

Approved: 5-4-98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 10:10 a.m. on April 23, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Carl Holmes

Committee staff present: Alan Conroy, Stuart Little, Shannon Nichols, Rae Anne Davis, Julian Efir, April Holman, Reed Holwegner, Susan Kannarr, Russell Mills, Carolyn Rampey, Leah Robinson, Legislative Research Department;
Jim Wilson, Revisor of Statutes Office;
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee: Representative Becky Hutchins

Others attending: See attached list

Chair Kline noted several handouts had been distributed to the Committee concerning Omnibus related issues.

Stuart Little, Legislative Research Department, summarized the purpose of the handouts. He noted the Subcommittee List By Agency and Analyst (Attachment 1) included room assignments for the Subcommittees during breakout sessions.

Chair Kline recognized Representative Becky Hutchins to make a presentation addressing the impact of the Indian gaming laws in the two counties in her district, Jackson and Shawnee (Attachment 2). She noted several problems created within her district which she believes may not be resolved without litigation and the financial dilemmas the counties face in handling those problems. A discussion followed.

A recess was called at 10:30 a.m. until Alan Conroy, Legislative Research Department, was able to be present.

The meeting reconvened at 11:10 a.m.

Alan Conroy was present to explain two charts giving a summary of the State budget as of the first adjournment (Attachment 3).

Chair Kline noted the absence of Representative Holmes, expressing regret at the death of Representative Holmes' mother.

Chair Kline announced the Committee would break off into Subcommittees until 4:00 p.m. Locations of the Subcommittee meetings were read aloud for the benefit of the interested public. The meeting recessed at 11:30 a.m.

Chair Kline reconvened the meeting at 4:00 p.m. with a request for the status from each Subcommittee Chair on the progress of the Subcommittee. Chair Kline announced the Subcommittees would have until 9:00 a.m. the following day to complete any remaining Subcommittee work before the Appropriations Committee would meet together on the Omnibus Bill.

The meeting was adjourned at 4:15 p.m. The next meeting is scheduled for 9:00 on April 24, 1998.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4/23/98

NAME	REPRESENTING
Bill Henry	Ks Area Agencies on Aging
Jan Johnson	KDOC
Cammer	Aging
Denise Demonds	RDOA
Bill Watts	KDOT
John Carty	DOB
Kelley	DOB
Walter	Tas. Dept.
Harriet Ann Brown	KS Trout Consulting
Jean Kral	KCP
Clayton Porter	RCIL
Ray Hank	Staff, K Board of Regs
Sherry Brown	Commerce & Housing
John Spurgeon	KDWP
Pat Higgins	Dept. of Admin.
Keith Hayton	S.E.A.K
Marsha Pappas	KBI
Terry Knowles	KBI
Dodie Weckhead Johnson	KCS

11

**Subcommittee List By Agency and Analyst
(in order of appearance in the Omnibus Memo)**

Pottorff (Room 514-S)

Attorney General - Carolyn
KPERS - Julian
Mental Health Systemwide - Shannon
Mental Retardation Systemwide - Shannon
Dept. of Human Resources - Rae Anne
Dept. of Administration - Paul
SRS - MH&DD - Susan

Mollenkamp (Room 521-S)

Board of Indigents Defense Services - Carolyn
Judicial Branch - Carolyn
Dept. of Transportation - Julian
KTEC - Mark
Dept. of Commerce and Housing - Mark
Dept. of Revenue - Paul

**Farmer (Room 522-S, East Lounge on
Tuesday April 28)**

Dept. of Education - Carolyn
Dental Board - April
Kansas Arts Commission - Russell
Board of Regents - Russell
Fort Hays State University - Russell
Emporia State University - Russell
Regents Systemwide - Leah
Kansas University - Leah
Wichita State University - Leah
KSU-ESARP - Leah
State Historical Society - Leah
University of Kansas Medical Center - Paul
Legislative Post Audit - Alan
Legislative Research Dept. - Alan
Legislature - Alan
Legislative Coordinating Council - Alan

Holmes (Room 527-S)

Kansas Corporation Commission - Carolyn
Kansas State Fair - Reed
Dept. of Agriculture - Reed
Water Office - Reed
Conservation Commission - Reed
Board of Healing Arts - April
Dept. of Wildlife and Parks - Russell

Kejr (West Lounge)

Dept. of Corrections - Stuart
Larned Correctional MH Facility - Stuart
El Dorado Correctional Facility - Stuart
Ombudsman of Corrections - Stuart
Board of Cosmetology - Shannon
Board of Barbering - Shannon
Juvenile Justice Authority - April
Sentencing Commission - Russell
Highway Patrol - Russell
Adjutant General - Russell
KBI - Paul

**Neufeld (Room 531-N, 526-S on
Tuesday April 28)**

Dept. of Health and Environment - Mark
Kansas Guardianship - Shannon
Behavioral Sciences Reg. Bd. - Rae Anne
Human Rights Commission - Rae Anne
Homestead Prop. Tax Refunds - Rae Anne
Comm. on Veterans Affairs - Rae Anne
Dept. of SRS - Susan
Dept. on Aging - Susan

*Appropriations
4-23-98
Attachment 1*

Analysis - Omnibus List By Agency and Subcommittee

Carolyn Rampey (pp. 1-12)

Dept. of Education - Farmer
Kansas Corporation Commission - Holmes
Attorney General - Pottorff
Bd. of Indigents Defense Svcs. - Mollenkamp
Judicial Branch - Mollenkamp

Stuart Little (pp. 12-14)

Dept. of Corrections - Kejr
Larned Correctional M.H. Facility - Kejr
El Dorado Correctional Facility - Kejr
Ombudsman of Corrections - Kejr

Julian Efird (pp. 14-16)

KPERS - Pottorff
Dept. of Transportation - Mollenkamp

Mark Burenheide (pp. 16-19)

Dept. of Health and Environment - Neufeld
KTEC - Mollenkamp
Dept. of Commerce and Housing - Mollenkamp

Shannon Nichols (pp. 19-23)

Board of Cosmetology - Kejr
Board of Barbering - Kejr
Kansas Guardianship - Neufeld
Mental Health Systemwide - Pottorff
Mental Retardation Systemwide - Pottorff

Reed Holwegner (pp. 23-25)

Kansas State Fair - Holmes
Dept. Of Agriculture - Holmes
Water Office - Holmes
Conservation Commission - Holmes

April Holman (pp. 26-27)

Juvenile Justice Authority - Kejr
Dental Board - Farmer
Board of Healing Arts - Holmes

Rae Anne Davis (pp. 28-31)

Behavioral Sciences Reg. Board - Neufeld
Human Rights Commission - Neufeld
Homestead Property Tax Refunds - Neufeld
Commission on Veterans Affairs - Neufeld
Dept. of Human Resources - Pottorff

Russell Mills (pp. 31-36)

Sentencing Commission - Kejr
Highway Patrol - Kejr
Adjutant General - Kejr
Dept. of Wildlife and Parks - Holmes
Kansas Arts Commission - Farmer
Board of Regents - Farmer
Fort Hays State University - Farmer
Emporia State University - Farmer

Leah Robinson (pp. 36-41)

Regents Systemwide - Farmer
Kansas University - Farmer
Wichita State University - Farmer
KSU-ESARP - Farmer
State Historical Society - Farmer

Paul West (pp. 41-44)

University of Kansas Med. Center - Farmer
Dept. of Administration - Pottorff
KBI - Kejr
Dept. of Revenue - Mollenkamp

Susan Kannarr (pp. 44-57)

Dept. of SRS - Neufeld
SRS - MH&DD - Pottorff
Dept. on Aging - Neufeld

Alan Conroy (pp. 57-59)

Legislative Post-Audit - Farmer
Legislative Research Dept. - Farmer
Legislature - Farmer
Legislative Coordinating Council - Farmer

STATE OF KANSAS

BECKY HUTCHINS
REPRESENTATIVE, FIFTIETH DISTRICT
JACKSON AND SHAWNEE COUNTIES
700 WYOMING
HOLTON, KANSAS 66436
(913) 364-2612

ROOM 427-S
STATE CAPITOL
TOPEKA, KANSAS 66612-1504
(913) 296-7698



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: AGRICULTURE
ENVIRONMENT
HEALTH AND HUMAN SERVICES
JOINT COMMITTEE ON HEALTH CARE
REFORM LEGISLATIVE OVERSIGHT

*Appropriations
4-23-98
Attachment 2*

(8) Other applicable local building codes and standards.

(B) **Emergency Service Accessibility.** The Tribal Gaming Commission shall make provisions for adequate emergency accessibility and service.

(C) **Alcoholic and Cereal Malt Beverages.** No alcoholic or cereal malt beverages shall be served or consumed on any gaming floor, nor anywhere within the gaming facility between the hours of 2:00 a.m. and 9:00 a.m. Sale, possession and consumption of alcoholic and cereal malt beverages in the gaming facility shall be regulated pursuant to state law as provided in 18 U.S.C. 1161.

(D) **Unemployment Compensation; Workers Compensation.** All key employees, standard gaming employees and non-gaming employees shall be covered by Unemployment Compensation and Workers Compensation benefits equivalent to that provided by state law.

(E) **Consultation With Local Authorities.** The Tribe shall consult with appropriate state and county officials concerning maintenance and safety of roads, bridges and other infrastructure made necessary by implementation of this Compact.

Section 27: Contribution to Local Government.

Upon mutual consultation and agreement between the Tribe and the state and local governments, the Tribe agrees that certain related costs of the operation of the Class III gaming facility may be paid for from the operating revenues of the tribal facility. Such costs shall be limited to the cost of increased police patrol and necessary road improvements, if any.

Section 28: Use of Net Revenues.

Net revenues from each Class III gaming activity or operation pursuant to this Compact

Shirley K. Sicilian, Director
Office of Policy & Research
Kansas Department of Revenue
915 SW Harrison St.
Topeka, KS 66612-1588



(913) 296-3081
FAX (913) 296-7928

Office of Policy & Research

April 14, 1998

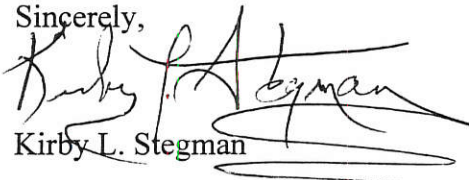
Representative Becky Hutchins
700 Wyoming
Holton, Kansas 66436

Representative Hutchins:

Enclosed is a table listing the Liquor Enforcement and Liquor Excise sales and distributions for Brown and Jackson counties. The sales portion of the spreadsheet represents the taxable sales for the liquor enforcement tax of 8% and the liquor excise tax of 10%. The enforcement tax is collected on the sale of packaged liquor purchased at liquor stores and also on package sales made to clubs. The excise tax is collected based on the sale price of a drink served at clubs. Both taxes are imposed in lieu of retail sales taxes. Please note that only a percentage of the liquor excise tax is distributed to local units of government. All liquor enforcement tax collections are deposited to the state general fund. The various methods for distributing the liquor excise tax are listed on the second enclosure.

If you have any further questions, please call me at 785-296-3081.

Sincerely,


Kirby L. Stegman

LIQUOR EXCISE

For clubs located within city limits

City more than 6,000

25% - SGF
5% - SRS
70% - City
1/3 to General Fund
1/3 to Special Parks and Rec Fund
1/3 to Special Alcohol and Drug Programs

City less than 6,000

25% - SGF
5% - SRS
23 1/3% County-Special Alcohol
and Drug Programs
46 2/3% City
1/2 to General Fund
1/2 to Special Parks and Rec Fund

For clubs located outside city limits

25% - SGF
5% - SRS
70% - County**
1/3 to General Fund
1/3 to Special Parks and Rec Fund
1/3 to Special Alcohol and Drug Programs

**Butler County has a special Community Support Program and Parks and Recreation Fund which receives 1/3 distribution.

LIQUOR SALES AND DISTRIBUTIONS FOR SELECTED COUNTIES

LIQUOR SALES

	FISCAL YEAR 1997			FISCAL YEAR 1996		
	LIQUOR			LIQUOR		
	ENFORCEMENT	LIQUOR EXCISE	TOTAL	ENFORCEMENT	LIQUOR EXCISE	TOTAL
BROWN COUNTY	\$1,236,488	\$91,200	\$1,327,688	\$1,138,563	\$84,470	\$1,223,033
CITIES IN BROWN COUNTY	N/A	\$65,700	\$65,700	N/A	\$55,740	\$55,740
TOTAL	\$1,236,488	\$156,900	\$1,393,388	\$1,138,563	\$140,210	\$1,278,773
JACKSON COUNTY	\$771,875	\$54,000	\$825,875	\$751,413	\$51,690	\$803,103
CITIES IN JACKSON COUNTY	N/A	\$27,020	\$27,020	N/A	\$17,380	\$17,380
TOTAL	\$771,875	\$81,020	\$852,895	\$751,413	\$69,070	\$820,483

LIQUOR DISTRIBUTIONS

	FISCAL YEAR 1997			FISCAL YEAR 1996		
	LIQUOR			LIQUOR		
	ENFORCEMENT	LIQUOR EXCISE	TOTAL	ENFORCEMENT	LIQUOR EXCISE	TOTAL
BROWN COUNTY	N/A	\$9,120	\$9,120	N/A	\$8,447	\$8,447
CITIES IN BROWN COUNTY	N/A	\$6,570	\$6,570	N/A	\$5,574	\$5,574
TOTAL	N/A	\$15,690	\$15,690	N/A	\$14,021	\$14,021
JACKSON COUNTY	N/A	\$5,400	\$5,400	N/A	\$5,169	\$5,169
CITIES IN JACKSON COUNTY	N/A	\$2,702	\$2,702	N/A	\$1,738	\$1,738
TOTAL	N/A	\$8,102	\$8,102	N/A	\$6,907	\$6,907

N/A=Not Applicable

Lamar Shoemaker-Sheriff

April 1, 1998

RE: Casino Information

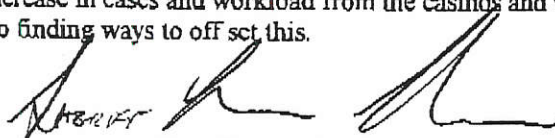
Dear Ms. Hutchins,

Here is a brief estimate on the new casino's impact on my department. In this county we currently have two Indian gaming facilities and there is a third scheduled for later this year. In 1996 the Brown County District Court filed over two hundred criminal cases and this was before the casinos were actually up and running. In 1997 after the casinos opened our agency and the district court filed over four hundred criminal cases. Prior to 1997 the most criminal cases the county district court had filed were three hundred and seven and we went over that total by more than one hundred cases. Currently for the year of 1998 the county is on a pace to surpass six hundred criminal cases.

The impact of the casinos has been in many different areas crime. The main areas of increase so far have been in forgery, narcotics, possession of stolen property and worthless checks. The forgery and worthless check cases are up drastically from prior years. Also the narcotics arrest by my agency has increased from over 500% to 1000%. This estimate on the narcotics increase would fall into this range but we would have to investigate the exact number if you need something more concrete. We have arrested close to one hundred individuals at or on the highways going to and from the casinos.

We also have had an increase in individuals who are carrying concealed and illegal weapons at the casinos. The people we are dealing with today as compared to two years ago are more dangerous to law enforcement officers and we are finding individuals with felony warrants for their arrest from other areas of the country.

The information I have here is not exact but do far well within the actual range of cases. I would be more than happy to investigate the numbers more in depth if time allows. There is an increase in cases and workload from the casinos and would be more than willing to assist you in bringing this problem to light to finding ways to offset this.



Sheriff Lamar Shoemaker

Becky Hutchins
Rep. Becky Hutchins
Fiftieth District



TOPEKA

HOUSE OF REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: AGRICULTURE
ENVIRONMENT
HEALTH AND HUMAN SERVICES
JOINT COMMITTEE ON HEALTH CARE
REFORM LEGISLATIVE OVERSIGHT

BECKY HUTCHINS
REPRESENTATIVE, FIFTIETH DISTRICT
JACKSON AND SHAWNEE COUNTIES
700 WYOMING
HOLTON, KANSAS 66436
(913) 364-2612

ROOM 427-S
STATE CAPITOL
TOPEKA, KANSAS 66612-1504
(913) 296-7698

April 1, 1998

Re: Jackson County Casino Impact

Jackson County presently has four officers who are funded through the C.O.P.S. Grant, two of which are School Resource Officers ("SRO's") and two who were to be Community Policing Officers for the Reservation.

Since the first C.O.P.S. Officer was hired in July of 1996, it has cost the county \$143,074.93 to pay salaries and benefits for those officers, \$38,630.24 of which was not funded by the C.O.P.S. Grant. This does not include uniforms, equipment, vehicles or training for those officers, which I would roughly estimate at an additional \$9,000.00 a year per officer.

Jackson County Statistics

Total Cost of New Jail - - 32 bed facility \$2,190,000.00

Cost of 36 bed expansion - 675,000.00

DUI Arrests from 1996-1997 - up 120 %

Arrests for Suspended Drivers License - from 1996-1997 - up 96%

Number of people booked into the Jackson County Jail
from 1996-1997 - up 35%

Becky Hutchins
50th Dist.

Rep. Becky Hutchins

CHARGE	ARRESTS	ADULTS	JUVENIL	UNKNOWN
AGGRAVATED ASSAULT -----	2	1	1	
AGGRAVATED BATTERY -----	1	1		
ASSAULT ON LEO -----	1	1		
BATTERY ON LEO -----	1	1		
BATTERY - SIMPLE -----	7	5	2	
BURGLARY -----	5	5		
CONTRABAND INTO A CORRECTIONAL FACILITY	1	1		
CRIMINAL DAMAGE -----	6	5	1	
CRIMINAL HUNTING -----	3	2	1	
CRIMINAL THREAT -----	1	1		
CRIMINAL TRESPASS -----	4	4		
DISORDERLY CONDUCT -----	7	7		
DOMESTIC BATTERY -----	1	1		
DOMESTIC BATTERY -----	1	1		
DRIVER'S LICENSE - SUSPENDED -----	23	22	1	1
DRUG PARAPHERNALIA -----	2	2		
EXPIRED TAG -----	2	2		
FAILURE TO APPEAR -----	8	8		
FLEE OR ATTEMPT TO ELUDE A LEO -----	2	2		
FURNISHING CERAL MALT BEVERAGE TO MINOR	1	1		
HABITUAL VIOLATER -----	7	7		
ILLEGAL TAG -----	2	2		
LEAVING THE SCENE OF AN ACCIDENT -----	1	1		
LEWD AND LASCIVIOUS BEVAHOIR -----	1	1		
MARIJUANA - POSSESSION -----	2	2		
MINOR IN POSSESION OF ALCOHOL -----	2	1	1	
NO INSURANCE -----	12	12		
OBSTRUCTION OF LEGAL PROCESS (MISD) ----	5	5	2	2
TERRORISTIC THREAT -----	1	1		
THEFT -----	6	6		
WARRANTS -----	3	3		
WEAPONS VIOLATION -----	1	1		
WORTHLESS CHECK -----	7	7		

42 CHARGE(S) PRINTED GRAND TOTAL: 184 174 10 0

No DUI during this time period!

CHARGE	ARRESTS	ADULTS	JUVENIL	UNKNOWN
AGGRAVATED ASSAULT -----	2	2		
AGGRAVATED BATTERY -----	1	1		
ARSON -----	2	1	1	
ASSAULT -----	3	2	1	
ASSAULT ON LEO -----	1	1		
BATTERY ON LEO -----	4	4		
BATTERY - SIMPLE -----	5	4	1	
BURGLARY -----	2	2		
CHILD ENDANGERMENT -----	1	1		
COCAINE - INTENT TO SELL -----	1	1		
COCAINE - POSSESSION -----	1	1		
CONSPIRACY TO COMMIT ARSON -----	2	1	1	
CONSPIRACY TO POSSESS STOLEN PROPERTY --	1		1	
CONTRABAND INTO A CORRECTIONAL FACILITY	2	2		
COURT ORDER VIOLATION -----	1	1		
CRIMINAL DAMAGE -----	4	4		
CRIMINAL POSSESSION OF A HANDGUN -----	3	2	1	
CRIMINAL THREAT -----	1	1		
CRIMINAL TRESPASS -----	1	1		
DEPRIVATION OF PROPERTY -----	1	1		
DISORDERLY CONDUCT -----	11	11		
DOMESTIC BATTERY -----	7	7		
DRIVER'S LICENSE REQUIRED -----	2	1	1	
DRIVER'S LICENSE - SUSPENDED -----	40	40		
DRIVER'S LICENSE-RESTRICTED -----	2	2		
DRIVING UNDER INFLUENCE -----	44	42	2	
DRIVING WHILE EXPIRED -----	2	2		
DRUG PARAPHERNALIA -----	29	24	5	
EXPIRED TAG -----	1	1		
FAILURE TO APPEAR -----	17	17		
FAILURE TO COMPLY -----	1	1		
FAILURE TO MAINTAIN SINGLE LANE -----	2	2		
FLEE OR ATTEMPT TO ELUDE A LEO -----	2	2		
FORGERY -----	1	1		
HABITUAL VIOLATER -----	4	4		
HALLUCINOGEN - POSSESSION -----	1	1		
ILLEGAL TAG -----	9	9		
INDECENT LIBERTIES WITH A CHILD -----	1	1		
LEAVING THE SCENE OF AN ACCIDENT -----	1		1	
LEFT OF CENTER -----	2	2		
LEWD AND LASCIVIOUS BEVAHOIR -----	1	1		
MARIJUANA - INTENT TO SELL -----	2	2		
MARIJUANA - POSSESSION -----	28	27	1	
METHAMPHETAMINE - POSSESSION -----	4	4		
MINOR IN CONSUMPTION -----	1		1	
MINOR IN POSSESION OF ALCOHOL -----	6	1	5	
NO INSURANCE -----	19	19		
OBSTRUCTING OFFICIAL DUTIES OF POLICE --	1		1	
OBSTRUCTION OF LEGAL PROCESS (MISD) ----	8	8		
OPEN CONTAINER - TRANSPORTING -----	19	14	5	
PAROLE VIOLATION -----	4	3	1	

CHARGE	ARRESTS	ADULTS	JUVENIL	UNKNOWN	
PEDESTRIAN UNDER THE INFLUENCE -----	3	3			
POSSESSION IN DRUG-FREE SCHOOL ZONE ----	2	2			
POSSESSION OF A STIMULANT -----	5	5			
POSSESSION OF PARAPHERNALIA -----	1	1			
POSSESSION OF STOLEN PROPERTY -----	2	1	1		
POSSESSION WITH INTENT TO SELL -----	2	2			
RECKLESS DRIVING -----	2	2			
REFUSAL OF BREATH TEST -----	1	1			
RESISTING ARREST -----	3	3			
SEAT BELT REQUIRED -----	4	4			
SPEEDING -----	8	8			
THEFT -----	8	8			
THEFT, AUTO -----	1		1		
TRESPASSING -----	1	1			
WARRANTS -----	11	11			
WORTHLESS CHECK -----	12	12			
	=====	=====	=====	=====	
67 CHARGE(S) PRINTED	GRAND TOTAL:	377	346	31	0


KANZA

Mental Health and Guidance Center, Inc.

909 S. 2nd; PO Box 319; Hiawatha, KS 66434
 (785) 742-7113 Fax (785) 742-3085
 After Hours Crisis: (785) 742-2131

4-8-98

Representative Becky Hutchins
 State Capitol Building - Room 427-S
 Topeka, Kansas 66612

Dear Representative Hutchins,

Thank you for calling today concerning your need for information relative to costs associated with the development of casinos in rural northeast Kansas. The cost figures below are only estimates based on trend data.

Substance Abuse: Two factors have likely come together to create an increase in our substance abuse evaluation and counseling work here at KANZA: the new .08 BAC level for alcohol and driving, and liquor by the drink at the casinos. The number of court-ordered DUI evaluations that we conduct have more than doubled so far in 1998 compared to the first three months of 1997.

There were 235 substance abuse evaluation and counseling admissions to KANZA in 1997.

For 1998, I am projecting 288 admissions (a conservative estimate).

This is an increase of 53 admissions compared to 1997.

Each 1997 admission cost us \$680.

For each 1997 admission, we earned revenue of \$362. This is a loss of \$318 per admission.

If we have 53 new admissions in 1998 compared to 1997, KANZA will lose an additional \$16,854.00. (We lost around \$57,000 in 1997). This would be a total loss projected for 1998 of over \$73,000.00, a loss that will continue year after year if admissions remain high.

Branch Offices:
 P.O. Box 148
 713 Idaho
 Holton, KS 66436
 (785) 364-4536

Sabetha Community Hospital
 14th & Oregon
 Sabetha, KS 66534
 (785) 284-2121

604 Nemaha, Suite 203
 Seneca, KS 66538
 (785) 336-3755

Troy Medical Center
 310 W. Locust
 (785) 985-3504

TOWARD A
 DRUG-FREE

 KANSAS

Name of



the Wildcats

UNIFIED SCHOOL DISTRICT 336

515 Pennsylvania
P.O. Box 352
Holton, Kansas 66436

Jerry K. Fuqua, Superintendent
913-364-3650
FAX 364-3975

THE EDUCATIONAL,
HISTORICAL AND
INDUSTRIAL CORNER
OF KANSAS

April 17, 1998

Becky Hutchins
700 Wyoming
Holton, KS 66436

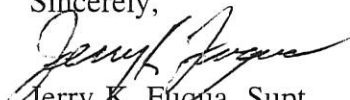
Dear Representative Hutchins:

The Jackson County sheriff's office has requested financial help of \$2,500 from our district to help fund the School Reserve Officer program. Our Board of Education has approved that request because we realize the importance of the program.

The \$2,500 we allocated for the SRO program will have to come from Drug Free money our district receives. This means that we will have to drop some of the worthwhile projects from the Drug Free program in order to help fund the request from the sheriff's department.

If you can help us in any way with this funding, it would be greatly appreciated.

Sincerely,


Jerry K. Fuqua, Supt.
JKF:ms

Date: _____

Mon.

12-1-97

- () Topeka Capital Journal
- () Wichita Eagle
- () Kansas City Star
- () Emporia Gazette

- () Hutchinson News
- () Iola Register
- () Johnson County Sun
- () Kansas City Kansan

- () Olathe Daily News
- () Ottawa Herald
- () Parsons Sun
- () Pittsburg Morning Sun

Indians say they've hit the jackpot

Gaming has brought jobs and development, but some say the social costs are too high

By Colleen McCain

The Wichita Eagle

POTAWATOMI RESERVATION — Casinos have meant big business for Indian tribes in Kansas.

The Kickapoo tribe opened the first casino in Kansas 18 months ago. Three of the state's four Indian tribes now operate casinos. All three casinos are expanding; a fourth is on the way.

The casinos — all in northeast Kansas — have brought 938 jobs to the reservations, helped finance tribal social programs and jump-started economic development in Brown and Jackson counties, an area with a population of about 23,000.

Exactly how much money is bet at the casinos is unknown because tribal finances aren't public record, but all of the tribes say their casinos are profitable.

Even on a chilly weekday morning, a line forms outside the Potawatomi casino before the doors open. Charter buses rumble along rural highways toward the Kickapoo casino. Cars from Missouri, Kansas and Nebraska fill the parking lot of the Sac and Fox casino.

"This is the best thing that's ever happened to us," said Corbin Shuckahosee, chairman of the Sac and Fox

tribe. "We've made so much money, and you can just look at the people on the reservation and see how happy they are — not depressed like they used to be."

But some residents of northeast Kansas say the Indians' gain has been other Kansans' loss. They say they've watched friends and families gamble away the rent and grocery money week after week. Law enforcement officers say the casinos have resulted in a sharp increase in narcotics arrests and other crimes. And local psychiatrists say gambling addictions are on the rise.

Tribal leaders say the ills have been exaggerated — that casinos have meant good business for Indians and good fun for Kansans.

The movement unfolds

Kansas tribes had to fight for casinos. A fundamental disagreement over the meaning of national Indian gaming law pitted the Indians and legislators in a fight that lasted much of the early 1990s. Both sides looked to

court opinions around the country to bolster their cases.

Legislators who oppose gambling said the national law entitled Indians only to the exact types of gambling that already existed in Kansas — lottery and pari-mutuel. Indians said the law allowed them to have any similar type of gambling — including casino games.

In 1995, lawmakers became convinced that the law was on the Indians' side, and that they had no choice: They approved agreements allowing casinos on reservations.

Kansas has four reservations, and each has a casino operating or planned. The state oversees the casino operations, but collects no revenue from them.

Only nine months after the Sac and Fox casino opened, Shuckahosee estimates the tribe reaps about \$250,000 in profits each month — money that is divided among the tribe's 377 members and used to fund education and health programs.

The money has been used to establish scholarship funds, improve schools and provide health care, Shuckahosee said. The tribe also plans to build a truck stop and a hotel on the reservation. "Economically, it's taken care of all our problems," Shuckahosee said. "We... are building, building, building, and it's helping us send our kids to college."

South of the Sac and Fox reservation, the Potawatomi are using casino profits to begin work on the badly deteriorated main road running through the reservation.

"That road has been an atrocity for years," said Gary Mitchell, gaming commission chairman for the Prairie Band of Potawatomi. "I'm not saying casino money will solve all our problems, but it's making a difference."

The money also has helped the Potawatomi buy back land on their reservation — former tribal land that had been sold.

And the casinos are the major employers on the reservations, which before had virtually no businesses. Unemployment was estimated as high as 30 to 50 percent in 1994.

Now, Mitchell said, "anybody that wants to work can work."

New economic development

Not all the casino jobs are held by Indians — in some cases there are more jobs than there are tribal members — but Indians are given preference in hiring.

*page 1
of 3*

2-13

48

Date: MoTZ. 12-1-97

- | | | |
|--|----------------------------|----------------------------|
| () Topeka Capital Journal | () Hutchinson News | () Olathe Daily News |
| () Wichita Eagle | () Iola Register | () Ottawa Herald |
| () Kansas City Star | () Johnson County Sun | () Parsons Sun |
| () Emporia Gazette | () Kansas City Kansan | () Pittsburg Morning Sun |
| () Casino growth shows no signs of slowing. In January, the Potawatomi will open a new 63,000-square-foot casino and entertainment complex, to be managed by casino giant Harrah's Entertainment. It will feature 500 slot machines, 40 table games such as blackjack and craps, a bingo hall and a 100-room hotel. | () Lawrence Journal World | () Salina Journal |
| | () Manhattan Mercury | () USA Today |
| | | () Winfield Daily Courier |

Casino growth shows no signs of slowing. In January, the Potawatomi will open a new 63,000-square-foot casino and entertainment complex, to be managed by casino giant Harrah's Entertainment. It will feature 500 slot machines, 40 table games such as blackjack and craps, a bingo hall and a 100-room hotel.

The Kickapoo completed an expansion of their Golden Eagle casino in May, giving them 663 slot machines and 22 gaming tables. And the Sac and Fox tribe, with 283 slot machines and six gaming tables, soon will begin a major expansion. The Iowa tribe hopes to open a casino within the next year.

The addition of the Iowa casino will mean that a relatively small, sparsely populated area will be home to four casinos. But Dan Stromer, general manager of the Golden Eagle Casino, said he doesn't think the market will be saturated.

"An additional casino may bring in more people to the area," Stromer said. "People go from casino to casino, and players like having choices."

State Rep. Galen Weiland, D-Bendena, said more casinos would help make the area a destination where people spend a couple of days, rather than just an evening.

Weiland, whose district includes three of the four reservations, said the casinos have benefited not only the tribes, but also the surrounding areas.

"It's absolutely positive at the moment," Weiland said. "They bring jobs, they bring economic development and people are spending money in the area."

That kind of economic development is a novelty in farming communities that surround the casinos. Whether the casinos have been a boon to the homegrown merchants in nearby towns depends on whom you ask.

Laura Sharp, who owns Sharp's Diner in downtown Holton, said her business had dropped off dramatically since the casinos opened.

"People come to spend their money at the casinos — not to spend their money in Holton," she said. "And the casinos are selling food cheaper than we can."

Other merchants have seen increases in business, but those increases come with a price, some say.

Judith Deck, manager of Casey's General Store in Holton, said the casinos have brought more hard currency — but they've also brought more rubber checks.

"More business is good, but when you get returned checks all the time, that causes you a lot of grief," Deck said.

Progress with a social toll

Some area residents, though, say the casinos have a darker side, one that has caused grief for the friends and families of those with gambling problems.

Ginger Karnowski, a Topeka resident who occasionally spends a few bucks at the Potawatomi casino, said she has watched some people fritter

away money they couldn't afford to lose.

"It's addictive, and there are just too many people who can't control themselves," Karnowski said as she fed quarters into a slot machine. "I wish they'd never come because I think it's only going to get worse."

Marlin White, an attorney in Holton, said he thinks the casinos may be a dangerous temptation to Holton residents and others in the area.

"I've seen some folks have problems with gambling," White said. "People spend money that they can ill afford to spend."

Elizabeth Wallace, staff psychiatrist at the Menninger Clinic in Topeka and medical director of St. Francis Hospital's chemical dependence treatment services, said the problems associated with gambling are worsening in Kansas.

Wallace estimated that the number of gambling addicts in her programs has increased 30 percent since casinos opened.

"It's like a cocaine addict living next door to a crack house," Wallace said. "There's a direct correlation between casinos opening in states and an increase in gambling addictions."

And the numbers will only continue to increase, Wallace said.

Bill Thompson, a professor of public administration at the University of Nevada-Las Vegas who has studied gambling, said casinos come at a tremendous cost to everybody — not just compulsive gamblers.

In a study, Thompson found that, on average, a compulsive gambler costs other people \$10,000 a year — from bad debts to lost productivity to crimes committed.

"The positive of these casinos is that you're helping the Indians," Thompson said. "Beyond that, there is no positive."

Thompson said Indian casinos generally attract a lot of lower-income individuals from the area — not large numbers of out-of-state visitors.

"You're not really bringing in money," he said. "The money is just being shifted from poor people to poor Indians."

Michael Mattwaoshshe, a Kickapoo Indian and an assistant slot manager at the Golden Eagle Casino, said more money for the Indians has meant more drugs and alcohol on the reservations.

"They just have more money to buy the stuff," he said.

Local police confirm that the appearance of casinos has coincided with an increase in crime — both on and off the reservations.

Lamar Shoemaker, Brown County sheriff, said he had seen more than a 50 percent increase in narcotics arrests since the casinos opened, and other crimes such as forgeries and vehicular burglaries have increased as well.

"Any time you have an increase in population and an increase in traffic, you'll have an increase in crime," Shoemaker said.

Date: Mon. 12-1-97

- | | | |
|---|---|---|
| <input type="checkbox"/> Topeka Capital Journal | <input type="checkbox"/> Hutchinson News | <input type="checkbox"/> Olathe Daily News |
| <input checked="" type="checkbox"/> Wichita Eagle | <input type="checkbox"/> Iola Register | <input type="checkbox"/> Ottawa Herald |
| <input type="checkbox"/> Kansas City Star | <input type="checkbox"/> Johnson County Sun | <input type="checkbox"/> Parsons Sun |
| <input type="checkbox"/> Emporia Gazette | <input type="checkbox"/> Kansas City Kansan | <input type="checkbox"/> Pittsburg Morning Sun |
| <input type="checkbox"/> Garden City Telegram | <input type="checkbox"/> Lawrence Journal World | <input type="checkbox"/> Salina Journal |
| <input type="checkbox"/> Hays Daily News | <input type="checkbox"/> Manhattan Mercury | <input type="checkbox"/> USA Today |
| | | <input type="checkbox"/> Winfield Daily Courier |

The casinos and subsequent crime increases have left Shoemaker and other local sheriffs somewhat hamstrung. Because the casinos don't pay taxes to the state, the local tax base has not increased, nor have police budgets. So, Shoemaker is left to fight increasing crime with a force of officers stretched thin.

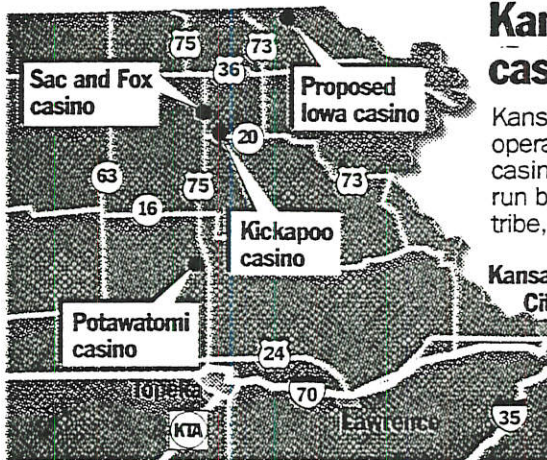
"Our people are already putting in a lot of overtime — a whole lot of overtime," Shoemaker said. "And we're not arresting everybody that we could."

Because of the problems gambling brings to the area, Mattwaoshshe has mixed feelings about the casinos. But he says he is grateful for the employment they've provided him and the social programs they've made possible for the tribes.

For the Indians, the casinos have meant a new prosperity they say they don't know what they would do without. Dolly Potts, a slot supervisor at the Potawatomi casino, said the Indians' view of the casinos is: "The buffalo is back," referring to the tribes' prosperous days of hunting buffaloes.

"Some people may oppose casinos. But to me, this is more than just a job," Potts said. "This is an opportunity for our tribe. This is an opportunity for our people."

Colleen McCain covers local government and public life. She can be reached at 269-6752.

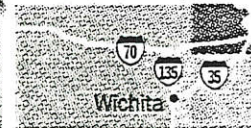


Kansas casinos

Kansas has three operating Indian casinos. A fourth, run by the Iowa tribe, is planned.



Map area



The Wichita Eagle

Page 3
of 3

County of Jackson, State of Kansas

Courthouse - 400 New York
Holton, Kansas 66436



JOHN GRAU, SOLDIER
FIRST DISTRICT COMMISSIONER

ELLEN SCHIRMER, HOLTON
SECOND DISTRICT COMMISSIONER

ROY OGDEN, MAYETTA
THIRD DISTRICT COMMISSIONER

PHONE 364-2826 OR 364-2891
FAX 364-4204

April 20, 1998

Representative Becky Hutchins
700 Wyoming
Holton, KS 66436

Dear Representative Hutchins:

We are faced with a unique opportunity in Jackson County. Jackson County is a rural area of approximately 12,000 population including the Prairie Band Potawatomi Reservation located in our county. Because of Tribal self-determination, a new casino has opened in Jackson County and two additional casinos have opened in southern Brown County, within one-to-two miles of our north border. While we are pleased the Prairie Band Potawatomi tribe has created several hundred jobs for the region's residents, we recognize the tribe and new casino strongly impact development in Jackson County. We are especially concerned with the impact of current and future tribal development on local government resources and policy in Jackson County.

We are currently investigating the impact of casinos and tribal development on other areas of the County. We ask your assistance in determining options that are available to us to respond to our local challenges. The Prairie Band Potawatomi Tribe has purchased 2,162 acres.

We understand tribes can place land "in trust" and once such property is given trust status, the property, improvements and enterprises located thereon are not subject to State, County, or City property or sales tax. Many states, including Kansas, have property tax lids, which limit increases in property taxes on existing property. When property is removed from the tax rolls, it is very difficult for local government to replace the lost revenue with other sources of income. The impact is on our schools, fire districts, ambulance service, Mental Health, Hospitals and Senior Citizens services. Another concern is the "tax exempt" status of the tribe and how it affects other local business when they place land in trust, which was not part of the reservation.

Our county sheriff's office, county attorney and district court offices are seeing an increase in caseloads. Our roads are becoming more and more heavily traveled, requiring increased maintenance expenditures. We believe

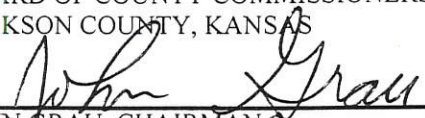
these increases in costs are partly due to the casinos. We would like to work with the Prairie Band Potawatomi Tribe to mutually address these common issues. We have an opportunity in Kansas for the county, tribal, state, and federal governments to work together for mutual benefit. We would like your assistance in determining the best way, at the local, state, or federal level to resolve these concerns. We feel the state entered into a compact with the tribe and our county is trying to handle the impact. We need your help.

Our job market is also being affected. The Casino is able to pay higher wages than the County and local business so we are losing employees and having a hard time replacing them.

We invite you to contact the Chairman of the Jackson County Board of Commissioners at (785) 364-2891 if you require future information. Thank you for your assistance.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
JACKSON COUNTY, KANSAS



JOHN GRAU, CHAIRMAN



ELLEN SCHIRMER, MEMBER



ROY OGDEN, MEMBER



ATTEST:



KATHY MICK
JACKSON COUNTY CLERK

**Expenditures From the State General Fund and All Funding Sources
 FY 1997 Actual, FY 1998 and FY 1999 As Approved by the Legislature on First Adjournment
 (In Millions)**

APPROPRIATIONS
 4-23-98
 ATTACHMENT 3

	FY 1997	Change		Legislative Approved FY 1998	Change		Legislative Approved FY 1999	Change	
		Dollar	Percent		Dollar	Percent		Dollar	Percent
State General Fund	\$3,538.1	\$98.9	2.9 %	\$3,838.3	\$300.2	8.5 %	\$4,180.9	\$342.6	8.9 %
Excluding FY 1999 Property Tax Relief							\$4,046.0	\$207.7	5.4 %
All Funds	\$7,844.6	\$215.7	2.8 %	\$8,155.7	\$311.1	4.0 %	\$8,569.2	\$413.5	5.1 %
Excluding FY 1999 Property Tax Relief							\$8,434.3	\$278.6	3.4 %

Appropriations
 4-23-98
 Attachment

FY 1998 and FY 1999 as Passed by the Legislature
and as Adjusted for School Finance Estimates

State General Fund Profile
In Millions
FY 1997 - FY 2003

FY 1998 and FY 1999 April Consensus Revenue Estimate; Less Revenue Transfer of \$35.7 Million in FY 1998
Expenditures FY 1998 and as FY 1999 as Approved by the Legislature
General and Supplemental School Aid at \$3,720/Correlation and At-Risk Increases; Revised Out-Year Estimates
Demand Transfers Capped, EXCEPT Local Ad Valorem Tax Reduction Fund
Tax Reductions: S.B. 493
Minimum Ending Balance of at Least 7.5%
Revised Out-Year Receipt Estimates for FY 2000 - FY 2003

	Actual FY 1997	Increase	Estimated FY 1998	Increase	Recommend. FY 1999	Increase	Projected FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase
Beginning Balance(a)	\$382.2		\$528.1		\$670.2		\$449.8		\$319.3		\$324.0		\$334.4	
RECEIPTS:(b)		6.8%		8.9%		3.2%		4.9%		4.2%		4.0%		4.0%
Recommended Tax Reductions(g)	3,683.8	235.5	4,010.0	326.2	4,137.1	127.1	4,341.1	204.0	4,524.7	183.6	4,703.7	179.0	4,892.2	188.5
Revenue Transfer to the Budget Stabilization Fund/Transfer EDIF	0.0	0.0	0.0	0.0	(175.1)	(175.1)	(196.8)	(21.7)	(197.3)	(0.5)	(206.3)	(9.0)	(215.4)	(9.1)
Revenue Transfer for Children's Health Insurance	0.0	0.0	(39.0)	(39.0)	0.0	39.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal - Adjusted Receipts	3,683.8	235.5	3,971.0	287.2	3,950.0	(21.0)	4,144.3	194.3	4,327.4	183.1	4,497.4	170.0	4,676.8	179.4
EXPENDITURES:				7.8%		-0.5%		4.9%		4.4%		3.9%		4.0%
General and Supplemental School Aid(c)	1,384.6	14.2	1,554.8	170.2	1,698.5	143.7	1,714.2	15.7	1,723.0	8.8	1,715.5	(7.5)	1,707.2	(8.3)
Additional Property Tax Relief (20 mills/\$20,000 homestead)	0.0	0.0	0.0	0.0	71.2	71.2	122.2	51.0	128.5	6.3	134.3	5.8	139.6	5.3
Subtotal - Subtotal General and Supplemental School Aid	1,384.6	14.2	1,554.8	170.2	1,769.7	214.9	1,836.4	66.7	1,851.5	15.1	1,849.8	(1.7)	1,846.8	(3.0)
		1.0%		12.3%		13.8%		3.8%		0.8%		-0.1%		-0.2%
Demand Transfers: (e)	199.7	3.4	205.1	5.4	218.2	13.1	218.4	0.2	221.2	2.8	227.2	6.0	234.9	7.7
All Other Expenditures(d)	1,953.8	81.3	2,069.0	115.2	2,182.5	113.5	2,220.0	37.5	2,250.0	30.0	2,410.0	160.0	2,578.0	168.0
		4.3%		5.9%		5.5%		1.7%		1.4%		7.1%		7.0%
TOTAL Expenditures	3,538.2	99.0	3,828.9	290.7	4,170.4	341.5	4,274.8	104.4	4,322.7	47.9	4,487.0	164.3	4,659.7	172.7
Percent Increase		2.9%		8.2%		8.9%		2.5%		1.1%		3.8%		3.8%
Ending Balance(f)	527.8		670.2		449.8		319.3		324.0		334.4		351.5	
Percent of Expenditures	14.9%		17.5%		10.8%		7.5%		7.5%		7.5%		7.5%	
Receipts in Excess of Expenditures	145.6		142.1		(220.4)		(130.5)		4.7		10.4		232.5	

3-2

3-3

- a) Includes actual released encumbrances for FY 1997 and \$0.3 million in FY 1998.
- b) Receipts are actual for FY 1997. Receipts for FY 1998 and FY 1999 reflect the April 3, 1997 consensus revenue estimates. However, the FY 1998 includes a revenue transfer of \$35.7 million to the State Budget Stabilization Fund and \$3.25 million to the EDIF in FY 1998. In FY 1999 a revenue transfer of \$12.0 million is reflected as provided for in House Sub. for Senate Sub. for S.B. 424, children's health insurance coverage. The projections for FYs 2000 - 2003 are not consensus estimates of receipts but are based on a growth rate of 4.9 percent in FY 2000; 4.4 percent in FY 2001; 3.9 percent in FY 2002; and 4.0 percent in FY 2003.
- c) Base estimate of general and supplemental school aid payments in FY 1998 (revised) - FY 2001 were made on November 7, 1997 by the Department of Education, Division of the Budget, and the Legislative Research Department. For FY 1999 the amount reflects an increase in the base per pupil amount of \$50 from \$3,670 to \$3,720, an additional correlation weighting adjustment and an increase in at-risk weight from .065 to .080, and the reduction in the uniform property tax rate from 27 to 20 mills and a homestead exemption of \$20,000. The FY 2000 - FY 2003 estimates assume a uniform school mill levy of 20 mills and a \$20,000 homestead and a base aid per pupil amount of \$3,720. FY 2002 and FY 2003 are estimated by the Legislative Research Department.
- d) FY 1998 and FY 1999 amount is as approved by the Legislature on all other expenditures. For FY 2000 - FY 2003 all other expenditures grow within available resources.
- e) Demand transfers for the School District Capital Improvement Fund, Water Plan Fund, State Fair and the Local Ad Valorem Tax Reduction Fund (FY 1999 - FY 2003) all reflect current law. For the State Highway Fund, County-City Revenue Sharing Fund, and the City-County Highway Fund are actual in FY 1997 and for FY 1998 a cap of 1.75 percent. For FY 1999 a cap of 2.4 percent; FY 2000 a cap of 0.1 percent; FY 2001 a cap of 1.9 percent; FY 2002 a cap of 3.8 percent; and FY 2003 a cap of 3.5 percent.
- f) Current law minimum ending balance requirement is 7.5 percent of expenditures.

g) The SB 493 tax reductions are:

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Single/Married Income Tax Acceleration of Equalization	(\$23.000)	(\$7.900)	\$0.000	\$0.000	\$0.000
Tax Credit for Business Machinery and Equipment (15%)	(16.000)	(25.800)	(28.400)	(31.200)	(34.300)
Federal "Pick-up" Estate Tax	(30.500)	(63.300)	(66.400)	(69.800)	(73.300)
Marriage Penalty Fix Standard Deduction	(18.400)	(14.400)	(14.600)	(15.000)	(15.200)
Personal Exemption - \$2,250	(36.300)	(28.800)	(29.700)	(30.700)	(31.600)
Earned Income Tax Credit - 10%	(12.600)	(13.400)	(14.000)	(14.300)	(14.600)
Additional Miscellaneous Exemptions	(7.579)	(8.600)	(8.942)	(9.301)	(9.674)
Residential Remodeling	(14.867)	(15.594)	(16.217)	(16.866)	(17.541)
Food Sales Tax Rebate	(13.400)	(13.400)	(13.400)	(13.400)	(13.400)
Severance Taxes	(2.848)	(5.810)	(5.655)	(5.698)	(5.741)
Subtotal - Governor's Recommendations Tax Reductions	(\$175.094)	(\$196.804)	(\$197.314)	(\$206.263)	(\$215.356)
Mill Levy Reduction 27 to 20 mills/\$20,000 homestead	\$71.200	\$122.200	\$128.500	\$134.300	\$139.600
Total Tax Reductions and Mill levy Reduction	(\$246.294)	(\$319.004)	(\$325.814)	(\$340.563)	(\$354.956)

Kansas Legislative Research Department
April 22, 1998

3-3