

**TESTIMONY OF KAREN R. DIVER, CHAIRWOMAN
FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA
BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS ON THE
SEQUESTRATION FISCAL CRISIS IN INDIAN COUNTRY
November 14, 2013**

Chairwoman Cantwell, Vice-Chairman Barrasso, and members of this Committee, I would like to thank you for holding this oversight hearing on the crisis that sequestration is creating in Indian country.

I am Karen R. Diver, Chairwoman of the Fond du Lac Band of Lake Superior Chippewa. The Fond du Lac Band occupies a small reservation in northeastern Minnesota. The Band has approximately 4,200 members, and we provide health, education, social services, public safety and other governmental services to more than 6,700 Indian people who live on or near our Reservation. These programs, and the federal funds that help us provide them, are essential to our ability to educate our children, care for our elderly and infirm, prevent crime, and protect and manage natural resources.

I cannot overstate the damage that sequester has already caused to our ability to provide essential services to our people. In the past two years alone, federal funding for Fond du Lac has been cut by more than \$2.5 million. These cuts have left us no alternative but to eliminate jobs, curtail services, and turn away people who most need our help. If sequester continues into 2014, the additional loss of jobs and services will be serious and severe.

The Fond du Lac Band cannot absorb any further reductions in federal funding. Further cuts will not only adversely affect the long term health and well-being of the Fond du Lac community, but with the Fond du Lac Band as the largest employer in the region, those cuts will also adversely affect the broader region – through increased unemployment, and the increased demands that this will place on regional social service programs and related assistance.

Across-the-board sequestration cuts and rescissions to federal programs for Indian tribes will not balance the federal debt. What it will do is set back decades of hard work by Indian tribes and the United States to lift Native people out of poverty and put them on a path to empowerment and self-sufficiency. We urge Congress to exclude from sequester the federal funds that are so desperately needed in Indian country.

Education. We depend on federal funds to operate the Fond du Lac Ojibwe School. This school serves approximately 340 students in pre-K through grade 12. Most of our students come from very low income households, as demonstrated by the fact that more than 90% of our students qualify for free or reduced rate lunches. Although the President, in Executive Order 13952 (Dec. 2, 2011), found “an urgent need” for federal agencies to help improve educational opportunities for American Indian students because there has been “little or no progress in closing the achievement gap” between our students and all other students, Indian schools – even without sequester – have been seriously under-funded for years. Sequester has only exacerbated the fiscal crisis in Indian education.

As a result of sequester, in the past two years funding for the Ojibwe School has been cut over \$500,000. This, in turn, has had the following adverse impacts on our education program and the children we are trying to serve.

- We had to eliminate 8 staff positions, including staff in critical areas that support science and math, school counseling and psychology, and paraprofessionals for special education.
- We have found it necessary to cut the hours in school readiness programming.
- Cuts in transportation funding have required us to use earlier school bus pick-ups and later drop-offs, creating unduly long school days for younger students.
- This year, we were further compelled to drop young kindergarten students with high behavior needs because we could not staff at the levels required to meet their needs. We are hoping that delaying their entry into school by a year will help with their developmental needs. But this has caused a hardship for their parents and runs a serious risk of stigmatizing the children.

Any further reductions in funding will mean even fewer staff which will force us to further reduce or even eliminate educational programs that are so critically needed for the most vulnerable population – our children.

Head Start. Because of sequester, our Head Start program has been cut \$100,000 per year for two years. We have done everything possible to implement these cuts so that we are not required to turn away children from the Head Start program. We have cut administrative staff that support the use of technology, and converted two positions so that they are 9-month positions instead of year-round. We also reduced some transportation services that have, in the past, been provided by the Head Start program. But if sequester continues, next year we will have no choice but to start cutting available slots for children because direct service staff will need to be laid-off.

Housing. Native Americans suffer the most substandard housing—at a rate of six times that of the population at large. At Fond du Lac we have been striving to combat the endemic problems that result from the lack of a sufficient supply of decent, safe and affordable housing.

Our Housing Division currently has a waiting list of approximately 175 applicants seeking low income and homeownership housing. We have many other Tribal members who are also in need of housing, but who have moderate incomes and therefore are not even shown on our waiting list.

Our current housing stock is very limited and far below the need. Many of our housing units are over fifteen years old, with the oldest units built more than 40 years ago, in 1970. Because of the age of our housing stock, the units are constantly in need of maintenance and repairs. Approximately 30% of our housing units require major renovation, such as the replacement of roofs and siding, as well as upgrades in plumbing and other utility systems, and the replacement of windows and doors. Other units require routine repairs and maintenance, the average cost of which is at least \$5,000 per year.

Because of the severity of our housing shortage, approximately 270 of the Indian households that we serve – close to 20 percent of our service population – currently live in overcrowded homes. It is not uncommon on our Reservation and among our people to find 10 or more individuals living together in a two-bedroom home. Overcrowding, in turn, accelerates the wear and tear on those homes, creating a vicious cycle of need.

Overcrowded and dilapidated housing creates other risks. It increases the risk of fire and accidents, and creates unsanitary conditions, with increased spreading of communicable but normally preventable illnesses. Overcrowded housing “often results in stress, which can magnify family dysfunction and eventually lead to alcohol and child abuse.”¹ Such conditions are especially harmful to children, as over-crowding, and the related risk of homelessness “threaten their educational success, health and mental health, and personal development.”² We see these problems at Fond du Lac.

Our members who are compelled to live in overcrowded homes are also often only a step away from being homeless. As set out in a series of recent studies of homeless and near-homeless persons on Minnesota Indian reservations, including the Fond du Lac Reservation, doubling up with family or friends is often the last housing arrangement a person has before becoming literally homeless, and it is common for people to go back and forth between doubling up and homelessness.³ A disproportionately high number of Native Americans in Minnesota are homeless. Although Native American adults are only 1 percent of the State population, they are 10 percent of the adults identified as homeless. And while Native American youth (under age 21) are only 2 percent of the youth population in Minnesota, they are 22 percent of the homeless youth that are unaccompanied by an adult.⁴

Federal funds are critical to meeting those needs. With the aid of federal funds, the Fond du Lac Band has been able to partner with state and private entities in an effort to begin to more comprehensively address housing needs. In July 2010, we began construction of a supportive housing development to provide permanent supportive housing to 24 tribal members and their families and which, in conjunction with our Human Services Division, would address the tenant’s barriers to maintaining housing and create a support system to prevent homelessness.

¹ U.S. Commission on Civil Rights, *A Quiet Crisis: Federal Funding and Unmet Needs In Indian Country*, at 62-63 (July 2003).

² Wilder Research, *Homeless and Near-Homeless People on Minnesota Indian Reservations: 2009 Study*, at 3 (April 2012) (“Wilder 2012 Report”), <http://www.wilder.org/Wilder-Research/Publications/Studies/Homelessness%20in%20Minnesota,%202009%20Study/Homeless%20and%20Near-Homeless%20People%20on%20Minnesota%20Indian%20Reservations,%20Full%20Report.pdf>

³ *Wilder 2012 Report* at 4; see also Wilder Research, *2006 Study: Homeless and Near-Homeless People on Northern Minnesota Indian Reservations*, at 2 (Nov 2007), <http://www.wilder.org/Wilder-Research/Publications/Studies/Homelessness%20in%20Minnesota,%202006%20Study/Homeless%20and%20Near-Homeless%20People%20on%20Northern%20Minnesota%20Indian%20Reservations,%202006%20Study.pdf>

⁴ Wilder Research, *2012 Minnesota Homeless Study: Fact Sheet, Initial Findings, Characteristics and Trends*, at 2 (April 2013), <http://www.wilder.org/Wilder-Research/Publications/Studies/Homelessness%20in%20Minnesota%202012%20Study/Initial%20Findings-Characteristics%20and%20Trends,%20People%20Experiencing%20Homelessness%20in%20Minnesota.pdf>

This year, those same partnerships helped us to operate the first Veteran's supportive housing facility in Indian country.

But sequestration puts our progress at great risk. Even without sequester, funding for Indian housing had not materially increased over the years, while, at the same time, the costs of the supplies, materials and labor necessary to remodel and modernize our aging housing stock have increased every year with inflation.

Since 2011, our Indian Housing Block grant, provided through the Department of Housing and Urban Development, has been cut \$339,000. Prior to those cuts, we could fund the construction of 5 or 6 new homes a year. But the cuts caused by sequester mean that we must now either reduce work on rehabilitation of older housing stock, or reduce the number of new homes built, or possibly both.

Housing represents the single largest expenditure for most Indian families. The development of housing has a major impact on the national economy and the economic growth and health of regions and communities. Housing is inextricably linked to access to jobs and healthy communities and the social behavior of the families, especially children, who occupy it. The failure to achieve adequate housing leads to significant societal costs.

Decent, affordable, and accessible housing fosters self-sufficiency, brings stability to families and new vitality to distressed communities, and supports overall economic growth. Very particularly, it improves life outcomes for children. In the process, it reduces a host of costly social and economic problems that place enormous strains on the Tribal and State education, public health, social service, law enforcement, criminal justice, and welfare systems.

Overall adverse impacts of sequester. These are just some examples of the serious adverse impacts of sequestration on Indian tribes and Indian people. In addition to the cuts described above, we are also dealing with the impact of sequester on the reduced federal funding for: Indian health care provided by the Indian Health Service; social service programs provided through the Bureau of Indian Affairs; law enforcement provided through the Department of Justice and BIA; as well as the safety nets on which the poorest of our people depend to meet the most basic subsistence needs – including the USDA's Food Nutrition Program on Indian Reservations, the Low Income Home Energy Assistance program, and Child Care Assistance provided through HHS. Because of these cuts, the Fond du Lac Band has been compelled to lay-off staff, and reduce some services, and eliminate others altogether. We will do our best to fill the unmet need, and look for partnerships with local governments and others to do this. But the unmet need at Fond du Lac, and in Indian country generally, is massive.

I urge Congress to honor the Federal government's trust responsibility to Indian tribes and to the Indian people by excluding, from any sequester and mandatory rescissions, the federal funding for the programs that serve Indian country consistent with the Nation's sacred obligations. Miigwech. Thank you.