



GILA RIVER INDIAN COMMUNITY

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**TESTIMONY OF
GOVERNOR MARY V. THOMAS
GILA RIVER INDIAN COMMUNITY
BEFORE THE
NATIONAL GAMBLING IMPACT STUDY COMMISSION
Tempe, Arizona
July 30, 1998**

Good Morning, Mr. Chairman and members of the Commission. I am pleased to provide this written testimony regarding the economic impacts of Indian gaming on the Gila River Indian Community (the "Community") and surrounding communities.

The Community is comprised of both the Akimel O'Otham and Pee-Posh nations. Our reservation was created by Executive Order in 1859 and covers 372,000 acres in south central Arizona. Approximately 13,000 of a total of 19,000 members live within the exterior boundaries of the Gila River Indian Community. Our Community is experiencing a period of dramatic change. Since the advent of Indian gaming in Arizona, our unemployment rate has dropped from 40 percent in 1990 to 10 percent in 1998. Over the last five years our reservation population has grown by nearly 44%, due in part to the increased economic and employment opportunities on the reservation for our members. Not only is our reservation population growing, but it also getting younger. Of those members who reside on the reservation, over 51% are under the age of 21. This means that the demand for services, especially for our children, is increasing.

BOYS AND GIRLS CLUBS

Our Community has long-recognized the importance of providing "alternatives" to our children in order to reduce the likelihood that they will turn to gangs or other anti-social behavior. The Community has placed the highest priority on ensuring the emotional, spiritual, intellectual, and social well-being of its children. In order to develop programs to provide for the emotional, intellectual and spiritual growth for our children, the Community reached out to a long-respected organization to assist in developing such a program at Gila River, the Boys and Girls Clubs of America.

On July 5, 1996, the Community opened the first Boys and Girls Club located on an Indian reservation in the State of Arizona. This facility was located in the Gila Crossing

Community on the West End of the reservation. On September 15, 1997, the Community opened a second Boys and Girls Club in order to serve our young people living on the East End of our reservation. The Community utilized its gaming revenues to cover the \$1.7 million in construction costs for the Boys and Girls Clubs. Clearly, this would not be possible without the economic prosperity that has come with Indian gaming.

The Boys and Girls Club offers a diversified program that meets the individual and collective needs of girls and boys ages 6 through 20 years old. The Boys and Girls Clubs within our Community have developed a program that provides services to Indian youth in six (6) core areas. They are: (1) personal and educational development, (2) health and physical education, (3) citizenship and leadership development, (4) cultural development, (5) outdoor and environmental education, and (6) social recreation. In addition to the Boys and Girls Clubs at Gila River, the Community has targeted other forms of social and recreational activities for our youth.

With some of the gaming revenues, District governments within our Community are building new ballfields, playgrounds and swimming pools to encourage youth participation in sports and recreation. Across our reservation we are seeing rusted backstops and dirt fields being replaced with new grass infields, fences, and lights and when we see our children out in these ballfields in new uniforms and caps, we see a better tomorrow.

EMPLOYMENT AND HOUSING

In our own tribal government, we have seen important growth and change. Since 1993, the number of employees in our tribal government has increased from 599 employees to 1,100 employees. The unemployment rate on our reservation now stands at 10 percent compared to four times that rate only five years ago. Our casino employs approximately 1500 employees, of whom 740 are tribal members. Nearly 66% of our casino employees reside on the reservation. Recently, the Community has seen increasing numbers of tribal members *relocating to* the reservation for the improved economic opportunities available to our members. We can now offer our members some of the same amenities and governmental services that are enjoyed in communities across the nation. We no longer have to rely on the Bureau of Indian Affairs (the "BIA") to fund all of our tribal programs, nor do we have to tell our members that we cannot provide assistance because the Congress has failed to appropriate adequate funding. Our gaming revenues have provided the resources to begin the long and difficult process of climbing out of the pit of Federal dependency.

Community members now have the ability to seek employment within the reservation instead of having to make the painful decision to leave the reservation and move to Phoenix or Tucson in order to provide for their families. In fact many Community members are moving back to the reservation and coming back to work for the Community. The Community is currently funding the construction of over 150 new homes for our members. Without our gaming revenues, it would be many, many years before the Department of Housing and Urban

Development (the "HUD") or the BIA could fund the construction of that many homes on our reservation. In addition, we have been able to provide funding to our District governments to finance infrastructure development such as road construction and maintenance, water systems, sewers, street lights, and electrical hook-ups. These basic necessities, taken for granted in so many communities across the nation, are just beginning to be available to the members of our Community.

HEALTH CARE

The Community is in the process of dramatically improving the health care delivery systems throughout the reservation. For many, many years our Community members have suffered with the inadequate health care provided by the Indian Health Services (the "IHS"). Our members have suffered with each Federal budget cut or IHS layoff. For years health care services for American Indians were measured in terms of available Federal dollars and access to treatment was dependent upon whether your condition was life threatening. We are now in a position, due to recent prosperity, to provide the level of health care services to our families that were only available from off reservation hospitals. Family members no longer have to drive 30 to 40 miles to visit their physician or be treated at a clinic. Our Community, through the Gila River Health Care Corporation, has made great strides in changing the health care delivery system on our reservation by increasing the access to health care for our members, increasing health promotion and education activities, and focusing efforts on disease prevention. These increased efforts are due, in part, to the influx of gaming revenues to supplement IHS funding that has been made available to the Community.

After establishing the Gila River Health Care Corporation to operate HuHuKam Memorial Hospital and deliver health care to our members, the Community is now funding the construction of a new clinic to serve the residents of the West End of the reservation. The Komatke Health Clinic will serve over 4,000 Community members residing in Districts 6 and 7 of the Community. This new clinic will improve access to health care to the residents of the West End, especially tribal elders for whom the 30 to 40 mile commute for health care is an extreme hardship.

In addition, the Community is funding expansions of the HuHuKam Memorial Hospital to increase our dental facilities, to expand our outpatient facilities and emergency room, and to add to an urgent care component. In addition to the physical expansions to the hospital, we are utilizing gaming revenues to create a School Nurse Program, establish a Dental Aid Training Program, hire an Addiction Specialist Physician and a Patient Educator, provide funding for increased orthodontics and optometry services to our members. These improvements are part of a \$2.3 million investment the Community is making in improving the quality of health care provided to our members. This investment is one which cannot afford not to make and it is one which will pay dividends for years to come.

In addition to the work of the Gila River Health Care Corporation and HuHuKam Memorial Hospital, the Community has dedicated some of its revenues to the creation of a Gila River "Wellness Center" to promote healthy lifestyles and physical activities and exercise. The Community renovated an old school gymnasium, which was first built in 1964, to create the "Gila River Wellness Center", to address the health needs of its members and its employees. The "Wellness Center" provides a comprehensive set of programs including health promotion, prevention, and wellness activities for Community members and employees. Some of the programs include presentations by health care professionals regarding disease prevention and health promotion. The Center offers physical therapy and exercise prescriptions for current medical problems. In addition, the Center offers presentations and instruction in Pima and Maricopa culture, language, and traditions including dance and music. These sessions are taught by Pima and Maricopa elders and leaders. Our Community recognizes that particular emphasis must be placed on cultural and spiritual "wellness" as part of an overall plan for physical and mental well-being.

Finally, much of the Community's focus has been on the treatment and prevention of diabetes. For many years, the Gila River Indian Community has suffered the highest incidence of adult onset diabetes in the world. And for as long as there has been scientists to study diabetes, our Community has been a principal focus of scientific study and research. Rather than continue to be the objects of study and discussion, our Community is dedicating much of our efforts in the health field to the treatment of diabetes, to help ease the suffering of our members who are diabetic, and to educate our members in the prevention of diabetes through diet and exercise.

ECONOMIC BENEFITS TO SURROUNDING COMMUNITIES

Although our Community has reaped tremendous economic benefits for our members through the judicious use of gaming revenues to support our government, these benefits are not bound to our reservation. As our tribal economy becomes more robust, the economy of the State and all of our neighbors will experience an infusion of new wealth. Over \$41 million in salaries are paid to employees of the Community, many of whom live in the surrounding communities. Currently, there are no grocery stores or retail department stores located within the reservation. Each of these families does the major portion of their shopping for household appliances, automobiles, groceries, furniture, and clothing in stores outside of our reservation. In addition to contributing to the economies of our neighbors through purchases of goods off-reservation, each of these purchases are subject to local and state sales tax. Employees of our casino also contribute nearly \$300,000 in state income tax. So we are also contributing tax dollars in many different ways which support both State and local governments.

In addition to individual purchases, our tribal businesses contract for goods and services from many businesses located off-reservation. For example, over the last year our casino made

purchases in excess of \$10.5 million from vendors located in the City of Phoenix. Vendors in the City of Tempe received over \$1.5 million in sales from our casino and vendors in the City of Chandler received nearly \$1.9 million in sales from our casino. In fact, over the last year our casino purchased in excess of \$16.6 million in goods and services from vendors within the State of Arizona. In addition to the purchase of goods and services from outside the reservation, the actual construction costs for our two casinos and the associated infrastructure amounts to over \$70.6 million. All of these construction costs were paid to general contractors doing business in the greater Phoenix metropolitan area. These dollars paid salaries, building materials and supplies, and associated taxes for employees and vendors to these general contractors, architects, and subcontractors.

Because of the recent prosperity of the Community, we are now able to finance and construct many capital improvements that have long-languished on the Bureau of Indian Affairs and Indian Health Service priority lists. For example, the Community is in the process of constructing an \$18.2 million criminal justice facility, a \$15 million tribal governance center, a \$12.6 million juvenile detention facility, and a \$4.7 million tribal court facility. The Community has appropriated an additional \$9.9 million to fund the construction of three (3) child care centers, two (2) fire stations, a public health nursing facility, and renovations for three Community schools. This amounts to over \$60 million in construction projects currently underway within our Community. In each instance, the contractors on these projects is a construction firm in the greater Phoenix Area. In fact, most of the 150 homes under construction within our Community are being constructed by contractors located outside our reservation.

Needless to say if not for our gaming revenues, not only would these projects not be built, but hundreds of thousands of dollars in salaries and wages to construction workers, in building materials and supplies, and in profit would not make it into the State and local economies. A rough estimate of the magnitude of the Community's contribution to the surrounding economies is over \$149.2 million.

In conclusion, the advent of gaming on the Gila River Indian Community has resulted in a shared prosperity between the Community and our neighbors. Like the baskets designed by our ancestors, the strength of each basket is only as strong as the weave of each coil, our future prosperity is inextricably woven with the prosperity of our neighbors.