXAMINING NEW ISSUES AND OPPORTUNITIES FOR SUCCESS IN THE NEXT 30 YEARS**

October 4, 2017

INTRODUCTION

My name is Keeny Escalanti, Sr., and I serve as the President of the Quechan Tribe of the Fort Yuma Indian Reservation (“Tribe”). I would like to thank the Committee for the opportunity to share our perspective on how Indian gaming has furthered the Tribe’s right to sovereignty, self-governance and self-determination and at the same time provided an avenue for building stronger partnerships with local governments and members of our local communities.

The Fort Yuma Reservation encompasses approximately 45,000 acres (approximately 68.7 square miles) with a land base that is located in both California and Arizona, and which shares a border with Mexico. Our Tribal enrollment is approximately 3,900 members.

According to our creation story, our people pronounced “KWAT’SAN”, have lived in the Southwest’s Colorado River Valley since time immemorial. We are well known for our distinct language, the Yuman, which is a native dialect of the HOKAN Language from modern day California and Arizona. Our Tribe’s governing body - the Tribal Council - consists of a

President, Vice-President, and five Council Members at large. The President and Vice-President serve four-year terms and the Council Members serve two-year terms.

Our Tribe is largely an agricultural community, driving economic development, in part, through the lease of thousands of acres of Tribal land for agricultural purposes. In addition to agriculture, our Tribe relies on tourism and, of course, gaming to augment our economy.

Our rural location presents unique issues that historically we have struggled to address. We have limited economic opportunities as well as limited access to social services programs that are readily available and accessible to tribes in metropolitan areas. However, with gaming, we have witnessed an increase in the opportunities that we can offer not only to our Tribal members, but also to the non-native residents of our local communities. We have witnessed how the revenue generated from our gaming operations has allowed our Tribe to invest in our local community, thereby fortifying the partnerships the Tribe maintains with our local governments and improving the livelihood of non-member residents. We are not alone, as states are also beginning to recognize how tribes are becoming the strongest allies and benefactors to both local governments and local residents. The Tribe's new Compact with the State of California exemplifies this shift in thought.

**TRIBAL-STATE COMPACTS: RECOGNIZING THE IMPORTANCE OF REINVESTING
IN LOCAL COMMUNITIES**

In an effort to strengthen the Tribe's social and economic conditions on our reservation, the Tribe entered into gaming compacts with both California and Arizona pursuant to the Indian Gaming Regulatory Act ("IGRA"). Today, the Tribe operates one casino in each of these states.

In California, the Tribe controls and operates the Q Casino Resort located near the township of Winterhaven in Imperial County, California. The Q is a state-of-the-art casino resort

featuring 1,000 slot machines, 15 table games, live poker, a high limits room, and 166 resort guest rooms.

The Tribe entered into its first compact with California in 1999, authorizing the operation of our first California casino. This compact authorized a relatively modest gaming operation consisting of up to 350 gaming devices. Due to the success in this endeavor, the Tribe moved forward with a resort expansion plan, relocating from the original building to a new facility constructed along Interstate 8 (I-8) highway approximately 1 mile from the Andrade Port of Entry, also located on the reservation.

To that end, in 2006, the Tribe negotiated an amendment to the existing 1999 compact which was signed by then California Governor Gray Davis (the “2006 Amendment”). The 2006 Amendment was signed by Governor Arnold Schwarzenegger. This Amendment authorized the expansion of our California casino, permitting up to 1,100 devices. However, even though the 2006 Amendment authorized the operation of additional devices in our California casino and propelled its relocation, the 2006 Amendment included some unfavorable revenue-sharing provisions which caused the Tribe financial distress. The unfavorable revenue-sharing provisions, coupled with the significant debt we incurred to finance the construction of the new casino facility, deprived our Tribe of the ability to provide essential services to our members and, furthermore, restricted any significant investment in the communities surrounding our reservation.

To alleviate the financial hardship that we experienced under the 2006 Amendment, our Tribe recently negotiated a new Tribal-State Compact with Governor Edmund G. Brown (“2017 Compact”). Governor Brown’s administration worked tirelessly to finalize our new compact, allowing the parties to reach an agreement in August 2017, in time for the California Legislature

to ratify the compact before the end of this year's legislative session. The Tribe commends and is grateful for the hard work exhibited by Governor Brown and his administration. We are pleased with the terms of our new compact, as it allows for an expansion of gaming devices while offering up more favorable revenue-sharing provisions for the Tribe that will allow it to improve its financial status and augment services that we can provide its membership.

The 2017 Compact is unique in that the State recognizes the benefits of reinvesting gaming revenues in the local community and recognizes the Tribe as a significant contributor to the local economy. For example, under the new provisions, the Tribe is exempt from certain burdensome and counterproductive state based revenue-sharing contributions, allowing the Tribe to reinvest their resources to provide programs to tribal members and local non-native residents, as was expressly recognized during the ratification process the Governor's office as well as members of the California State Legislature.

In addition to removal of certain revenue sharing requirements, the 2017 Compact provides credits counted against required payments to the State if the Tribe invests in certain local programs. For example, the Tribe received credits for non-gaming related capital investments and economic development on or off tribal trust lands, including lands which border the State and also for payments to support operating expenses and capital improvements for non-tribal governmental agencies or facilities operating within Imperial County. Thus, rather than having gaming revenue go to the State, the Tribe, which is in a much better position to understand the unique needs of Imperial County and the surrounding areas, can make a determination as to how to invest gaming revenue into specific County programs and economic development projects around its reservation.

What is particularly striking about the 2017 Compact is that the State seems to recognize, particularly with rural tribes, that boundaries separating local, state and tribal jurisdictions become less relevant as residents travel long distances, often traversing state boundaries, in search of economic and social opportunities—those being scarcer in agricultural communities. The new compact recognizes that the Tribe’s economic investments in say, Yuma, Arizona, could have a beneficial impact on those residents of Imperial County. For example, the City of Yuma offers, among other activities, the Yuma Art Center and Historic Yuma Theater, as well as shops, restaurants, wineries and breweries located in Historic Downtown Yuma; all are potentially investment opportunities that the Tribe wishes to pursue, and is now incentivized to pursue, under the more favorable provisions of the 2017 Compact. The Tribe’s economic investments in Yuma will benefit the residents of Imperial County because they, having limited options, regularly avail themselves of the opportunities and benefits Yuma has to offer.

In Arizona, the Tribe owns and operates the Paradise Casino, located in Yuma County, Arizona. The Tribe negotiated its Tribal-State Compact with Arizona in 2002 (“2002 Compact”). The 2002 Compact authorized the operation of 566 gaming devices. Paradise Casino currently offers Class III gaming with 480 slot machines, restaurant, bars and an event center which is also used as an emergency shelter in those instances.

The Tribe is currently in the process of negotiating a new compact with State of Arizona, and is hopeful that Arizona will also continue to recognize and appreciate the beneficial impact gaming revenues have on local rural communities.

**STRENGTHENING BONDS: BUILDING STRONGER PARTNERSHIPS WITH LOCAL GOVERNMENTS
AND IMPROVING OUR LOCAL COMMUNITIES**

Gaming is a critically important component of the Tribe’s economy. Indeed, gaming has directly or indirectly improved the Tribe’s well-being by nearly every measurable standard,

thereby furthering the longstanding federal interest in promoting tribal self-determination and economic self-sufficiency. More broadly, gaming has also improved the well-being of the surrounding area—on- and off-reservation—through job creation and local investment, as well as through providing the Tribe with resources to collaborate with local, state and federal agencies to improve the safety and security of the entire community.

Our gaming enterprises have provided significant employment opportunities for both Tribal members and local community members, making our Tribe a significant contributor to the local economy. The Quechan Casino employs over 500 individuals from Imperial County, California, which has a relatively high 24% unemployment rate. It attracts employees from as far as Las Vegas, Nevada and San Diego, California. Meanwhile, the Paradise Casino in Yuma, Arizona employs over 150 people from Yuma County, which has an unemployment rate of 16%. As the Senator sponsoring the Tribe’s California Compact stated, “any job is gold,” and the Quechan Tribe is creating work where there was none before.

Gaming has been instrumental in allowing the Tribe to implement community and social services programs for Tribal and community members. Educational programs, for instance, have benefited significantly from gaming revenues, as the Tribe is able to use those revenues to fund scholarships and grants for post-secondary education and vocational programs. The Tribe has also supplemented tribal funding to a program called the Alcohol Drug Abuse Prevention Program (“ADAPP”), which provides services such as individual treatment plans, clinical assessments, individual sessions, youth group outreach, assistance with special court appearances and transportation.

The Tribe has also implemented programs designed to assist with elder care. The Tribe operates a Senior Center that offers meals and recreational activities to elderly members of the

Tribe, other Native Americans in the community, and non-tribal members. The recreational activities that are offered include: Quechan language lessons, sewing, food demonstrations, movies, dancing, exercise classes, local field trips and monthly birthday celebrations. The Tribe also has an Elder Family Services Program, which offers a network of resources for frail elderly and handicapped clients. The program provides support services for the elderly and their families through resource referrals, advocacy, client transportation, case management and family counseling. The program works collaboratively with federal, state, county and city offices and includes a network of the following: Senior Nutrition; Social Services; Indian Health Services; One Stop for Imperial County; Cash Aid Assistance & Food Stamp Program; Social Security; Arizona Native Health Program; and Imperial County Social Services.

Our Tribe is especially proud that we have taken initiative to build the Fort Yuma Health Care Center – which will be operated jointly with the Cocopah Indian Tribe and is scheduled to open in March 2017. The facility will be approximately 76,000 square feet with 22 primary care exam rooms. It will offer clinical, dental and optical health services to both tribal and non-tribal members. It also has the capacity to employ over 176 individuals, although increased federal funding will be necessary to fully staff the facility.

Aside from these economic benefits, the Tribe has also been able to utilize gaming as a springboard to establish strong intergovernmental relationships to ensure the safety and well-being of the broader community. At the local level, in California, the Tribe has a strong relationship with Imperial County's law enforcement and fire prevention agencies, and the strength of that relationship is attributable to the parties' commitment to improving the safety and protection of the local community through frequent communication and financial assistance provided by the Tribe. Pursuant to certain Memoranda of Understanding ("MOUs"), the Tribe

pays approximately \$400,000 annually to the Imperial County Fire Department and \$214,100 annually to the Imperial County Sheriff Department. Gaming is a critically important contributing factor to the success of this intergovernmental relationship, as the Tribe's ability to meet its financial obligations under these MOUs is dependent upon the success of its gaming enterprises. Again, the California Compact recognizes this symbiotic relationship by allowing the Tribe to credit its financial assistance against monies otherwise due to the State.

At the federal level, the Tribe uses its unique location as an opportunity to strengthen relations and opportunities with federal government agencies. Our Tribe is one of only two tribes that has a port of entry—the Andrade Port of Entry—on our reservation. Our Tribal Fish and Game and Tribal Police Department works collaboratively with the United States Border Patrol on issues of border protection and homeland security. Public safety is the Tribe's highest priority whereas our Tribal Federal Officers work closely with Border Patrol and the revenue derived from our casinos may allow us to do more to further this compelling security interest in the future.

CONCLUSION

In sum, tribal gaming revenue, when left in the tribal and surrounding communities, creates far more opportunities to those communities than it would through State-managed revenue programs. Rural tribes are uniquely poised to understand the needs of their communities and are thus in the best position to determine how to appropriately invest gaming revenues to address those specific needs. In looking ahead over the next 30 years, our Tribe is hopeful that more States recognize the advantages from, and opportunities created through, the use of gaming revenue by rural tribes—not only for tribal members, but also for those local rural communities.

We thank the Committee for its consideration of these issues important to the Quechan Tribe and to all of Indian Country. I would be happy to answer any of the Committee's questions.