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## **Testimony before the Joint Committee on State-Tribal Relations**

**2024**

**Of Kala Loomis, Executive Director  
Kansas State Gaming Agency  
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In 1995, the Iowa Tribe of Kansas and Nebraska, the Prairie Band Potawatomi Nation of Kansas, the Kickapoo Tribe, and the Sac and Fox Nation of Missouri in Kansas and Nebraska each signed a Tribal-State Compact with the State of Kansas. By 1998, each had opened its own casino in Kansas. Each of the casinos continues to operate today. A Tribal Gaming Commission regulates each. The gaming activities of each are overseen by the Kansas State Gaming Agency (KSGA or Agency). It is important to note that the Wyandotte Nation is not one of the tribes listed that have a current Tribal-State Compact, thus we do not have any regulatory authority over their casino operation located in Kansas City, Kansas, or the newer casino in Park City, Kansas.

With the passage of Senate Bill 84 in 2022, the tribes have an opportunity to introduce sports wagering to the tribal casino industry. One tribe has renegotiated their Tribal-State Compacts to allow this new form of wagering. I believe two of the other tribes are currently in that process and may be completed soon. KSGA is preparing for this possible new form of wagering and will add the needed positions to meet the demands of a new area of oversight and regulation.

The Agency has a mission and goal which includes protecting the integrity of gaming by ensuring compliance with the Tribal-State Compacts, the Tribal Gaming Oversight Act, and applicable federal and state laws.

The Agency's organization is made up of an enforcement unit and a special investigations unit. The Agency has enforcement agents (sworn law enforcement officers) and special investigators (not sworn law enforcement officers), as well as technical and support staff.

The Kansas State Gaming Agency is responsible for conducting background investigations on all employees connected with the gaming operations at each casino. The Agency is also responsible for conducting background investigations on all vendors who sell more than \$10,000 per year in gaming equipment to a tribal casino in Kansas. The Agency does original background investigations as well as addenda, upgrades, and renewals of investigations that have been in the past. In FY 2023, the Agency completed 467 individual employee background investigations and 18 vendor background investigations.

Licensing of gaming employees and vendors is done entirely by the Tribal Gaming Commissions. The Agency can and does occasionally object to particular applicants.

A corporate investigator and special investigators most commonly complete key employee investigations, vendor, and tribal gaming inspector investigations. Frequently these investigations involve traveling out of state. Vendors typically pay the expenses of the Agency for their background investigations. The Agency contributes varying amounts of background information on each, depending on whether they are key employees, standard gaming employees, corporate officers, or some other status.

Enforcement agents of the KSGA conduct compliance inspections, monitor gaming activity at the four casinos and conduct criminal investigations when necessary. Inspection of other areas of the gaming facilities includes table games, cage operations, and security processes, among other areas. Reports of all inspections are forwarded to each property's respective Tribal Gaming Commission, and other dissemination is not allowed. KSGA attempts to provide collaborative training with tribal personnel, and we see this as being integral to our goals and mission and mutually beneficial.

KSGA has been continually reviewing the Performance-Based Budget numbers submitted to KLRD. For FY 2023 we have met all required expectations of the Tribal-State Compacts. Most of KSGA's measures are controlled by the functions of the tribal casinos and tribal gaming commissions which include background investigation numbers, EGD and compliance inspection numbers, and training numbers.

I would like to include a brief explanation of our relationship with the Kansas Racing and Gaming Commission (KRGC) and our differences. K.S.A. 74-9803 states that the KSGA "is attached to and made a part of the Kansas Racing and Gaming Commission. The budget of the state gaming agency, the number, and qualifications of employees of the state gaming agency and expenditures by the state gaming agency for expenses of dispute resolution pursuant to a tribal-state gaming compact shall be subject to approval by the Kansas Racing and Gaming Commission. All other management functions of the state gaming agency shall be administered by the executive director." This is the extent of our relationship. KRGC regulates the State-owned casinos and KSGA has oversight of the compacted Tribal casinos.

The KSGA is funded based on Section 25 of the compacts with the four Kansas tribes. The compacts state "The state shall annually make an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating Class III gaming pursuant to this Compact. Reimbursable regulatory expenses under this Section shall include all necessary regulatory costs of the State Gaming Agency...." Sec. 25(A).

Section 25(B) states in part, "on or before August 1st, annually, the State shall render to the Tribe a verified, detailed statement of expenses with supporting documentation of the total cost of regulation for the preceding fiscal year ending June 30, together with proposed assessments for the forthcoming fiscal year based on the preceding fiscal year's cost...." In practice, each year just before August 1, KSGA prepares an assessment letter for that fiscal year for each Tribe. None of the four tribes had objections to the budget presented by KSGA.

Section 25(B) goes on to say, "On September 1st annually, the state, after receiving any objections to the proposed assessments and making such changes or adjustments as may be indicated, shall assess the Tribe for the costs of regulation. The Tribe shall thereafter make a payment representing one-third of the assessment within a 20-day period and shall make payments thereafter on January 1st and April 1st annually."

After KSGA goes through the assessment process outlined above with the Tribes, the budget of KSGA must be approved by KRGC according to K.S.A. 74-9803. After all of this, the Agency budget is sent for approval through the State's budgetary approval process.

I am unable to share with the members of this committee any specific information about the activities of any particular casino. Such information is not public record and is considered confidential according to the terms of the Tribal-State Compacts.

I am available for more information at 785-368-6202 or [kala.loomis@ks.gov](mailto:kala.loomis@ks.gov).