



UNITED STATES SENATE COMMITTEE ON INDIAN AFFAIRS
January 28, 2010
Oversight Hearing on “Unemployment on Indian Reservations:
The Urgent Need to Create Jobs in Indian Country”
Testimony by
Gloria O’Neill, President and CEO, Cook Inlet Tribal Council

Chairman Dorgan and Members of the Committee, I am grateful for the opportunity to speak before you today.

My name is Gloria O’Neill and I am the President and CEO of Cook Inlet Tribal Council (CITC), an Alaska Native tribal organization which serves as the primary education and workforce development center for Native people in Anchorage. CITC has been designated tribal authority through Cook Inlet Region Inc., organized through the Alaska Native Claims Settlement Act and recognized under Section 4(b) of the Indian Self-Determination Act and Education Assistance Act, P.L. 93-638. CITC builds human capacity by partnering with individuals to establish and achieve both educational and employment goals that result in lasting, positive change for themselves, their families, and their communities.

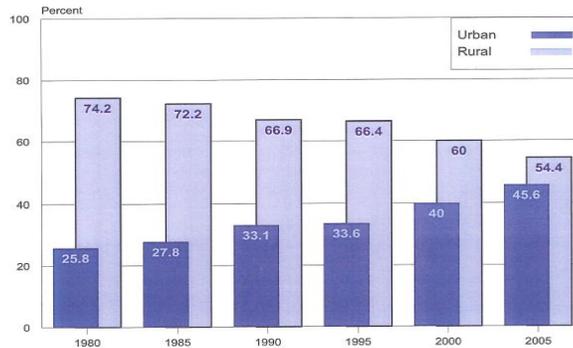
Demographics and Expanding Service Population

Both directly and indirectly, CITC’s programs serve the Cook Inlet Region with an Alaska Native/American Indian population of more than 42,000, which is approximately 40% of the Native population of the state of Alaska; some programs reach statewide. In Anchorage alone, the Native population is approximately 30,000 about 20% of the total Native population in the state. Anchorage is the fourth largest Native community in the nation.

CITC’s FY10 operating budget is \$43 million, consisting of 85 grants and contracts from state and federal agencies, as well as corporate and individual support. CITC’s programs address many of the social, economic, and educational challenges faced by Alaska Native people. For example, Alaska Native students are *twice as likely* to drop out as their non-Native peers; 33% of Alaska’s unemployed are Alaska Native people, and almost 20% of Alaska Native people have incomes below the federal poverty line – nearly three times the rate of non-Native people.

As reflected in the chart below, in-migration is accelerating as Alaska Native people find it increasingly difficult to make a living in rural Alaska. 59% of CITC’s participants have been in Anchorage for five years or less; and employment, training, and education are frequently cited as reasons for moving to Anchorage. In contrast, the current Bureau of Indian Affairs funding formula for CITC is based on the population figure of 14,569 -- from the 1990 Census -- which leaves CITC deficient in funding the needs of the 42,000 Alaska Natives and American Indians currently residing in our service region.

Alaska Native Population By Selected Region, 1980-2005
 ("Urban" Includes Anchorage, Mat-Su, Fairbanks, Juneau and Kenai Boroughs)



Program Opportunities

With the support of Bureau of Indian Education Johnson-O'Malley funding, **CITC's educational programs** provide strength-based, culturally-focused educational support services in partnership with the Anchorage School District. CITC currently serves approximately **1,000** K-12 Native students and their families. Our programs encompass K-12 classrooms, focusing on increasing literacy and math skills as well as offering supplemental programs in high-level mathematics and science classes, and health and wellness. Our purpose is to impact overall academic achievement while decreasing the dropout rate of Native students, both of which are essential to job development and success. Given the projected increase in the Alaska Native population over the next years and the extent to which Alaska Native people will be the backbone of the state's workforce, an educated workforce is key to promoting economic prosperity.

With the support of the P.L. 102-477 program, **CITC's employment and training programs** are based on the premise that effective solutions to workforce development require integrated approaches to ensuring job readiness, training, and placement – approaches that are capable of moving people from welfare to work. Programs involve active cooperation between schools, social service agencies, job trainers, state and federal agencies, Native and non-Native for-profit employers, and CITC-owned microenterprises – all of which build ladders of opportunity for our participants. Since the inception of CITC's Tribal TANF Program in July 2005, **1800** TANF participants have transitioned to unsubsidized employment.

CITC has been able to successfully utilize 477 funding to create job opportunities through social enterprise. The benefit of these operations is two fold: allowing CITC to create businesses that are supported by earned income while providing a longer-term opportunity for participants to develop good job skills. Through the leverage of funding and social enterprise, CITC has created approximately **75** community jobs on annual basis.

In close collaboration with our workforce development program, CITC is the sole provider of Temporary Assistance for Needy Families (TANF) and Bureau of Indian Affairs Welfare

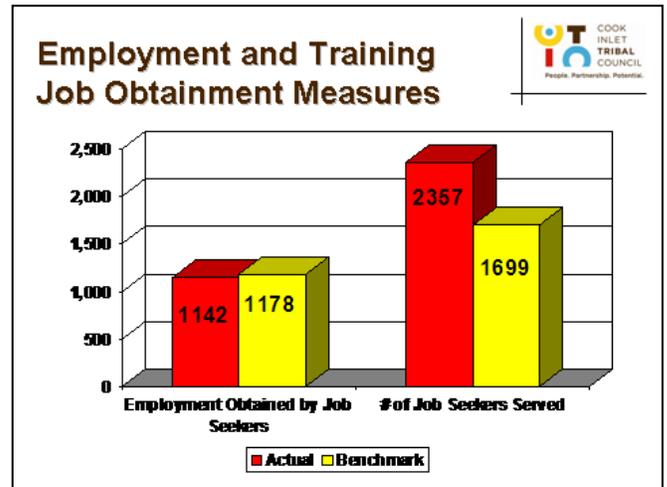
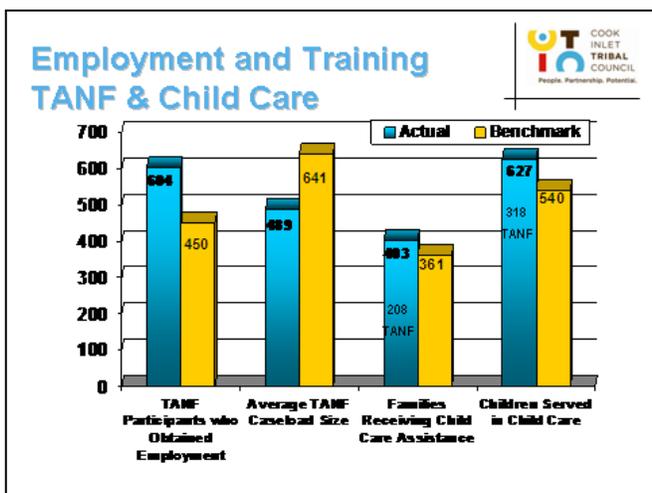
Assistance for Alaska Native/American Indian families in Anchorage. CITC has transformed TANF and welfare assistance from entitlement-based programs to programs of self-determination and personal responsibility. In CITC's TANF and welfare assistance programs, participants develop a mutual plan of action with their case manager that outlines their responsibilities: to get a job and to participate in various training and support services to achieve that goal. As a result, the number of families dependent upon TANF and welfare assistance has decreased, with families making major strides toward self-sufficiency.

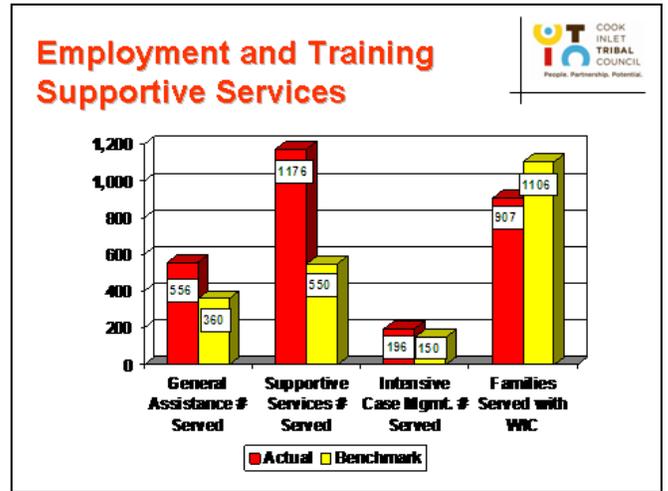
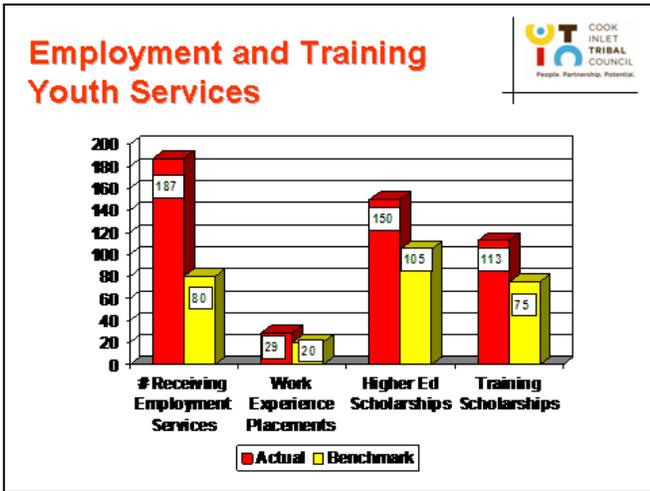
Accountability

Program opportunities, such as Tribal TANF, require rigorous standards that are reflected in our organizational commitment to accountability. We have a mandate from the people we serve, from CITC's Board of Directors, from the federal and state sponsors of our services, and from our community as a whole, to provide the highest quality services possible. This is demonstrated by our history of stellar audits and a commitment to quality that can only be realized by rigorously and continually re-assessing how we do business to determine how we may do better. CITC utilizes Continuous Quality Improvement (CQI) to enhance and improve the quality of CITC's services by gathering and analyzing an extensive set of statistics on program performance, as well as identifying areas for improvement. The resulting data is tracked through digital dashboards that provide powerful, at-a-glance overviews of program performance; highlighting areas needing improvement.

FY2009 Cook Inlet Tribal Council Employment & Training Dashboard

- CITC consistently beats TANF goals by combining outcome-directed case management with a career center that links employers to work-ready employees.
- Job seeker numbers exceeded targets that were based on the prior year. Rising unemployment and urban migration were both significant contributing factors in fiscal year 2009.
- The need for supportive services was markedly higher than the prior year.





Public Law 102-477

Administered from the Office of Indian Energy and Economic Development, located in the Department of the Interior, **Public Law 102-477 (or the “477 program”)** provides a critical foundation for maximizing the effectiveness of CITC’s programs. The law allows the consolidation of funding streams from Department of Interior, Department of Health and Human Services, and Department of Labor, into a single employment and training program. The 477 program enables flexibility on the part of the receiving organization to plan the programming to best fit the needs of the community and minimize administrative redundancy by merging reporting requirements, while still adhering to the Government Performance Results Act’s stringent accountability standards.

CITC has demonstrated that the 477 program is very successful in allowing the leverage of funding to increase effectiveness and innovation. As a result of our 477 program, for example, we have been able to put between **1,000 and 1,500** people to work each year and effectively reinvest TANF savings into related essential programs. In short, the 477 program is a “win-win” for the federal funders and CITC, since it eliminates wasteful inefficiency while maximizing program outcomes. 477 has succeeded in, and has even greater potential to allow tribes and tribal organizations to achieve economic prosperity for their people. In addition to being successful on the ground, the 477 program is fully accountable. Reflective of the national success of the program, the 477 program achieved the highest Office of Management and Budget PART (Program Assessment Rating Tool) rating in Indian Affairs.

However, the Department of Health and Human Services stopped transferring funding through the Department of Interior and P.L. 93-638. There has been no tribal consultation regarding this change in policy. The interruption of funding resulting from DHHS’s decision to discontinue the transfer of funds puts our community and others at risk. Not only is this potential funding interruption injurious to our organization, and particularly to the people we serve, it is not in

the best interests of taxpayers who have a right to expect the administrative efficiencies that the 477 program achieves.

In addition, the Office of Management and Budget released 2009 mid-year A-133 Circular compliance guidance that requires tribes and tribal organizations to track each funding stream under 477 separately and retroactively. This contradicts the intent of the 477 legislation and effectively dismantles the administrative efficiency and flexibility of the 477 program.

Specific Requests

On behalf of Cook Inlet Tribal Council and the community we serve – whose needs grow more critical each day due to the current economy – I urge this Committee to consider the amended 477 legislation and legislative rider. This legislation is in the best interest of tribal programs and participants, as well as taxpayers. It is imperative to maintain the high level of efficiency, effectiveness, and accountability that has been the hallmark of the 477 program. I would also ask the Committee to fully support the aforementioned Department of Interior Indian Affairs programs that are vital to our participants' success.

Thank you for your time and consideration.