



NATIONAL CONGRESS OF AMERICAN INDIANS

NCAI TESTIMONY ON THE ADMINISTRATION'S FISCAL YEAR 2007 BUDGET REQUEST FOR INDIAN PROGRAMS

*Senate Committee on Indian Affairs
February 14, 2006*

On behalf of the more than 275 member tribal nations of the National Congress of American Indians, we are pleased to present testimony on the Administration's Fiscal Year 2007 budget request for Indian programs. We look forward to working with this Committee to ensure that the critical programs and initiatives authorized and supported by this body are funded at levels which will ensure their long term effectiveness.

Last week, President Bush set forth his moral choices for the country in his \$2.77 trillion budget proposal, which included level funding and numerous decreases for Indian programs, continuing the trend of consistent declines in federal per capita spending for Indians compared to expenditures for the population at large. As Congress shapes this budget, NCAI urges you to integrate the values of Indian Country, namely, the promotion of strong Indian families in a safe, secure, and self-reliant Native America. Tribes in the United States have sustained vibrant communities for millennia, with time-tested traditions and values reinforcing strong kinship systems, sound tribal governance, and good stewardship. These values are best expressed in the accomplishments of the policy of Indian self-determination, the most successful Indian policy in the history of the Union. We are disappointed that this year's budget request reduces effective funding for tribal priorities, with proposed reductions for vital programs that address health, education, public safety and justice, tribal self-government and self-determination.

Tribal governments, just like state and municipal governments, provide critical services, shape values, and promote jobs and growth. Though federal spending for Indians has lost ground compared to spending for the U.S. population at large, tribal self-government has proven that the federal investment in tribes pays off. According to a report by the Harvard Project on American Indian Economic Development, reservation communities have made remarkable socio-economic gains in the last decade driven by the policy of tribal self-government. Between 1990 and 2000, income levels rose by 33% and the poverty rate dropped by 7%, with little difference between those tribes with gaming operations and those tribes without gaming.

Tribes, however, still have considerable odds to overcome: real per capita income of Indians living on reservations is still less than half of the national average. Indian unemployment is still double the rest of the country. Educationally, only 13% of American Indians hold bachelors or graduate degrees, less than half the national average. The success of Indian Country in addressing these long enduring socio-economic disparities warrant continued federal investment in tribal self-determination.

The Administration's proposed budget does not reflect the priorities of Indian Country as laid forth by the BIA/Tribal Budget Advisory Council, as well as by tribal leaders in budget consultations with IHS and other agencies. NCAI urges Congress to honor its commitments to Indian Nations and provide tribes with the necessary tools for continued progress through the promise of strong tribal self-government. We ask that these recommendations be taken more closely to heart as the FY07 budget advances.

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This testimony outlines some priorities tribal leaders have set for meaningful federal investment in Indian Country: public safety and justice; health-care; education; and tribal self-governance and self-determination programs.

In addition to addressing the troubling general trend of decreased federal fulfillment of trust obligations to tribes, we want to highlight the following key concerns in the proposed budget that we hope this Committee will work to address in FY 2007:

- Tribal leaders have consistently identified law enforcement, justice, and homeland security as key concerns in the FY 2007 budget. As the Department of Justice implements drastic programmatic changes, NCAI calls on Congress to ensure **law enforcement activities in Indian Country** are supported through sufficient funding, essential for the full realization of successful tribal governing. Member tribes of NCAI as well as representatives of the national BIA/Tribal Budget Advisory Council have made law enforcement, justice, and tribal courts as top priorities in 2006.
- **Self Determination programs** throughout the budget—initiatives this Administration has expressed consistent support for—have not only failed to receive needed funding increases, but face cuts which will deeply hobble tribes' ability to effectively assume local control in the face of shrinking Tribal Priority Allocations, inadequate 638 pay cost increases, insufficient contract support funding, and under-funded Administrative Cost Grants. NCAI does, however, applaud the requested increase for Bureau of Indian Affairs indirect contract support costs for FY 2007. Failing to fully reimburse contract support costs in the Indian Health Service effectively penalizes tribes for exercising their self-determination rights, forces cuts to tribal programs in order to cover the shortfall, and leads to partial termination of the federal government's trust responsibility. As a matter of federal contracting principle, tribal contractors, like all other government contractors, should be promptly paid in full.
- NCAI opposes the zeroing out of the Urban Indian Health Program and, instead, believes that this program should receive a substantial funding increase. The Urban Indian Health Program provides a critical link in the Indian health care chain that cannot afford to be broken and cannot be replaced by other health services that many urban Indians, for cultural reasons, are reluctant to utilize. The organizations funded through the Urban Indian Health Program save money by taking a significant patient load off of the reservation-based programs. If these urban Indian organizations are effectively eliminated, many urban Indians will use the IHS reservation facilities at greater expense to the IHS health care system.

This testimony will assess the President's proposed FY 2007 budget for Indian programs by key areas of concern, starting with public safety and justice. Certain issues cross departments and NCAI's testimony will address these by topic rather than agency, such as with public safety and education.

PUBLIC SAFETY AND JUSTICE

A primary role of tribal government is to ensure the security and safety of Indian communities and families, tribal lands and resources, and the United States through law enforcement, detention, and strong judicial systems. Tribal governments serve as the primary instrument of law enforcement for the more than fifty million acres of land that comprise Indian country. The methamphetamine crisis in Indian Country and throughout the country highlights the role tribes play as a critical link in the strength and security of the entire United States.

In July 2005, Jesus Sagaste-Cruz was convicted of distribution of methamphetamine and conspiracy and sentenced to life in prison, a drug trafficker who had executed a business plan targeting Indian reservations in the West for meth distribution. Authorities in the investigation said, "Sagaste-Cruz designed his drug trafficking operation to exploit jurisdictional loop holes. Sagaste-Cruz erroneously thought that he could operate with impunity on Indian Reservations." The implications of one drug trafficking ring rippled out through numerous communities, tribal and non-tribal, not only just deeply affecting addicts, but also harming their children, families, jobs, community health, economies, infrastructure, and environment. Meth is one of the fastest growing drugs of abuse across the nation, with higher rates in rural America. The far-reaching effects of meth on communities require a coordinated approach with adequate resources. Key to the successful investigation and prosecution of the Sagaste-Cruz operation was a cooperative effort between federal, state and local enforcement. Tribes play a central role in protecting their citizens and creating communities safe from threats such as meth.

Law Enforcement

Current funding for tribal law enforcement and first responders lags well behind that for non-tribal law enforcement. According to the Bureau of Justice Statistics, cities like Baltimore, Detroit, and Washington have police-to-citizen ratios of 3.9 to 6.6 officers per 1,000 residents. On the other hand, virtually no tribal police department has more than two officers per thousand residents. More than 200 police departments, ranging from small departments with only two officers to those with more than 200 officers, help to maintain public safety in Indian Country. According to a Justice Department study, the typical Indian Country police department has no more than three and as few as one officer patrolling an area the size of Delaware. According to the Bureau of Justice Statistics 2004 report, violent crime committed against American Indians is more than twice the national average and more likely committed by a perpetrator of a different race.

The Community Oriented Policing Services grants program has proven to be an excellent method for successful law enforcement in Indian Country, which provides direct funding to tribes on a government-to-government basis. COPS grants have helped Native communities hire 1,800 new police officers since 1999. But a total of 759 law enforcement positions will have expired between 2004 and 2006. The long-term benefits of the program are dependent on permanent funding to sustain these positions.

Tribal Courts

Tribal judicial systems are the primary and most appropriate institutions for maintaining order in tribal communities. Congress recognized this need when it enacted the Indian Tribal Justice Act, specifically finding that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." Congress re-affirmed this commitment in reauthorizing the Act in 2000 for 7 years. While the Indian Tribal Justice Act promised \$58.4 million per year in additional funding for tribal court systems starting in FY 1994, tribal courts have yet to see any funding under this Act. Many courts can only afford to have a judge hear cases once a month, which inhibits tribal members from receiving due process and seeing justice served in a timely manner.

Detention Facilities

In September 2004, the U.S. Department of Interior Inspector General's Office issued a report, "Neither Safe Nor Secure?: An Assessment of Indian Detention Facilities," which outlined the

deplorable and life-threatening conditions of Indian jails. The report noted that: 79% of facilities fall below minimum staffing levels on a regular basis; poorly maintained facilities that provide ample opportunity for escape; unusually high rates of suicide, a trend that generally correlates with reduced staff supervision and the influence of drugs and alcohol; and jails dilapidated to the point of condemnation.

Funding Recommendations

NCAI commends the Administration's proposed increase of \$4.5 million for law enforcement activities in the Bureau of Indian Affairs, but opposes the proposed \$5.3 million reduction to tribal courts. In the Department of Justice, the President proposes to transfer all programs funded within the State and Local Law Enforcement Assistance account to the Justice Assistance account, which would affect the separate allocations for the Tribal Courts, Tribal Prison Construction, and Alcohol and Substance Abuse Programs, which were funded at a total of \$22 million in FY 2006. Tribal COPS funding would increase from \$15 million to \$31 million. In light of the apparent consolidation of funds in the Department of Justice for tribal programs, NCAI urges Congress to ensure that tribal governments are still able to take control of law enforcement locally to improve responsiveness, strengthen accountability, and tailor services to meet community needs.

Through significant, but incremental increases over several years, Indian Country public safety programs can reach adequate funding levels to make a very positive difference for Native communities. NCAI supports sustained 8-10% annual increases in the Interior Department and Justice Department Indian Country Public Safety Programs for FY 2007 through FY 2009. NCAI supports a special funding initiative to build the next 15 Indian Country detention facilities. To address the DOJ-documented crisis in Indian Country detention facilities, at least 15 new facilities, including both tribal and BIA facilities, need to be funded over the next three years (approximate cost: \$150 million).

INDIAN HEALTH

Poor health continues to inhibit the economic, educational and social development of all of Indian Country. A vast range of public health indicators show that American Indians continue to suffer disproportionately from a variety of illnesses and diseases. Indians have a shorter life expectancy and have higher rates of disease than the general population. They suffer significantly higher rates of diabetes, mental health disorders, cardiovascular disease, pneumonia, influenza, and injuries. The Indian Health Service is charged with the primary responsibility for eliminating these disparities. The FY 2007 budget request for IHS is \$4.0 billion, a net increase of \$124 million over FY 2006. One of the most notable proposed changes to IHS is the zeroing out of the Urban Indian Health Program. Following are NCAI's key recommendations for Indian health programs.

Fund the Urban Indian Health Program

President Bush has proposed the elimination of the Urban Indian Health Program within the Indian Health Service. Urban Indian health programs report that such a cut would result in bankruptcies, lease defaults, elimination of services to tens of thousands of Indians who may not seek care elsewhere, an increase in the health care disparity for American Indians and Alaska Natives and the near annihilation of a body of medical and cultural knowledge addressing the unique cultural and medical needs of the urban Indian population held almost exclusively by these programs. Urban Indian health programs provide unique and non-duplicable assistance to urban Indians who face extraordinary barriers to accessing mainstream health care. What Urban Indian health programs offer cannot be effectively replaced by the HRSA's Health Centers program which, even according to the President's FY 2007 budget

could only address the needs of an additional 25,000 Native Americans, at a loss of the nearly 150,000 Native Americans served by Urban Indian health programs. Notably, the Urban Indian Health Program receives only 1% of IHS funding, stretching those dollars to achieve extraordinary results.

Urban Indian Health Programs overcome cultural barriers. Many Native Americans are reluctant to go to health care providers who are unfamiliar with and insensitive to Native cultures. Urban Indian programs not only enjoy the confidence of their clients, but also play a vital role in educating other health care providers in the community to the unique needs and cultural conditions of the urban Indian population. Urban Indian Health Programs save costs and improve medical care by getting urban Indians to seek medical attention earlier. A delay in seeking treatment can easily result in a disease or condition reaching an advanced stage where treatment is more costly and the probability of survival or correction is lower. The Urban Indian programs are often able to diagnose more quickly and more accurately the needs of the Indian patient, as well as more readily point a patient to the appropriate medical resource to address his or her condition. Urban Indian Programs reduce costs to other parts of the Indian Health Service system by reducing their patient load. Many urban Indians, if they cannot seek medical advice at an Urban Indian program, return to their reservation to access far costlier services.

Congress enshrined its commitment to urban Indians in the Indian Health Care Improvement Act where it provided: “that it is the policy of this Nation, in fulfillment of its special responsibility and legal obligation to the *American Indian people*, to meet the national goal of providing the highest possible health status to Indians *and urban Indians* and to provide all resources necessary to effect that policy.”²⁵ U.S.C. Section 1602(a) (emphasis added).

Rather than the President’s proposal, NCAI urges Congress to support a \$12 million increase for Urban Indian programs in the FY 2007 budget.

Increase IHS Funding by \$485 Million to Maintain Existing Services

American Indians and Alaska Natives receive life or limb service under current conditions, meaning funds are only available to treat the most life threatening illnesses leaving other serious health needs unaddressed. A \$485 million increase to IHS is necessary in FY 2007 just to maintain existing health services and restore loss of buying power.

The National Congress of American Indians urges Congress to support the health of tribal families and communities by increasing the IHS budget by \$485 million in FY 2007.

Exempt the IHS Budget from Across-the-Board Rescissions

Across-the-board rescissions have increasingly affected Indian health programs over the last 5 years. IHS programs are acutely sensitive to these rescissions, which result in reduced services to Native people.

In FY2006, the IHS was subjected to two rescissions: one .476% reduction in the FY06 Interior Appropriations bill and a 1% rescission in the Defense Appropriations bill. Veterans Administration medical programs were exempt from the 1% cut, however. In FY2006, rescissions will take nearly half of the approved increase for IHS. IHS programs are subject to the same rates of medical inflation as the Veterans Administration programs are and thus should be given the same consideration.

The National Congress of American Indians urges Congress to refrain from imposing future across-the-board rescissions on the Indian Health Service budget that only result in widening the health disparities gap for American Indian people.

Increase Contract Health Services Funding By \$70 Million

\$70 million increase is needed for Contract health funding. This level will allow those tribes who are not served by an IHS Hospital to provide health care services at the same level as those tribes who are served by an IHS Hospital.

Tribes and tribal members who are not located in an area served by an IHS Hospital are not able to access the same level of health care as those who are served by a combination of community based and hospital services. These Tribes and Tribal members experience a greater disparity of health care services than other poorly served populations.

In addition to hurting Native American patients, the lack of IHS funding has a severe impact on the broader Indian community, including the budgets of Tribal facilities and providers throughout the nation. Indians routinely are referred to many Tribal and non-tribal hospitals with the understanding that the Tribes will pay for the services.

\$90 Million for Contract Support Costs

Contract support costs are the key to self-determination for tribes—these funds ensure that tribes have the resources that any contractor would require to successfully manage decentralized programs. On March 1, 2005, the U.S. Supreme Court issued a unanimous decision in *Cherokee Nation and Shoshone – Paiute Tribes v. Leavitt* law suit which powerfully reaffirmed the enforceability of government contracts between tribes and agencies such as BIA and IHS.

Failing to fully reimburse contract support costs effectively penalizes tribes for exercising their self-determination rights, forces cuts to tribal programs in order to cover the shortfall, and leads to partial termination of the federal government's trust responsibility. As a matter of federal contracting principle, tribal contractors, like all other government contractors, should be promptly paid in full.

The National Congress of American Indians requests a \$90 million increase for IHS contract support costs for 100% funding.

INDIAN EDUCATION

Effective and culturally relevant educational systems are critical for nurturing strong, prosperous tribal youth and lay the foundation for healthy communities. Young people in Indian Country often must walk in two worlds. Tribal leaders and educators understand that culturally appropriate educations equip Indian youth to navigate successfully in both worlds. Indian Country has solutions for closing the educational achievement gap based in the values and lessons of our cultures, as evidenced by the success of language immersion programs.

We know from academic studies that Indian children flourish when their classroom experiences are built on our tradition, language and our culture. The No Child Left Behind Act allows for this kind of education, but the resources to actually make it possible have yet to be appropriated. The remedy, of course, is to fully fund this part of the No Child Left Behind Act. I am confident that this culture-centered approach will work because I have seen it work. In 1994, the Alaska Rural Systemic Initiative began connecting students with elders in the community and creating a passion for learning

by showing students how to explore science and history in light of their cultural heritage. It worked. Over a 10-year period, student performance went up. Test scores improved and drop-out rates declined. And this didn't require blue-ribbon panels or years of research. It helped as soon as it was begun: turning the unique position of the Indian Nations into an asset by making Indian children proud of where they come from.

A dangerous pattern has developed in recent years where Indian programs get smaller increases in years where overall funding is up and bigger cuts in years when overall funding is down. NCAI urges policy makers to reverse this trend and provide American Indian education the resources to fulfill the promise of the No Child Left Behind Act.

Restore the Johnson O'Malley Program

The President proposes to eliminate the Johnson O'Malley program (JOM) in the Bureau of Indian Affairs, a \$16.4 million program. Enacted in 1934, the Johnson-O'Malley program was the first attempt by the Federal government to fund programs for the education of Indian students on an institutional basis. Through the 1960s, the JOM program funded both the basic costs associated with academic programs and additional, supplemental services for Indian children attending public schools. By the early 1970s, the Impact Aid program was paying for basic educational expenses, and the JOM program became a supplemental program for Indian students in public schools. Through this program, a range of academic remedial services, cultural programs and services were made available. In the 1970s, such programs become contractible by Indian tribes and nations, and today, all the funds are contracted through tribes, tribal organizations, or state departments of education. 93% of the Indian children are served through the public school system which the Johnson-O'Malley program is a part of

The rationale for this elimination is "due to the availability of other Federal funding and a lack of accountability for how the funding is used" (Department of Interior, FY 2007 Budget in Brief, p. 86). The Bureau hasn't collected information on JOM in a decade, since the deletion of JOM as a separate line item in the budget. The Johnson-O'Malley program has been in a state of "suspended animation" for the last 10 years. Tribes and other grantee/contractors under JOM have been frozen at the 1995 student count and funding figures since the inclusion in the TPA and under the Bureau's plans, this will continue indefinitely. Though it is in the TPA block grant, every tribe continues to conduct the program. Indian Country values JOM, evidenced by the fact that many tribes augment Federal monies for this program. Tribes are positioned to be held accountable for Johnson-O'Malley, which puts the program under the strict control of an Indian Education Committee. The Indian Education Committee is composed of parents of eligible students enrolled in the school district. Choices are made at the local level, with scarce resources going to locally determined needs.

JOM is not duplicative of Department of Education programs. The U.S. Department of Education oversees the Title VII Indian Education Act programs which the President considers 'a similar funding' source for Indian Education. The Title VII program is run directly through the school districts and is not subject to tribal control. The tribes have no actual authority over the design or implementation of the Title VII programs. Under the JOM regulations, the parents of eligible JOM students have 'fully vested authority' to design and implement their JOM programs. By regulation, (25 CFR, part 273.16-17) the JOM programs are based on community needs assessment and not the needs of the school district and serve a much broader range of needs and services. The JOM program is the only federally funded program that allows for student, parent and community involvement in meeting their educational needs which is both academic and culturally based. Also, the eligibility for

Title VII students is not based on students belonging to a federally recognized tribe – they just need to self-identify as Indians.

NCAI urges Congress to restore the funding for this critical Indian education program.

Invest in Native Languages

On tribal lands across the country, Native language classes, including highly effective immersion programs, are turning the tide against the crisis of Native language loss and the threat this loss poses to Native cultures. Immersion schools yield two dramatically positive results:

- 1) the schools successfully teach Native language fluency to the next generation of tribal communities, thus preserving the languages; and
- 2) the tribal students in immersion programs perform substantially better academically, including on national tests, than Native students who have not gone through such programs.

The Administration for Native Americans (ANA) administers a grant program in support of Native American languages, which in FY2004 provided \$3.9 million in language grants to 33 native grantees, with only 10% of that funding immersion programs. NCAI recommends this program be substantially expanded specifically to support existing immersion schools and programs.

NCAI requests an increase of \$6 million to the ANA for existing and start-up immersion programs over and above the \$3.9 million currently allocated for Native language programs, for a total language budget of \$9.9 million.

Support Tribal Education Departments

Sovereign tribal governments play a significant role in the education of Indian children. Over one hundred Indian tribes have started Tribal Education Departments (TED), which develop and administer policies; gather and report data, and perform or receive critical research and analyses to help tribal students from early childhood through higher and adult education in all kinds of schools and school systems. TEDs bridge tribal history and our future in preserving and cherishing traditional languages and cultures while cultivating rising tribal leaders and our workforce. TEDs serve thousands of tribal students nationwide, in BIA, tribal, and public schools. They work on reservations, in urban areas, and in rural areas and deal with early childhood, K-12, higher, and adult education.

As tribal governmental agencies, TEDs should be involved in the areas of education in which State Education Departments and Agencies are: setting meaningful education policies and regulations; collecting and analyzing education data; engaging in education planning; setting academic standards and developing student progress assessments; determining what students learn and how it is taught.

NCAI supports \$5 million in appropriations in FY 2006 for Tribal Education Departments so they can assume the responsibilities that Congress envisions for them.

Indian Head Start

The President proposed level funding for Head Start in the Department of Health and Human Services. The Head Start/Early Head Start Programs are vital to Indian Country. Over the last 40 years, Head Start has played a major role in the education of Indian children and in the well-being of many tribal communities. However, only about 16% of the age eligible Indian child population is enrolled in Indian Head Start. Of the approximately 565 federally recognized tribes, only 222 have Head Start programs. Needless to say, for the 343 that do not, 0% of the eligible children are served

by Indian Head Start. The comprehensive nature of this program, integrating education, health and family services, is close to a traditional Indian educational model and has resulted in perhaps the single most successful Federal program operating in Indian Country.

Increase the Indian Head Start Set-Aside from approximately 2.8% to 4% of the Head Start Budget. Both the House of Representatives and the Senate have recognized that the current funding level is too low given the daunting challenges faced by Native youth. The House has passed legislation that would establish a set-aside of 3.5% for Indian Head Start (H.R. 2123). The Senate Health Education Labor and Pensions Committee has marked up legislation that would establish a set-aside of 4% for Indian Head Start (S. 1107). Increasing the Indian Head Start set-aside from 2.8% to 4% would have a tremendous positive impact on all aspects of Indian Head Start.

Tribal Colleges & Universities

Department of Interior, Tribally Controlled College or University Assistance Act

NCAI supports full funding for Title I of the Tribally Controlled College or University Assistance Act, which supports the basic operating budgets of 23 tribal colleges, over the next two fiscal years. NCAI also supports funding increases for the day-to-day operations of the other accredited AIHEC member institutions funded under separate authorities. Addressing chronic under-funding is essential to the sustained growth, the increasing number of TCUs, and the continued access of quality higher education opportunities for American Indians. *\$52.9 million, an increase of \$10.7 million is needed to fully fund the day-to-day operations of 23 tribal colleges at the authorized \$6,000 per ISC. NCAI also supports \$17.7 million for the Dine College for FY 2007.*

1994 Land Grant Institutions, Dep. of Agriculture

In 1994, AIHEC member institutions achieved Federal land grant status through the passage of the “Equity in Educational Land Grant Status Act”. Over a decade later and Tribal Colleges & Universities (TCUs) have yet to be recognized and funded as full partners in the nation's land grant system, and so our potential remains unrealized. Funding at the requested levels is a small but critical first step in addressing disparities that currently exist in the land grant system.

PROGRAM NAME	AUTHORIZATION LEVELS	FY2005 ENACTED	FY2007 NCAI REQUEST
1994 Institutions’ Endowment Fund 33 colleges share fund’s annual interest yield	“Such sums as needed”	\$12 million	\$12 million
1994 Institutions’ Equity Grant Program Non-competitive, requires plan-of-work	\$100,000 per institution	\$2.250 million	\$3.3 million
1994 Institutions’ Extension Program Competitive	“Such sums as needed”	\$3.273 million	\$5 million
1994 Institutions’ Research Program Competitive - requires partnership w/ 1862 and/or 1890.	“Such sums as needed”	\$1.087 million	\$3 million
RCAP – tribal college facilities Competitive - requires non-Federal matching funds.	\$10 million	\$4.5 million	\$5 million

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

A successful start in life depends on safe, quality and affordable housing, which helps to prevent and alleviate other physical and social problems from occurring, including lack of educational achievement and poor health. These types of problems make it difficult to obtain and maintain employment, creating further economic hardship for Indian families. The Native American Housing and Self-Determination Act allows tribes to be more creative and resourceful in creating homes for their members. NAHASDA revolutionized how Native American housing funds are provided by recognizing tribes' authority to make their own business decisions. Tribes have increased capacity to address the disturbing housing and infrastructure conditions in Indian Country through managing their own programs and leveraging NAHASDA dollars with tribal dollars.

Through NAHASDA, tribes are addressing the needs of their communities. In 1995, 20% of tribal residents lacked complete plumbing. This number was reduced to 11.7% by 2000, although it is still far higher than the 1.2% for the general population. In 2000, 14.7% of tribal homes were overcrowded, a drop from 32.5% in 1990. Despite improvements, severe conditions still remain in some tribal homes, with as many as 25 - 30 people living in houses with as few as three bedrooms. Native Americans are becoming homeowners at an increasing rate, 39% more from 1997 to 2001. Fannie Mae's investment in mortgages increased exponentially, from \$30 million in 1997 to more than \$640 million in the most recent 5 year period.

Although tribes have the desire and potential to make headway in alleviating the dire housing and infrastructure needs of their communities, tribes' housing needs remain disproportionately high and disproportionately under-funded. Tribal housing entities, due to funding levels and population growth, are only able to maintain the status quo.

Disproportionate need in Indian Country remains. Roughly 16% are without telephones, compared to 6% of non-Native households. Approximately 40% of Indian housing is considered inadequate, compared to roughly 6% nation-wide. Less than half of homes on reservations are connected to a public sewer system.

Fund the Native American Housing Block Grant (NAHGB) at \$748 Million

The President proposed a slight increase for the Native American Housing Block Grant over FY 2006 with a level of \$626 million. The NAHGB provides needed funds to tribes and tribally designated housing entities (TDHE) for: housing development; construction; infrastructure; and, repair. Tribes and TDHEs that have used the Title VI loan guarantee program, where "the borrower leverages NAHGB funds to finance affordable housing activities today by pledging future grant funds as security for repayment of the guarantee obligation," could be in jeopardy of non-payment if the NAHGB is reduced. Any defaults under Title VI would obligate HUD, as the guarantor at 95%, to repay the loan.

NCAI recommends that the NAHGB be funded at least at the FY2005 level with adjustment for inflation, which, for FY2007, would be \$748 million.

Fund the Indian Community Development Block Grant (ICDBG) at \$77 Million

The President proposed a slight decrease for the ICDBG with a level of \$57 million. ICDBG funds are dedicated for infrastructure, economic development, and housing. Infrastructure improvement includes roads, water and sewer facilities, and community buildings. Economic development includes a variety of commercial, industrial, and agriculture projects. ICDBG was funded for FY2006 at \$59.4

million, an \$8 million reduction from FY2005, which will eliminate jobs, housing, and economic development in Indian Country.

NCAI recommends that the Indian Community Block Grant be funded at \$77 million for FY2007.

BUREAU OF INDIAN AFFAIRS/OFFICE OF SPECIAL TRUSTEE

The Bureau of Indian Affairs budget request is \$2.22 billion, a level \$52.4 million below the FY 2006 enacted amount. Many significant proposed changes to BIA have been addressed in the Public Safety and Indian Education sections of NCAI's testimony. However, NCAI would like to highlight some additional concerns in the President's FY 2007 budget request for BIA.

Contract Support Costs

NCAI commends the Administration's requested increase for Bureau of Indian Affairs indirect contract support costs for FY 2007. Failing to fully reimburse contract support costs effectively penalizes tribes for exercising their self-determination rights, forces cuts to tribal programs in order to cover the shortfall, and leads to partial termination of the federal government's trust responsibility. As a matter of federal contracting principle, tribal contractors, like all other government contractors, should be promptly paid in full.

Community Fire Protection

A decrease of \$1.144 million is proposed to eliminate the community fire protection program. The justification for eliminating this program is "due to a lack of performance accountability, duplication of other Federal or State programs, and implementation of management efficiencies" (BH-83, Department of Interior, FY 2007 Budget in Brief). The problem with this justification is that many tribes operate fire protection services in remote areas where local fire departments can not or will not provide protection. If these programs are not restored, tribes will be left vulnerable and unprotected. Tribes moreover should not be punished due to inefficient data management and reporting, which prevents accurately assessing performance. Tribes operate programs at levels far more superior than most BIA programs operated through direct service by the BIA. Tribes are responsible in their record keeping and fulfillment of 638 contract reporting. *NCAI urges Congress to restore the funding for the community fire protection program in BIA.*

Human Services

The President proposes reducing Welfare Assistance by \$11 million and Indian Child Welfare would be cut by \$742 thousand, with justification that the programs duplicate federal or state programs. Many Tribes experience difficulty in getting their tribal members to the state offices due to their rural locations and many states turn away tribal members simply because due to lack of funding to cover additional recipients. The tribal leaders of the BIA/Tribal Budget Advisory Council have emphasized the importance of these two programs to their constituent members at home. NCAI urges Congress to restore these critical human services.

Indian Land Consolidation

The FY 2007 budget proposes funding of \$59.5 million for Indian land consolidation, an increase of \$25.4 million, or 75% above the FY 2006 enacted level. Tribal leaders continue to stress that Indian land consolidation is critical for addressing the problem of fractionation, which creates an accounting nightmare and enormous difficulties for owners in putting land to beneficial use. Land consolidation will improve federal administration and management, and saves substantial federal dollars that currently go to tracking tiny interests. *NCAI lauds the Administration's requested increase for land*

consolidation, but continues to urge an appropriation of \$95 million for Indian land consolidation in FY 2007, the full amount authorized by Congress. This investment in land consolidation will do more to save on future trust administration costs than any other item in the trust budget.

Indian Forests and Forest Management

Tribes have followed many lessons in pursuit of sustaining strong traditional communities: proficient stewardship, balance in economic development and resource protection, and considering the impact of leadership decisions on the seventh generation to come. A striking example of tribes' success as stewards of the land is the management of Indian forests.

As outlined in the An Assessment of Indian Forests and Forest Management in the United States, December 2003 (IFMAT-2) report, the management of Indian forests is different and better than it was in 1993, with significant progress made toward sustainability in Indian forests although significant progress remains to be made. Indian forests have retained and enhanced their value (noted in IFMAT I) as areas for sustainable forestry to meet human needs. "Because tribal members live intimately with all the results of their forestry activities they pay close attention to the health of their forests and the effects of forest management activities on themselves and their environment. This makes Indian forests of special value to all Americans."

Many reservations innovatively manage their forests under the principles of adaptive ecosystem management, with increasing quality and quantity of tribal forest management staff. Indian forests are deeply interconnected with tribal life. Timber production, non-timber forest products, grazing, and wildlife management create revenue and jobs for tribal citizens and spur the economies of surrounding communities. Subsistence lifestyles and forest-derived foods and medicines are important to many tribal members. Indian forests often play a role in religious observance and artistic expression. Forest protection and use remain core values on forested reservations.

Success of Tribes:

On the White Mountain Apache Reservation, forest thinning and fuels reduction activities stopped the advance of the huge Rodeo-Chedeski forest fire. After the fire, the tribe and BIA quickly and successfully salvaged merchantable logs from the burned-over lands using helicopter logging, and the post-fire Burned Area Emergency Recovery activities on the Reservation drew national attention for their effectiveness.

Under the Forest Management Plan of the Self-Governed Hoopa Tribe in Northern California, the listed Northern Spotted Owl (NSO) population is stable and reproduction is increasing while the Tribe's timber harvest still provides the Tribe's economic base. NSO populations on unmanaged neighboring National Forests are declining.

Recommendation

The BIA FY 2007 budget for Forestry should be \$172 million, an increase of \$120 million over current budget levels. The current BIA Forestry budget of \$51.9 million includes all direct Forestry funding from Tribal Priority Allocation, Non-Recurring Programs, Regional Office Operations, and Central Office Operations. It includes estimates for Forestry funds transferred over the years to Self-Governance, as well as historically-based estimates of Forestry spending in the Central Office Natural Resources General program. It does not include any fire funding.

ENVIRONMENTAL PROTECTION AGENCY

Tribal governments are faced with a very real need for economic development, as are many of their rural and urban neighbors. As tribal governments and the United States overall continue economic growth in a finite world, we have become increasingly aware of the services provided us by our environments. To protect tribal sovereignty, our health and well being, and our cultures, tribes need to attract federal and private investment in two high priority areas: natural infrastructure and man-made infrastructure.

Natural Infrastructure

Natural infrastructure has supported us for millennia. Natural systems which clean our water, air, and restore our land need support through both direct and preventative action. For example, the preservation and further creation of wetlands and wild lands is a key priority, as this protects critical habitats of species that inspire and teach us about our histories, beliefs and worldviews as traditional people. Furthermore, tribes need increased knowledge and investment in quantification and certification of carbon sequestration as a means to participate in protecting our lands from a changing climate.

Tribes need investment in preserving our living infrastructure to keep pollutants from reaching all branches of our natural communities. In these communities live our most vulnerable assets and we need a means to support and protect them.

Man-Made Infrastructure

As a civilization we have made great strides in developing science and engineering that provides us safer access to drinking water, disposal of waste water, design of solid/hazardous waste facilities, transportation and energy systems that support community and home designs that promote healthy families and lifestyles. As some tribes build-out to meet the needs of rapidly expanding populations and as our infrastructure ends the life span of its design, we are faced with the challenge and opportunity of redesigning some of our infrastructure to meet the needs of our families and cultures. Essential in this design is minimizing impacts on our natural infrastructure. Tribes need increased capacity building to effectively utilize existing environmental decision-making processes like NEPA. We applaud the effort in the Energy Policy Act calling for the creation of a National Tribal Environmental Review Resource Center, and recommend that the Center receive appropriate funding to fulfill its Congressional mandate.

Recommendations

Interagency Collaboration, Resources, and Authority

To accomplish these overarching goals, NCAI recommends greater federal interagency cooperation and collaboration. Some good examples we would like to encourage include the Interagency Solid Waste Taskforce; the Inter-Agency Tribal Drinking Water and Wastewater Workgroup; the White House CEQ's Modernizing NEPA Roundtables. NCAI would also like to encourage continuation of the work of the tribal governments and intertribal organizations working on these issues, and that the federal agencies continue to bring the tribes to the table on these efforts in fulfillment of their individual Indian policies and trust obligations.

NCAI supports and recommends that Congress meet the national tribal governments' environmental needs as identified below:

GOAL	Total FY2007 Budget
Goal 1: Clean Air & Global Climate Change	\$29,200,000
Goal 2: Clean & Safe Water	\$125,360,000
Goal 3: Land Preservation & Restoration	\$80,114,300
Goal 4: Healthy Communities & Ecosystems	\$32,133,200
Goal 5: Enforcement & Compliance Assurance	\$75,400,000
Totals	\$342,207,500

Data Management

A persistent problem affecting all areas of Indian Country is the lack of efficient and effective data management and reporting. Tribes and federal agencies badly need to improve capacity to identify existing needs and deficiencies and NCAI urges Congress and the President to invest in improved data management for programs affecting American Indians.

For instance, in the Department of Interior, Indian Affairs programs do not maintain collected data in a ready access fashion for instant analysis and reporting, resulting in weeks or months to compile a report on standard program practices. The Bureau's lack of data management also leads to duplicate data calls, missed deadlines, and incomplete reporting. It appears that all programs collect standard program data on a regular basis, but fail to maintain it. Each time a call comes in from the Department, the Congress, or OMB, it goes out as a brand new data call.

NCAI urges an increased investment in data management to more efficiently and effectively use program funding; improve justification for budget formulation, budget allocations, and fund distribution; enhance data credibility and analysis for use by decision makers in critical processes (including GPRA and PART).

CONCLUSION

NCAI realizes Congress must make difficult budget choices this year. As elected officials, tribal leaders certainly understand the competing priorities that you must weigh over the coming months. However, the federal government's solemn responsibility to address the serious needs facing Indian Country remains unchanged, whatever the economic climate and competing priorities may be. We at NCAI urge you to make a strong, across-the-board commitment to meeting the federal trust obligation by fully funding those programs that are vital to the creation of vibrant Indian Nations. Such a commitment, coupled with continued efforts to strengthen tribal governments and to clarify the government-to-government relationship, truly will make a difference in helping us to create stable, diversified, and healthy economies in Indian Country.