



Prairie Band Potawatomi Nation
Government Center

Statement of

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Before the

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United States Senate**

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Good Morning Chairman and members of the Committee. My name is Zachariah Pahmahmie and I have the pleasure of serving as the Chairman of the Prairie Band Potawatomi Nation. Thank you for the opportunity to speak to you today about an issue of tremendous importance in Indian Country – the use and sharing of gaming revenues. In my time allotted, I hope to share a brief glimpse into the many ways we have used gaming revenues to strengthen the economic and social health of our Nation. I will also discuss how our Nation – in the absence of a formal revenue sharing agreement – has shared the benefits of our gaming revenues with the State of Kansas, surrounding cities and counties, and local organizations.

BACKGROUND

Our reservation is located 20 miles north of Topeka, Kansas, and 80 miles northwest of Kansas City, Missouri. Our 4,500-member Nation is governed by a General Council – consisting of all eligible voters over the age of 18. Our General Council elects a seven member elected Tribal Council to oversee the daily governing and administration of our Nation. The General Council also elects a five-member gaming commission responsible for regulating all gaming activities under Title 12 of our Law and Order Code.

In 1993, our Nation, along with the three other Kansas federally-recognized Indian nations, presented the State of Kansas with a proposed compact. During the 1995 legislative session, the Legislature approved a compact between the State and the Potawatomi Nation.

On October 25, 1996, we opened a temporary casino on our reservation, south of Mayetta, Kansas. Then, in January 13, 1998, in partnership with Harrah's Kansas Casino Corporation, we opened our current Harrah's Prairie Band Casino. The casino is located in the southeastern quadrant of the reservation at the junction of Highway 75 and Road 150, approximately 15 miles north of Topeka, Kansas.

WHAT GAMING HAS MEANT TO THE PRAIRIE BAND POTAWATOMI NATION

The impact of the casino on our Nation cannot be overstated – it has given us the very means with which to exercise our sovereign rights of self-government. Our General Council has mandated that 43 percent of all gaming revenues be applied toward the economic development of our Nation. Toward this end, we have used our gaming revenues to strengthen three core ingredients of a strong economy – a sound physical infrastructure, stable political institutions, and a healthy, educated workforce.

Physical Infrastructure

Prior to gaming, our Nation owned only 18 percent of the land within our reservation boundaries. With land purchases financed by gaming revenues, we now own 60 percent of our reservation land. This has translated into greater sovereign control over the development and management of our resources, new housing, increased opportunities for economic development, and the satisfaction that comes with providing a lasting gift to future generations of Potawatomi.

Our physical infrastructure improvements include upgrading our bridges, roads, building our first police and fire stations, and developing a new waste water treatment plant.

Pavement of nine miles of Road 158 marked the first paved road on the reservation. In 2001, the Nation completed \$2 million worth of improvements to seven miles of roads. This work was part of our five-year Road Improvement Plan, a project that will blacktop, or chip and seal, a total of 35 miles of key roadways. Over the past six years, we have used gaming revenues to finance and build seven bridges to replace deficient and unsafe structures that did not meet BIA guidelines. Projects like these promote tourism, create jobs and enrich our business environment and quality of life. With these and other infrastructure improvements now in place, we are planning future economic activities that are not dependent on gaming.

We have also placed a priority on strengthening our stock of affordable housing. For years, our elders have lived in substandard conditions while our youth were forced to leave the reservation entirely. Gaming revenues and the leveraging of these monies have allowed us to construct apartment buildings and homes for our members and special housing for our elders. We have added 41 new housing units on the reservation for leasing to our members. In the next few months, we will provide 40 new units on a lease or lease-to-own basis. We have also replaced eight substandard homes for senior citizens with brand new manufactured homes. Beyond fulfilling a basic human need, this new housing provides a reason for young members to return to the reservation to live, work and raise their families. We are also able to assist our members who choose to live off the reservation by helping with down payments for home purchases and costs of renovations.

Stable Political Institutions

The leadership of the Prairie Band of Potawatomi recognizes that successful economic development depends on strong and stable government institutions. To this end, we have earmarked gaming revenues to strengthen the powers and jurisdiction of our tribal courts. We have supplemented our court budgets with gaming revenues to ensure that our courts function at their most effective level. Soon, our court system will conduct its first jury trial.

Education and Social Services

The benefits of our gaming revenues are reaching individual tribal members. Prior to gaming, there was financial aid to assist only 30 to 40 graduating students seeking college education. Today, thanks to gaming revenues, our Nation is able to assist 140 of its students in their pursuit of college and graduate degrees. By facilitating the education of our youth, gaming has strengthened the foundation for our Nation's future growth and development.

Finally, we have used gaming revenues to deepen our provision of social services. For example, our Early Childhood Education Center offers an array of comprehensive services, including child care, Head Start and early intervention programs. Unfortunately, space constraints prior to gaming limited us to serving only 20 children. Today, thanks to a gaming-financed Center expansion, we now serve 102 children. Gaming revenues also financed the construction of a new, state-of-the-art Elder Center. The Elder Center serves 60 to 70 meals five days a week and provides weekly transportation for seniors to do their grocery shopping. On a day-to-day level, gaming revenues promote continued quality programming, staff retention, and necessary equipment upgrading. These improvements have transformed in a fundamental way the morale of many of our members, both young and old alike, and have solidified our community.

We have even launched a language preservation program. The importance of this program is impossible to measure. Our language is interrelated with our culture and religion. Our gaming revenues help perpetuate the existence of the Prairie Band Potawatomi people by helping us continue the learning and use of our language and, hence, the practice of our culture and religion.

As I said earlier, the impact of gaming on our Nation extends beyond the bottom line. After years of scrambling to create jobs for our members or write grants to the federal government, gaming revenues have provided us with a stable base upon which to chart and plan our own future. The success of the casino has expanded our vision of what is possible

and given our citizens – especially our youth – the confidence to turn these visions into reality.

HOW THE PRAIRIE BAND POTAWATOMI NATION HAS CONTRIBUTED TO THE STATE OF KANSAS AND SURROUNDING COUNTIES

Background on Compact Process

I would like to talk for a moment about the impact of our Nation's gaming enterprise on the State of Kansas and surrounding local governments. As this committee is aware, our Nation does not have a formal revenue sharing provision as part of its compact with the State of Kansas. In light of much-publicized revenue sharing negotiations in other parts of the country and the hearing here today, some members of this Committee may be interested to learn why our compact with the State of Kansas does not include a revenue sharing provision. Although I was not involved in the actual compact negotiations, my understanding is that the State would not agree to provide the four federally-recognized Kansas tribes with exclusivity in return for revenue sharing.

I believe that revenue sharing was not a "make or break" issue because the State recognized that it would enjoy significant benefits from the increased economic activity of our Nation's gaming enterprise. Indeed, the Policy and Purpose section of our compact affirms that "the State's interests in Class III gaming include ... its economic interest in raising revenue for its citizens. The economic benefits from tribal gaming include increased tourism and related economic development activities which would generally benefit all of northeastern Kansas and help foster mutual understanding and respect among Indians and non-Indians."

Job Creation

In the eight years since the signing of our compact, this prediction has proven to be true in practice. The State of Kansas as well as surrounding cities and counties have benefited in

significant fashion from the casino's growth. Our casino has 916 employees, which makes the casino the largest employer in Jackson County. The overwhelming majority of the casino's employees – 91 percent -- are non-tribal members. To put this in perspective, if an outside company were to come to the area with only 100 jobs, it would immediately become the second or third-largest employer in the county.¹ Our current \$55 million hotel and event center expansion at our casino will add approximately an additional 150 new jobs. We have selected a Kansas owned and operated construction company, Manning Prosser Wilber, as the general contractor for the expansion. Because of our progress, job creation has occurred throughout our Nation in areas other than the gaming facility, such as with our roads and fire departments, child care and elder care programs, accounting and administrative offices, some of which are held by non-tribal members. Further, we believe our progress has spurred job creation off the reservation in Jackson County and neighboring areas.

Economic Contributions

Importantly, our contributions to the local and state economies extend far beyond the hundreds of jobs we have created. From 1998, when we first opened our temporary casino, through 2002, our casino has:

- Purchased approximately \$29 million worth of products from over 500 Kansas vendors and suppliers
- Paid over \$8.9 million to the State of Kansas in income taxes withheld from the payroll of casino employees
- Paid \$600,000 to the State of Kansas in unemployment taxes withheld from the payroll of casino employees (1999-2002 only)
- Paid over \$156,000 in state liquor taxes
- Paid over \$856,000 to the Kansas State Gaming Agency.²

¹ From Jonathan Wimer, Executive Director of the Jackson County Development Corporation.

² Figures from the Casino Finance Department.

At the same time, our casino has attracted more than six million visitors since its opening, and has been the No. 1 tourist destination in the State of Kansas for the last four years.³ Casino visitors – along with the hundreds of casino employees living in Jackson and Shawnee counties – stay at local hotels, frequent local restaurants, and purchase items from local businesses. Our facility has attracted out of state tourists and vacationers who contribute to the local economy. This increased local activity has propelled Jackson County from the bottom half of Kansas' 105 counties when measured for economic performance to one of its top ten. Further, the gaming facility has helped revitalize the towns along the Route 75 corridor, which runs from Kansas to Iowa. Where there once was economic decline, there is now growth.

To be sure, the State of Kansas has benefited from the additional and significant sales tax revenues generated by this increased economic activity. At a time when the State of Kansas, like many states, has been experiencing economic contraction and budgetary crises, the Prairie Band Potawatomi Nation continues to provide a strong economic stimulus. *Again, our Nation is generating and sharing millions of dollars in increased economic activity in the absence of a formal revenue sharing agreement with the State of Kansas.*

Charitable Contributions

Although they are not here with us today, I would venture to say that surrounding counties would testify that the Prairie Band Potawatomi has been a good neighbor. In recent years, our Nation has contributed hundreds of thousands of dollars to local organizations, including \$100,000 to the September 11th relief, \$200,000 to the Royal Valley High School (which serves tribal and non-tribal youth), \$100,000 to Let's Help Topeka, \$50,000 to the Battered Women's Task Force, \$50,000 to Hoisington, Kansas tornado relief efforts, and \$50,000 to the Topeka School system. We have also made contributions to dozens of local charities, including the American Cancer Society, Topeka Habitat for Humanity, and Crime Stoppers of Topeka.

³ From Kansas Department of Housing and Commerce.

Finally, I would like to emphasize that the Prairie Band of Potawatomi Nation enjoys a very good relationship with both the State of Kansas and Jackson and Shawnee Counties. We meet regularly with both the county tourism council and the Jackson County Commission to discuss issues of mutual concern. In many ways, gaming has opened invaluable lines of communication between our nation and surrounding governments. We believe that this type of dialogue will continue to produce mutually beneficial solutions to common concerns.

CONCLUSION

Even though no formal revenue sharing agreement exists between our Nation and the State of Kansas, both sides have benefited from the substantial increase in jobs, business activity and tax revenues produced by our gaming enterprise. We are proud of our progress. We believe the Nation to be a good neighbor and solid partner, and are confident that our strong relationship with the State of Kansas and surrounding city and county governments will continue long into the future.

Thank you.