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FISCAL YEAR 2008 BUDGET

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

OVERSIGHT HEARING ON THE PRESIDENT'S FISCAL YEAR 2008 BUDGET REQUEST FOR TRIBAL PROGRAMS

FEBRUARY 15, 2007
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CONTENTS

Page

Statements:

Boyd, Roger, deputy assistant secretary, Office of Public and Indian Housing, Department of Housing and Urban Development 8
Cabrera, Orlando, assistant secretary, Office of Public and Indian Housing, Department of Housing and Urban Development 8
Cason, Jim, associate deputy secretary, Department of the Interior 3
Corwin, Thomas, director, Division of Elementary, Secondary and Vocational Analysis, Budget Service, Department of Education 6
Dorgan, Hon. Byron L., U.S. Senator from North Dakota, chairman, Committee on Indian Affairs 1
Douglas, Peter, acting chief medical officer, Indian Health Service, Department of the Interior 4
Freeman, Catherine, deputy assistant secretary, Office of Elementary and Secondary Education, Department of Education 6
Grim, Charles W., director, Indian Health Service, Department of the Interior 4
Hartz, Gary, director, Environment Health and Engineering, Indian Health Service, Department of the Interior 4
Johnson, Jeff, policy advisor, Office of Elementary and Secondary Education, Department of Education 6
Keel, Jefferson, Lieutenant Governor, Chickasaw Nation, and first vice president, National Congress of American Indians 26
Malina-Wright, Verlie Ann, president, National Indian Education Association 30
McSwain, Robert, deputy director, Indian Health Service, Department of the Interior 4
Murkowski, Hon. Lisa, U.S. Senator from Alaska 16
Peter, Douglas, acting chief medical officer, Indian Health Service, Department of the Interior 4
Posey, Ivan D., chairman, Shoshone Business Council, Wind River Reservation 23
Schofield, Regina B., assistant attorney general, Office of Justice Programs, Department of Justice 9
Shuravloff, Marty, chairman, National American Indian Housing Council 32
Smith, Sally, chair, National Health Board 28
Swimmer, Ross, special trustee for American Indians, Department of the Interior 3
Thomas, Hon. Craig, U.S. Senator from Wyoming, vice chairman, Committee on Indian Affairs 2

APPENDIX

Prepared statements:

American Indian Higher Education Consortium 42
Begay, Marjorie, school board president, Lukachukai Community Board of Education, Inc. (with attachment) 49
Cabrera, Orlando (with attachment) 57
Cason, Jim (with attachment) 69
Coochise, Elbridge, chief justice, retired, representing the Independent Review Team on Tribal Courts 85
Eagelfeathers, Moke, board president, National Council of Urban Indian Health 89
Freeman, Catherine (with attachment) 97
Grim, Charles W. 35
Keel, Jefferson 119

Page

Prepared statements—Continued
MacDonald-Lonetree, Hope, chairperson, Public Safety Committee, Navajo Nation Council (with attachment) 131
Malina-Wright, Verlie Ann 145
Mann, Carla, member, Blackfeet Tribe 37
Pearson, Myra, chairwoman, Spirit Lake Nation, Fort trotten, ND 38
Posey, Ivan D. 39
Schofield, Regina B. (with attachment) 154
Shuravloff, Marty 174
Smith, Sally 183
Smith, Terry, assistant superintendent, Wapato School District, Wapato, WA 196
Swimmer, Ross 69
Wilson, Ryan, enrolled member, Oglala Sioux Tribe 206

FISCAL YEAR 2008 BUDGET

THURSDAY, FEBRUARY 15, 2007

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m. in room 485, Senate Russell Office Building, Hon. Byron L. Dorgan (chairman of the committee) presiding.

Present: Senators Dorgan, Conrad, Murkowski, and Thomas.

STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR FROM NORTH DAKOTA, CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

The CHAIRMAN. I am going to call the hearing to order this morning. This is a hearing of the Senate Committee on Indian Affairs.

Today, we hear testimony from Federal and tribal witnesses concerning the President's proposed fiscal year 2008 budget request for tribal programs.

The purpose of this hearing is to inform the committee about recommended funding levels, and also program priorities, as we develop our views and estimates letter to the Senate Committee on the Budget. The Senated Committee on the Budget, in turn, will consider our views and estimates letter as they prepare the fiscal year 2008 budget resolution.

I want to thank all of the witnesses who have come this morning to testify. We realize that the President's budget for 2008 was only recently submitted, I believe 10 days ago, to the U.S. Congress. We do have 10 witnesses at today's hearing. We have two votes starting at 10:30 a.m. Because of the number of witnesses, I would ask that we summarize the testimony. All of your statements will be made a part of the permanent record. But if you would cooperate with us in summarizing your statements this morning, we would very much appreciate it. We want to try to finish this hearing this morning.

The budget request the President submitted to Congress on February 5 proposes to spend $2.9 trillion. There is a rather substantial increase for discretionary funding for the Department of Defense and Homeland Security, which one would expect given these times and given our challenges, but only a 1-percent increase for non-discretionary spending. Especially with respect to the budget's dealing with Indian accounts and Indian issues, I am somewhat concerned about the lack in funding request and I hope that perhaps we can address some of those needs.

I know that the Indian Health Service [IHS] has proposed an increase for contract health services of $49 million. That is a 10-percent increase over the previous year, but it will still fall far short of what is necessary. We have in contract health a dramatic underfunding. One tribal chairman recently said they ran out of contract health funds in January, 3 months into the fiscal year. After that point, you get health care if you have life or limb threatened. If not, you are out of luck.

We have a number of accounts that I believe need to be strengthened. The post-secondary scholarship adult education program is proposed for a reduction. I think those programs are very important. Johnson-O'Malley, that is a grant program that I think is very important. They propose to eliminate that in the budget. The budget proposes to eliminate the BIA's Housing Improvement Program. School construction and repair has a reduction in funding. The Urban Indian Health Care Program is once again proposed for elimination, which I think is a very serious problem.

As I have gone through this, my own view is that we have a real crisis, particularly in Indian health care, a crisis of health care, housing and education. It does require some additional funding, and the budget, I feel, falls short in that area, but we need to work through this.

I want to hear from your testimony this morning what you perceive to be the priorities. I want to work with the vice chairman, Senator Thomas, as we construct something that we will send to the Committee on the Budget.

Again, I thank all of you for being willing to come and testify, and I ask that you will summarize your testimony this morning.

Let me call on Vice Chairman Thomas.

STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING, VICE CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

Senator THOMAS. Thank you, Mr. Chairman. We do have a lot to do, so I will be very short as well.

First, I would like to welcome Chairman Ivan Posey of the Eastern Shoshone Business Council, who will be here today. I am delighted to have you.

We are faced, as you all know, with the question of balancing our budget and controlling spending. So every budget that is currently being reviewed almost every committee, I am sure, would like to have more money. Who would not? But we do have to take a look at some of the disparities that exist in Indian country, particularly in health care, education, economic development, and make sure that we provide an opportunity for the tribes to be able to strengthen their own positions.

Certainly, the budget is directed at holding down and making almost flat certain program appropriations, and clearly includes elimination of program duplication and allowing agencies to focus on their core responsibilities. I think that is an issue we should talk about today. Certainly, I am, as always, interested in the economic energy policy portion of the budget, so that the tribes can help themselves to be in a better position financially. I think there are some things we can do there.

So I look forward to the witnesses, and thank you all for being here. We will need to work on it.

The CHAIRMAN. Senator Thomas, thank you very much.

The first witness today is Jim Cason, who is the associate deputy secretary of the Department of the Interior. He is accompanied by Ross Swimmer, who is the special trustee for American Indians at the Department of the Interior.

Mr. Cason, you may proceed.

STATEMENT OF JIM CASON, ASSOCIATE DEPUTY SECRETARY, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY ROSS SWIMMER, SPECIAL TRUSTEE FOR AMERICAN INDIANS

Mr. CASON. Thank you, Mr. Chairman.

The Department's fiscal year 2008 budget request for Indian Affairs is $2.23 billion, which is $1 million below the fiscal year 2007 continuing resolution level, and $7 million above the 2007 President's request. The fiscal year 2008 budget request is consistent with the President's emphasis on fiscal discipline, while maintaining the Department's commitment to trust management reform and addressing the emerging areas of concern for tribes and Indian affairs.

The 2008 budget request for the Office of Special Trustee totals $196.2 million, which is $15 million above the fiscal year 2007 continuing resolution, $48 million below the 2007 President's request.

Laying the foundation for the 2008 request are two secretarial initiatives supporting safe Indian communities and improved Indian education. The Safe Indian Communities Initiative consists of increases totaling $16 million to combat methamphetamine crisis, and resulting increase in violent crime besetting Indian country. The Safe Indian Communities Initiative focuses primarily on providing additional law enforcement detention officers, specialized drug enforcement training for new and existing officers, and public awareness campaigns on the dangers of drugs.

With the additional funding provided through this initiative, Indian Affairs anticipates a decrease in drug-related crime in targeted communities, greater crime deterrence through increased public police actions, and fewer dangerous incidences reported to the Bureau of Indians Affairs detention facilities.

On the Indian Education Initiative, the Bureau of Indian Education Elementary and Secondary School System is comprised of 170 schools and 14 dormitories, located on 63 reservations in 23 States, serving almost 46,000 students. The secretarial initiative Improving Indian Education Initiative proposes increases totaling $15 million, to ensure Indian students graduating from the BIA-funded elementary and secondary school systems possess the academic knowledge and skills necessary to successfully compete for employment at home, and in the global economy.

The Improving Indian Education Initiative is part of the Bureau of Education's $562 million request for elementary and secondary school operations, and supports the President's commitment to leave no child left behind.

On another area, the Department has responsibility for the largest land trust in the world, as far as we know. Today, the Indian trust encompasses approximately 56 million acres of land. Of these

acres, nearly 45 million are held in trust for Indian tribes. On these lands, the Department manages over 100,000 leases for farming, grazing, and oil and gas production on behalf of individual Indians and tribes.

In addition, the Department manages about $2.9 billion in existing balances in tribal trust funds and $400 million for individual Indian funds.

In the 2008 budget, the Department proposes to invest about $490 million in a unified trust budget. That is between OST and BIA, to carry out our trust responsibilities.

That is a summary of my testimony, Mr. Chairman. I am happy to answer questions.

[Prepared statement of Mr. Cason appears in appendix.]

The CHAIRMAN. Mr. Cason, thank you very much. We will defer questions until we have heard from all of the panelists.

Next, we will hear from Dr. Charles Grim, the director of the Indian Health Service. He is accompanied by Robert McSwain. Would you identify yourself? Mr. McSwain is in the back. Deputy Director Dr. Douglas Peter, is he here? He is the acting chief medical officer. And Gary Hartz is the director of Environmental Health and Engineering. Mr. Hartz, thank you.

Dr. Grim, thank you very much, and please proceed.

STATEMENT OF CHARLES W. GRIM, DIRECTOR, INDIAN HEALTH SERVICE, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY ROBERT MCSWAIN, DEPUTY DIRECTOR; DOUGLAS PETER, ACTING CHIEF MEDICAL OFFICER; AND GARY HARTZ, DIRECTOR, ENVIRONMENT HEALTH AND ENGINEERING

Mr. GRIM. Thank you, Mr. Chairman and Mr. Vice Chairman. We appreciate the opportunity to testify before you today.

I would just like to point out in summarization of some of the testimony that we have I think in the IHS over the years displayed an ability to effectively utilize the moneys that we have been given by Congress. We have seen huge improvements in health care over the last 3 decades.

We are pleased with that progress, but we realize that there is still a lot of progress that needs to be made. We know that our population still have mortality rates for alcoholism, cervical cancer, motor vehicle crashes, diabetes, and unintentional injuries, homicide and suicide, that continue to be higher than the mortality rates for other Americans. Many of these health problems that contribute to these higher mortality rates are behavioral in nature.

The IHS and our stakeholders are deeply committed to trying to address these disparities. We have begun three initiatives in the agency that were launched in 2005 with the specific intent of achieving positive improvements in the areas of these preventable health problems. They are the Health Promotion Disease Prevention Initiative, the Behavioral Health Initiative, and the Chronic Care Initiative, to target underlying risk factors for morbidity and mortality in our population.

We are also working at re-engineering the IHS and tribal Indian health delivery systems to incorporate some of these best practices that have been documented in the scientific literature.

I am pleased to present a budget that allows the IHS to continue these efforts and address the needs addressed by tribes. I would also point out that both the IHS and the Department participate in extensive regional and national consultation processes with the tribal governments, and with just a couple of exceptions, the budget that I am going to present today addresses the needs that have been emphasized as most critical by those tribal nations.

The President's budget request for the IHS totals $4.1 billion, a net increase of $212 million or 7 percent above the annualized fiscal year 2007 continuing resolution level, and also an increase of $101 million over the 2007 President's budget.

In comparison, the overall discretionary budget request for HHS was an increase of only $95 million, or .01 percent over the 2007 continuing resolution level. This request allows the IHS and tribal health programs to maintain access to health care by providing $41 million to fund pay raises for Federal and tribal employees, $88 million to cover increases in the cost of delivering health care and to address the growing American Indian and Alaska Native population.

Also, there are funds of $19 million to staff and operate two newly constructed health facilities that will be coming online in 2008. One of those is in Muskogee, Oklahoma. It is a joint venture project for the Cherokee Nation and funded the construction of the health center. Now, IHS is requesting funds to staff and operate it. The other facility is a youth regional treatment center located in Wadsworth, Nevada. This YRTC will provide short-term structured transitional living services to adolescents with alcohol and/or substance abuse addictions.

The budget request also includes an additional $64 million to restore program losses that would be experienced under the annualized fiscal year 2007 CR level.

To target these priority increase, the budget request also has a number of eliminations. As you pointed out, the Urban Indian Health Program, which is at $33 million currently; and we are also reducing the facilities appropriation by $24 million. The focus on the President's budget for IHS is the provision of health care services and ensuring that the basic needs of all IHS and tribal health programs are met. Therefore, the budget request targets additional funding for the provision of health care on or near Indian reservations in order to serve a population who can't readily access health care from outside our system.

The request in health care facilities is $12.7 million to continue the construction of the Barrow, Alaska Hospital. Consistent across all of HHS, facilities funding requests are maintaining existing facilities construction and completing projects that have already received initial funding.

The proposed budget that I just described provides a continued investment in the maintenance and support of our health system to be able to provide access to high-quality medical and preventive services.

I appreciate the opportunity to be able to present this 2008 budget to the committee, and I would be pleased to answer any questions that you might have on it.

[Prepared statement of Dr. Grim appears in appendix.]

The CHAIRMAN. Dr. Grim, thank you very much. We thank you and your staff for being here once again.

Next, we will hear from Catherine Freeman, deputy assistant secretary, Office of Elementary and Secondary Education at the Department of Education. She is accompanied by Jeff Johnson, policy advisor, Office of Elementary and Secondary Education; and Thomas Corwin. Where are they? Thank you for being with us.

Ms. Freeman, you may proceed.

STATEMENT OF CATHERINE FREEMAN, DEPUTY ASSISTANT SECRETARY, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION, ACCOMPANIED BY JEFF JOHNSON, POLICY ADVISOR; AND THOMAS CORWIN, DIRECTOR, DIVISION OF ELEMENTARY, SECONDARY AND VOCATIONAL ANALYSIS, BUDGET SERVICE

Ms. FREEMAN. Thank you. Mr. Chairman and members of the Committee, on behalf of Secretary Spellings, I thank you for the opportunity to discuss our fiscal year 2008 budget request for Department of Education programs that address and serve the needs of American Indians and Alaska Natives.

I request that my written statement be entered into the record.

The CHAIRMAN. Without objection.

Ms. FREEMAN. The Department of Education, led by Secretary Spellings, is strongly committed to ensuring that American Indian and Alaska Natives benefit from national education reforms and receive every opportunity to achieve high academic standards. Recent data suggest that our investments in Indian education are beginning to take hold.

American Indian and Alaska Native students have scored higher than some other minority groups on the most recent national assessment of educational progress in reading and math. Furthermore, American Indian students are pursuing post-secondary education at higher rates than ever before. The number of Indian students enrolled in colleges and universities has more than doubled over the last 25 years.

Despite this progress, significant achievement gaps persist between the American Indian and Alaska Native student population and the general population. Support from Federal programs remains an imperative in addressing the specific educational and cultural needs of the American Indian and Alaska Native population.

In the past 5 years since the passage of No Child Left Behind Act [NCLB], States and local educational agencies have made significant progress implementing landmark education reforms. The progress achieved to date under NCLB is extremely promising. The most recent results from the national assessment of educational progress shows scores rising significantly in both reading and math in the early grades, and achievement gaps between some minority groups and their white peers falling to all-time lows.

Building on these successes, it is now time to work on a reauthorization of NCLB that will preserve and strengthen its core principles of high standards and accountability. Last month, the Administration released "Building on Results: A Blueprint for Strengthening the No Child Left Behind Act." This reauthorization proposal, along with the Department's 2008 budget request, focuses

new resources toward the important issue of turning around struggling schools and improving the academic performance of middle and high school students.

The reauthorization proposal also focuses on strengthening Federal and State efforts to close the achievement gap through the implementation of high standards and comprehensive accountability system; ensuring that middle and high schools offer rigorous course work that prepares students for post-secondary education or the workforce; providing flexibility and resources to help States restructure chronically underperforming schools; and, last, providing families with increased options for educating their children.

Through these educational reforms, the Administration remains committed to helping to ensure that all students, including American Indian and Alaska Natives, are proficient in reading and mathematics by 2014.

The President's fiscal year 2008 budget request increases total funding for NCLB by $1.2 billion, to $24.5 billion, a 41-percent increase since 2001. One of the most significant increases is for the title I program, a $1.2-billion increase, primarily to provide additional resources to high schools serving large numbers of low-income students. Further, the President is requesting $500 million in new funding for title I school improvement grants. This program will help States restructure, reform, and re-staff chronically underperforming schools. These two initiatives would have important implications for the education of Indian students since many of these students receive services through title I.

The 2008 budget request for the Department of Education also supports the President's commitment to provide resources to help improve educational opportunities for all students. Overall, Department programs would, under the fiscal year 2008 budget, provide close to $1 billion in direct support for Indian and Alaska Natives. The Interior Department's Bureau of Indian Education would receive over $220 million of Department of Education funds to support Indian education programs operated by that agency.

The 2008 request for the Department's Indian education programs is $118.7 million. These programs, which are administered by the Office of Indian Education, include formula grants to school districts, competitive programs, and national activities for research and evaluation on the education needs and status of the Indian population.

In conclusion, the 2008 budget request for the Department of Education programs serving American Indians and Alaska Natives supports the President's overall goal of ensuring educational opportunities for all students.

Thank you for the opportunity to appear before the committee. My colleagues and I will be happy to respond to any questions which you may have.

[Prepared statement of Ms. Freeman appears in appendix.]

The CHAIRMAN. Ms. Freeman, thank you very much. We appreciate your being here.

Next, we will hear from Orlando Cabrera. He is the assistant secretary of the Office of Public and Indian Housing at the Department of Housing and Urban Development.

Mr. Cabrera, thank you and welcome back.

STATEMENT OF ORLANDO CABRERA, ASSISTANT SECRETARY, OFFICE OF PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACCOMPANIED BY ROGER BOYD, DEPUTY ASSISTANT SECRETARY

Mr. CABRERA. Thank you, Mr. Chairman.

Mr. Chairman, Mr. Vice Chairman, and distinguished members of the committee, thank you for inviting me to provide comments on President Bush's fiscal year 2008 budget for Native American, Native Hawaiian Housing, loan guarantee, and community development programs.

My name is Orlando Cabrera. I am the assistant secretary for public and Indian housing at the Department of Housing and Urban Development. Mr. Chairman, I request that my written statement be entered into the record.

The CHAIRMAN. Without objection.

Mr. CABRERA. Thank you.

From HUD's perspective, much progress has been made. Tribes are taking advantage of new opportunities to improve the housing conditions of Native American families residing on Native American reservations, on trust or restricted lands, in Alaska Native villages, and on Hawaiian homelands. This momentum needs to be sustained as we continue to work together toward creating a better living environment in Native American communities.

At the outset, let me reaffirm the Department of Housing and Urban Development's support for the principle of government-to-government relations with federally recognized Native American tribes. HUD is committed to honoring this core belief in our work with American Indians and Alaska Natives.

HUD's Native American and Native Hawaiian housing and loan guarantee programs are the linchpins for accomplishing home ownership within Indian country. For example, our latest figures show that during fiscal year 2006, tribes and their tribally designated housing entities used Indian Housing block grant funds to build, acquire or rehabilitate more than 1,600 rental units and more than 6,000 home ownership units. Each of these units has become a home to a Native American family.

There have been recent successes with our loan guarantee programs as well. I will tell you more about these later.

Let me now turn to the President's budget request for fiscal year 2008. This budget proposes a total of $698.819 million specifically for Native American and Native Hawaiian housing loan guarantees and community development. There is $626.965 million proposed for the Indian Housing Block Grant Program, which is authorized by the Native American Housing Assistance and Self-Determination Act, NAHASDA. Of that amount, approximately $620.735 million is for direct formula allocations through the IHBG Program. There is $1.980 million in credit subsidy, which will leverage $17 million in loan guarantee authority is proposed for NAHASDA's title VI tribal housing activities loan guarantee fund. There is $4.250 million allocated for IHBG–related training and technical assistance; $57.420 million is for grants under the Indian Community Development Block Grant; $7.450 million in credit subsidy which will support $367 million in loan guarantee authority is for

the section 184 Indian Housing Loan Guarantee Fund, the engine for home ownership in Indian country.

The Native Hawaiian community would receive through the Department of Hawaiian Homelands $5.940 million for the Native Hawaiian Housing Block Program, and there is $1.044 million for the section 184 Native Hawaiian Home Loan Guarantee Fund, which is the corollary to the section 184 program, and will leverage approximately $41.5 million in loan guarantees.

Finally, there is a total of $4.550 million available for training and technical assistance to support the Native American and Native Hawaiian Housing Block Grant Program.

Now, in brief summary and by way of highlight, the title VI program in 2005 underwrote four loans, and in 2006 underwrote 10 loans. So we are continuing to promote that program. That program helps tribes and Alaska Native organizations to develop infrastructure upon their lands.

In 2001, less than 100 loans were underwritten under the section 184 program. In 2006, 1,138 loans were underwritten under the section 184 program, with a total volume of $190 million. As of the first quarter of 2007, we have underwritten 266 loans. So that program is actually taking off quite well.

We are working very closely with the BIA in the U.S. Department of Agriculture Rural Development, under our title search components, in order to facilitate the underwriting of those loans.

Finally, we entered into an agreement with the Department of Hawaiian Homelands in February of last year in order to make loans more readily available. That program is now beginning to take off simply because they have made the adjustments that they have needed to make, and they intend to develop 6,000 units in the next 5 years.

My last point, Mr. Chairman, Mr. Vice Chairman and members of the committee, is NAHASDA is up for reauthorization, as are other vital components of housing legislation this year. We strongly encourage and support the reauthorization of NAHASDA.

This concludes my prepared remarks. I would be happy to answer any questions that you might have. Mr. Chairman, I am sorry, if I might be indulged, I was accompanied today by Roger Boyd, who is our deputy assistant secretary.

The CHAIRMAN. Would he identify himself?

All right. Thank you very much. Welcome.

[Prepared statement of Mr. Cabrera appeaers in appendix.]

The CHAIRMAN. Finally, we will hear from Regina B. Schofield, assistant attorney general, Office of Justice Programs in the Department of Justice.

Ms. Schofield, welcome.

STATEMENT OF REGINA B. SCHOFIELD, ASSISTANT ATTORNEY GENERAL, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE

Ms. SCHOFIELD. Good morning, Mr. Chairman, Mr. Vice Chairman, and other members of the committee.

I am pleased to be here today on behalf of the Attorney General and the Department of Justice to discuss the Department's proposed fiscal year 2008 budget priorities for Indian country.

The needs of Indian tribal governments in combating crime and violence continue to be great, especially in the areas of substance abuse, domestic violence and other violent crimes. I share the Administration's commitment to addressing these needs, and have made improving the government-to-government relationship between tribes and the Federal Government a personal priority.

One of my primary goals at OJP is strengthening access for tribes. Too often, tribal government officials, law enforcement and others who work on criminal justice issues find it difficult to locate information about grants, training and other types of assistance. In response, last November, I launched the Department of Justice's new website created specifically for Indian country, www.tribalsafetyandjustice.gov. This website features information on grants, training, technical assistance, publications and conferences that can help tribal communities.

The new website is one of many areas in which DOJ is reaching out to tribal communities and governments. In 2005, I established a Justice Programs Council on Native American Affairs. This council coordinates OJP's efforts on behalf of tribes and serves as a liaison to other Department of Justice components on tribal issues.

We want to find out how we can better serve tribal communities; how we can get information to them more quickly; how we can we provide them with better training; and how we can make sure our funding resources respond to their needs.

I am constantly striving to improve our other training and technical assistance efforts. This fiscal year, I implemented a series of four national tribal justice and safety training and technical assistance sessions. In addition, as the national Amber Alert Law Coordinator, I am exploring ways to raise awareness about this program in Indian country.

The President's proposed fiscal year 2008 budget creates new competitive grant programs that will provide States, localities and Indian tribes with flexibility to address their most critical needs. Many of our current State and local law enforcement grants will be consolidated into the Byrne Public Safety and Protection Program. States, local governments and tribal governments would be able to use Byrne funds for many law enforcement and criminal justice purposes. We are requesting $350 million for this program in fiscal year 2008.

Another new initiative would be the Violent Crime Reduction Partnership Program. This will help communities suffering from high rates of violent crime to form law enforcement task forces, including local, State, tribal and Federal agencies. We are requesting $200 million for this program in fiscal year 2008.

We also propose consolidating many of our juvenile justice and child victimization programs into a new Child Safety and Juvenile Justice Program. This will assist States, local governments, and tribal governments in reducing child exploitation and abuse, strengthening juvenile justice systems, and bolstering school safety efforts. We are requesting $280 million for this program in fiscal year 2008.

With your permission, Mr. Chairman, I would like to submit a list of my accomplishment at OJP, as well as those achieved at the Department of Health and Human Services.

I welcome the opportunity to answer any questions. Thank you.

[Prepared statement of Ms. Schofield and referenced document appears in appendix.]

The CHAIRMAN. Ms. Schofield, thank you very much.

Let me thank all of you for appearing. I know all of you work hard to try to do the best job you can. I know your responsibility also is to come here and defend the President's budget. I respect that and I understand that.

Mr. Cason, you have been here many times. You wouldn't be here again if you came here to say; "You know, here is what the President's budget requests, but I don't agree with it. It is short and we need to do better." If you said that, the next time we invited you, we would be having you appear as a private citizen. [Laughter.]

The CHAIRMAN. So I understand the need to support the President's budget. But I do want to say this, my colleague, Senator Thomas, is absolutely correct. We have a devastating fiscal policy problem, and we have to try to put it back on track somehow and make sense of it, and try to move toward a balanced budget.

At the same time, it seems to me we have to deal with the most crucial issues that people face in this country. One of the populations in this country that I think is at risk, lives often in third-world conditions, is the Native American people, the first Americans, who live on reservations. Frankly, I think much of what I hear in these reports is at odds with what I see.

We have someone come to us and say to us, this is a tribal chairman; "My two daughters, one has eight children, one has three children; They both live in used trailer homes that were brought to my State," in this case it was the State of South Dakota, "used trailer homes moved to South Dakota from Michigan. They both heat their homes with wood-fired stoves; neither have running water and neither have indoor toilets."

Is that America? It sounds like a third-world country, doesn't it?

Or a patient that comes from the Indian Health Service with a serious knee ligament problem, and they wrap it in cabbage leaves. That is the treatment, and that is testimony before this committee, by the way.

Or a fellow that has an arm with a torn ligament who can't get help for 4 years because it is not life or limb, and he is a rancher. What do you think a one-armed rancher does? And finally he gets surgery after 4 years because one doctor threatens and says it is life or limb for a rancher if you don't have two arms.

My point is, I think in housing and health care and so many areas, in many ways I think with these budgets we are managing defeat, zeroing out Johnson-O'Malley funds; reducing funding for school construction, when we know that these are some of the schools that are in the worst shape in the country, the BIA schools.

So look, I welcome your testimony. I am pleased that you are all here. I am pleased you are all doing the work that you are doing, because I think you are doing as good a job as you can in circumstances where there is not adequate funding. But when a tribal chairman says to me, "We run out of contract health funding in January, January, 3 months into the year." At that point, if you

have a medical problem and it is not going to threaten to cause your death or the loss of a limb, you are out of luck.

So I mean, I just think that we have very serious problems here. I am going to ask a couple of questions, and then let my colleagues ask questions. I am not interested in managing defeat, nor would I expect are you. I think we want to find ways to, in quantum leaps, improve the life of Native Americans in this country through decent health care, decent housing, and opportunities for a good education.

Mr. Cason, the two initiatives that you talked about, the Secretary called me about those initiatives. I support both of them, but it is a fact, isn't it, that those two initiatives come out of expenditures in other areas? It is not as if two initiatives were added to the budget. There are other areas that were decreased in order to make room for those two initiatives.

Mr. CASON. Mr. Chairman, as you know from seeing our budget submissions, we have essentially a flat budget. So there were a lot of activities within our budget which resulted in prioritizing where we spend money. We have had very active discussions with representatives from Indian country about what the priorities are. Our budget reflects the results of those discussions, where we say, here is the amount of money we have; how do we spend that money to get the biggest bang for the buck in Indian country. Part of that process resulted in the initiatives that recognize the huge responsibility that we have to educate our Indian children and achieve success there, and to recognize the scourge of methamphetamine production, use and distribution in Indian country, and try to attack that problem. So that is true.

The CHAIRMAN. Dr. Grim, tell me about contract health care. I think you have said before, not very publicly and perhaps not into a microphone, but I think your agency has at my insistence finally indicated to me that we are meeting about 60 percent of the health care needs, which sounds to me like we are not meeting 40 percent. I think most people would say there is full-scale health care rationing going on. Most of us recoil at the notion of health care rationing. It is happening.

So with that circumstance, and especially the circumstance I discussed with respect to contract care, what is the budget recommending with respect to contract care, as opposed to last year?

Mr. GRIM. I will speak from over the 2006-enacted level, since that is where things were built. It is a $52-million increase on a $517-million budget. So it is a 10-percent increase in that particular line item, which I think is significant. The Administration recognized the need. We have heard it through you. We have heard it from tribal leadership. So it received one of the most significant increases in our budget.

The CHAIRMAN. How short will it be, even with the increase, for which I am appreciative? How short will it be to meeting the needs? Because when I hear tribal chairmen tell me that they run out of contract health care money by in January, other tribal chairmen tell me they know on their reservations the refrain is, "do not, do not, do not get sick after June, because there won't be money available in contract health." How short are we of meeting the need, despite this increase?

Mr. GRIM. The way the agency manages those funds, as you are well aware, is with a priority system, a health priority system. Each particular service unit, hospital or clinic, gets a budget and they are asked to manage within it for the entire year. So we really don't know entirely how short we would be of need until the end of the year. We do track deferral and denial sorts of numbers.

The CHAIRMAN. One of the things I would like to do, and I am going to work with my colleagues on this committee, I would like to see if we can move toward a different model of health care within the IHS as well. In the commercial sector, there are developed across this country now, or beginning to be developed, walk-in clinics 7 days a week, staffed by nurse practitioners for 80 or 90 percent of the routine diagnoses. I think we need to find a way on Indian reservations to have no reservation needed; walk-in capability; staffed by a physician assistant and nurse practitioner 7 days a week, with decent hours.

The fact is, on some of the reservations, if you are sick after 4:30 p.m. on Friday, the clinic is down. You are out of luck until Monday. They are in remote areas. I would like to work with you to see if we can develop a different model with respect to some of those issues as well.

I am going to submit a series of questions, Dr. Grim, to you, and also to Mr. Cason.

Ms. Freeman, thank you for describing what the Department of Education has done, but as you know, on the education side, in other areas of the budget we are seeing the proposal to eliminate once again the Johnson-O'Malley funding. Almost everybody tells me that is critically important funding for Indian children ages three to seventeen, really important. Do you have any observation about that? Why would we see a recommendation to abolish the Johnson-O'Malley Program?

Ms. FREEMAN. What we do see, sir, in the budget is a concentration on the priorities of assessment and accountability within No Child Left Behind. There is an increase in the title I funds that go directly to LEA's, as well as an increase in the title I improvement funds.

We also have, as you know, through title VII, moneys that go to LEAs through formula and demonstration grants, which the Administration feels are equally important.

The CHAIRMAN. And you feel that will justify eliminating the Johnson-O'Malley Program? Will there be funding that you think will be a seamless transition for the replacement of funds that tribes have normally been able to use under Johnson-O'Malley?

Ms. FREEMAN. Sir, the Johnson-O'Malley is funded through the Interior.

The CHAIRMAN. I understand that, but it is still an education function. When I asked the question, I recognized that is not coming from the Department of Education, but it is part of the education continuum. I am asking, I guess, and I have asked Mr. Cason before why did they suggest that we dump or eliminate the Johnson-O'Malley Program, because everyone tells me how important it is.

Ms. FREEMAN. Education is committed to working with Interior. We recognize that there are some significant concerns with aca-

demic achievement on tribal lands, and we understand that the Bureau of Indian Education is trying to look at those concerns, especially with the new director coming on board. The Department of Education will be going out to the tribes and seeing how we can partner with the Department of the Interior.

The CHAIRMAN. Mr. Cabrera and Ms. Schofield, I think all of us perhaps have toured some of the housing circumstances and detention facilities and so on, and realize that you are trying to make some progress in these areas. But we have so far to go, particularly in housing stock. I mean, there is some housing stock out there that really looks uninhabitable that people are trying to live in.

I appreciate your testimony about what is in the budget. We need to work to deal with these issues, because as I mentioned, I think there is a full-scale crisis in housing, health care and education. I appreciate your describing what is in the budget. We need to try to see, is there a way for us to begin to deal with these with some additional resources?

I don't know the answer to that. I know we are going to now approve very soon another $100 billion emergency supplemental dealing with the war in Iraq and Afghanistan. I understand why we have to do that, but 1 percent, 1 percent of that single emergency supplemental that will take us now over $600 billion, 1 percent of that would be so important in terms of dealing with this range of housing, health care, education crisis on reservations. So we need to find a way to address those issues.

I want my colleagues to be able to have the opportunity to ask questions. So what I am going to do is submit a list of questions. Mr. Cason, I have a couple of other questions when my colleagues are complete, but I thank all five of you for presenting testimony today.

Senator Thomas.

Senator THOMAS. Thank you, Mr. Chairman.

Well, of course, budgets are never what we would hope they would be for any of the programs. I hope that most of the opportunities here are for the tribes to help create some things that will fulfill their own priorities.

Mr. Cason, the Department has proposed $2 million for Indian energy resource development in the title V of the Indian title of energy policy. What progress has the Department made, if any, on implementing those provisions?

Mr. CASON. Senator, we have an active process in the Department, not only within Indian Affairs, but the entire Department implementing the provisions of the Energy Act. Within our budget, as you said, we are asking for $2 million for it.

Senator THOMAS. What have been the results?

Mr. CASON. We have been working on the domestic supply side, both in Indian Affairs and in the other land management agencies, particularly the Bureau of Land Management and the Minerals Management Service. So there have been substantial results there.

Within our Indian budget, what we are looking at there is of all the resources we have in Indian country that potentially contribute to the energizing of Indian economic opportunity, energy and minerals is one of those. We have a division in Indian Affairs that is specifically oriented to economic development, and that is where we

are trying to place the money and use that to spur economic development in Indian country.

Senator THOMAS. Well, I hope so. You know, we are in a whole national situation with energy, and now is an opportunity for developing those things.

In law enforcement, your proposal increases the services, but proposes a $44,000-decrease in tribal courts. What is the rationale for decreasing the tribal court funding?

Mr. CASON. One of the things we have done recently is integrate all of our law enforcement public safety-related programs. We have effectively put together the uniformed police officers, the COPS part, with the courts, with the jails, put it under common leadership, and then looked at the various resources we have across all of those to maximize what we think is the best mix of money for each of those elements.

In the tribal court situation, we have some tribal courts and we have some CFR courts, and some of the crimes go outside to State or District Courts. So what we have tried to do is balance between those three things, the investment of public safety money.

Senator THOMAS. Okay.

Mr. Grim, the budget proposes only $12.7 million for health care facilities. I understand the unmet needs in 2005 were nearly $1.5 billion, yet the 2006 budgetimposed a 1-year moratorium on health care construction by the Department. In this budget request, how do you plan to address these unmet needs?

Mr. GRIM. We are trying to focus our budget, Senator, primarily on the delivery of services now, and not infrastructure. That was the rationale for keeping the facilities budget low over the last couple of the President's budget proposals, as opposed to just the 1 year. As the budget began getting tighter and budget reduction kicked in, it was our thought that the provision of services was a higher priority than it was for the building of infrastructure and facilities, although we recognize the importance of that program and are trying to keep it moving forward.

Senator THOMAS. Have there been studies to confirm urban Indian patients' access to other health care facilities?

Mr. GRIM. Not to my awareness, Senator Thomas. We don't have any studies, but we do know some percentage of the population is eligible for Medicare or Medicaid or has private insurance, and would have other options. We don't know if that is 100 percent of the patients that would be accessing our urban Indian health programs, though.

Senator THOMAS. Indian urban health care is one of the real issues that seems to be out there, however, and there does seem to be lots of facilities.

Does the Indian Health Care Improvement Act require urban programs to show there is no duplication of services before they qualify for funding?

Mr. GRIM. Yes; one of the numerous criteria used under title V of the Indian Health Care Improvement Act includes that urban Indian programs entering into contracts or grants with IHS show to the extent, if any, any duplication of public or private health services to the centers urban Indian population.

Senator THOMAS. Ms. Freeman, you state that Indian students are subject to significant risk factors that affect their academic achievement. What are these risk factors?

Ms. FREEMAN. Well, as you have heard in previous testimony, the Department is aware of the seriousness of the amphetamine problem that is found in many of the high schools. We also know that there are significant dropout rates within the Indian schools, and those risk factors are what we are trying to addres. As well as we know that the academic achievement of these students is below average in most cases.

Senator THOMAS. Well, I have some other questions to submit also, Mr. Chairman, but I will stop there.

The CHAIRMAN. Senator Thomas, thank you very much.

Senator Murkowski, go ahead.

STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM ALASKA

Senator MURKOWSKI. Thank you, Mr. Chairman.

I appreciate the comments from all of you this morning, all your good work. Thank you to those of you have taken the time to come to visit the State. Mr. Cabrera, we appreciate your visit this summer. Dr. Grim, you are a frequent visitor and we greatly appreciate that. Ms. Freeman, I can't pass up the opportunity to again invite the Secretary of Education to join us up in Alaska. I think we are getting closer and we want to make sure that she has an opportunity to do that.

Let me start out with the education issues. I heard your comments about the perspective from the Department of Education in supporting the President's goals for educational opportunities for all students. I was a little concerned, though, about your response to Chairman Dorgan here with regards to the Johnson-O'Malley funds. I think you made the statement that the priority from the Department of Education is focusing on assessment and accountability.

We all appreciate that in the days of No Child Left Behind, that is where the focus is and that is where the scrutiny is. But if we recognize that we have a group of students, we have children that are not performing well, we are going to assess and we are going to get the response that we anticipate because we already know that they are not performing well. So when we take away those programs that might provide that level of assistance so that they can get to a point where they will do better in terms of accountability and assessment, I am very concerned when we take the programs, where we know we have seen benefit. Johnson-O'Malley is one of them.

Another one that I want to ask you about today is the Alaska Native Educational Equity Funds. You are proposing that this program be zeroed out, and this, without any warning at all, so far as I know, to our Alaskan school districts. I was drawn to this very unwieldy matrix here that lists all of the various programs to the villages throughout the State of Alaska. Significant hits to all of them, and I am wondering what the justification for zeroing out this specific program in the State of Alaska is, if you can speak to that aspect of the budget?

Ms. FREEMAN. With any program elimination, we first looked at whether there is redundancy in funding. The second issue is whether the program is effective. And third is whether the funds could be provided through State, local or private funds. But I think the important point here is that we have asked for a $1.2 billion increase in title I funds that do go directly to the LEAs and will support Indian education, in addition to the school improvement funds, which will also go to Indian education.

Senator MURKOWSKI. So essentially, you are taking title I money. We need the title I moneys from the get-go.

Ms. FREEMAN. That is correct.

Senator MURKOWSKI. Whether it is Alaska or whether it is Wyoming, so are you saying that you are going to eliminate these programs and just say, well, we are going to put it all through title I? Are you going to increase the title I funds?

Ms. FREEMAN. Title I has been increased.

Senator MURKOWSKI. But will the increase or the bump-up compensate, then, for all of the programs that have been proposed to be zeroed out?

Ms. FREEMAN. I will let our budget analyst continue.

Senator MURKOWSKI. Okay.

The CHAIRMAN. Will you identify yourself?

Mr. CORWIN. Good morning, Senator. I am Tom Corwin from the Budget Service, Department of Education.

As Dr. Freeman said, yes, we have a $1.2-billion increase in for title I. There is never a one-to-one correlation between the programs that are proposed for increase and the funds that are proposed for elimination. But we do think that is going to be an extremely important increase for title I. That is a very large increase in a $12.8-billion or $13-billion program.

Those programs are targeted to the schools with the highest concentrations of poverty, such as schools that serve American Indians and Alaska Natives, and I think they will have a major impact.

Senator MURKOWSKI. But you are acknowledging that it is not a dollar-for-dollar match?

Mr. CORWIN. They are two very different funding streams.

Senator MURKOWSKI. I understand that they are different funding streams. My concern is, is that we are eliminating programs that have demonstrated to be very beneficial to my constituents up north, with the Alaska equity, the Native Educational Equity Funds. If we are now eliminating those, we are plussing-up title I, but we are not doing it sufficiently to take into account the zeroing-out of this program, that causes some concern here.

Let me ask you, then, about another program that has been proposed to be zeroed out. This is the Alaska Native and Native Hawaiian-Serving Institutions Program, the higher education institution program. This is also being proposed to be eliminated. This is not one where you are going to be able to supplement it from title I. What is the justification on that issue?

Mr. CORWIN. On that one, you have the larger strengthening institutions program, which is for colleges and universities that serve concentrations of traditionally underserved populations, Native Americans, Hispanics, African Americans and so forth. That program is funded at about $79 million. Our understanding is the Na-

tive Hawaiian and Alaska Native-Serving institutions can apply under that program. Our hope is that they will, but this was just one of the tough budget calls that we had to make in the Department.

Senator MURKOWSKI. We are going to be working with Senator Inouye and Senator Akaka on this issue.

Mr. Grim, I want to ask you about two of our favorite projects up in Alaska. The Native hospital in Barrow is on the list, number one on the priority list to proceed, and we are very, very thankful for that. We know that you appreciate the need for that, but the project in Nome is not on the list. Because it is not on the priority list, what does this mean to us in terms of being able to see a facility there in Nome?

Mr. GRIM. Senator, what we will be doing is we will be taking a look at Nome as we develop our 2009 budget process. It was our current understanding that the work that Nome is currently involved in won't be completed until August or September, so late-summer, early fall. So we are looking at potentially raising that as a 2009 budget issue.

Senator MURKOWSKI. So does it set the project back a full year or more than that? Do you know?

Mr. GRIM. No; it doesn't set it back. The design completion isn't scheduled until August of 2008, so it was toward the very end of this fiscal year before they would be ready to begin construction anyway.

Senator MURKOWSKI. Okay.

Ms. Schofield, this relates to the Alaska Rural Justice Commission. As you know, our former U.S. Attorney General Tim Burgess was very involved and active in that commission. He has now moved out of that position and has been appointed as a Federal judge. We have a new acting interim U.S. Attorney General who is from out of State. Can you give me some assurance that the Justice Department is remaining engaged in the work of the Rural Justice Commission?

Ms. SCHOFIELD. I have read the report last year, as you mentioned, and I will back up in Alaska in September. I will make sure through the Native American Issues Subcommittee that the Attorney General has someone chairing, that there will be someone very much engaged in the Rural Justice Commission.

Senator MURKOWSKI. I appreciate that.

Mr. Chairman, I have other questions, but I know that we have a vote at 10:30 a.m., and I see that Senator Conrad is here. So I will submit the rest of my questions to the witnesses later.

The CHAIRMAN. Senator Murkowski, thank you very much.

Senator Conrad.

Senator CONRAD. Thank you, Mr. Chairman. Thank you for having this hearing.

Thanks to all the witnesses for being here.

Perhaps it is best to direct these questions to Mr. Cason, but you tell me who is the best to respond from your team. I look at the President's budget that has been sent up for Indian Affairs, $2.23 billion. I notice that that is a $7-million increase over his 2007 request. Have you done an analysis of how much money would be required to just stay even with 2007?

Mr. CASON. No; not in that way.

Senator CONRAD. Do you have some rough estimate? I assume if we were at basically the same level of funding in 2007, $2.23 billion, to actually deliver the same services would require at least an inflation adjustment, and with the large amount of money that is involved in health care, you would have to have more than an inflation adjustment just to stay even.

So would I be wrong in assuming you would have to have roughly $90 million in addition just to stay even?

Mr. CASON. Senator, as I am sure you know, we don't construct our budgets that way. I am certain that there are a lot of ways you could go about constructing numbers.

Senator CONRAD. There is a CBO baseline. What does the CBO baseline indicate would be required?

Mr. CASON. Again, as you know, we don't construct our budgets that way. We take a look at what we think our requirements are. We prioritize them and we interface between our agency budget office, departmental budget office, OMB, and appropriations committees.

Senator CONRAD. I know exactly how it works. That is not my question. My question, I am trying to find out how much money it would take to deliver the same services that were delivered in 2007. It is obviously not the same amount of money this year. Year 2008 cannot be the same.

Mr. CASON. Well, we did not approach our budget that way, Senator. We basically——

Senator CONRAD. I got that message. Tell me, I have a question I am trying to get answered here. You don't seem to want to answer it.

Mr. CASON. I didn't do that calculation, Senator.

Senator CONRAD. Well, I can do the calculation. I can figure out it has to be about $90 million, and the President has $1 million, $7 million above his 2007 request; $1 million below the 2007 CR. Isn't that right? Isn't what he has here $1 million below the 2007 CR?

Mr. CASON. Well, Senator, after four answers on this, maybe I could share this with the panel. [Laughter.]

Senator CONRAD. Well, this question is very simple. How much was in the continuing resolution? How much is in the President's budget? That is just a fact question. Can you tell me that?

Mr. CASON. I am not clear as to where we are with the continuing resolution. So I don't think that number——

Senator CONRAD. I am told that for 2008 what the President is asking for is $1 million less than it is in the 2007 continuing resolution. Does that sound about right?

Mr. CASON. That sounds about right, yes.

Senator CONRAD. So what the President has here is in real terms a significant cut. That is the point. It is just as clear as it can be that that is the case.

Tribal colleges, who is the best person to be able to answer?

Mr. CASON. That is probably mine as well.

Senator CONRAD. Well, good. [Laughter.]

Mr. CASON. I would be willing to share with Catherine. [Laughter.]

Senator CONRAD. You didn't do so well on the first five questions. Here is the bonus question.

Mr. CASON. Thank you. [Laughter.]

Senator CONRAD. Tribal colleges, $54.7 million. Is that more than, equal to, or less than what tribal colleges got last year?

Mr. CASON. As I recall, our tribal college budget is relatively flat.

Senator CONRAD. So the answer to that question would be "the same as."

Mr. CASON. The same as.

Senator CONRAD. The same as, but in real terms, of course, that means it is a cut, because there is a thing called inflation.

Okay, so we have established that this budget is another one of these budgets that is just detached from reality.

How much did you ask for from the Office of Management and Budget? What was your request that you submitted?

Mr. CASON. Senator, the Administration's position has been announced.

Senator CONRAD. I am asking, when you went, the way it works, and we all know how it works. You go to the Office of Management and Budget and you ask for a certain amount of money to do the things that you believe are necessary to do. And then they make a decision. We know that. And we know there is a difference between what you ask for. Was there a difference?

Mr. CASON. Yes.

Senator CONRAD. Can you tell us how much the difference was?

Mr. CASON. No.

Senator CONRAD. And why can't you tell us? You know what you asked for.

Mr. CASON. It is my understand that that is considered an internal deliberation within the Administration as to a process, as you know, Senator. The bureau formulates its budget. It goes to the Department. The Department passes a budget request to OMB. We get a pass-back and there is a dickering process in there. So as I understand it, that is considered an Administrative deliberative process.

Senator CONRAD. So you can't tell us what you asked for?

Mr. CASON. No.

Senator CONRAD. But it is fair to say you asked for more than you got.

Mr. CASON. It is fair to say that we had a lot of discussion about my budget.

Senator CONRAD. Yes; did you ask for a lot more than you got? [Laughter.]

Mr. CASON. Well, it was——

Senator CONRAD. Let me just say, the last person I asked these questions of was promptly fired because they actually answered the questions. [Laughter.]

Mr. CASON. I am aware of that. [Laughter.]

Senator CONRAD. You know, there is something wrong with this hearing process, Mr. Chairman.

The CHAIRMAN. Senator Conrad, before you came, I pointed out that were they to come and tell us their personal views of the President's budget, they would next appear as a private citizen. They understand that. They are here to support the President's

budget. But I have been trying for 4 years to get Dr. Grim to tell me how much he asks for for Indian Health Service because it is so dramatically underfunded. I have yet to penetrate the uniform and the resolve of Dr. Grim. [Laughter.]

Senator CONRAD. I am so glad that you mentioned Dr. Grim, because he was the next person I was going to turn to. Dr. Grim, could you tell us how much money is in the President's budget for your function, the health function?

Mr. GRIM. Yes; I can. Actually, it is a very good budget, Senator Conrad.

Senator CONRAD. You actually got an increase.

Mr. GRIM. We got a $212-million increase.

Senator CONRAD. In percentage terms, how much would that be?

Mr. GRIM. Over the fiscal year 2007 CR level, it was a 7-percent increase.

Senator CONRAD. Yes; that is my understanding. How much more did you ask for?

Mr. GRIM. I can give you the specifics of what we asked for. We asked for some funds to restore the base to a 2007 level that was more consistent with the President's budget. We did ask for $40 million in Federal and tribal pay raise costs; $51 million for health care inflation at 4.2 percent, and non- medical inflation at 2.4 percent. We also asked for population growth at 36 million. Our population has been growing at about 1.4 percent to 1.6 percent a year, and so have our service coverage population. So we have actually been increasing the number of people that we see each year. That recognizes that fact and gives us some funds to be able to cover that increased service population.

Then we asked for about $19 million for staffing of two new facilities that are going to be coming on-line.

So the total overall was a very positive budget, $212 million over fiscal year 2007 CR.

Senator CONRAD. Is that what you asked for in the budget process? Was that your initial request?

Mr. GRIM. It was very consistent with what we asked for, Senator Conrad.

Senator CONRAD. Did you ask for more?

Mr. GRIM. I would point out my perspective being very different from the President's. I am only responsible for this one program. The President is responsible for the entire budget. We have different perspectives. I was very, very pleased with the budget that the Indian Health Service ended up with after all deliberations.

Senator CONRAD. Let me just say this to you, that the truth is, and we all know the truth, the truth is these accounts are terribly underfunded. They have been for a long time. It really is shame on us. If you didn't ask for much more than that, shame on your, because you should ask for more than that because the truth is the need is far more than that. And shame on us if we don't do more than what the President has sent up here, because the President is not asking for enough. If there is one place where we have a responsibility, it is in the Indian community. I know that you believe that personally, and are committed to that.

Let me just say it is really just wrong what we are doing in housing and health care. Tribal colleges, you know, I will just conclude

on this note. There is no place that I have seen that is making more of a difference in the lives of people than at the tribal colleges. I have been at the graduations. I have seen the looks on the faces of the people graduating, a sense of accomplishment, a sense that they are advancing. I have seen the results.

I have had so many tell me that this is a life-changing opportunity. They are flat-funded, when we already know tribal colleges are funded at a fraction of what we fund every other higher education community, whether it is the traditionally Black colleges or the schools that we have that are State and federally supported right across the board. Every single one of them has a much higher level of funding than tribal colleges.

So Mr. Chairman, I just say to you, we have a tough order here. The President has sent up a budget that is not real. These people have been sent up here to live by it, and if they don't, they get fired. And that is an unfortunate commentary.

I thank the Chairman, and I thank the witnesses.

The CHAIRMAN. Senator, thank you very much.

We have a vote that has started. I do have just two or three very quick questions. My intention would be to submit a list of questions to the witnesses. We have five additional witnesses. We have two votes, three votes. My expectation is that, well, at that point it will be about 11:10 p.m. before we reconvene to hear the final five witnesses.

Let me ask Mr. Cason, how much is being spent on the *Cobell* litigation from the Federal Government's standpoint at this point?

Mr. CASON. Mr. Chairman, it depends on what you add into it. We are spending on the order of, within the Department of the Interior, $60 million to $70 million a year recently on historical accounting activities and litigation support activities and other things.

The CHAIRMAN. All right. Mr. Cason, you perhaps are the one to answer this question. With obesity and diabetes very serious problems, particularly among Indian youth, in the BIA schools do we have pop machines or soda machines and machines that dispense snack food?

Mr. CASON. Mr. Chairman, it is my understanding that the new director of the Bureau of Indian Education, Tom Dowd, is actually doing a survey right now of all of our schools to find the answer to that question. We will get it to you.

The CHAIRMAN. Would you get that to me, please?

Mr. CASON. Yes.

The CHAIRMAN. Dr. Grim, the reduction in construction, I understood your answer to my colleague, Senator Thomas, but I assumed you would grit you teeth when answering that question. Why reduce construction funding at a time when there is such an unbelievable need for construction in health care, and you said, well, it is to concentrate on service. The fact is, you know and I know that reducing the construction funding for critically needed health care facilities is just almost unbelievable.

The other point is, the urban Indian programs, health care for urban Indians, you indicated that no study was done with respect to zeroing out that program, what the impact would be. My col-

league Senator Thomas asked you, was there a study done, what the impact might be on urban Indians? And the answer was no.

How on earth can the Administration recommend zeroing out a program without knowing the impact? It just doesn't make any sense to me. Again, I understand you have come up here to represent this budget, but whether it is construction for health care, elimination of the urban Indian programs, elimination of the Johnson-O'Malley Program, so many of these things, I don't think they are justifiable. I just don't.

There is much more to say about it all, but we just have to do better. You have to support the President's budget. I understand that. You work for him. I also understand how it works. It goes through OMB. You won't tell us that, but Dr. Grim, if you didn't ask for much more money, you shouldn't be in the job you're in. I assume you asked for substantially more money than you are getting, because we are about 40 percent short of providing the health care responsibility that we are supposed to provide.

So we have to do much, much better. I certainly agree with the comments from Senator Thomas about the urban program and the other issues.

I am going to submit a list of question to all five of you. I appreciate your willingness to share your time with us this morning. Because we have three votes, I think it will be 11:10 a.m. before we convene. I would like all five witnesses to be available and ready at that point. I would like them to think between now and then about how they will summarize their testimony for us as well. We have limited time. I thank you all.

We are in recess until about 11:10 a.m.

[Recess.]

The CHAIRMAN. The hearing will reconvene. Let me apologize for the delay. We have had a couple of votes over in the Senate, and then there is just announced an 11:30 a.m. caucus. So things are changing with respect to the Senate floor, and I apologize that it has necessitated a delay.

I am going to recognize five witnesses. My colleague, Senator Cantwell, will be here just prior to 12 o'clock to chair the final portion of this hearing.

Let me thank all of the witnesses for coming. Your entire statements will be made a part of the record. Let me ask, if you would in the interest of brevity, summarize your testimony.

First, I will call on Ivan Posey, the chairman of the Shoshone Business Council of the Wind River Reservation in the State of Wyoming. Mr. Posey, thank you for being here, and you may begin.

STATEMENT OF IVAN D. POSEY, CHAIRMAN, SHOSHONE BUSINESS COUNCIL OF THE WIND RIVER RESERVATION

Mr. POSEY. Good morning, Chairman. My name is Ivan Posey and I currently serve as the Chairman for the Eastern Shoshone Business Council and cochair for the Eastern Shoshone Northern Arapaho Business Council. We both share the 2.3 million-acre Wind River Indian Reservation in west-central Wyoming, which is the only reservation in the State. The reservation was established in the 1868 treaty between the Shoshone Tribe and the Federal Government.

There are currently 3,900 Eastern Shoshone and 8,200 Northern Arapaho tribal members. Over 50 percent of tribal members from both tribes are under the age of 30. The reservation is home to approximately 7,000 American Indians and 9,000 non-Indians.

First of all, I would like to thank the distinguished Senators on the committee, including our own Senator Craig Thomas, for allowing me to testify on funding issues related to the President's 2008 Federal budget. I am going to start my testimony with a statement regarding the President's budget for tribal programs in this manner. I have served the Shoshone Tribe for 11 years, and throughout that time I have had the opportunity to our Nation's capital to address the needs of tribal citizens and to share our positive contributions to our great country.

It has become more challenging over the years to receive the funding needed to adequately address tribal needs. The President's 2008 budget remains in the same mold, with cuts to Indian education, health care and other tribal programs drastically, while completely eliminating other vital funding.

For example, the Johnson-O'Malley Program, which many tribes utilize for language and traditional revitalization, has been completely eliminated from the budget. This would affect our school systems and Head Start programs that rely on its funding to assist tribal efforts to continue educating our youth in their heritage. With the passing of many of our elders, this process becomes more important to our tribal communities.

Cuts to other education matters such as construction and grant assistance need to be increased, as well as the need for increased funding to tribal colleges, which are all vital to the citizens of tribal nations.

Cuts to our tribal court systems would drastically affect the administration of justice in Indian country, which in some cases is already underfunded. The tribal court system serves as the backbone of our sovereignty and needs adequate funding. Without a strong and reputable tribal court system, tribes will face the scrutiny and criticism from Indians and non-Indians alike on the credibility of our administration of tribal laws and codes. With the gains made in Indian country to establish and manage tribal courts, we cannot afford to continue to make progress in this very important area.

Law enforcement remains a top priority in terms of public safety for Indian country. On the Wind River Indian Reservation, we currently have 10 officers to patrol roughly 3,500 square miles. We need more uniformed patrolmen to continue to provide safety to our communities and address the problems of substance and drug abuse. Additional funding is also needed for tribal fish and game programs, which oversee our natural resources and provides assistance to our law enforcement agencies when needed. Currently, the Shoshone Tribe employs five full-time fish and game officers, which are funded directly from tribal funds.

The need for adequate housing in Indian country continues to grow. Although there has been progress in Indian country in addressing this matter over the past years, we still have a ways to go. Through tax credits and utilization of the 184 program, some needs are being met on and off reservations, but the need continues with the growth of young families and the need to sometimes re-

store and rebuild aging infrastructure. The elimination of the Housing Improvement Program in the President's budget would be very harmful to tribes who utilize the funding to renovate elderly and handicapped homes, and at times provide homes to tribal people in need.

There are many issues in the area of health care that I would like to address. Regarding the need for additional funding for IHS, there are three areas that are of importance to tribal citizens. The first is the need for additional funding for contract health services. Contract health services allows for immediate care for those in medical crisis. Over the past few years, these costs have not kept up with the rate of inflation and have basically remained flat budgets. Tribal governments such as outs on the Wind River Reservation are currently covering costs associated with the inadequate funding the IHS currently receives.

To receive contract health services, a person needs to be in a life-or-death situation. For example, a person may be in a car accident due to substance abuse and receive injuries which threaten their life. This one-car accident in itself may cost the local service unit $400,000 out of a $1.3-million budget. In the meantime, a person needing a knee replacement for several years will be denied services. Many emergency room visits are not paid by the IHS, which eventually falls on a patient who may not have the means to pay and is soon turned into collection agencies. This has affected many tribal members who may wish to finance homes through Federal programs such as the 184 program offered through HUD.

Substance abuse and diabetes continue to rise in Indian country. Methamphetamine use has a tremendous negative affect on our community and resources are needed on the law enforcement, prevention, and treatment areas to address this devastating drug. Innovative programming that deals with family intervention and after-care support are critical to the recovery and well being of individuals who seek help. Access to treatment in Indian country is also a barrier at times when family involvement is needed. Regional treatment centers are needed across the country that will assist tribes to provide their citizens with better access and support.

Diabetes is an area in which many tribal people are affected. Many young people are now being diagnosed with this disease that used to mostly affect adults. Funding to Indian country over the past years have allowed tribes like ours to develop tribal gyms and to promote healthy eating and exercise in our communities. Although there continues to be a rise in diabetes, I feel funding to tribes has helped curb some of these numbers for the better.

With the continued cuts to health care in Indian country, I would ask members of Congress from both parties and Independents, to continue to address the reform of the health care system in this country. The rising cost of pharmaceuticals and the lack of access to health care in many communities has placed this country in a crisis mode. For tribal nations to continue to look after the needs of its citizens' health care, I firmly believe these issues need to be addressed. Corporate greed continues to have priority over the well being of our Nation's citizens. Tribal governments, as well as State and other governments, are subject to this health care crisis.

I would also ask the members of Congress to carefully evaluate the war in Iraq. With military spending up and a record deficit, the President's budget cuts domestic spending. Being an Army veteran, I understand the importance of serving our great country and responsibility of safeguarding our people. Tribal people have, and continue to serve in our armed forces at a rate higher than any other group in the United States. We have always answered the call. The cuts to the Veterans Administration are of concern to our tribal communities as well. As many veterans return from service, many need additional help. We would like our returning veterans to receive the care and respect they deserve.

In closing, I would like to thank the committee on listening to my concerns as an elected official of my tribe. I am encouraged that many members of Congress acknowledge and respect the trust responsibility from the U.S. Government to Indian tribes. As we continue to defend our treaties and executive orders, we will also continue to defend this great country of ours.

Thank you very much. God bless.

[Prepared statement of Mr. Posey appears in appendix.]

The CHAIRMAN. Chairman Posey, thank you very much. We appreciate your being with us.

Next, we will hear from Jefferson Keel, who is Lieutenant Governor of the Chickasaw Nation. Mr. Keel, thank you very much for being with us today.

I should also mention that Mr. Keel is the first vice president of the National Congress of American Indians as well.

STATEMENT OF JEFFERSON KEEL, LIEUTENANT GOVERNOR, CHICKASAW NATION, AND FIRST VICE PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. KEEL. Thank you, Mr. Chairman, and good morning.

My name is Jefferson Keel. I am the Lieutenant Governor of the Chickasaw Nation, and also serve as the first vice president of the National Congress of American Indians. I am honored to present testimony on behalf of the member nations of the National Congress regarding the President's fiscal year 2008 budget.

Last week, President Bush presented his moral choices for the country in his $2.9 trillion budget proposal. Tribal leaders, through consultation with various agencies and through NCAI convenings, have identified the following areas for meaningful Federal investment in Indian country: Public safety and justice; health care; education; and natural resources.

However, NCAI would like to emphasize that although tribal leaders have developed the above priority areas for fiscal year 2008, the unconditional underpinnings for all of the funding recommendations in this testimony are tribal self-determination and self-governance. NCAI's support for areas in the Federal budget that support self-determination and self-governance is uncompromising.

Although tribal people in the United States have inherited the challenges stemming from centuries of unjust policies and broken agreements, a promising resurgence in self-government and self-determination has allowed tribes to flourish in ways unimaginable 50 years ago. When tribes are able to operate as governments respon-

sible for their own people and resources, which is the essence of tribal sovereignty, the resulting achievements have led to reversing the poor conditions created by centuries of injustice.

Accordingly, before addressing our various programmatic funding recommendations, we would like to call attention to the very alarming proposal for reductions to the very category at the BIA that directly supports tribal self-determination and represents Federal trust responsibilities to the tribes: That is, tribal priority allocations, or TPA.

NCAI understands that the Administration and Congress must make difficult budget decisions this year, and support the most efficient and worthy programs in the Federal budget by taking into account efforts to reduce the national deficit. While tribes will advance the priorities detailed in this testimony, the priority initiatives cannot come at the expense of TPA. In the BIA budget request, TPA would be reduced by $20.5 million from the fiscal year 2007 continuing resolution amount, which constitutes the majority of the cuts proposed to the BIA.

TPA has long been one of the most important funding areas for tribal governance, as they have the flexibility to use these funds to meet the unique needs of the individual tribal communities, making TPA the main resource for tribes to exercise their powers of self-governance. The current proposed reductions undermine the very self-determination policy that has driven Indian country's success in addressing long-enduring socio-economic disparities.

Considering that this committee and the Administration expressly support a tribe's right to self-determination, NCAI hopes that the Federal budget will follow through with material support for these policies.

We ask that several recommendations be taken closely to heart as the budget advances. First, public safety and justice are key concerns in the fiscal year 2008 budget. Tribal court systems frequently are overburdened due to lack of Federal funding. A recent front-page Wall Street Journal article highlighted some of the issues resulting from inadequate resources. The article illustrated how the laws to protect the rights of Indian people cannot be effectively enforced due to lack of funding. Any discussion of public safety in Indian country is inextricably tied to the strength of the tribal courts to maintain order in tribal communities.

NCAI commends the Secretary of the Interior's departmental Safe Indian Communities Initiative to help Indian country reduce methamphetamine crime and the affliction it has brought to many tribes, which includes a $16-million increase for public safety programs at BIA. This initiative is congruent with the tribal leaders' priority to strengthen public safety and justice in Indian country. Essentially, tribal leaders are urging Congress to take a step toward reaching parity in funding tribal public safety programs at levels commensurate to non-tribal programs.

The second priority is Indian health. As has already been discussed, poor health continues to inhibit the economic, educational, and social development in all of Indian country. American Indians receive life-or-limb service under current conditions, meaning funds are only available to treat the most life-threatening illnesses. NCAI urges Congress to fund IHS at a level to at least maintain existing

health services and restore loss of buying power. We also oppose zeroing-out of the Urban Indian Health Program.

The third priority is education. Although NCAI supports the Secretary's proposal to increase funding for the Bureau of Indian Education as part of an education initiative, many of the education programs supported by tribal leaders were eliminated or reduced in the fiscal year 2008 budget request, such as scholarships and adult education and the Johnson-O'Malley Program proposed to be eliminated.

And finally, the fourth area prioritized by tribal leaders is natural resources. Natural resource programs are of immense importance to tribal cultures, including resource development, fish and wildlife conservation, wetlands protection, and water resources. Protection of these resources forms an integral part of the Federal Indian trust responsibility. However, recent reductions are leading to the dismantling of both the tribes' abilities to manage their natural resources, and the Interior Secretary's trust responsibility to protect them.

I would note, there is a $100-million proposal to celebrate the Park Service's 100-year anniversary. We would look at this as a source. We, tribal leaders and the Native Americans across this country, greatly support the parks, and we celebrate that every year and every day. But we look at that as a possible source to offset some of these reductions.

Thank you for this opportunity for testimony. We look forward to working with this committee, with the goal of making Indian country, as well as the United States, strong.

Thank you.

[Prepared statement of Mr. Keel appears in appendix.]

The CHAIRMAN. Mr. Keel, thank you very much for being here.

Next, we will hear from Sally Smith. Sally Smith is the chair of the National Indian Health Board here in Washington, DC. She has appeared before this committee previously.

Ms. Smith, thank you very much for being here. You may proceed.

STATEMENT OF SALLY SMITH, CHAIR, NATIONAL INDIAN HEALTH BOARD

Ms. SMITH. Thank you very much.

Good morning, Chairman Dorgan and Vice Chairman Thomas, and to the members of the Committee on Indian Affairs.

The National Indian Health Board has been around since 1972. We represent federally recognized American Indians and Alaska Natives as we advocate for better health care.

The President's budget recommends increases in nearly every line item of the IHS budget request. However, although we note with appreciation that the fiscal year 2008 budget continues the Administration's slight trend of increase, when calculations of population growth are included as well as inflation, America's Native populations cannot maintain even the status quo under this budget.

We recognize that there are many realities facing the Federal Government that create enormous fiscal challenges. America continues to be at war. However, you have heard that the American

Indians have the highest per capita participation in the armed services of any ethnic group. No other segment of our population is more negatively impacted by health disparities. We suffer disproportionately higher rates of chronic disease.

It is critical to realize that even the status quo for the American Indians and Alaska Natives health should not be acceptable to Congress. If your families had the type of health disparities that American Indians face, it would not be acceptable to you.

We lag behind every group in America in most economic indicators, but we place number on in health disparities. In some cases such as the speed with which we acquire HIV and AIDS in certain age groups, and in infant mortality in the Northern Plains, we are first in the whole world. There are many health care funding priorities in Indian country. The health care needs are great and vary greatly from each area of Indian country.

Each year, we hold budget consultations, and I know you are aware of these. What happens is a summary is created and those funding needs are then identified by the NIHB for particular attention. Chairman Buford Rolin has testified on diabetes in the past several days. You know that diabetes is epidemic in Indian country.

Cancer continues to be a huge area that needs attention. The President's budget includes $2 million for building effective disease prevention and health promotion at the local level. That amount of funding is not sufficient to address these preventive-type services. Contact health services, in much discussion this morning, the budget includes a request for $570 million in contract health, which is a $53-million increase from 2006; a $49-million increase over the 2007 continuing resolution.

An increase of approximately $50 million to the contract health service line is not sufficient. It has been identified by the Northwest Portland Indian Health Board that $302 million is needed. It is not news to you that in some IHS areas it is not safe for Indian people to be sick after June 1 because the contract health service funding is no longer available.

I urge that a June 1 fund needs to be established to meet the unmet health care needs in contract health services for American Indians and Alaska Natives.

An important measure that will increase availability of CHS funds is the publication of the final regulations required by section 506 of the Medicare Modernization Act. Section 506 requires that the Secretary of HHS develop by regulations "Medicare-like rates" that Medicare participating hospitals would be required to accept as payment of full services provided under this program. Although the HHS published a proposed rule in April 2006, the Medicare-like rates do not become effective until a final regulation is published. We urge that the Secretary expedite publication of these regulations.

Poor Health Funding, we recommend $100 million increase for the Well Indian Initiative, crafted to undertake disease prevention and health promotion in Indian country.

Mr. Chairman, you discussed with the National Indian Health Board 2 weeks ago in the President's room at the Capitol, the need for innovative health care delivery systems to address the lack of

after-hour health care needs in Indian country. We appreciate your leadership with proposing to develop a new health care delivery system in Indian country that are currently available to the general public. The National Indian Health Board supports your efforts.

We also wish to work with you on seeking innovative ways and new funding mechanisms to develop health care services. This is going to cost money. We also need to talk about the funding aspect of it.

There is a lot of talk on contract support costs. We are requesting an additional $90 million over the current request in order to assure that contract support cost obligations are met.

Urban clinics, very quickly, we know that they have been zeroed out. We urge that tribal consultations take place before any policy decisions are made to close urban Indian clinics.

With regard to the Indian Health Care Improvement Act, we urge introduction of the reauthorization bill.

In conclusion, we respectfully request a financial and policy commitment from Congress to achieve true progress in changing the reality of health care disparities so familiar in Indian country.

Thank you very much.

[Prepared statement of Ms. Smith appears in appendix.]

The CHAIRMAN. Ms. Smith, thank you very much. And thanks for the work that you have done over a long period of time dealing with these issues of Indian health.

I am going to have to depart. It is necessary for me to be at the Capitol at 12 p.m. Vice Chairman Thomas, will continue the rest of the hearing.

Let me introduce the next witness. Dr. Verlie Ann Malina-Wright is going to talk to us. She is the president of the National Indian Education Association. Thank you for all of your work in these areas.

Let me also apologize, I think the vice chairman would agree, for the brevity today. It does not reflect our seriousness of purpose on these issues. We apologize. There have been several votes and an intervening caucus. We are very interested and concerned in the testimony provided by the first panel and your panel especially. We appreciate the time you have taken to come to this committee.

Dr. Malina-Wright, you may proceed.

Vice Chairman Thomas, thank you very much for proceeding.

STATEMENT OF VERLIE ANN MALINA-WRIGHT, PRESIDENT, NATIONAL INDIAN EDUCATION ASSOCIATION

Ms. MALINA-WRIGHT. Aloha. My name is Dr. Malina-Wright. I am in my 40th year of education. I am a Native Hawaiian and the 37th president of the National Indian Education Association. I will be paraphrasing a lot of my presentation, and I would like to submit for the record our legislative packet, and also supporting testimony on behalf of the Johnson-O'Malley Program.

The key areas for funding that we want to focus on is the administration for Native Americans. This is the support for the Esther Martinez Native Languages Act. As you know, in 1992, the Native American Languages Act, [NALA] was instrumental in helping establish language immersion schools and language NES schools.

This particular act extends the concept to include language restoration programs, and with no additional funding. We ask a $10-million increase in the ANA allocation to promote languages.

At BIA, Department of the Interior, the funding of BIA's Johnson-O'Malley Program, and I would just like to highlight it, because the President zeroed out this budget. There are two members on the board of NIEA, Dr. Wilbur Gilbert had a son who benefitted from Johnson-O'Malley by a violin. That son now is a professor at the University of Illinois in Champaign-Urbana. He used the music, including classical guitar, and he has traveled all around the world because of this investment in children.

On the board also is Robert Cook, an outstanding educator, and his son also has a violin and he is now the third chair of violin for South Dakota.

Okay, so what we are trying to say is this Johnson-O'Malley invests in children and the return on investment in these children is extraordinary.

The President zeroed out this program and we ask, please sir, to restore the funds. We ask that the funds be restored not only to $16.4 million, but also to increase the funding to $24 million.

In the area of BIA school construction and repair, we request NIEA $106 million increase for Indian school construction and repairs. It is important that our children learn in safe learning and culturally responsive environments. The construction funds are sorely needed in order to take care of the backlog.

Another area is in the tribal education departments, the TEDs, and the BIA. NIEA encourages $5 million for the TEDs at the BIA and $5 million at the Department of Education. It should be noted that TEDs work with tribal education programs and schools on the reservations. Perhaps when we talk about LEAs and SEAs, perhaps we should reconsider and also add TEAs.

The Department of Education in title VII funding is an important area. I can share that NIEA requests $195.8 million for title VII, with a 5-percent increase over fiscal year 2007 CR. As you know, the President's budget eliminated the Alaska Native Education Equity and the Native Hawaiian Education Act budgets. There are so many extraordinary things that have come out of title VII that are unique and independent of title I. I have a very interesting example that I can share with you. The vice principal of a Hawaiian language immersion school, where a K-12 and moving to a P-16. We used title I to make sure that our students master language and reading and math, both in English and Hawaiian. We also use title VII to take a look at architecture structures and software that we can put our Hawaiian language in, as our children are learning how to read and compute. It is extraordinary to see that the funding that takes place in title VII allows even our special education children to learn algebra II side-by-side with title I tutors and instruction through the Native Hawaiian language.

The Impact Aid funding, this is such a critical area, again for schools and reservations where there is no traditional tax base. NIEA requests an increase of $85 million over fiscal year 2007 CR level for Impact Aid.

In higher education, this is an extraordinary area of tribal colleges of universities. This is an area where students are 34 years

of age, who have never considered higher education for whatever reason. My father came from a family of 19, and was not a high school graduate, but he wanted his children to graduate from high school, and the two youngest ones were definitely going to go to college. I am happy to say as a result of the Education Professions Development Act and ECEA, in 1978, I got my doctorate at UCLA. I am here 40 years providing service, again advocating education for our children, their families and their communities.

Thank you on behalf of all Native people.

[Prepared statement of Ms. Malina-Wright appears in appendix.]

Senator THOMAS [presiding]. Thank you very much. Certainly, that is an important issue.

Mr. Shuravloff.

STATEMENT OF MARTY SHURAVLOFF, CHAIRMAN, NATIONAL AMERICAN INDIAN HOUSING COUNCIL

Mr. SHURAVLOFF. Thank you, Vice Chairman Thomas.

My name is Marty Shuravloff. I am honored to appear before you today.

As chairman of the National American Indian Housing Council, I have the privilege to represent the housing interests of more than 460 tribes and Alaska Native villages. The National American Indian Housing Council was founded in 1974 to support and advocate for tribes and tribally designated housing entities. NAIHC assists tribes with their self-determined goals of providing housing and community development for Indian people and Alaska Natives.

I come to you today with NAIHC's thoughts on the Administration's fiscal year 2008 budget request. With billions of dollars in American taxpayer money flowing overseas, now more than ever is the time we prioritize the needs of America's neediest citizens; 1 in 10 Native American homes lack plumbing. One in five give Native Americans live in overcrowded homes. Nearly one-half of Native American homes are considered inadequate by all applicable standards. Less than one-half of all reservation homes are connected to public sewer.

While we have heard it time and again, it bears repeating. The United States has its own places of third world conditions, in its own backyard. Indian people are consistently near the bottom of every indicator of health year after year. In a country proud of its democratic standards, we have whole nations of Indian people doing without.

NAIHC's recommendations are as follows. For the Indian Housing Block Grant, the primary funding for Indian housing nationwide, the Administration has requested $627 million. While remaining level from the previous two appropriations cycles, this number does not take into account inflationary costs. For Federal funding to approach even 2002 levels, accounting for inflation, the minimum amount needed is $748 million. The National American Indian Housing Council recommends that Indian Housing Block Grant be funded at this level for fiscal year 2008.

For the Indian Community Development Block Grant, the Administration has requested $57.4 million. The National American Indian Housing Council recommends funding at $77 million, a $19.6-million increase over previous-year funding.

While not a specific Indian program, HUD's Rural Housing and Economic Development is one other tool Indian communities use to help build homes. That is zeroed out in the Administration's fiscal year 2008 budget. NAIHC recommends the continuation of funding for this invaluable program at $24 million.

The Direct Home Loan Program and the Rental Housing Direct Loan Program, all under USDA, are zeroed out in the Administration's budgetary requests. The cutting of these invaluable services will adversely affect Indian people nationwide living in rural areas. NAIHC recommends the continuation of funds for these beneficial programs as well.

The NAIHC is the only national Indian-led organization providing guidance, technical assistance, training and related capacity-building services for Indian Housing Authorities and tribally designated housing entities. The NAIHC trains thousands of Indian housing and associated staff each year with a full range of programs and services. In fiscal year 2005 and 2006, more than 5,000 Indian housing staff participated in our tuition-free training.

The NAIHC was instrumental in shaping discussions and in helping to draft the Native American Housing Assistance and Self-Determination Act of 1996. Although great strides have been made since the act's inception, much more is necessary to make an even more powerful impact for Native people. The National American Indian Housing Council is vital to that goal.

Section 703 of NAHASDA calls for the appropriations of funding for a national organization representing Native American housing interests to provide training and technical assistance to Indian Housing Authorities and tribally designated housing entities. We believe the National American Indian Housing Council is that organization. The Federal funding the NAIHC receives is not an earmark added to the appropriations cycle. The authorizing language of NAHASDA calls for the direct appropriation of funds for the purposes the NAIHC provides, separate from similar activities under HUD.

Yet, in spite of positive outcomes like increases in Native home purchase loan originations, over the past couple of years NAIHC has been zeroed out in the fiscal year 2008 budget request. NAIHC recommends funding be restored to the council at $4.6 million in fiscal year 2008.

Last, NAHASDA stressed the trust responsibility of the U.S. Government to Native American people. With the implementation of NAHASDA, the Federal Government recognized the uniqueness of the problems facing Indian communities. NAHASDA replaced confusing and scattered grant programs with one block grant that afforded tribes the flexibility to design housing unique to each Indian community's needs. It enabled tribes' unprecedented opportunities to use different sources of financing to meet housing needs in their communities.

NAHASDA is scheduled to be reauthorized this year. The lack of significant private investment, functioning housing markets, and the dire economic conditions most Indian communities face mean that Federal dollars make up a significant amount of total housing resources for Native people. NAHASDA is integral to these resources and without the legislation specific to Indian communities,

there would be few options left to house America's neediest citizens. We respectfully request for this Act's reauthorization and this committee's support for it in the Senate.

In conclusion, I would like to thank you, Vice Chairman Thomas, and the rest of the Committee, for your continuing support of Indian people. The National American Indian Housing Council is eager to work with the committee on all the issues affecting Indian housing programs, no matter how difficult. Together, we can achieve better housing and a brighter future for America's first citizens.

Thank you.

[Prepared statement of Mr. Shuravloff appears in appendix.]

Senator THOMAS. I thank all of you very much for being here. I know we are running a little late. Some of you look like you are a little hungry, so just a couple of very short questions.

Chairman Posey, I again appreciate your being here from Wyoming. I see the Indian Economic Development Programs are dispersed among several agencies, HUD and Commerce. What has your tribal experience been with these agencies? Have they been of assistance to you?

Mr. POSEY. Of very little assistance, in my opinion, over the last few years. You know, there is additional money through the State. We are one of the few States in the Nation that have had billion dollar surpluses over the last few years, as you know, Senator. Some of the access to those funds have been hard to come by, although there is funding there.

Senator THOMAS. I see. Okay, thank you.

Mr. Keel, the Department of Energy was directed to establish an Office of Indian Energy Policy and Programs, and establish the DOE Indian Energy Loan Guarantee Program, but it has not. In your opinion, what energy development opportunities are being missed by not having that office?

Mr. KEEL. Senator, any opportunity for the tribal governments to interact with Federal agencies in developing energy opportunities, whether it be in wind power or hydroelectric or whatever, the tribal governments are major players and can be major players in the design and production of energy, particularly on Federal lands.

So I think it is an opportunity that is being missed, when those opportunities are not enacted and not established.

Senator THOMAS. Thank you all very much. I know we have stretched this out a long time, and the voting kind of interrupts our work around here, but we have to do that.

So thank you all. We look forward to working with you. This budget is going to be very important to all of us, and we will be working on it.

With that, we will adjourn the meeting.

Thank you.

[Whereupon, at 12:10 p.m. the committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF CHARLES W. GRIM, D.D.S., M.H.S.A., ASSISTANT SURGEON GENERAL DIRECTOR, INDIAN HEALTH SERVICE

Mr. Chairman and members of the committee:

Good Morning. I am Dr. Charles W. Grim, director of the Indian Health Service . Today I am accompanied by Robert McSwain, deputy director of the IHS, Dr. Douglas Peter, acting chief medical officer, and Gary Hartz, director, Environmental Health and Engineering. We are pleased to have the opportunity to testify on the President's fiscal year 2008 budget request for the Indian Health Service.

The IHS is the Federal agency responsible for delivering health services to more than 1.9 million American Indians and Alaska Natives. In carrying out this responsibility, the IHS maintains a unique relationship with more than 560 sovereign tribal governments that represent this service population in some of the most remote and harsh environments within the United States as well as in modern metropolitan locations such as Anchorage and Phoenix. These relationships and the geographic diversity offer extraordinary opportunities and challenges to managing and delivering health services.

The IHS and tribal programs provide a comprehensive scope of individual and public health services, including preventive, clinical, and environmental health services. In addition, the IHS and tribal health programs purchase medical care and urgent health services through the Contract Health Services program, when the care is otherwise not available at their facilities. For all of the American Indians and Alaska Natives served by these programs, the IHS is committed to its mission to raise their physical, mental, social, and spiritual health to the highest level.

This mission is supported by the Department of Health and Human Services [HHS], as reflected in the many partnerships we have established with other HHS operating divisions and the Department's commitment to its Intradepartmental Council on Native American Affairs [ICNAA]. I have the pleasure of serving as the vice-chair of the ICNAA whose role is to assure coordination across HHS in support of American Indian, Alaska Native, and Native American health and human services issues. The Administration takes seriously its commitment to honor the unique legal relationship with, and responsibility to, eligible American Indians and Alaska Natives by providing effective health care services.

Through the government's longstanding support of Indian health care, the IHS, in partnership with the people we serve, has demonstrated the ability to effectively utilize available resources to improve the health status of American Indians and Alaska Natives. The clearest example of this is the drop in mortality rates over the past few decades. More recently, this effectiveness has been demonstrated by the programs' success in achieving their annual performance targets as well as by the intermediate outcomes of the Special Diabetes Program for Indians. For example, in fiscal year 2006 the IHS Tribal, and Urban programs increased the proportion of diabetic patients assessed for kidney disease by 17 percent and increased the proportion of diabetic patients with ideal blood sugar control by 3 percent. Early identification of kidney disease and keeping blood sugar at the ideal level are significant

in preventing or delaying the onset of diabetic complications, which may require costly care such as dialysis or renal transplant.

Although we are very pleased with these achievements, we recognize that there is still progress to be made. American Indian and Alaska Native mortality rates for alcoholism, cervical cancer, motor vehicle crashes, diabetes, unintentional injuries, homicide, and suicide continue to be higher than the mortality rates for other Americans. Many of the health problems contributing to these higher mortality rates are behavioral. For example, the rate of violence for American Indian and Alaska Native youth aged 12–17 is 65 percent greater than the national rate for youth. And while diabetes is a major focus of prevention and treatment efforts across Indian country, the prevalence is still growing and occurring in an increasingly younger population.

The IHS and our stakeholders remain resolved and deeply committed to address these disparities. We are joined in the implementation of three health initiatives I launched in fiscal year 2005 with the specific intent of achieving positive improvements in these areas of preventable health problems. The Health Promotion/ Disease Prevention, Behavioral Health, and Chronic Care Initiatives target underlying risk factors for morbidity and mortality as well as the re-engineering of the IHS and Tribal Indian health delivery system to incorporate the best practices documented in the scientific literature. Collaborations with other Federal agencies, States, and foundations are also integral components of each Initiative.

I am pleased to present a budget request to you that allows the IHS to continue these efforts and address needs expressed by tribes. As partners with the IHS in delivering needed health care to American Indians and Alaska Natives, tribal leaders and health program representatives participate in an extensive consultation process on the IHS budget. In addition, the Department holds annual budget consultation sessions, both regionally and nationally, to give Indian Tribes opportunities to present their budget priorities and recommendations to the Department. I am pleased to say that this budget addresses health care needs that the tribes have emphasized as critical by including the increases necessary to assure that the current level of services for American Indians and Alaska Natives is maintained in fiscal year 2008 and that additional services associated with the growing American Indian and Alaska Native population are covered.

The President's budget request for the IHS totals $4.1 billion, a net increase of $212 million or 7 percent above the annualized fiscal year 2007 Continuing Resolution funding level and an increase of $101 million over the fiscal year 2007 President's Budget. In comparison, the overall discretionary budget request for HHS is an increase of $95 million or .1 percent over the fiscal year 2007 Continuing Resolution funding level. The request will allow IHS and tribal health programs to maintain access to health care by providing $41 million to fund pay raises for Federal and tribal employees, and $88 million to cover increases in the cost of delivering health care and to address the growing American Indian and Alaska Native population. Staffing and operating costs for two newly constructed health facilities are also included in the amount of $19 million. One of these facilities is the Muskogee Health Center in Oklahoma. The Cherokee Nation funded the construction of the Health Center under a joint Venture agreement and now IHS is requesting funds to staff and operate it. The other facility is a Youth Regional Treatment Center [YRTC] located in Wadsworth, NV. This YRTC will provide short-term, structured transitional living services to adolescents with alcohol and/or substance abuse addiction. The budget request also includes additional funding of $64 million to restore program losses that would be experienced under the annualized fiscal year 2007 Continuing Resolution, which did not include increases necessary to maintain service levels.

To target these priority increases, the budget request eliminates funding for the Urban Indian Health Programs, which is $33 million at the fiscal year 2007 CR level, and reduces funding for the Facilities Appropriation by $24 million. The focus of the President's budget request for IHS is on provision of health care services and ensuring that the basic needs of all IHS and tribal health programs are met. Therefore, the budget request targets additional funding for the provision of health care on or near Indian reservations in order to serve a population who cannot readily access health care from outside the IHS or tribal system. The request for Health Care Facilities Construction is $12.7 million, to continue the construction of the Barrow, Alaska Hospital. Consistent across HHS, facilities funding requests are focused on maintaining existing facilities and completing projects that received initial funding in previous years.

The proposed budget that I have just described provides a continued investment in the maintenance and support of the IHS and tribal public health system to provide access to high quality medical and preventive services as a means of improving

health status. It reflects a continued Federal commitment to American Indians and Alaska Natives.

Thank you for this opportunity to present the President's fiscal year 2008 budget request for the IHS. We are pleased to answer any questions that you may have.

PREPARED STATEMENT OF CARLA MANN, MEMBER, BLACKFEET TRIBE, REPRESENTING THE NATIONAL JOHNSON-O'MALLEY ASSOCIATION

Good afternoon. I would like to thank the distinguished Chairman Dorgan, Vice Chairman Thomas, and members of the Senate Committee on Indian Affairs for holding this hearing regarding the President's recommendation for the 2008 Budget.

On behalf of over 350,000 American Indian children attending our Nation's public schools, I thank the committee for this opportunity to provide testimony on education issues that directly impact our public school administrators' ability to sustain a high quality education for Native American students attending their schools. I am honored to be here. My name is Carla Mann. I am a member of the Blackfeet Tribe representing the National Johnson-O'Malley Association [NJOMA] who is the elected voice and liaison to Congress for Johnson-O'Malley Programs [JOM]. As Vice Chairman Thomas knows, I live and work on the Wind River Reservation in Wyoming. I thank him for his support.

In his 2008 budget recommendations, the President has recommended that the JOM funding be eliminated. We respectfully request that in its Views and Estimates, the committee reject that recommendation.

JOM is a program critical to our Indian students in public schools.

Over 75 years ago Congress recognized the inherent right of all Indian students to receive a high quality education by passing the Johnson-O'Malley Act. The act is a cornerstone for Indian communities. It helps our communities meet the unique and specialized educational needs of Native students who attend public schools. Many of our students live in remote and rural areas in high rates of poverty and unemployment. JOM is responsive to the special circumstances of Indian Country and provides funding that helps students stay in school and achieve academic success.

JOM is a unique program that helps Indian students become productive members of their community. For example, JOM provides students with academic enhancing services and items including culturally based tutoring, school supplies, summer school, scholastic testing fees, financial aid counseling, athletic equipment and activities, caps and gowns, accelerated college preparation classes, writing competitions, etc. Other programs administered by the Federal Government, such as the No Child Left Behind Act do not allow funding for these types of activities and necessary items.

JOM funds impact the schools that serve the most tribal students.

In 2004–05, a Department of the Interior report stated that the Bureau of Indian Affairs [BIA] provides an education to Indian children on federally recognized Indian reservations in 170 elementary and secondary schools across 23 States. Approximately 46,000 or about 7 percent of all Indian children attend elementary and secondary schools administered by the BIA. By eliminating JOM funding, the 2008 budget recommendation ignores the special needs of the other 93 percent of all Indian students that attend public school.

The justification used in the 2008 budget recommendations is unfounded.

For the past 2 years, and again in fiscal year 2008, the Department of the Interior and the Administration has requested severe reductions or elimination of funding of the JOM Program. The President's fiscal year 2008 budget request proposes "zero" funding using the same justification, as used in the President's 2006 budget request, in that the JOM program is "duplicative" of other Federal programs. In fiscal year 2006, the Interior Appropriations Committees determined that this justification was "unfounded." BIA indicates that the Department of Education's Title VII Indian Education Act programs is "a similar funding" source of Indian Education. NJOM firmly believes that the programs are very different. First, 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 program.

JOM is the only federally funded program that statutorily grants "vested authority."

Another important distinction, is the degree of influence JOM affords parents and communities. Under the JOM regulations, the parents of eligible JOM students

have "fully vested authority" to design and implement their JOM programs. By regulation, 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 funding program that allows for student, parent and community involvement in meeting their educational needs which is both academically and culturally based.

Restore the JOM funding.

For fiscal year, the National Johnson-O'Malley Association, along with the National Indian Education Association urges Congress to continue its 75 year old commitment to Indian children by not only restoring JOM [$16.4 million] but increasing its funding to the fiscal year 94 funding level of $24 million.

In conclusion, I'd like to thank you for allowing the NJOMA to present testimony on such an important program impacting our Indian students and communities.

PREPARED STATEMENT OF MYRA PEARSON, CHAIRWOMAN, SPIRIT LAKE NATION, FORT TOTTEN, ND

Good afternoon Chairman Dorgan [D–ND] and Vice Chairman Thomas [R–WY)] and distinguished members of the Senate Committee on Indian Affairs. Thank you for inviting the North Dakota tribal chairs to provide testimony on behalf of our respective nations. My name is Myra Pearson. I am an enrolled Dakota of the Spirit Lake Nation and serve as the presiding chairwoman for the tribe. Our administrative headquarters is in the Fort Totten District of the reservation. We are located in rural northeast North Dakota and many of our issues are related to the isolation of our communities.

The numerous disparities experienced by our people call out for the Nation to respond and fulfill the trust responsibilities to our tribal nations. Spirit Lake tribal leadership is also obligated to our constituents to ensure provisions of the 1867 Treaty between the Sioux—Sisseton and Wahpeton Bands and the United States are upheld. The provision of health, education, housing, and welfare are critical to this effort and we look forward to working with this Congress to address these disparities.

The inadequate and delayed funding to address the above mentioned provisions creates additional hardships on a population already distressed by poverty and the resulting social and physical ills noted in the statistics below.

Spirit Lake adults [18+] were:

- 59 percent less likely to have health coverage.
- 52 percent less likely to have a personal doctor.
- 193 percent more likely to smoke.
- 97 percent more likely to binge drink [5+ drinks on same occasion].
- And, 288 percent more likely to chronic drink [2+ drinks on daily basis].
- 73 percent more likely to have diabetes

Regarding chronic disease, Spirit Lake elders (55+) were:

- 44 percent more likely to have arthritis.
- 90 percent more likely to have congestive heart failure.
- 26 percent more likely to have experienced a stroke.
- 206 percent more likely to have diabetes.
- 375 percent more likely to have colon/rectal cancer.

The Aberdeen Area Indian Health Service Region, of which North Dakota is a part, has the lowest life expectancy of all the IHS Regions in the Nation at 64.3 years of age compared to 77.6 years of age for the Nation, a difference of 13.3 years. This disparity is partially a result of the rural isolation of the community, shortage of health providers, and increasing poverty levels common among our people.

The Spirit Lake Tribe continues to subsidize the health care of our tribal members due to inadequate provision of IHS funding to our tribe. We were disappointed to hear the Indian Healthcare Improvement Act was halted in December 2006 and we request you continue your efforts to get this legislation reauthorized or an alternative source to fulfill the treaty obligations to our people. Millions of acres of land were ceded to the United States in exchange for the provision of health, education, welfare, and materials for houses and these provisions have never been provided at the appropriate levels needed to meet the needs of our people.

Our children continue to test below their North Dakota counterparts, and increased funding is needed to provide a firm educational foundation for our children. Tribal college students are funded at one-half of what non-tribal community college students receive at $4,447 per full time student, 75 percent of what is authorized

and tribal colleges are not reimbursed for providing educational services to non-Natives.

Regarding education, Spirit Lake members were:

- 215 percent more likely to have not obtained a high school diploma.
- 29 percent less likely to have some college.
- 71 percent less likely to be a college graduate.

A housing shortage at Spirit Lake is denoted by the 239 families currently on our housing waiting list. In most cases, overcrowding is occurring with multiple families residing in homes built for single families. Recent flooding on our reservation and the resulting high water table has also caused mold problems that have raised additional health concerns regarding asthma and other respiratory diseases. Last, substandard housing weatherization has resulted in increased heating bill costs that are severely affecting our tribal member's ability to make ends meet.

The correlation between health status, education levels, and socio-economic status is well documented. Thus, the issue of education is critical to raising the health status and overall income for our people. By raising education levels, we not only increase earning capacity and one's ability to access health insurance and healthcare, but we also increase the amount of taxes paid into our Federal Government and the family's ability to address their housing needs.

The BIA is mandated by Federal law to provide accurate population estimates to the national office. Because Federal funding is based on reservation residents, BIA must supply correct information to everyone concerned at the tribal, regional, and national level. Increased communication and tribal input for Federal programs such as BIA and IHS are required to ensure not only population estimates are accurate, but also trust responsibilities are being met.

At Spirit Lake, the tribal council has requested the superintendent of the Fort Totten Agency to increase our population data from an estimated 4,000 enrolled members to the accurate count of 6,128. The request has not been addressed to date and we are at a loss to understand why.

The BIA and IHS are merely liaisons between the United States and our tribal nations; however, they continue to conduct business using a top down method that fails to recognize tribal sovereignty. This way of conducting is not acceptable and has been antiquated since the beginning of treaties with the tribes.

The elimination of programs in the 2008 President's budget regarding Housing Improvement Program [HIP], Community Development, Indian Guaranteed Loan Program, Technical Work Experience Program and the continued reduction of all remaining tribal programs such as tribal courts and similar programs. The halting of the Indian Healthcare Improvement Act is unacceptable to the tribal nations considering this is the primary means for the United States to fulfill the trust responsibility to the tribes. The above mentioned health disparities are indicators of the dire need for educational, health, housing, and welfare initiatives for the tribes.

The conceived notion regarding welfare is that tribes are looking for a handout; however, the welfare mentioned in the treaty is reflective of the overall wellbeing of the people. Our request is not to provide a handout to our people, but to fulfill the federally obligated trust responsibility to the Native people and to the Spirit Lake Nation.

Summarily, all of the above mentioned issues are critical and of priority to the Spirit Lake Nation. We recognize the importance of applied research in developing plans of action; however, we also recognize our culture and community expertise must be implemented if these efforts are to be successful. We are open to working with your committee to move forward in the effort of addressing the disparities being experienced across Indian country. Furthermore, we applaud your efforts to reach out to the North Dakota tribes to get a better picture of our needs.

PREPARED STATEMENT OF IVAN D. POSEY, CHAIRMAN, EASTERN SHOSHONE BUSINESS COUNCIL

Good morning. My name is Ivan Posey and I currently serve as the chairman for the Eastern Shoshone Business Council and cochair for the Eastern Shoshone and Northern Arapaho Joint Business Council. We both share the 2.3 million acre Wind River Indian Reservation in west central Wyoming which is the only reservation in the State. The reservation was established in the 1868 treaty between the Shoshone Tribe and the Federal Government.

There are currently 3,900 Eastern Shoshone and 8,200 Northern Arapaho tribal members. Over 50 percent of tribal members from both tribes are under the age of 30. The reservation is home to approximately 7,000 American Indians and 9,000 non-Indians.

First of all I would to thank the distinguished Senators on the committee, including our own Senator Craig Thomas, for allowing me to testify on funding issues related to the President's 2008 Federal budget.

Let me start my testimony with a statement regarding the President's budget for tribal programs in this manner. I have served the Eastern Shoshone Tribe for 11 years and throughout that time have had the opportunity to travel to our Nations Capitol to address the needs of tribal citizens and to share our positive contributions to our great country. It has become more challenging over the years to receive the funding needed to adequately address tribal needs.

The President's fiscal year 2008 Budget remains in the same mold with cuts to Indian education, health care, and other tribal programs drastically while completely eliminating other vital funding.

For example, the Johnson O'Malley program which many tribes utilize for language and traditional revitalization has been completely eliminated from the budget. This would affect our school systems and Head Start programs that rely on this funding to assist tribal efforts to continue educating our youth of their heritage. With the passing of many of our elders this process becomes of more importance to our tribal communities. Cuts to other education matters such as construction, and grant assistance need to be increased as well as the need to increase funding for tribal colleges which are all vital to the citizens of Tribal Nations.

Cuts to out tribal court systems would drastically affect the administration of justice in Indian country which in some cases is already under funded. The tribal court system serves as the backbone of our sovereignty and needs adequate funding. Without a strong and reputable tribal court system tribes will face the scrutiny and criticism from Indians and non Indians alike on the credibility of our administration of tribal laws and codes. With the gains made in Indian country to establish and manage tribal courts we cannot afford to continue to make progress in this very important area.

Law Enforcement remains a top priority in terms of public safety for Indian country. On the Wind River Indian Reservation we currently have 10 officers to patrol roughly 3,500 square miles. We need more uniformed patrolman to continue to provide safety to our communities and address the problems of substance and drug abuse. Additional funding is also needed for tribal fish and game programs which oversee our natural resources and provides assistance to our law enforcement agencies when needed. Currently the Eastern Shoshone Tribe employs five fish and game officers which are funded directly from tribal funds.

The need for adequate housing in Indian country continues to grow. Although there has been progress in Indian country in addressing this matter over the past years we still have a ways to go. Through tax credits and utilization of the 184 program some needs are being met on and off reservations but the need continues with the growth of young families and the need to sometimes restore and rebuild aging infrastructure. The elimination of the Housing Improvement Program in the President's budget would be very harmful to tribes who utilize the funding to renovate elderly and handicapped homes and at times provide homes to tribal people in need.

There are many issues in the area of health care that I would like to address. Regarding the need for additional funding for Indian Health Service there are three areas that are of importance to tribal citizens. The first is the need for additional funding for contract health services. Contract Health Services allows for immediate care for those in medical crisis. Over the past 10 years these costs have not kept up with rate of inflation and have basically remained flat budgets. Tribal governments such as ours on the Wind River Reservation are currently covering costs associated with the inadequate funding the Indian Health Service currently receives. To receive contract health services a person needs to be in a life or death situation. For example, a person may be in a car accident due to substance abuse and receives injuries which threaten their life. This one car accident in itself may cost the local service unit $400,000.00 out of a 1.3-million dollar budget. In the meantime a person needing a knee replacement for several years will be denied services. Many emergency room visits are not paid by the Indian Health Service which eventually falls on the patient who may not have the means to pay and is soon turned into collection agencies. This has affected many tribal members who may wish to finance a home through other Federal programs such as the 184 program offered through Housing of Urban Development.

Substance abuse and diabetes continue to rise in Indian country. Methamphetamine use has a tremendous negative affect on our community and resources are needed on the law enforcement, prevention, and treatment areas to address this devastating drug. Innovative programming that deals with family intervention and after care support are critical to the recovery and well being of individuals who seek help. Access to treatment in Indian country is also a barrier at times when family

involvement is needed. Regional Treatment Centers are needed across the country that will assist tribes to provide their citizen's with better access and support.

Diabetes is an area in which many tribal people are affected. Many young people are now being diagnosed with this. disease that used to mostly affect adults. Funding to Indian country over the past years have allowed tribes like ours to develop tribal gyms and to promote healthy eating and exercise in our communities. Although there continues to be a rise in diabetes I feel funding to tribes has helped curb some of these numbers for the better.

With the continued cuts to health care in Indian country I would ask members of Congress, from both parties and independents, to continue to address the reform of the health care system in this country. The rising costs of pharmaceuticals and the lack of access to health care in many communities has placed this country in a crisis mode. For Tribal Nations to continue to look after the needs of it's citizens health care I firmly believe these issues need to be addressed. Corporate greed continues to have priority over the well being of our Nation's citizens. Tribal governments, as well as States, are subject to this health care crisis.

I would also ask the Members of Congress to carefully evaluate the War in Iraq. With military spending up and a record deficit, the President's budget cuts domestic spending. Being an Army Veteran I understand the importance of serving our great country and the responsibility of safeguarding our people. Tribal people have and continue to serve in our Armed Forces at a rate higher than any other group in the United States. We have always answered the call. The cuts to the Veterans Administration are of concern to our tribal communities as well. As many veterans return from service many need additional help. We would like our returning veterans to receive the care and respect they deserve.

In closing, I would like to thank the committee on listening to my concerns as an elected official of my tribe. I am encouraged that many members of Congress acknowledge and respect the trust responsibility from the U.S. Government to Indian tribes. As we continue to defend our treaties and executive orders we will also continue to defend this great country of ours.

Who Wee Who [thank you] and God bless.

STATEMENT
OF THE
AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

SENATE COMMITTEE ON INDIAN AFFAIRS
HEARING ON THE PRESIDENT'S FISCAL YEAR 2008 BUDGET REQUEST

FEBRUARY 15, 2007

This statement will address two areas: 1) a brief history of the Tribal College Movement and current funding situation of tribal colleges and universities, and 2) specific comments on the President's Fiscal Year 2008 Budget regarding tribal college programs.

I. THE TRIBAL COLLEGE MOVEMENT:

Tribal Colleges and Universities (TCUs) are young, geographically isolated, and poor. All of our institutions are less than 40 years old. Most TCUs are located in areas of Indian Country that the federal government defines as extremely remote. We serve our communities in ways far beyond college level programming and are often called beacons of hope for our people. We provide much needed high school completion (GED), basic remediation, job training, college preparatory courses, and adult education programs. We function as community libraries and centers, tribal archives, career and business centers, economic development centers, public meeting places, and elder and child care centers. In fact, an underlying goal of all tribal colleges is to improve the lives of students through higher education and to move American Indians toward self-sufficiency. This goal is fundamental to us because of the extreme poverty in which most American Indians live. In fact, three of the five poorest counties in America are home to TCUs, where unemployment rates are customarily well above 50 percent. By contrast, the current national unemployment rate is 4.6 percent.

Tribal Colleges and Universities remain the most poorly funded institutions of higher education in the nation. TCUs, along with the U.S. Military Academies and Howard and Gallaudet Universities, are the only institutions of higher education that receive their basic institutional operating funds from the federal government.

The vast majority of TCUs are located on federal trust land. Therefore, states have no obligation to fund tribal colleges. While TCUs do seek funds from their respective state legislatures for the non-Indian state-resident students who account for 20 percent of our enrollments, their success has been inconsistent. If these same students attended any other public institution in the state, the state would provide that institution with reliable institutional operating funds. TCUs are accredited by the same

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regional agencies that accredit state supported institutions, yet they have to advocate annually for basic operating support for their state students.

Despite their strong support, tribal governments are able to provide TCUs with only modest monetary support. The TCUs' chartering tribes are not the handful of small and wealthy gaming tribes located near major urban areas and are prevalent in the mainstream media; rather, they are some of the poorest governments in the nation. Gaming is not a stable or viable funding source for TCUs, nor should it be a factor when considering the funding of tribal colleges. Only a handful of tribal colleges currently receive revenue from tribal gaming.

While revenues from state run gaming operations far exceed revenues from Indian gaming, and some form of gaming is legalized in almost every state, the federal government has not used the revenue generated from state run gaming to justify decreasing federal funding to state operated colleges and universities. The standards that apply to states and state operated higher education institutions should apply to tribes and Tribal Colleges and Universities. Unfortunately, it appears that this is not the case.

Federal Funding: Despite trust responsibilities and treaty obligations resulting from the exchange of millions of acres of land, the federal government has not considered the funding of American Indian higher education to be a priority.

It has been over 25 years since the Tribally Controlled College or University Assistance Act -- or Tribal College Act -- was initially funded. The TCUs that are funded under this Act have never reached the authorized funding level. Distribution of funds under Title I of the Tribal College Act is enrollment driven. Currently, the 24 affected institutions receive $5,000 per Indian student – they are authorized to receive $6,000. When you consider the effects of inflation over that time period, tribal colleges would need to be funded at $6,304 per Indian student to simply receive a level of funding with the same buying power they received in their initial appropriation in FY1981 - which was $2,830 per Indian student. This is not simply a matter of appropriations falling short of an authorization. It effectively impedes the TCUs from having the necessary resources to provide educational services afforded students at mainstream, state funded institutions of higher education.

Although we have yet to achieve funding at the authorized level, through the tireless work and support of Chairman Dorgan and the members of the Senate Indian Affairs Committee, we have made steady progress in the past several years and for that we are extremely grateful.

This Administration's annual budgets had, until the FY 2007 budget, recommended significant cuts in institutional operating funds for tribal colleges and universities. While the pattern of substantial reductions to our operating budgets appears to be changing, the FY 2008 budget has turned its scalpel on the tribal colleges' Higher Education Act Title III program, recommending a 20 percent cut to this vital program

and our USDA land grant program funding, through which our institutions provide vital education opportunities and community based services.

II. PRESIDENT'S FISCAL YEAR 2008 BUDGET RECOMMENDATIONS FOR TRIBAL COLLEGES and UNIVERSITIES PROGRAMS:

a. DEPARTMENT OF THE INTERIOR – BUREAU OF INDIAN EDUCATION (BIE):

Tribal College Act: The Administration's fiscal year 2008 (FY 2008) budget is the same as the request submitted in FY 2007. Specifically, it recommends $54.7 million, including $42.0 million for the institutional operations of 25 institutions under Title I and $11.4 for Title II, which funds Diné College; $109,000 for Title III, which is to help TCUs to build endowments at their institutions; and $601,000 for the technical assistance contract authorized under the Act.

For 25 tribally controlled institutions to reach full funding of their operating budgets would require a $56.0 million appropriation for Title I of the Act, in FY 2008. This would amount to an increase of $13.8 million for Title I over the assumed FY 2007 allocation for this budget line. Considering the fact that it has been more than 25 years since the Tribal College Act was first funded and the Title I colleges are still operating at a fraction of the Congressionally authorized level, we do not believe this is an unreasonable request. However, TCUs recognize the many fiscal constraints that this Congress is laboring under and therefore recommend an incremental approach aimed at reaching full funding over the next two years. In FY 2008, we ask that the Committee support $49.2 million to fund the institutional operating budget of the 25 TCUs under Title I of the Act. AIHEC also asks that the Committee support Diné College's request for $17.7 million to fund Title II of the Act to finance the operations of its several campuses and centers located throughout the Navajo Nation.

Additionally, to address the continuing need for increased technical assistance, TCUs support the President's request of $601,000 for technical assistance, which is the level of funding appropriated in FY 2006 and FY 2007.

Funding for United Tribes Technical College and Navajo Technical College: The President's FY 2008 budget again recommends eliminating all Department of the Interior funding for the two tribally controlled postsecondary vocational institutions. Congress has restored Interior funding for these institutions each year since FY 2003. These two tribally controlled postsecondary vocational institutions rely heavily on this appropriation to supplement their modest funding under the Carl D. Perkins Career and Technical Education Act. We request that Congress again restore and increase Interior funding for these two tribally controlled institutions.

b. DEPARTMENT OF EDUCATION:

- **HEA Title III Part A section 316**: Title III Part A of the Higher Education Act supports developing institutions that enroll large proportions of financially disadvantaged students and have low per-student expenditures. Tribal Colleges and Universities clearly fit this definition. Although TCUs are providing access to quality higher education opportunities to some of the most impoverished areas of the country, the President's FY 2008 budget proposes a 20 percent cut to the TCU Title III grants program. A clear goal of the Higher Education Act Title III programs is "to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation." The TCU Title III program is specifically designed to address the critical, unmet needs of their American Indian students and communities, in order to effectively prepare them for the workforce of the 21st Century. We can see no rhyme or reason for cutting this critical grants program and request that this substantial cut to this vital program be rejected and that Title III Part A section 316 be funded at $32.0 million in FY 2008.

- **Carl D. Perkins Career and Technical Education:** Two programs under the authority of the Perkins Act are of particular interest to the Tribal Colleges and Universities.
  - Section 117 of the Act funds the operations of our two tribally controlled postsecondary vocational institutions, United Tribes Technical College (UTTC) and Navajo Technical College (NTC). Over the past several years the Department of Education has tried to expand the scope of this program to allow other tribal colleges to compete for these funds. Despite the fact that the program was established to provide operating funds expressly for these two institutions because they are not eligible to receive operating funds under the Tribal College Act. To open this program to other institutions would be inappropriate. We support our two postsecondary vocational institutions and urge the Committee to work closely with the presidents of UTTC and NTC, on resolving this ongoing matter.
  - The President's FY 2008 budget once again drastically cuts national vocational education programs and in doing so, cuts the Native American Career and Technical Education Program (Sec. 116) under the Carl D. Perkins Career and Technical Education Act. Currently, 1.25 percent of the funds appropriated annually for the Perkins state grants program is set aside for vocational education programs conducted by Native American organizations, including tribal colleges and universities. States have a long history of not including tribal colleges in their programs plans. With funding being cut in half and so many states battling to balance their own budgets, it is highly unlikely that states would now choose to reverse this trend and share any block granted

funding with tribal entities. Without an adequate set-aside -- one that provides funds equal to prior years at a minimum -- tribal vocational programs will be decimated.

C. DEPARTMENT OF AGRICULTURE:

In 1862, Congress enacted the first Morrill Act to "bring education to all the people and to serve their fundamental needs." This is not only the definition, but in fact the mission of Tribal Colleges and Universities, which were granted federal land grant status in 1994, 132 years after the states land grant institutions were established. Today, we believe that our institutions, more so than any other group, truly exemplify the original spirit and intent of the first land grant legislation. Inexplicably, the President's FY 2008 budget recommends cutting all but one of the 1994 land grant programs, and even recommends eliminating funding for the TCUs community facilities grants program.

Congress established and funds the follow four programs specifically for the 1994 tribal college land grant institutions:

- **Extension Grants -** The President's FY 2008 budget proposes funding this vital community program at $3,240,000 -- a cut of $81,000 from the FY 2007 appropriated level. Once again, tribal colleges appear to be victims of their own successes. 1994 Institutions' Extension programs are created to bolster community and economic development; strengthen families and youth; manage natural resources; develop community-based agriculture capacity; and improve diet, health, and nutrition. All of these services are fundamental to communities nationwide, and particularly so to Native communities, which suffer some of the highest unemployment, suicide, diabetes, alcoholism and other substance abuse rates in the country. We respectfully request that the 1994 land grant institutions' Extension grants program be funded at $5.0 million in FY 2008.

- **Equity Payments** – The President's FY 2008 budget includes $2,227,000, which is a cut of $1,115,000 from the FY 2007 appropriated level. This program provides each 1994 Institution with resources to develop and implement courses and programs in natural resource management, environmental sciences, horticulture, forestry, buffalo and other livestock production and management, and food science and nutrition, all of which address epidemic rates of diabetes and heart disease in Indian Country. We respectfully request the Committee to support FY 2008 appropriations for this critically important program to be continued at $3,342,000, the level appropriated in FY 2007.

- **1994 Research Grants** – The President's FY 2008 budget recommends $1,067,000 for the 1994 Research grants program, which is a cut of $477,000 from the FY 2007 appropriated level. Suggesting just over $1.0 million be allotted for all 31 tribal college land grants to compete to conduct

agriculture related research programs indicates that the 1994 land grants are in a pattern that will keep them from ever building capacity and establishing viable research programs consistent with the mission of the land grant program. These Research grants are conducted through partnerships with 1862 and 1890 land grants institutions, employing a strong model involving a combination of federal resources and tribal college-state institution expertise, with the overall impact being far greater than the sum of its parts. Yet, the 1994 are clearly expected to continue to conduct applied research on less than a shoestring. A competitive research program for 31 tribal college land grant institutions funded at $1,067,000 is without question, grossly inadequate to achieve the goals of the program and to meet the needs of our communities. We request this very promising program be funded at a minimum of $3.0 million in FY 2008.

- **Endowment Fund** –The President's FY 2008 budget proposes an $11,880,000 payment into the 1994 Endowment Fund. Payments into the 1994 Institutions endowment fund help speed the growth of the corpus of this account, thereby increasing the interest yield disseminated annually to the 31 tribal college land grant institutions. Just as other land grant institutions historically received large grants of land or endowments in lieu of land, this funding assists the 1994 Institutions in establishing and strengthening our academic programs in the areas of curricula development, faculty preparation, instruction delivery systems, equipment and instrumentation for teaching, experiential learning, student recruitment and retention in the food and agriculture sciences, in addition to helping address the critical need for facilities and infrastructure construction, improvement and maintenance.

d. TCU FACILITIES CONSTRUCTION, IMPROVEMENT, AND MAINTENANCE INITIATIVE

In fiscal year 2001, a bipartisan effort engaging both the Executive Branch and Congress launched a modest, but direly needed, facilities initiative for Tribal Colleges and Universities. With help from many of the members of this Committee, several small competitive grants programs were established throughout various federal agencies to help address the infrastructure problems that plague our institutions. Programs include:

- Department of Housing and Urban Development (HUD): a TCU facilities construction program under the Community Development Block Grants Program;
- Department of Defense: a grants program that allows the TCUs to compete for funds to equip their computer and science labs; and
- Department of Agriculture: a competitive grants program under the Rural Community Advancement Program (RCAP) for tribal college facilities.

These programs, together with the Department of Education's TCU-Title III program, have helped TCUs to systematically address their critical need for new and enhanced

facilities, and proper maintenance of the facilities on their campuses. Unfortunately, the annual appropriations for the HUD and DoD programs have decreased over the past few years, due in part to the across-the-board cuts now routinely imposed through final conference negotiations. The FY 2008 budget *eliminates entirely* funding for the USDA–RCAP tribal college community facilities program. We urge the Committee to join with other members of the Senate to preserve the TCU-RCAP program and to strengthen and expand the TCUs' HUD and DoD grants programs, which have enabled our institutions to build or enhance classrooms, computer and science laboratories, cultural and library facilities, child care centers, social service offices, and even a veterinary clinic.

We respectfully request that funding for each of these three TCU facilities programs be appropriated at no less than $5.0 million in fiscal year 2008, and for each of the next five fiscal years, to ensure that tribal colleges have stable resources available to expand, improve, and maintain our facilities.

III. CONCLUSION

Tribal Colleges and Universities provide access to high quality, culturally relevant higher education opportunities to thousands of American Indians. The modest federal investment in tribal colleges has paid great dividends in terms of employment, education, and economic development. Continuation of this investment makes sound moral and fiscal sense. We need stable federal support to sustain and grow our vital programs and achieve our mission -- serving our students and communities.

We appreciate the long standing support of Chairman Dorgan and of this august Committee. Thank you for this opportunity to present our FY 2008 budget recommendations to help bring equality in higher education and economic opportunity to Indian Country through the nation's tribal colleges and universities.

LUKACHUKAI COMMUNITY BOARD OF EDUCATION, INC.
"Commitment to Children, Commitment to Progress"
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Testimony of Lukachukai Community Board of Education
As submitted to the
Senate Committee on Indian Affairs on the President's FY 2008 Budget Request
February 28, 2007

The Lukachukai Community School Board of Education appreciates the opportunity to submit testimony to the Senate Committee on Indian Affairs, regarding the President's FY 2008 Budget The Education and Intergovernmental Committees of the Navajo Tribal Councils have approved for the Lukachukai Community Board of Education to present packet information to Congressional offices the week of February 12, 2007, in essence this testimonial position paper is an addendum and will be sent in prior to deadline submission.

Lukachukai Community School is located on the Navajo Reservation in Arizona. The school serves three adjacent communities in providing educational services for Kindergarten through Eighth grade students. The community of Lukachukai is rich with history in that the western education for our children started back in 1910 by a Catholic priest who helped build a school. Due to limit classroom spaces and dilapidated buildings we can only serve 350 students while at one time the population reached 457.

Indian School Equalization Program (ISEP) Formula Funds

Despite the recommended increase in the President's budget of $4,334 per Weight Student Unit Lukachukai Community Board of Education recommends an increased Weight Student Unit (WSU) value of $4,500, a rate needed to keep pace with rising instructional and residential costs in the BIE education system ($364,020)

In order to meet the requirements of *No Child Left Behind Act (NCLBA)* the school have received inadequate funding to meet the instruction and dormitory services. In the last three years we have seen the costs increased on instructional programs and there are costs associated with recruitment of qualified teachers for our remote area. Our school personnel have to travel distances to attend relevant academic or residential trainings and it takes two hours drive time one way to do business in nearby towns. The last four years the Cost Of Living Adjustment increases in the budget were not adequate to meet the rising costs in operating a school. As a school, we have to meet additional requirements such as contractual obligations, supplemental and relevant services to meet the NCLBA, these are performed without receiving additional ISEP

funding. To meet the NCLBA mandated requirements for adequate funding is needed to be allocated to carry out and implement these services:

a) The hiring of highly qualified teachers and paraprofessionals under the NCLBA mandate requires additional costs. On annual basis, it is a requirement by the Act to provide professional development for our instructional staff, provide parent involvement programs and activities, carry out and implement the School Improvement Plan, the North Central Accreditation to ensure our students are receiving adequate and quality education. To be accountable in meeting the requirements our school do get involve and utilize "scientifically research-based" instructional materials and methodologies for all instructional learning.
b) Lukachukai Community School operate a residential living setting for first (1st) to (8th) eighth grade students who live in remote area and can not catch the bus or the family does not have transportation to transport them to school. During inclimate weather other students who live further away from the highway also reside at the school. The dormitory students are fed three times a day while day students are fed in the morning and at noon.

The Board of Education and the community makes every effort to advocate for the unique educational and culturally related academic needs of our children. We have hope that the Federal Government upholds its responsibility for the education of our Navajo students through trust relationship established through the Treaty of 1868 including the responsibility of ensuring educational quality and strong commitment. Our elders say "get a good education, come back and help the people." We strongly believe our young people are our future resources therefore adequate funding is necessary to fulfill these dreams.

Congress must understand that Indian children whom reside on the reservation live a different lifestyle as compared to students that live in urban setting. Children that live on the reservation are transported to and from the school one to two hours a day. This holds true for all sporting events in that students have to travel two hours to play the other school.

The community of Lukachukai does not have nearby museums for children to visit for educational learning nor business to get involve with schools so children learn the economic and the social environment on how to run a business. In order for our children to learn and interact with learning entities they have to travel three to five hours one way.

The education level of local parents are not equivalent to parents of urban settings, therefore students do not get the proper after school academic tutoring and support at home so these children can improve in their academic learning. We believe if Congressional Appropriation Committees understands the way of life for the Navajo children adequate funding will be appropriated to implement quality education.

In recent years a pattern seem to have been developed where Native education programs get smaller increases in years where program funding is up and bigger cuts are made. The FY 2008 budget is not an exception and the more reasons we are making these recommendations. Reducing or appropriating inadequate funding to implement education services for our children is not right and should be corrected. These cuts for our children's education is devastating and if these cuts are not reversed our communities will be further harmed as well as future generations.

The children live in substandard living condition and the reality is Indian communities continue to be far lower than any other group in this great country. We strongly believe a way out for our children out of poverty is through education.
Our major concern and recommendation is that Indian Education is inadequately funded under the FY 2007 Continuing Resolution. On October 1, 2006 Congress failed to pass numerous appropriation bills, in this case, the Interior appropriation bill and as a stop measure, Congress passed a continuing resolution on the final day of the session to continue funding the agencies through February 15th of this year. This Continuing Resolution funds most of the programs at FY 2006 levels thus with lack of congressional directives in the continuing resolution can present a concern for programs that the Administration can propose to eliminate or drastically reduce funding for FY 2007 or even in FY 2008 and not be obligated to fund these programs under the continuing resolution.

In consideration of the tight budget, a 5% increase of $9.3 million over the FY 2007 continuing resolution is recommended. The level of funding of $186.5 million to a total of $195.8 million for No Child Left Behind and such Title programs as Title VII that justify and provides critical support for culturally based education approaches for Navajo students and addresses the unique educational and cultural needs of our children. It is documented that when children are immersed and taught culturally relevant curriculum they thrive in academic settings.

Indian School Construction Funding

The Lukachukai Community Board of Education hereby requests the Senate Committee on Indian Affairs in all its power to support and fund the school for a total Replacement School Construction including school housings.

In line with the Navajo Nation's recommendation the Board of Education supports this endeavor that $140 million be funded for School Construction simply because there is tremendous need to build new schools in Indian Country for our children. In FY 2007, only $26.8 million was allocated for Replacement School Construction, which reflected a decrease of $28.7 million from the previous year.

The nation wide school and dormitory facilities are well documented that facilities are inadequate, dilapidated and are unsafe for children's environment and learning. The Lukachukai Community Board of Education requests a $106 million increase from the FY 2007 continuing resolution level of $157.4 million for a total of $263.4 million in FY 2008 for Indian School construction including the Facility Improvement and Repairs. The construction budget has historically been inadequate to meet the needs of School Replacement Construction. Basically the school facility needs have multiplied thus the national back log for facility repairs and deficiencies are well over $1 billion.

The Lukachukai Community School is no exception regarding the facility dilapidated conditions and needs. The Board and the Community requests that a total School Replacement Construction be funded for our K-8 school program including employee housings. April 2006 Bureau of Indian Affairs-Office of Facility Management Construction subcontracted with Applied Management Engineering, Inc., a private entity, that updated facility assessment at Lukachukai

Community School. The assessment showed that more safety deficiencies, environmental issues and other safety concerns were identified and even local BIA Agency documented that facilities were substandard for educational setting and learning. BIA commented in President's Budget for FY 2008 on the Lukachukai Community School: "*Many of the school building systems have exceeded their useful life and temporary repairs have been made to keep the aging systems and components operable. Required repairs and improvements to the school are numerous and necessary. Current Facility Conditions Index is 0.4942 (Poor).*"

The community and parents have made strong request to have another school be built at another location because the existing school site has archaeological and burial sites. Tradition and cultural teaching prohibits dwelling be made on or near burial sites. To build near or on a burial site would have bad psychological, emotional and physical affect on a person holistically.

Existing buildings have asbestos in walls, tiles, and ceilings which need maintenance on regular basis and the electrical system throughout the school are of substandard and need to be replaced. All underground water, gas and sewer pipes needs replacing, only some were replaced. Some buildings have settled due to inadequate earth work and in some areas proper compaction were not achieved which caused some of the walls to have large cracks that causes moisture, rain and snow to seep through the walls. These buildings were built in mid 1950's and some were built in 1960's and are well over fifty (50) years old.

Congress needs to understand the tremendous need for repairs and new school replacement construction therefore adequate funding is needed every year. The funding proposed in the FY 2007 continuing resolution and for FY 2008 will not keep pace with the tremendous school facility backlog of Indian schools and facilities in need of replacement or repairs.

Staff Housings

In line with the Navajo Nation's recommendations the Lukachukai Community Board of Education support and requests of the Senate Committee on Indian Affairs that $24 million be appropriated to replace obsolete and unsafe teacher/staff housings.

In the FY 2008 Budget request $1.6 million for repairs has been recommended, this is a program decrease of $367,000 below the FY 2007 President's budget request. Repairing of houses is not the answer at this amount, these houses are well over forty (40) years and some are over fifty (50) years of age. Solid funding on annual basis needs to happen to replace these obsolete housings.

The Lukachukai Community School housings were built mid 1950's and some were built in 1960. These fifty (50) houses do not meet safety code, electrical systems are sub-standards and do need upgrading to safety code, asbestos are prevalent throughout housing units and some have settling/structural problems. Some of the units' heating system barely heat up the houses and are not energy efficiency. It would take adequate funding to upgrade these. The school is in violation of Life Safety, Health Code, Environmental Compliances, Uniform Building Code and Accessibility Code Compliance.

It is strongly recommended that school housings be part of the School Replacement Construction funding, housings should not separately be funded because there are funding available. The Bureau Of Indian Affairs stated that any school housing construction will not be funded with the actual school construction funds. In order to recruit, accommodate and retain qualified teachers adequate and modern living quarters need to be built with new school construction.

Facility Improvement & Repairs (FI & R)

The Board of Education appreciates that the funding level for FY 2008 have been increased to $100.8 million, a program increase of $7.9 million above the FY 2007 President' Budget request. Furthermore, the Board supports and requests that annual funding be adequate and to ensure that all inflation costs are part of the appropriations.

Administration for Native Americans (ANA)

The Board of Education stands strong and support that Navajo Language and Culture be preserved through a well defined curriculum to be implemented at all schools and that children are proud of their heritage. The Board strongly supports the Esther Martinez Native American Languages Preservation Act that was signed into Law on December 4, 2006. The purpose of the Act is to preserve and increase fluency in Native American languages which is rapidly declining. It has been shown that students who are taught Native language through immersion programs gain a higher academic achievement as compared to students who did not take immersion instruction. The Administration for Native Americans has received $44 million per year as a lump sum but less than $500,000 went toward actual Native language immersion programs due to other grant programs that ANA administers. It is recommended that $9 to $10 million be increased to a total of $54.0 million and honor Esther Martinez, an Indian woman, who strongly believe in teaching and preserving the language and the culture. The President's FY 2008 budget recommends funding for ANA at $44 million which is not enough to adequately implement a good language program.

Student Transportation

Approximately two thirds of the local roads are unimproved and unpaved, this contributes to the enormous high bus maintenance and repair costs. While the President's budget has a modest increase for transportation the Board of Education support an increase of funding to $3.50 per mile, which is at least near equivalent to the national average rate.

We find the present transportation funding of $2.58 per mile is inadequate and forces us to use ISEP, instructional funds, to cover all transportation costs. All school vehicles including buses are taken to the nearest town for maintenance, the drive time is four hours round trip, not including two to three hours wait time for maintenance. Inadequate funding is allocated to cover all vehicle maintenance costs and the mileage costs incurred to have maintenance done on all buses in nearby towns are not funded. As a Grant school we have to lease buses from GSA Motor Pool and the cost to lease buses have increased the last three years thus the already tight funding has to be budgeted to accommodate and provide needed services.

There are 62 Bureau funded schools on Navajo and at least 95% of the schools utilize GSA Motor Pool to lease buses. The wait time for a school to obtain a new bus or buses can be five (5) to (6) years. During the wait time when bus/es are being used at the school these will have become unsafe and will accumulate high mileage that is beyond the total mileage limitation set by the GSA Motor Pool. This is a safety concern for the school as children are transported on daily basis.

Administration Cost Grant

When P.L.100-297, Tribally Controlled Grant Act was passed in 1988 the Administrative Cost became part of the Law to be funded for school's overhead services and operations necessary to operate a school, to meet numerous requirements of the law and to exercise prudent management of their school, meet legal obligations and requirements, and carry out other support functions that would otherwise be provided by the Bureau of Indian Education school system. Since then the administrative cost grant was funded 100% and the rest of the fiscal years the program was funded at 80%, this caused tremendous funding shortfall for schools and they were not able to meet or implement all the goals on annual basis. The shortfall prevents full services to be carried out while the costs have increased for annual financial audits, insurance for property and liability, salaries increases for administrators/staff, training for new incoming new school board members as well as for employees.

The Board of Education recommends full funding of the Administrative Cost Grant for current Grant schools at $55 million and $5 million for three new schools that will go to Grant status beginning School Year 2008. Bureau of Indian Education mentioned in the FY 2008 that only one school will become Grant next school year.

Facility Operation and Maintenance Funding

In recent years there has been slight increase for the day to day facility Maintenance and Operation funding. This level funding is inadequate to maintain all facility for our children's safety. Our school facility is well over 50 years old and on annual basis it is getting harder to maintain. Maintenance personnel do their best to do safety abatements, environmental attention/fixtures, upgrade handicap safety deficiencies and not all buildings are of sound energy efficiency.

It is recommended that adequate funding be made to maintain all facilities so safety and proper standards are met to accommodate our children's environment for learning year round.

Department of Education

The Department of Education funds the education of Native American students by operating Native American targeted programs and setting aside funds within programs open to all students and transferring these funds to the BIA for BIA funded schools. Department of Education Native American programs are consistently funded at minimum levels, never at a maximum level. The

Federal Government has never sufficiently funded for the education of Native American students. This legal and moral obligation has never been honored by the Federal Government.

The Board of Education does not agree with the drastic decreases being made for FY 2008 budget for the Department of Education Native American programs. These programs are a critical part of educating our children and as a supplement to the core programs.

Title I Program

The Board of Education is pleased to see that a proposed Title I funding increase of $1,2 billion for grant improvement. This funding will be used to supplement and support the core academic program, for teacher training to upgrade to provide quality instruction, enriched summer school program, year round tutoring, and increased parent involvement.

All of our students whom attend Lukachukai Community School reside in an economically deprived areas and are impacted by programs as disadvantage students. By using Title I funding we have seen students learning improved and test scores increased. In essence, we consider using Title I funding as a positive advantage for our students.

Conclusion

The Lukachukai Community Board of Education is concerned over the continued decrease in Indian Education funding and is a direct violation of the federal trust responsibility. By Congressional Laws and mandates we are suppose to offer and provide quality educational programs for our children but the federal government is not living up to the trust responsibility.

We would like to thank the Committee for its tremendous effort on behalf of Native and Navajo communities in implementing our educational programs. With your support we can begin to provide the funding necessary to enhance our children's learning and put them at the forefront as they all deserve the best. We consider our children as our future resources therefore proper and quality education is a way out of poverty to a better life.

LUKACHUKAI COMMUNITY BOARD OF EDUCATION, INC.
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March 1, 2007

The Honorable Byron L. Dorgan, Chairman
United States Senate
Senate Committee on Indian Affairs
322 Hart Senate Office Building
Washington, D C 20510-3505

The Honorable Craig Thomas
United States Senate
Senate Committee on Indian Affairs
307 Dirksen Senate Office Building
Washington, D C 20510-5003

Dear Honorable Senator Dorgan and Craig Thomas:

On behalf of Lukachukai Community Board of Education Inc. and the community we are please to submit our written testimony on the President's FY 2008 Budget. This testimony is being submitted for the congressional record.

FY 2008 recommended increases on certain Indian Education budget line items and we made recommendations for increases in other programs that will affect our on going programs. We are quite concern the President's budget calls for drastic decrease in school construction. As you might be aware there are tremendous construction needs in Indian country.

Lukachukai Community Board of Education Inc. is requesting Congress to fund construction for our school. The existing school buildings were built in 1950's and part of 1960 and well documented through recent school's facility assessment that the number of safety, environmental, handicap, and energy inefficient items were added. We can safely say our facilities are dilapidated, have inadequate spaces for classroom uses, there are no ventilation in all buildings, this creates environmental hazards and unsafe for our children.

We would like to thank the Committee for its tremendous effort on behalf of Native people and communities. We want our best for our children's education because they are our future resources to carry on our traditions, culture and language and at the same time learn as much about the dominant society so one day they come back to help our people.

We will be more than happy to answer any questions or clarify the written testimony that the Committee may have regarding our testimony.

Sincerely,

Marjorie Begay, School Board President

Cc: LCS Construction Committee

Statement of Orlando J. Cabrera

Assistant Secretary for Public and Indian Housing
U.S. Department of Housing and Urban Development

Before the
Committee on Indian Affairs
United States Senate

February 15, 2007

INTRODUCTION

Mr. Chairman, Mr. Vice Chairman, and other distinguished members of the Committee, thank you for inviting me to provide comments on President Bush's fiscal year 2008 budget for HUD's Native American and Native Hawaiian housing, loan guarantee, and community development programs.

My name is Orlando Cabrera, and I am the Assistant Secretary for Public and Indian Housing. As PIH's Assistant Secretary, I am responsible for the management, operation, and oversight of HUD's Native American programs. These programs are available to 561 federally-recognized Indian tribes. We serve these tribes directly, or through their tribally designated housing entities (TDHE), by providing grants and loan guarantees designed to support affordable housing and community development activities. Our partners are diverse; they are located on Indian reservations, in Alaska Native Villages, on the Hawaiian Home Lands, and in other traditional Indian areas.

In addition to those duties, PIH's jurisdiction encompasses the public housing program, which aids over 3,000 public housing agencies that provide housing and housing-related assistance to low-income families.

It is a pleasure to appear before you, and I would like to express my appreciation for your continuing efforts to improve the housing conditions of American Indian, Alaska Native, and Native Hawaiian peoples. From HUD's perspective, much progress is being made. Tribes are taking advantage of new opportunities to improve the housing conditions of the Native American families residing on Native American reservations, on trust or restricted lands, in Alaska Native Villages, and on the Hawaiian Home Lands.

This momentum needs to be sustained as we continue to work together toward creating a better living environment in Native American communities.

OVERVIEW

At the outset, let me reaffirm the Department of Housing and Urban Development's support for the principle of government-to-government relations with federally-recognized Native American tribes. HUD is committed to honoring this core belief in our work with American Indians and Alaska Natives.

Increasing minority homeownership is one of the President's primary goals. HUD's Native American and Native Hawaiian housing and loan guarantee programs are the lynchpins for accomplishing this within Indian Country.

For example, our latest figures show that during FY 2006, tribes and their TDHEs used Indian Housing Block Grant (IHBG) funds to build, acquire, or rehabilitate more than 1,600 rental units and more than 6,000 homeownership units. Each of these units became a

home to a Native American family. There have been recent successes with our loan guarantee programs too; and I will tell you more about this in a few moments.

The block grant and loan guarantee programs are important vehicles for achieving the Department's goal of reducing overcrowding in Native American communities by 10 percent over 10 years.

For several years now, we have updated you on the progress that tribes and TDHEs are making toward the obligation and expenditure of the funding appropriated for Native American programs. That progress continues. We can report that the balances of grant funds outstanding for more than 3 years were reduced by almost one-third in FY 2006. They were also reduced by more than 50 percent in both fiscal years 2004 and 2005. This represents substantial progress and indicates that tribes are increasing their capacity to comprehensively manage and grow their affordable housing programs. HUD's Office of Native American Programs (ONAP) has continued to develop more robust performance indicators to measure our progress and the progress of our grant recipients. At the same time, we are seeking to strengthen data collection capability to improve reporting and ensure that we can understand and communicate the rate of program fund obligations, expenditures, and production.

The Department is continuing to consult with tribal leaders and Native American housing officials on how we can improve and streamline data collection for the IHBG program and for the Indian Community Development Block Grant program.

BUDGET SYNOPSIS

Let me now turn to the President's budget request for FY 2008. This budget proposes a total of $698,819,000, specifically for Native American and Native Hawaiian housing, loan guarantees and community development. There is $626,965,000 proposed for the Indian Housing Block Grant program, which is authorized by the Native American Housing Assistance and Self-Determination Act (NAHASDA). Of that amount, approximately $620,735,000 is for direct, formula allocations through the IHBG program. $1,980,000 in credit subsidy, which will leverage $17 million in loan guarantee authority, is proposed for NAHASDA's Title VI Tribal Housing Activities Loan Guarantee Fund. There is $4,250,000 allocated for IHBG-related training and technical assistance. $57,420,000 is for grants under the Indian Community Development Block Grant program, and $7,450,000 in credit subsidy, which will support $367 million in loan guarantee authority, is for the Section 184 Indian Housing Loan Guarantee Fund.

The Native Hawaiian community would receive, through the Department of Hawaiian Home Lands, $5,940,000 for the Native Hawaiian Housing Block Grant Program, and there is $1,044,000 for the Section 184A Native Hawaiian Home Loan Guarantee Fund, which will leverage approximately $41.5 million in loan guarantees.

Finally, there is a total of $4,550,000 available for training and technical assistance to support the Native American and Native Hawaiian Housing Block Grant programs.

INDIAN HOUSING BLOCK GRANT PROGRAM

Adjustments have been made within the account for the IHBG program to allow more funds to go directly to tribes. The FY 2008 budget includes $620,735,000 for the IHBG program. Reducing set-asides results in an increase in IHBG grant dollars available to tribes.

HUD TRAINING AND TECHNICAL ASSISTANCE

Training and Technical Assistance remains a critical component of the IHBG program. The Training and Technical Assistance set-aside is $4,250,000, which has provided initial and ongoing training and technical assistance to grantees, enabling them to function effectively under NAHASDA.

TITLE VI TRIBAL HOUSING ACTIVITIES LOAN GUARANTEE FUND

The Title VI Tribal Housing Activities Loan Guarantee Fund (Title VI) is also a set-aside under the IHBG program. The President's Budget requests $1,980,000 in credit subsidy to continue loan activities at previous levels.

The program has maintained a steady growth rate. However, the Department feels that this program has greater potential to perform at a higher loan volume. In FY 2005, 4 loans were guaranteed and in FY 2006, 10 loans were guaranteed. HUD is currently reviewing 14 tribal/TDHE-sponsored projects, and expects additional applications will be submitted throughout FY 2007.

The requested funding will provide over $17 million in loan guarantee authority. The budget request is based on a realistic expectation of program needs. The Department is stepping-up our outreach efforts for the program and has developed a new capacity building strategy based that will reach out to tribal leaders and housing entities, and demonstrate the value of leveraging Title VI funds with other sources of capital.

SECTION 184 INDIAN HOUSING LOAN GUARANTEE FUND

The President's budget request for this program is $7,450,000. Each year, as required by the Credit Reform Act, the Section 184 Indian Housing Loan Guarantee Fund credit subsidy rate is re-calculated. The 2008 request and prior years' carryover will support $367 million in loan limitation guarantee authority which, when added to existing funding, should be sufficient to cover current program needs.

The Section 184 program is a success and the Department believes that this program will continue to play a vital role in reaching the President's commitment to create 5.5 million minority homeowners by the end of this decade. HUD's Section 184 program addresses the special needs of Native Americans, making it possible for Indian families to achieve homeownership with market-rate financing and establish equity. To improve the visibility of the program, in FY 2005, HUD decentralized its outreach efforts to tribes and lenders, which enabled the Department to connect with more of our clients at the local level. This new approach resulted in 1,138 new homeowners and more than $190 million in loan commitments in FY 2006. The loan commitment volume is up 90 percent over the year-end totals for 2005.

The Department also implemented program initiatives that will have a profound impact on homeownership in Indian Country for years to come. HUD continues to work with the Department of Agriculture and the Bureau of Indian Affairs (BIA) on lease approval and recording processes that will speed approval of leasehold interests and enhance the mortgage delivery system. We have also been working with tribes to set up land assignment laws.

The increase in loan guarantee limitation authority for the Section 184 program is a direct response to the recent growth in loan activity. The Section 184 program produced 1,757 new homeowners over the past two years. This trend has continued in FY 2007, with 365 loan guarantees worth $57.7 million completed in the first quarter. The FY 2007 first-quarter numbers represent a 45 percent increase in dollar volume of loans guaranteed on a year-to-year comparison. Over the life of the program, over 4,100 loans in excess of $500 million have been guaranteed.

INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The President's FY 2008 request for the Indian Community Development Block Grant program is $57,420,000. The Indian CDBG program continues to be administered within PIH by the Office of Native American Programs. It is the primary source of assistance to federally recognized Indian tribes to develop viable communities, including decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income.

NATIVE HAWAIIAN HOUSING BLOCK GRANT PROGRAM

For FY 2008, the Department is requesting $5,940,000 for this program. There is a $299,211 set aside for training and technical assistance. This budget recognizes the unique housing needs of Native Hawaiian families eligible to reside on the Hawaiian Home Lands, and HUD continues to address those needs.

The Department of Hawaiian Home Lands (DHHL) has been an active partner; there are numerous affordable housing activities in process.

SECTION 184A NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND

The budget request includes $1,044,000 for the Section 184A Native Hawaiian Housing Loan Guarantee Fund (Section 184A). The request will provide up to $41,504,255 in loan limitation guarantee authority to secure market-rate mortgage loans, and activities related to such projects, to eligible entities, including the DHHL, non-profit organizations, and income-eligible Native Hawaiian families who choose to reside on the Hawaiian Home Lands.

This program is modeled after the Section 184 program, but originally it concentrated on infrastructure and other related activities. In FY 2006, the Department signed a lending agreement with DHHL that opened the Section 184A program to individual Native Hawaiians. This agreement enables income- and credit-qualified Native Hawaiians to access private sector mortgage capital, backed by a federal loan guarantee, to finance homes on the Hawaiian Home Lands homestead leases they possess. HUD will begin offering the Section 184A program to qualified Native Hawaiians through HUD-approved lenders by the spring of this year, and anticipates conducting direct outreach and training to lenders and community leaders to promote the program.

The Section 184A lending agreement supports the State of Hawaii's goal to increase homeownership among Native Hawaiians. DHHL introduced a plan to award 6,000 residential leases to Hawaiian Home Land beneficiaries over the next 5 years. The Department anticipates a high level of interest from individual Native Hawaiians when Section 184A becomes available to them.

REAUTHORIZATION OF THE NATIVE AMERICAN AND NATIVE HAWAIIAN HOUSING AND LOAN GUARANTEE PROGRAMS

The Department supports the reauthorization of all Native American and Native Hawaiian housing and loan guarantee programs. My office is examining a number of statutory amendments to NAHASDA that may be offered during the reauthorization process. We recently received recommendations for reauthorization formulated by the National American Indian Housing Council, and we are in the process of reviewing them.

CONCLUSION

Finally, let me state also for the record that the President's budget request for HUD's Native American and Native Hawaiian housing programs, and for the Indian Community Development Block Grant program, supports the progress being made by tribes and the Native Hawaiian community in providing the housing needed for America's indigenous peoples.

This concludes my prepared remarks. I would be happy to answer any questions you may have.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

OFFICE OF CONGRESSIONAL AND
INTERGOVERNMENTAL RELATIONS

APR 2 3 2007

The Honorable Byron L. Dorgan
Chairman, Committee on Indian Affairs
United States Senate
Washington, DC 20510-6450

Dear Mr. Chairman:

Thank you for your letter of March 12, 2007, regarding additional questions for Assistant Secretary Orlando Cabrera that will be made a part of the February 15, 2007, hearing record on President George W. Bush's Fiscal Year (FY) 2008 budget for HUD's Native American and Native Hawaiian housing and loan guarantee programs. Your questions and HUD's responses follow:

Question 1: *"Does the Department have any idea of the percentage of Native American housing needs that are served by the NAHASDA* [Native American Housing Assistance and Self-Determination Act of 1996] *block grant?"*

Response 1: According to a HUD/Urban Institute study, "Housing Problems and Needs of American Indians and Alaska Natives" (May 1996), 28 percent of American Indian or Alaska Native (AIAN) households in tribal areas live in housing that is either overcrowded and/or lacks kitchen or plumbing facilities, compared to a national average of 5.4 percent. US Census data from 2000 shows that approximately 30 percent of households self-identifying as AIAN alone, or AIAN in combination with other races, have "severe housing needs," which is defined as a lack of complete kitchen or plumbing facilities, having more than 1.01 persons per room, or having a housing cost burden of over 50 percent of income. These figures do not distinguish between those families living on reservations or in NAHASDA service areas from other AIAN households.

Under NAHASDA, tribes can choose to implement a wide array of housing and housing-related services, including building or acquiring new homeownership and rental housing units, rehabilitating existing substandard units and providing down payment or rental assistance. Indian Housing Block Grant (IHBG) recipients are not statutorily required to report on the total number of families served under all affordable housing activities by each specific affordable housing category. Beginning in FY 2003, HUD's Office of Native American Programs began developing a Performance Tracking Database, which aggregates performance data provided by IHBG grant recipients under three major categories: number of rental units built, acquired or rehabilitated, and number of homeownership units built, acquired or rehabilitated. From FY 2003 through FY 2007 (to date), a total of 41,395 rental and homeownership units have been built, acquired or rehabilitated with IHBG funds. As this database evolves, additional NAHASDA-eligible affordable housing activities will be added. Tribal cooperation in this effort is voluntary.

The Department is also in the process of revising the Indian Housing Plan and Annual Performance Report data collection requirements, which will result in more comprehensive performance data submissions in the future.

"Your testimony reaffirms the Department's support for the principle of government-to-government relations with tribal governments, which includes tribal consultation. Your testimony notes that HUD consults with tribal leaders and tribal housing officials."

Question 2: *"Can you tell me how HUD consults with tribes and tribal housing officials, such as on annual budget formulations or various other matters?"*

Response 2: The Department established its tribal consultation policy in June of 1994. On September 28, 2001, the Department revised that policy. The purpose of the consultation policy is to enhance communication and coordination between HUD and federally recognized Indian tribes, and to outline guiding principles and procedures under which all HUD employees are to operate with regard to federally recognized Indian or Alaska Native tribes. HUD has honored the spirit and the intent of tribal self-determination through its policy.

The Department has consulted with tribes on numerous occasions since the tribal consultation policy was published. Consultations have been held regionally as well as nationally on subjects such as revisions to the Indian Housing Plan and Annual Performance Report, faith-based participation in HUD programs, Indian Community Development Block Grant regulatory revisions, and implementation of statutory amendments to NAHASDA.

An example of a consultation process is the effort to revise the Indian Housing Plan (IHP) and Annual Performance Report (APR) forms. In 2005-2006, six regional and one national Indian housing summit meetings were held throughout the country, and attended by a total of over 500 tribal representatives. At these meetings, the tribal representatives provided suggestions and comments on changes to the IHP and APR forms. A working group was formed. The suggested changes were then addressed by the workgroup, which consists of 12 tribal representatives (two representatives each were nominated by the six regional Native American housing associations) and supported by staff from HUD's Office of Native American Programs. The workgroup has recommended statutory changes to the IHP and APR, and it has completed drafting revised IHP and APR formats that will begin the Departmental clearance process shortly.

Consultation has also taken place through the negotiated rulemaking process. HUD engaged in a multi-year negotiated rulemaking to develop the initial regulations for NAHASDA's IHBG program and the Title VI Tribal Housing Activities Loan Guarantee program. The Department recently concluded the IHBG formula negotiated rulemaking process, and will soon begin a third negotiated rulemaking, which will develop regulations to implement statutory amendments to NAHASDA.

Question 3: *"Does the Department of Housing and Urban Development support continued funding for the National American Indian Housing Council? What kind of relationship or partnering does the Department have with the National American Indian Housing Council?"*

Response 3: While the Department acknowledges the value that the National American Indian Housing Council (NAIHC) offers to Native American communities, training and technical assistance for tribes and tribally designated housing entities (TDHE) is available from many sources, including regional Native American housing associations, non-profit organizations and HUD. In tight budget times difficult decisions need to be made, and at the time of the FY 2008 budget formulation, NAIHC had sufficient funds to carry on its activities. Lately, these funds are being drawn down at a more rapid rate.

The Department's relationship with NAIHC is considered very important and staff from the Office of Native American Programs (ONAP) meet with NAIHC staff whenever they request. There have been many collaborative efforts over the past several years, including NAIHC staff being facilitators at the 2005 and 2006 ONAP regional and national Indian Housing Summits, and joint training efforts with regional housing associations based on recommendations from NAIHC and HUD staff on which housing organizations needed Board of Commissioner training. HUD has also purchased NAIHC-developed training materials, and worked with NAIHC staff to present the training material to HUD grantees.

Although the President's Budget Request for FY 2008 does not contain funds specifically for NAIHC, they are listed as team members or subcontractors in several of the ongoing indefinite delivery, indefinite quantity contracts that the Department has executed, and NAIHC is encouraged to continue to participate in those capacities.

"We know that black mold is a severe problem in Indian housing. The last NAHASDA reauthorization called for a study, but the President's FY 2008 budget request does not appear to address this issue."

Question 4: *"How does HUD propose to address the problem of black mold in Indian housing? Has HUD made efforts to coordinate with other agencies to address this problem?"*

Response 4: The Department has been very active in providing training and technical assistance to IHBG recipients, residents and other interested parties. Significant staff and contract resources have been devoted to these efforts, including more than $4 million in contract services from FY 2001 into FY 2007. Since 2001, HUD has provided over 65 on-site technical assistance visits, 25 training sessions, and the production of numerous educational publications and videos on prevention and remediation of mold and moisture problems.

The training sessions address general prevention, as well as specifics for maintenance workers. Indian Health Service employees attend many of the training sessions and are a valuable resource. In addition, the Department has provided technical assistance in mold and moisture prevention by conducting over 65 on-site technical assistance visits with an estimated 650 units inspected. The on-site physical inspection visit is followed up by a detailed report to the grantee that includes findings and recommendations to address the problems identified. Architects and engineers specializing in mold-related issues provide the on-site assistance and follow-up

reports. Other assistance includes advising tribes and TDHEs on how to develop effective planning techniques that will ensure decisions made on sites selected for new homes consider environmental factors that can contribute to mold growth.

The Department has also developed various technical assistance products that can be requested through a clearinghouse. The products include separate guidebooks for housing and maintenance staff, pamphlets for residents, and a video that can be used to train housing staff or inform residents of mold and moisture-related issues.

As funding permits, the Department will continue to provide training and technical assistance in the prevention of mold and moisture-related problems in Native American communities through at least FY 2008.

The Department also sponsors Partnership Meetings to coordinate activities related to mold prevention. Participants at the meetings have included HUD's Office of Native American Programs, HUD's Office of Healthy Homes, HUD's Office of Policy Development and Research, Indian Health Service, USDA's Rural Development, the Bureau of Indian Affairs and the Environmental Protection Agency.

In addition, HUD Indian Community Development Block Grant (ICDBG) Imminent Threat funding has been used to mitigate mold problems if the mold is an imminent threat to public health and safety and requires immediate resolution. The urgency and immediacy of the threat must be independently verified and the imminent threat must not be of a recurring nature. In FY 2006, $3,960,000 was available for ICDBG Imminent Threat grants, and an identical amount is available in FY 2007. All FY 2006 funds have been reserved for tribes. A major category of assistance this past year was to tribes that were impacted by Hurricanes Katrina and Rita.

Mold and moisture problems are eligible affordable housing activities under the IHBG program authorized by NAHASDA, and grant recipients may use their IHBG funds to address these problems.

"Your testimony states that the tribes are taking advantage of new opportunities to improve the housing conditions in Indian Country. This Committee is always interested in hearing of innovations to address the needs on reservations."

Question 5: *"Could you provide some examples?"*

Response 5: Some tribes, such as the Passamaquoddy Tribe of Maine, have found creative approaches to maximize the impact of the NAHASDA funds they receive. Using the Title VI loan guarantee to attract other sources of capital, the Tribe successfully leveraged its IHBG funds to enhance its housing development strategies. The flexible nature of the Title VI program makes it

possible to finance any NAHASDA-eligible affordable housing activity for a period of up to 20 years. Title VI has proven to be a cost-effective source of gap financing during the early stages of a development project.

The Passamaquoddy transaction used Title VI to construct 28 low-income housing tax credit units and a community center. As the units were completed and occupied, the balance on the Title VI loan ($1.5 million) was paid down with the tax credits and the Federal Home Loan Bank of Boston's Affordable Housing Program funds.

Passamaquoddy Tribe Title VI Transaction

Sources of Funding	
Title VI	$ 272,000.
LIHTC	$4,250,000.
Defer Dev Fee	$ 145,000.
Boston FHL Bank	$ 300,000.
HOME Funds	$ 560,000.
BIA Roads	$ 954,000.
IHS/USDA	$1,475,000.
	$7,956,000.

The Section 184 Loan Guarantee program makes tribal trust land transactions attractive by assuming the credit and collateral risk. The Chippewa Cree Tribe of Montana used the HUD Section 184 program to secure financing, through Wells Fargo Mortgage, from the Montana Board of Finance to reconstruct, on the reservation, 42 units of surplus military housing from Malmstrom Air Force base. The Montana Board of Finance provided a below-market rate loan at 5.5 percent interest to the Rocky Boy's Housing Authority, which increased the affordability of these lease/purchase dwellings.

The Title VI Tribal Housing Activities Loan Guarantee Fund continues to be an excellent vehicle for leveraging other sources of funding. Tribes and tribally designated housing entities with no significant audit findings can borrow up to five times their annual IHBG Need allocation and use their future IHBG funds as collateral to back up a market-rate loan. HUD will provide a 95 percent federal guarantee to a lender in the event of a default.

The White Mountain Apache Housing Authority borrowed $5 million in two separate Title VI loans to provide infrastructure for the Apache Dawn housing development project. The Water Infrastructure Financing Authority of Arizona, or WIFA, funded the Title VI loans in the amount of $3 million and $2 million respectively, from its Drinking Water and Clean Water Revolving Loan Funds. Apache Dawn used a $25 million Ginnie Mae collateralized, tax-exempt bond to fund

320 single-family homes using Section 184 guaranteed mortgages. The White Mountain Housing Authority's project demonstrates the benefits of mixing federal loan guarantees with state financing vehicles to lower the interest rates and thereby increase the economic viability of this large-scale project.

Another example of creative tribal leveraging efforts is the San Juan Pueblo in New Mexico. They constructed a village of 40 homes, featuring 2-story, townhouse-style buildings clustered around two plazas. The financing included HUD HOME program funds of $310,000, obtained through the New Mexico Mortgage Finance Authority (MFA), a $180,000 construction loan from MFA, $3 million in low-income housing tax credits, $740,000 from the HUD Title VI program, and $310,000 from the Federal Home Loan Bank of Dallas. In partnership with the Enterprise Foundation, they obtained a $600,000 grant from HUD's Rural Housing and Economic Development initiative for infrastructure development. The project is a mixed-income development with nine market-rate units. The remaining rental units are for families with incomes of 40 percent to 60 percent of area median incomes. Rents range from $170 to $475 per month for one- to four-bedroom units. A unique aspect of this project is the careful planning and culturally relevant architectural design features that complement the traditional aspects of the tribe.

Thank you for your interest in the Department's programs. If I can be of further assistance, please let me know.

Sincerely,

L. Carter Cornick III
General Deputy Assistant Secretary
for Congressional and
Intergovernmental Relations

STATEMENT
OF
JAMES CASON
ASSOCIATE DEPUTY SECRETARY
ACCOMPANIED BY
ROSS O. SWIMMER
SPECIAL TRUSTEE FOR AMERICAN INDIANS
BEFORE THE
SENATE COMMITTEE ON INDIAN AFFAIRS
ON THE
FISCAL YEAR 2008
PRESIDENT'S BUDGET REQUEST FOR INDIAN PROGRAMS

February 15, 2007

Good morning, Mr. Chairman, Mr. Vice Chairman, and Members of the Committee. My name is James Cason. I am the Associate Deputy Secretary of the Department of the Interior (Department). I am accompanied today by Mr. Ross Swimmer, the Special Trustee for American Indians. We are here today to discuss the Department's fiscal year (FY) 2008 budget request for Indian programs.

The FY 2008 budget request for Indian Affairs is $2.23 billion, which is $1.0 million below the FY 2007 continuing resolution level and $7.0 million above the 2007 President's request. The FY 2008 budget request is consistent with the President's emphasis on fiscal discipline while maintaining the Department's commitment to trust management reform and addressing emerging areas of concern for Tribes and Indian Affairs.

The FY 2008 budget request for the Office of the Special Trustee for American Indians (OST) totals $196.2 million which is $15.4 million above the FY 2007 continuing resolution, and $48.4 million below the 2007 President's request.

Laying the foundation for the FY 2008 request are two Secretarial initiatives supporting safe Indian communities and improved Indian education. These initiatives represent a balanced infusion of resources into Indian Affairs' Law Enforcement and Education programs to address fundamental needs at the community level, while building a framework for accomplishing positive outcomes and results throughout Indian country.

SECRETARIAL INITIATIVES FOR AMERICAN INDIANS

SAFE INDIAN COMMUNITIES INITIATIVE

The Safe Indian Communities Initiative consists of increases totaling $16.0 million to combat the methamphetamine crisis and resulting increase in violent crime besetting

Indian Country. The emergence of methamphetamine use has dramatically impacted Indian communities. Tribal leaders across the United States consider it the number one public safety problem on their reservations and their greatest drug threat. The explosion of methamphetamine use has amplified violent crime, including homicides, sex offenses, aggravated assaults, child abuse and neglect, and domestic violence.

The Safe Indian Communities Initiative focuses primarily on providing additional law enforcement and detention officers, specialized drug enforcement training for new and existing officers, and public awareness campaigns on the dangers of drugs. With the additional funding provided through this initiative, Indian Affairs anticipates a decrease in drug-related crime in targeted communities, greater crime deterrence through increased police actions, and fewer dangerous incidents reported at Bureau of Indian Affairs (BIA) detention facilities.

Criminal Investigations and Police Services - As part of the initiative, the request includes an increase of $5.0 million to place more law enforcement agents in targeted communities in Indian Country and invest in equipment and training for the current force to more effectively combat crime. Funding will target communities based on a needs analysis that looks at the violent crime rate, service population, and current law enforcement staffing levels. The increase will support approximately 50 new tribal and BIA officers in FY 2008.

Detention Centers - The initiative also includes an increase of $5.0 million to address staffing needs in newly constructed and existing detention facilities in Indian country. In FY 2004, the Office of the Inspector General (OIG) reported on material weaknesses in the Bureau's detention facilities program, including staffing levels at Bureau-funded detention centers. This funding will support an OIG recommendation to increase staffing levels at detention centers to safe and secure levels in line with the National Institute of Corrections guidelines. The additional funding will enable the recruitment of 91 new tribal and BIA detention officers.

Drug Enforcement – The initiative includes an increase of $6.0 million to provide specialized drug enforcement training to existing officers. In FY 2006, the BIA had only eight certified drug enforcement officers to cover its entire service area. The additional funding in FY 2008 will provide drug enforcement training for 100 officers. As a result, more officers on patrol will have the knowledge and tools to break up drug trafficking, disrupt the activities and organization of crime groups, and seize illegal substances. These activities will contribute to the long-term BIA goals of increased drug seizures and reduced violent crime. Additionally, funds will be leveraged in support of methamphetamine public awareness campaigns to utilize and educate the Indian public on the dangers of the drug.

IMPROVING INDIAN EDUCATION INITIATIVE

The Bureau of Indian Education (BIE) elementary and secondary school system is comprised of 170 school and 14 dormitories located on 63 reservations in 23 states

serving almost 46,000 students. The Secretarial Improving Indian Education Initiative proposes increases totaling $15.0 million to ensure Indian students graduating from the BIE-funded elementary and secondary school system possess the academic knowledge and skills necessary to successfully compete for employment at home and in a global economy. The Improving Indian Education Initiative is part of the BIE $562.0 million request for elementary and secondary school operations that supports the President's commitment to leave no child behind.

The primary goal for elementary and secondary schools in the BIE school system is to achieve Adequate Yearly Progress (AYP) as required in the No Child Left Behind Act. Despite significant improvements in the BIE school system, only 30 percent of the schools are currently meeting AYP goals for student performance, teacher qualifications, attendance, and graduation rates. To improve this percentage, the Initiative includes increased funding to support targeted intensive educational assistance to BIE-funded schools not achieving AYP goals. The Initiative also proposes additional funding for education program management, student transportation, and information technology with the target of achieving AYP goals at 80 percent of BIE-funded schools by 2013 and 100 percent by 2014.

Education Program Enhancements - At the center of the Improving Indian Education Initiative is the addition of $5.3 million to fund education program enhancements. Student performance at BIE-funded schools, while improving, remains lower than national averages. This new program provides education specialists to help with curriculum, tutoring, or specialized tools or other needs identified in school based analyses of student performance. The Bureau worked with Tribes and tribal school boards during FY 2005 to develop a Program Improvement and Accountability Plan (PIAP) that will strategically guide the continuous improvement of BIE education services. Funding included in the new Education Program Enhancements budget line will provide the resources and flexibility necessary to evaluate the effectiveness of BIE-funded schools and implement appropriate measures in a timely manner, as outlined in the PIAP.

Education Management - The FY 2008 budget includes an increase of $3.6 million to support a skilled national team of educational, financial, and administrative managers for the BIE school system under a new organizational structure. The additional resources will enable the Bureau to establish positions for specialists dedicated to the administration and management of data, contracts, and school finances. The national team will free educators from administrative duties, allowing them to focus on teaching students and promoting academic achievement.

Student Transportation - The BIE budget includes an increase of $4.3 million for student transportation costs. The rural school service populations served by BIE schools are often widely dispersed. During the current school year, vehicles serving BIE-funded schools will travel nearly 16 million miles, often over gravel or dirt roads. In addition to providing resources for fuel, the increase funds maintenance that improves the safety and

reliability of the bus fleet and ensures the transportation provided meets national and state transportation standards.

Education Information Technology - The BIE's ability to improve student performance and AYP hinges upon timely awareness of changes in performance. The Initiative includes an increase of $1.85 million to fund the Native American Student Information System (NASIS). NASIS will capture and report real-time student achievement and school performance, providing a critical tool for improved tracking and management of BIE-funded schools.

FULFILLING TRUST RESPONSIBILITIES

Management of trust assets for Tribes and individual Indians has been a key component of the Indian Affairs mission for well over a century. In addition to managing its general trust responsibilities, the BIA is working closely with the OST to support the Secretary's ongoing efforts to reform the management of the fiduciary Indian trust for all Indian beneficiaries. This includes reengineering trust technology across the nation to modern systems that are used by many of the Nation's largest trust companies; implementing new business practices, policies and procedures to maximize efficiencies; focusing on trust training and education; and collecting and preserving Indian trust records across the Nation for use by future Indian generations.

UNIFIED TRUST BUDGET (UTB)

The Department has responsibility for the largest land trust in the world. Today, the Indian trust encompasses approximately 56 million acres of land. Of these acres, nearly 45 million are held in trust for Indian Tribes. On these lands, the Department manages over 100,000 leases for farming, grazing, and oil and gas production on behalf of individual Indians and Tribes. In addition, the Department manages approximately $2.9 billion in existing balances in tribal funds and $400 million in Individual Indian funds.

From 1996 through 2006, the Department invested $3.4 billion in the management, reform, and improvement of Indian trust programs. As a result of these investments, trust business processes are re-engineered to provide efficient, consistent, integrated, and fiscally responsible service to beneficiaries. Trust programs are reorganized to better meet fiduciary trust responsibilities, provide greater accountability at every level, and operate with staff trained in the principles of fiduciary trust management.

In FY 2008. the Department proposes to invest $489.9 million in the Unified Trust Budget (UTB) comprised of trust programs funded by BIA and OST, a net reduction of $46.1 million below the FY 2007 request level. The UTB includes $293.7 million for BIA trust asset management programs and $196.2 million for OST activities.

BIA UTB Programs – Funding for trust programs in the BIA budget is integral to trust reform and the management of trust assets. The FY 2008 budget includes an increase of $300,000 to provide three additional BIA field probate staff. BIA is currently on target to

complete the probate backlog in FY 2008. New staff positions will be critical in satisfying the on-going demand for probate services projected for FY 2008 and beyond.

The FY 2008 BIA budget proposes several reductions to trust programs including reductions of $1.0 million to Forestry Projects, $2.0 million for cadastral surveys, and $1.0 million to Environmental Quality Projects. A reduction of $750,000 to Land Records Improvement is proposed due to the rescheduling of the Departmental Land and Resource Management project. Information technology funding is reduced by $155,000 reflecting a reduction of $500,000 in savings resulting from information technology infrastructure consolidation activities within the Department and an increase of $345,000 transferred from OST to BIA to support existing BIA positions in trust records management.

OST UTB Programs – OST manages over $3.3 billion of funds held in over 1,450 trust accounts for more than 250 Indian Tribes, and over 300,000 open Individual Indian Money (IIM) accounts. The FY 2008 request will support ongoing activities to improve beneficiary services, continue implementation of the Fiduciary Trust Model (FTM), continue historical accounting activities, and reduce fractionated individual Indian trust land interests. The FY 2008 budget request for OST totals $196.2 million which is $15.4 million above the 2007 continuing resolution and $48.4 million below the 2007 President's budget. Over 43 percent of OST's budget is pass-through funding that directly supports programs such as historical accounting, litigation support, the Office of Hearings and Appeals, and land consolidation. The remaining funds support OST's operating expenses.

Within the OST request there is $60.0 million for the Office of Historical Trust Accounting (OHTA) an increase of $3.6 million over 2007. This will provide $40.0 million for IIM accounting and $20.0 million for tribal accounting. In 2008, OHTA will complete the reconciliation of the remaining 5,000 judgment and per capita accounts and mail historical statements of accounts, reconcile 1,000 land-based IIM transactions, continue the imaging and coding of three million pages of trust documents, and continue data completeness validation at eight regions.

Also within the OST request there is $10 million for the Indian Land Consolidation Office (ILCO), $20.7 million below the 2007 continuing resolution and $49.4 million below the 2007 President's budget. The FY 2008 budget request will allow ILCO to continue to focus on the most highly fractionated tracts located in five BIA regions. This strategy should decrease the average cost per interest, which would allow more interests to be acquired. ILCO will also work with Tribes to leverage purchases by the program with tribal purchases. During 2007 and 2008, the Administration and Congress will continue to evaluate other strategies to consolidate interests.

ADVANCING QUALITY COMMUNITIES

While accomplishing operational goals, Indian Affairs remains committed to keeping administrative costs low. Administrative costs account for only 8 percent of the funding

requested for the operation of Indian programs. In FY 2008 more than 9 of every 10 dollars will be provided to education, law enforcement, human services, trust services, and other on-the ground programs.

Economic Development – High unemployment rates on reservations are one of the greatest challenges facing Indian country. The Indian Guaranteed Loan Program continues to be an integral component of the Bureau's efforts to expand economic development in Indian country. Through this program the Bureau provides loans to Tribes, Alaska Natives, and individual Indian-owned businesses. The budget request of $6.3 million for the loan program continues the Bureau's commitment to reduce unemployment on Indian reservations. The guaranteed loan program makes it possible for Indian economic enterprises on or near Indian reservations, which otherwise would not have been able to get loans, to obtain loans from private lenders. Funding will guarantee approximately $85.5 million in loans.

Settlements – Pursuant to new settlements enacted in FY 2007, the FY 2008 budget proposes an increase of $7.0 million to begin funding the $23.5 million Federal share of the Puget Sound Regional Shellfish Settlement, a $34.5 million agreement between the Federal government, Western Washington Treaty Tribes, the Puget Sound Commercial Shellfish Growers, and the State of Washington regarding the Tribes' treaty rights to naturally occurring shellfish on the growers' property. The State of Washington is responsible for the balance of $11 million. The FY 2008 request also includes $2.4 million to begin funding the Pueblo of Isleta Settlement which provides for payments to the Pueblo in the amount of $7.2 million from appropriated funds, and $32.8 million from the Judgment Fund to be used for the acquisition, improvement, restoration and rehabilitation of the Pueblo's lands and natural resources.

The FY 2008 budget request includes $16.2 million to continue payments to the Nez Perce/Snake River settlement. The Department's responsibility under the settlement totals $170.9 million proposed to be funded over seven years and includes funding in BIA, Fish and Wildlife Service, Bureau of Land Management, and Bureau of Reclamation programs. The BIA requirement totals $95.8 million over seven years. The FY 2008 request represents the second year's payments to the Nez Perce Water and Fisheries Fund, Nez Perce Tribe Habitat Accounts, and Nez Perce Domestic Water Supply Fund.

The FY 2008 settlements budget includes reductions totaling $10.6 million due to completion of Federal financial responsibilities associated with the Quinault Indian Nation Boundary Settlement and the Cherokee, Choctaw, and Chickasaw Settlement.

Indian School Construction – The FY 2008 BIA budget funds Education construction at $139.8 million, a reduction of $18.4 million from 2007. The BIA continues to make progress in both new construction and facility repair at Indian schools. In 2001, 35 percent of the schools were in good or fair condition and 65 percent of the schools were in poor condition. Funding provided through FY 2007 reversed these percentages, reflecting a marked improvement in the condition of the schools. The FY 2008 school

construction budget continues to fund new projects and provides additional funding for facility improvement and repair projects.

The FY 2008 President's budget includes funding for replacement of the Circle of Life Survival School in Minnesota and Keams Canyon Elementary School in Arizona. In addition, the budget request will provide funding for two replacement facility projects at the Standing Rock Community School in North Dakota and the Riverside Indian School in Oklahoma.

The education Facilities Improvement and Repair program is funded at $100.8 million, an increase of $8.0 million above 2007. The additional funding will address facility needs at a greater number of schools. These dollars will fund five major facilities improvement and repair projects, annual maintenance needs, and minor repair projects to address health and safety concerns, compliance with code standards, and program deficiencies at existing education facilities.

PROGRAM REDUCTIONS AND ELIMINATIONS

Housing Improvement Program – The Indian Affairs FY 2008 budget proposes to eliminate $23.4 million in funding that supports the Housing Improvement Program (HIP). This BIA program services about 375 Indian families per year, providing grants for repairs and renovations of existing homes for construction of houses for tribal members with sufficient land suitable for housing on or near a reservation. There is eligibility overlap between HIP and the Housing and Urban Development Native American Housing Assistance and Self-Determination Act programs.

Johnson-O'Malley Grants – The FY 2007 President's budget eliminated the primary funding component for the Johnson-O'Malley (JOM) Assistance Grants program. The FY 2008 request proposes corresponding reductions for JOM grants funding identified in Self-Governance compacts ($6.7 million) and Consolidated Tribal Government Programs ($1.0 million). Public school districts will continue to receive funding and are eligible for grants similar to JOM under Title VII of the Elementary and Secondary Education Act through the U.S. Department of Education. Title VII funding addresses the special academic and culturally relevant education needs of Indian children.

Scholarships – The BIE budget includes $98.5 million for post-secondary schools which will support two BIE and 26 tribal colleges and universities as well as scholarships for Indian students. While post secondary education programs remain vital to Indian country, the FY 2008 BIE budget request includes a reduction of $5.0 million to Scholarships and Adult Education to enable the BIE to focus resources on pursuing excellence in its primary mission to elementary and secondary educational programs in BIE-funded schools.

Natural Resources Management and Rights Protection – The Indian Affairs FY 2008 budget includes a reduction of $1.5 million due to the completion of funding for removal of the Chiloquin Dam and associated remediation. The FY 2008 budget request also

includes reductions of $1.8 million to Rights Protection Implementation, $1.0 million to Water Rights Negotiations/Litigation, and $1.0 million to Litigation Support/Attorney Fees. Proposed funding levels will allow BIA to support, although in some cases at lower rates, the exercise of off-reservation hunting, fishing and gathering rights by 49 Tribes located in the Pacific Northwest and Great Lakes regions and their five umbrella inter-tribal fish and wildlife organizations as well as Tribes involved in litigation, negotiation, or administrative proceedings to protect, defend, or establish their rights and protect Tribal trust resources

Contract Support – The FY 2008 budget includes a $2.0 million reduction from the FY 2007 President's request level for contract support funding. The proposed funding level will be sufficient to pay 100 percent of indirect contract support costs, and begin paying a portion of direct contract support costs. The proposed decrease is not expected to have a significant impact on tribal contractors.

CONCLUSION

Mr. Chairman, thank you for the opportunity to appear before you today. We will be happy to answer any questions you may have.

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAY 0 4 2007

The Honorable Byron L. Dorgan
Chairman, Committee on Indian Affairs
United States Senate
Washington, D.C. 20510-6450

Dear Mr. Chairman:

I am pleased to provide the responses to the questions submitted following the February 15, 2007, Committee on Indian Affairs oversight hearing on President's FY 2008 Budget Request for Indian Programs.

Should you have any questions, please contact my office at (202) 208-7693.

Sincerely,

Jane Lyder

Jane M. Lyder
Legislative Counsel
Office of Congressional and
Legislative Affairs

Enclosure

Question: What is BIA's intention for Johnson O'Malley for FY 2007, given the final FY 2007 Continuing Resolution?

Answer: The funding level for Johnson O'Malley (JOM) assistance grants is $12.0 million in the BIA FY 2007 operating plan approved by OMB and submitted to the Appropriations Committees on March 19, 2007.

The Johnson O'Malley program provides supplemental educational grants to tribes with students attending public schools. The funds are used by tribes to pay for things such as eyeglasses for students; school supplies; scholastic testing fees; and Native youth leadership programs. BIA says that the funding duplicative of other grants offered by the Department of Education, but we no evidence of this.

Question: What other grant programs are available to provide funding for these items?

Answer: JOM grants, identified in the Tribal Priority Allocations of some tribes, are distributed by the tribes to address Indian student needs in local public schools. The JOM grant program was established in 1934 before the establishment of programs in the Department of Education that address these needs. Today, the Department of Education has two programs that provide funding for purposes similar to JOM. Together these programs are funded at $671 million in 2008.

Department of Education Grants for Indian Education

Program	2006	2007 Current Estimate	2008 Req.
Indian Education (ESEA VII)			
Grants to Educational Agencies (Part A-1)	95.3	95.3	95.3
Special Programs for Indian Children (Part A-2)	19.4	19.4	19.4
National Activities (Part A-3)	4.0	4.0	4.0
TOTAL, Indian Education Grants	118.7	118.7	118.7
Impact Aid (ESEA VIII) for Districts with Indian Students	552.8	565.6	552.6
TOTAL, Dept. of Education Grants	671.5	684.3	671.3

Within the Safe Indian Communities initiative, for which $16 million is proposed in FY 2008, $5 million is requested for additional BIA and tribal law enforcement officers.

Questions: How many officers would be added under this initiative? Does BIA have any idea of the number of additional law enforcement officers needed to address methamphetamine production and distribution in Indian Country?

Answer: The FY 2008 initiative includes $5 million to provide 25 additional BIA law enforcement officers and 25 tribal law enforcement officers. These officers represent a significant initial step in addressing the limited law enforcement presence that has been a factor in the escalation of methamphetamine use in Indian country.

The initiative also includes funding to provide specialized drug enforcement training for the 50 new and many of the existing BIA and tribal officers. As a result, more officers on patrol will have the essential knowledge and tools to break up drug trafficking, disrupt the activities and organization of crime groups, and seize illegal substances.

You know of my interest in Education Construction. This program was $64.5 million in FY 2006; is $36.5 million under the FY 2007 CR - already about a 50% reduction between FY 2006 and 2007 - and is proposed to be further reduced in FY 2008 to just below $15 million.

Yet, despite these decreased funding levels, your testimony states that funding provided through FY 2007 has reversed the percentages of schools in good or fair condition, and those in poor condition.

Questions: Can you please explain? What are the percentages currently? Does BIA have a figure for the Education Construction and Repair backlog?

Answer: For the fiscal years 2001 through 2007, Congress has appropriated more than $1.8 billion for the maintenance, repair, improvement and construction of BIE-funded schools. These funds have been devoted to the improvement of the 184 federally funded Indian Schools. In FY 2001, more than 120 schools (66%) were classified in poor condition. When the work funded through FY 2007 is completed, in about two years, the opposite will be true, the number of schools classified in poor condition will total 69 schools (33%), a reduction of fifty percent with 115 schools in good or fair condition as indicated by a Facility Condition Index of less than 0.10.

The Education deferred maintenance backlog is not separated out from other facilities. As reported in the Required Supplementary Information section of the FY 2006 Indian Affairs Performance and Accountability Report, the estimated backlog of deferred maintenance for all BIA Administration, Education, Housing, and Historic Building facilities is between $613 million and $749 million. It is important to keep in mind that due to the scope, nature and variety of the assets entrusted to the Indian Affairs, as well as the nature of deferred maintenance itself, exact estimates of deferred maintenance are very difficult to determine. It should also be noted that deferred maintenance contains 4 categories; Health and Safety; Resource Protection; Agency's Mission; and Compliance with Codes. None of the Education facilities pose a health and safety risk to any of the occupants.

The budget request asks for a DECREASE of $24 million for the Indian Land Consolidation Program, which helps to reduce land fractionation by consolidating the various ownership interests in Indian land. The Administration said land fractionation was a priority for them last year during *Cobell* settlement discussions.

Questions: Why is the agency asking for a decrease in funding?
Do you expect the problem of land fractionation to be resolved by Congress?
How much money would it take to eliminate land fractionation, or at least to make substantial progress in the Indian Land Consolidation Project?

> **Answer:** The question regarding how much money it would take to eliminate land fractionation is difficult to answer precisely, primarily because there are many ways to approach the problem and define an acceptable resolution. As many Indian allotments have unified title, there is no need to acquire all individual Indian allotment land, including both surface and subsurface interests. Adopting a strategy to leave significant fractionated land ownership intact (e.g. top 5 or 10 largest interests) while consolidating the remaining smaller interests would significantly reduce the cost of allotment consolidation. Having the ability to resell consolidated land interests to individual Indians or Tribes coupled with the ability to reuse the sale proceeds would reduce the needs for appropriated funds even further. Depending upon the parameters of the land consolidation program, the funding requirements would vary substantially.

I see the Administration is requesting $60 million for historical accounting efforts by the Office of the Special Trustee that are a part of the *Cobell* litigation.

Questions: How much is the *Cobell v Kempthorne* litigation costing the federal government each year? What is the annual cost if you include the costs for historical accounting efforts, the costs for changing land title systems to comply with the Court's orders, costs for changing the Information Technology systems, the salaries of the agency employees who spend a substantial amount of time on the litigation, and other direct or indirect costs related to the litigation?

> **Answer:** The question of how much *Cobell* costs the Department on an annual basis is difficult to answer, primarily because efforts directed at addressing Cobell-related issues are intertwined with Indian trust reform efforts which have been ongoing since passage of the American Indian Trust Fund Management Reform Act of 1994. The Department is committed to expanding its capacity and improving its performance in the area of Indian trust management. That commitment is not contingent on any current or potential litigation.
>
> Some costs can be more directly attributed to *Cobell*. In FY 2007, the Department will spend $56 million on historical accounting, $39 million of which will go toward reconciling Individual Indian Monies (IIM) accounts. In addition, the Department will spend $4 million on litigation costs (including costs for tribal litigation).

Other costs cannot be as easily separated into *Cobell* and non-*Cobell* spending. In FY 2007, BIA and OST will spend $73.7 million on Information Technology. Significant amounts will be spent on improving computer security, a subject of intense scrutiny in *Cobell*. Maintaining the security and integrity of Indian trust data will remain a vital concern for the Department regardless of the status of the lawsuit.

Senator Maria Cantwell Questions for the Record

Question: Once again, the President proposes eliminating funding for the Johnson O'Malley program. As you know, the purpose of JOM grants is to provide supplementary financial assistance for Indian students. As a separate statute from the No Child Left Behind Act (NCLB), the JOM provides assistance to Indian students in their transition from Indian-only settings to general population settings. The JOM program has a rich tradition of meeting the unique educational needs of Indian students, providing services such as tutoring, summer school, youth leadership, and college and financial aid counseling, among other critical services. Neither Titles I and VII of NCLB nor Impact Aid permit funding for these educational services. With the proposed elimination of JOM program grants, how will the Agency fulfill the educational goals as authorized under the Johnson O'Malley Act?

Answer: The purpose of the Johnson O'Malley (JOM) assistance is to provide supplemental education programs for eligible Indian students attending local public schools and almost 40 previously private schools funded by the Bureau of Indian Education (BIE). The Title I Grants to Local Educational Agencies and the Indian Education Grants to Local Educational Agencies programs provide supplemental education programs for Indian and disadvantaged students attending local public schools, BIE funded schools and Tribal Indian schools across the country. These two supplemental programs are available from the U.S. Department of Education. The BIE will continue to provide basic educational services to the Indian population attending BIE-funded schools.

Question: Comprehensive education reform includes the need for safe and modern school facilities, including improving and replacing many Indian schools. The poor physical conditions of these schools often include environmental risks and facilities requirement deficiencies, such as information technology capabilities. Yet, funding for Indian school construction continues to decrease from roughly $208 million in FY 2006, to $157 million in FY 2007, to an even lower proposed level for FY 2008 or $139 million. How will the Department provide enough direct funding to address BIA school repair needs and fulfill its trust responsibility to the Tribes?

Answer: For the fiscal years 2001 through 2007, Congress has appropriated $1.8 billion for the operations, maintenance, repair, improvement and construction of BIE funded schools. Through a concerted effort by Indian Affairs, those funds have been devoted to the improvement of the 184 federally funded Indian Schools. When the program started, more than 120 schools were classified in poor condition. When the work funded for FY 2007 is completed in about two years, the number of schools classified in poor condition will total 69, a reduction of fifty percent. The schools that have been or will be improved or replaced are those in worst condition. The objective of the program is to bring all schools to an acceptable condition.

Senator Pete V. Domenici Questions for the Record

Question: The President's budget for Bureau of Indian Affairs programs includes a $1 6 million dollar increase in the area of law enforcement, in response to escalating methamphetamine trafficking and use in Indian Country. This increase is broken down into $11 million for law enforcement needs and $5 million for detention center needs.

Methamphetamine is a deplorable and huge problem affecting our Native American populations and I am glad the department is bringing attention to this important issue. Has the department determined how this additional money would be distributed and what the possible impact on New Mexico would be?

> **Answer:** In collaboration with tribal law enforcement programs, the BIA will design a systematic means of allocating resources to Indian programs where the need is greatest. Law enforcement programs in New Mexico will be considered with other tribal law enforcement programs in Indian country for this additional funding to stem the epidemic of methamphetamine and violent crime.

Question: Indian School construction and rehabilitation has long been a priority of mine. Educational needs for Indians are great, and while I am pleased the President has put forth his "Improving Indian Education Initiative," I fear that this new initiative may be accomplished at the expense of facilities construction and renovation.

While no one will question the need for improvement in programs inside the classroom, I am concerned that facility needs are not being properly addressed by this Administration.

1) While the Administration touts the "Improving Indian Education Initiative" as an increase over the FY 2007 request, it appears that the overall funding for Indian Education and Construction programs is a net decrease. While I support increased funding for the Indian Education account, I am concerned that this increase comes at the expense of new and replacement school construction. Would you please clarify how much money in total is requested for Indian Education and Construction programs and how this compares to the FY 2006 and FY 2007 enacted levels? How much of the money is allocated for construction and renovation including new school replacement?

> **Answer:** The FY 2006 enacted funding for the Bureau of Indian Education and the Bureau of Indian Affairs Education Construction totaled $853,217,000, which included $206,787,000 for construction and renovation of BIE-funded schools. The FY 2007 Operating Plan level proposed for the Bureau of Indian Education and Bureau of Indian Affairs Education Construction totals $862,868,000, which includes $ 204,956,000 for construction and renovation of BIE-funded schools. The FY 2008 President's

budget request for the Bureau of Indian Education and Bureau of Indian Affairs Education Construction totals $800,384,000, which includes $139,844,000 for construction and renovation of BIE-funded schools.

2) Could you please explain the process by which a school is placed on the "priority list" for construction or renovation funds? What facilities are currently on the "priority list?"

Answer: The most recent process used to develop the replacement school priority list involved the identification of schools with the most serious life safety and facility deficiencies by the Office of Facilities Management and Construction, the Directors of each of the twelve Regional Directors of the Bureau of Indian Affairs and the Director of the Bureau of Indian Education. The current priority list of fourteen schools to be replaced was published in the March 24, 2004, *Federal Register*, which is attached.

3) How does the Administration plan on addressing the backlog of Indian schools and facilities in need of replacement or repair?

Answer: For the fiscal years 2001 through 2007, Congress has appropriated $1.8 billion for the maintenance, repair, improvement and construction of BIE funded schools. The schools that have been or will be improved or replaced are those in the worst condition. The objective of the program is to bring all schools to an acceptable condition.

4) Please list any New Mexico schools expected to receive funding in FY 2008 through the Education Construction program. What proposed actions will be taken by the BIA? Please list any other New Mexico schools appearing on the Interior Maintenance and Construction Plan 2008-2012 and what actions are proposed to be taken there.

Answer: All schools in the BIE school system benefit form other programs in the Education Construction activity which includes cyclic maintenance and minor facilities improvement and repair projects.

The BIA FY 2008-2012 Five Year Deferred Maintenance and Construction Plan only identifies schools slated for replacement or for major facility improvement and repair projects. The following New Mexico schools are identified in the 2008-2012 plan:

BIE Schools in New Mexico Identified in the BIA FY 2008-2012 Five Year Deferred Maintenance and Construction Plan

Year	Program*	School	Region	Project description
2009	Major FI&R	Nenahnezad Boarding School	Navajo	FI&R repairs for students in gra
2011/12	Major FI&R	Pine Hill Schools	Southwest	FI&R repairs for students in gra
2012	Major FI&R	Laguna Elementary School	Southwest	FI&R repairs for students in gra

*FI&R=Facilities Improvement and Repair

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Statement of The Honorable Elbridge Coochise, Chief Justice, Retired
Representing the Independent Review Team on Tribal Courts
Presented to the Senate Committee on Indian Affairs at the Oversight Hearing
on the President's FY 2008 Budget Request for Tribal Programs
February 15, 2007

Thank you for the opportunity to address some of the serious issues involving Tribal Courts, Law Enforcement and Detention that are proposed in the President's FY 2008 Budget.

For the past 15 months, our Independent Review Team has been traveling throughout Indian Country reviewing Tribal Courts. Our research project is the first of its kind and was contracted by the Bureau of Indian Affairs (BIA) in FY2006 to:

1) Provide assistance to Tribes by performing an assessment of their Tribal Courts; and,
2) Provide information to the BIA and the Office of Management and Budget (OMB) regarding the status of Tribal Courts.

The Independent Review Team examined the current federal funding levels for Tribal Courts and conducted site visits to 25 Tribes Courts. Upon completion of the project, we determined that the level of need far exceeded the level of funds that Tribes receive to operate Tribal Courts. We are confident in saying that there is no one entity with more awareness of the current needs of Tribal Courts than our Review Team. We surmise that this is the most comprehensive effort ever undertaken to compile information regarding Tribal Courts.

We present this testimony to express our very deep concern with the President's Budget that contains several decreases for Tribal Courts, Law Enforcement and Detention. *Our research did not identify any area that could withstand a decrease without causing harm to Tribal Court systems and Indian people.*

We have identified the following decreases in the President's budget:

ITEMS: Department of the Interior, Bureau of Indian Affairs

President's Budget: $17.621 million FY '06 → $12.109 million FY '07→ $12.065 million FY '08 = Decrease of $44,000 in FY '08

- Cuts for tribal courts in proposed budget of $44,000 (not justified in President Budget)
- Cuts of $44,000 are in TPA, across-the-board cuts, for tribal courts (not justified in President's Budget – no language)
- Increase of $20.089 million for Law Enforcement (only justified in President's Budget)
  - $11.0 million for law enforcement staffing, training, & equipment
  - $5.0 million for detention center staffing
  - $250,000 decrease for law enforcement program management

- $647,000 decrease for Internal transfers
- $4.986 million for fixed costs and are fully funded

- $1.4 million - Not addressed in proposed President's Budget
  - For Tribal Court reviews
  - For operation of Office of Justice Services
  - For training of judges, court personnel

ITEMS: Department of Justice

- Elimination of $7 million for tribal courts
- Elimination of $4 million for tribal grant programs
- Elimination of $12 million for Indian Country detention centers
- Expect tribes to make due with money from the Bureau of Indian Affairs

Our research indicates that Tribal courts are at a critical stage in terms of needs. Nationwide, there are 156 Tribes with Courts that receive federal funding. Those Tribes divide a mere $11.4 million in federal funds. It is the strong recommendation of the Independent Review Team that the federal Tribal Courts budget be substantially increased, not decreased as in the President's Budget.

Another outcome of these Reviews is the FY 2006 Tribal & Code of Federal Regulations (CFR) Court Review Project Final Report. The Report contains 132 Findings regarding all areas involving Tribal Courts. Among the more prominent Findings are:

***Tribal Courts Are Under-Funded*:**

Finding #38: The Federal Funds are inadequate to fund most Court needs. Court have additional needs such as technology, supplies, travel and training that are usually assumed by the Tribe. Tribes take already limited resources and subsidize Tribal Courts further decreasing resources for other essential Tribal Programs. Otherwise these needs are simply not provided and the Courts must make due without these services.

Finding #32: Almost all Courts are under-funded. Court budgets vary widely. Other than the few Tribes with very successful economic development ventures, a substantial number of Courts, approximately 90%, are under-funded. They are lacking staff positions and essential common items such as a safe, a Court recording system, a telephone system, or a security system.

Finding #33: Many are under-funded at a critical level. Some contracted Courts are very poor. There are Courts with only a part-time Judge and a Clerk. They must rely on the Tribal Administration for simple items such as printer ink. There is no training. Salaries are below the poverty level. We have seen Courts that operate on less than $25,000 per year. We have seen groups of Tribes with low federal funding numbers combined into a single overworked Court system that can only provide limited services.

Finding #6: A very small number of Tribes have large amounts of available economic development funds. Of the 567 federally recognized Tribes, only about 10% have very successful

economic development ventures. These Tribes contribute 90% or more of the funds needed to operate their Courts. These Tribes pay well, they have several Attorneys on staff, as well as on the Court staff, and have fully funded law enforcement systems. These Tribes are better trained and experientially and financially more able to deal with Court matters, including criminal matters, than most local, county and state governments.

Finding #5: Most Tribal economic development funds provide jobs and pay for a modest amount of other governmental services. The biggest fallacy about Indian Nations is that gaming has made all Tribes rich. (This fallacy isn't always bad. It often encourages non-Indian governments and law enforcement to work with Tribes.) The vast majority of Tribes has limited economic development that 1) funds itself and 2) can modestly assist Tribal programs and the Court budgets. An even small number of Tribes have no economic development or if they do it is only able to sustain its own operations.

Finding #50: Services provided by Grants often pinpoint critical Court needs and are immensely missed when the grant concludes. It is not unusual to find residual Court needs from previous grants (Drug Courts, Juvenile Justice, COPS, Court Improvement, and Court Management software) that, unfortunately, had to end. We ponder the question whether or not federal resources that are used for Tribal Court initiatives, that always turn out to be temporary programs, would be better placed into a permanent Tribal Court fund? One successful grant program, the DOJ Tribal Court Improvement grants, has provided a number of Tribes with Court management software, Court development resources, equipment and staff training. Unfortunately, this is one of the programs eliminated in the President's Budget.

Tribal Courts Are Busy:

Finding #89: Caseload numbers are high and increasing for all Tribes. The scope and variety of cases is also increasing particularly with civil cases. Courts are being asked to resolve more complex issues.

States Jurisdiction Over Tribes Does Not Work. It Is Not A Solution To Simply Turn Tribal Court Matters Over To The State. States Absolutely Do Not Want Jurisdiction Over Tribes And Indians:

Finding #17: States do not adequately provide Law Enforcement services to Tribes when the State has criminal jurisdiction. Tribes without criminal jurisdiction are supposed to be getting that service from the State. States have their own serious budget problems. Service to the Tribal communities is the lowest priority. This particularly manifests itself in the less serious aspects of law enforcement. For example, speeding is unchecked through Tribal communities. Papers are often not served to Indians and on Indian land. Theft, vandalism, minor assault, and other crimes are not pursued.

Finding #18: States do not adequately provide Court services to Tribes when the State has criminal jurisdiction. Non-Indian jurisdictions provide the minimum of Court services to Tribes. Tribal governments do not have authority to improve Court services.

Finding #21: States are moving jurisdictional authority, in pieces, to Tribal Courts. States absolutely do not want jurisdiction over Tribes and Indians. It would cost too much. State budget

shortfalls result in matters involving Indians and Tribes being gradually and permanently shifted to the Tribal Court, such as Child Support. Some of this is based on the States impression, whether it is true of not, that the Tribe is better able and can afford to deal with these matters. Eventually, this should help those Tribes who want retrocession.

Tribes Support Their Courts:

Finding #35: Tribes place a priority on the Court and fund the Court at the expense of Tribal Programs. There are few Tribes with excess funds, but all Tribes fund their Courts above the Federal level. It is not unusual to see a Court, Tribally funded at three times the Federal funding amount, still struggling to provide all of the required services. The Federal amounts are just that low. Tribes are concerned this will limit the possibility of future funding increases for the Court. In fact, other Tribal Programs are reduced because a priority has been placed on Court funding.

It is clear that Tribal Courts and Tribal Justice Systems are vital and important to the communities where they are located. Tribes value and want to be proud of their Court systems. There are many positive aspects about Tribal Courts. After decades of existence, many Tribal Courts, despite minimal funding, have achieved a level of experience and sophistication approaching, and in some cases surpassing, local non-Indian Courts. Tribal Courts, through the Indian Child Welfare Act, have mostly stopped the wholesale removal of Indian children from their families. Indian and Non-Indian Courts have developed formal and informal agreements regarding jurisdiction. Tribal governments have recognized the benefit of having law-trained Judges, without doing away with Judges who have cultural/traditional experience. Tribal Court systems have Appellate Courts, jury trials, well-appointed Courthouses, and Tribal Bar listings and fees.

However, funding is very low for the majority of Tribes. The cuts for Tribal Courts contained in the President's budget would result in a critical and even dangerous situation for a vast majority of Tribes and Tribal Courts.

We respectfully request that the Senate Indian Affairs Committee not support any of the numerous cuts in the President's budget. We respectfully request, as our research indicates, that funding for Tribal Courts needs to be substantially increased.

On behalf of the Independent Review Team on Tribal Courts, Charles D. Robertson Jr., Esquire, Honorable Philip D. Lujan, Myrna Rivera, court reporter and myself, thank you again for accepting this testimony and consideration of our recommendations.

There has not been sufficient time to review the entire budget and we express concern that not all federal funding for these crosscutting items has been identified in preparation for this hearing. We request that the record remains open and that the Committee allows us to provide additional comments to be included in the Hearing Record.

If you have any questions, please feel free to contact Elbridge Coochise at 602-418-8937 or Charles D. Robertson, Jr. at 605-390-0061.

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Excellence, Equity, Effectiveness

Testimony of the National Council of Urban Indian Health

Presented by Moke Eaglefeathers

Board President

National Council of Urban Indian Health

On the

President's Fiscal Year 2008 (FY08)

Budget Elimination of the Urban Indian Health Program

February 15, 2007

On behalf of the National Council of Urban Indian Health, its 36 member organizations and the 120,000 urban individual Indian patients that our members serve annually, I would like to thank you for this opportunity to provide written testimony addressing the FY 2008 budget elimination for the Urban Indian Health Program (UIHP) within the Indian Health Service.

In the strongest possible terms, NCUIH opposes the elimination of funding for the Urban Indian Health Program in FY 2008 and urges the Senate Committee on Indian Affairs to strongly support the restoration of funding and, indeed, support a 10% budget increase to make up for funding shortfalls spanning many years.

This Congress overwhelmingly rejected the President's proposal for FY 2007 to zero out the Urban Indian Health Program. NCUIH urges that you send again that strong message with regard to the FY 2008 budget. Indeed, in the FY 2007 appropriations, the Senate Appropriations Committee took its lead from the Senate Committee on Indian Affairs, restoring funding for the Urban Indian Health Program and including sharp report language directed at the Administration.

> "The Committee has included the funding level for urban health centers in the bill itself in order to underscore the importance of this program and the Committee's intention to insure that funding is continued in the Service's budget. The Committee is dismayed by reports from tribes that the Department of Health and Human Services has instructed the Service to proceed with plans to close down the 34 urban centers, despite the fact that the House Committee on Appropriations is already on record as disagreeing with the proposal for elimination. The Committee stresses that no funds were provided in fiscal

> year 2006 to effect the closure of these facilities and it expects the Department to refrain from any further action until House and Senate Committees on Appropriations have concluded negotiations on the 2007 budget."

Senate Report 109-275.

The House, just as clearly rejected the President's proposal to eliminate the Urban Indian Health Program.

> "8. Funding for the urban health program has been restored and the proposal to eliminate this program is rejected. Funding for IHS urban clinics is levered with nearly $2 for every $1 contributed by the Service. The Program Assessment Rating Tool score for the program was one point shy of `moderately effective', which is a score that many of the government programs in this bill can only hope to achieve in the future. The Committee encourages the Service to work with HHS to help these clinics get additional funding through the Community Health Centers program and to work with the individual clinics on continued improvements in health services delivery."

House Report 109-465.

If the President's proposal was ever adopted it would cause the complete collapse of many urban Indian health centers and greatly constrain the efficiency and work of those that could survive such a cut. Contrary to the assertions made in the President's FY 2008 budget, urban Indian health organizations do not duplicate the functions of other programs, but rather serve a unique, non-duplicative and culturally specific purpose within the large urban Indian communities. The fact that there are other health services available in urban areas is already reflected in how IHS funding is distributed, with urban Indian programs receiving only $32.744 million in FY 2007, despite 2007 census data showing that well over 60% of American Indians and Alaska Natives live in urban areas.

When facing elimination last year, NCUIH asked its membership to provide written statements on the impact of the zeroing out on the UIHP. Responding promptly, our members and partners described in great detail the expected devastating consequences, which included "bankruptcy, lease defaults, elimination of medical services to thousands of individuals who may not seek care elsewhere, not to mention the obvious side-effect of further increasing the health care disparities for American Indians and Alaska Natives." Moreover, it was assessed, that the body of medical and cultural knowledge addressing the unique cultural and medical needs of the urban Indian population held almost exclusively by the Urban Indian Health Programs would be lost.

Repeating last year's findings this year is necessary as the consequences of elimination remain the same.

The Essential Nature of the Urban Indian Health Program

Urban Indian Health Programs provide unique and non-duplicable medical services to urban Indians who face distinct set of barriers to accessing mainstream health care. These services

cannot effectively be replaced by HRSA's Health Centers as they have neither the capacity nor the means to take on the significant urban Indian patient load.

- **Urban Indian Health Programs overcome cultural barriers**
  Many American Indians and Alaska Natives are reluctant to address their medical concerns with health care providers who are unfamiliar and perhaps even insensitive to Native cultures. Feeling misunderstood and/or unable to communicate their health needs, these individuals often refrain altogether from or only reluctantly seek medical services outside their culture, even if desperately needed. The Urban Indian Health Programs enjoy the confidence of their clients at the cultural level and play a vital role in educating health care providers in the community about the unique needs and cultural conditioning of the urban Indian population.

- **Urban Indian Health Programs save costs and improve medical care by getting urban Indians to seek medical attention earlier**
  Without urban Indian programs, many urban Indians would not seek or otherwise would dangerously delay seeking proper medical care. Such a delay in seeking treatment can easily result in a disease or condition reaching an advanced stage where treatment is far more costly and the probability of survival or correction is much lower. Urban Indian programs actually reduce the number of emergency room visits and raise the standard of care for a marginal additional cost to the system.

- **Urban Indian Health Programs are better positioned to identify health issues particular to the Native community**
  Urban Indian programs are experienced in those health issues—whether physical or mental—that are prominent in the Native community. The programs are able to diagnose quicker and more accurately the needs of the patient as well as better suited to point a patient to the appropriate medical resource to successfully address his or her condition.

- **Urban Indian Health Programs are better able to address the fact that movement back and forth from reservations has an impact on health care**
  Indian movement back and forth between the urban environment and the reservation is common and may significantly affect the ability of health professionals to provide prompt and high quality (follow-up) care. Urban Indian programs understand this issue and account for it in their work with patients.

- **Urban Indian Health Programs are a key provider of care to the large population of uninsured urban Indians who might not go elsewhere**
  Many urban Indians—particularly those employed at or near minimum wage—have no insurance coverage or have coverage through plans that do not cover preventive or major medical care. For instance, 87% of the clients in the local Indian center in Boston have no health insurance, and approximately 66% of urban Indians in Arizona are uninsured.

  Seeking treatment in an urban Indian health clinic provides a welcoming environment for urban Indians in this predicament, who would be very reluctant and even afraid to seek care in a non-Indian health facility.

- **Urban Indian Health Programs reduce costs to other parts of the Indian Health Service System by reducing their patient load**
  Many urban Indians, if unable to seek medical treatment at an urban Indian health clinic, will return to their reservation to access far costlier services.

Who are the urban Indians?

Urban Indians is the term used to describe Indians or descendants of Indians, who have moved to the cities and urban areas, either voluntarily or forced by government relocation policies. Today's Urban Indians are descendants of populations who were relocated in the 1950s as part of the Relocation Program established by the Bureau of Indian Affairs. Poverty and lack of economic opportunities were also drivers of forced movements from reservations.

Tracking the process of urbanization and relocation

- **The Federal Relocation of Indians**
  The Bureau of Indian Affair's (BIA) Relocation program originated in the early 1950s as a response to adverse weather and economic conditions on the Navajo reservation. As little or no job opportunities existed on the reservation, a limited program was initiated to relieve the crisis by finding jobs for Navajos who wanted to work off the reservation. Shortly afterward, the BIA converted its Navajo program into a full-fledged BIA program applicable to many Indian tribes. In total, over 160,000 Indians were relocated to cities between 1953 and 1961, where they quickly joined the ranks of the urban poor. Today's urban Indians are the children, grandchildren and great-grandchildren of these 160,000 individuals.

- **Failure of Federal Efforts to Economically Develop the Reservations**
  Another major cause of Indian migration to the city is the near total failure of Federal programs to promote economic development on Indian lands. This failure was only exacerbated by the ongoing success of the Federal efforts in the 1800s to undermine the economic way of life of Indian peoples; a process which locked nearly all Indians into hopeless poverty and still plagues most reservations today. The ensuing economic desperation motivated a number of Indians to go to the cities in search of employment and better opportunities, even without the dubious benefit of the BIA Relocation Program. These Indians were no better equipped to handle life in the city than the original BIA relocatees and also soon joined the ranks of the urban poor.

  Congress has acknowledged the correlation between the failure of Federal economic policies and the growing urban Indian population: "It is, in part, because of the failure of former Federal Indian policies and programs on the reservations that thousands of Indians have sought a better way of life in the cities. His [urban Indians] difficulty in attaining a sound physical and mental health in the urban environment is a grim reminder of this

failure." (Pub. L.940437, House Report No. 94-1026, June 8, 1976, 94th Cong., 2d Sess. 18, reprinted in 1976 U.S. Cong. & Admin News (USCAN) 2652, p. 2754)

- **Termination of Tribes**
  The termination of tribes is another important cause of urbanization. In 1953, Congress adopted a policy of terminating the Federal relationship with Indian tribes. This was essentially an abrogation of the Federal government's numerous commitments to tribes in treaties, laws and executive orders. Many tribes were coerced to accept termination in order to receive money from settlements for claims against the United State for misappropriation of tribal land, water or mineral rights in violation of treaties. The termination of the Federal relationship resulted in the collapse of many tribes. Losing Federal support as well as tribal sovereign authority over an established land basis, and with tribal members no longer eligible for Federal programs and IHS services too much strain was put on an already vulnerable system. As a result, while some members remained in the area of their old reservation, many went to the cities, where they too joined the ranks of the urban poor.

- **Indian Patriotism—World War I and World War II**
  While patriotism is not normally linked with urban migration, in the case of Indians it is. During times of war, many Indians have showed their patriotism by serving in the U.S. Armed Forces. These patriots were subsequently stationed in or near urban centers. After having completed their service, many have chosen not to return to their reservations because of the poor economic conditions caused by the aforementioned termination of the Federal relationship with the tribes. The fact that they chose to stay in an urban area did not remove their Indian heritage or culture nor did It reduce the Federal government's obligation to them.

- **The General Allotment Act.** The General Allotment Act ("Dawes Act") had two principal goals: (1) by allocating communal tribal land to individual Indians it would breakdown the authority of the tribal governments while encouraging the assimilation of Indians as farmers into mainstream American culture; and (2) it provided for unalloted land (two-thirds of the Indian land base) to be transferred to non-Indians. 25 U.S.C. Section 331 et seq. (portions repealed). The General Allotment Act succeeded at transferring the majority of Indian land to non-Indians and further disrupting tribal culture. For the purposes of this testimony, we only need to note that some Indians who received allotments became U.S. Citizens and, after losing their lands, moved into nearby cities and towns.

- **Non-Indian Adoption of Indian Children**
  For many years the common practice of placing Indian children up for adoption into non-Indian families created another group of urban Indians who, because of the racial bias of the courts, have lost their core cultural connection with their tribal people and homelands. Many of the adopted Indians have later successfully sought to restore those connections, but because of their upbringing are likely to remain in urban areas.

- **Federal Indian Boarding Schools**
  The Federal government initiated a program, which involved educating Indian children in boarding schools away from their reservation. At the boarding schools the children were prohibited from speaking their native language and otherwise subject to harsh treatment. The boarding school philosophy of "Kill the Indian, Save the Man" epitomizes the thinking behind this approach and the racist Federal effort to assimilate American Indians. Although the poor conditions in the boarding schools encouraged a group of Indians to struggle to fit back into the reservation environment, a number of them eventually relocated to urban areas.

In sum, the result of the above-mentioned as well as other Federal Indian policies has been the fracturing of Indian tribes and the creation of highly diverse Indian communities in the urban setting. All of today's urban Indians fall into one or more of the following categories: Federal relocatees, economic hardship refugees, members of Federally recognized tribes, terminated tribes, and state recognized tribes.

The Federal Trust Responsibility

The United States government holds special trust obligations towards Native American tribal members to provide basic social, medical, and educational services. Although the massive urban migration, which has been described in some detail above, has changed the demographic make-up of the Native American populations, Urban Indians—like their reservation brothers and sisters—are a congressionally mandated part of the trust responsibility. This section seeks to highlight some of the main acknowledgements of this trust responsibility.

In relation to the Indian Health Care Amendments of 1987 a report noted, "The responsibility for the provision of health care, arising from treaties and laws that recognize this responsibility as an exchange for the cession of millions of acres of Indian land *does not end at the borders of an Indian reservation.* Rather, government relocation policies which designated certain urban areas as relocation centers for Indians, have in many instance forced Indian people who did not [want] to leave their reservations to relocate in urban areas, and *the responsibility for the provision of health care services follows them there.*" (Senate Report 100-508, Indian Health Care Amendments of 1987, Sept. 14, 1988, p. 25. Emphasis added).

Moreover, a House report surmised that Congress has "a responsibility to assist" urban Indians in achieving "a life of decency and self-sufficiency," and has acknowledge that "[i]t is, in part, because of the failure of former Federal Indian policies and programs on the reservations that thousands of Indians have sought a better way of life in the cities. Unfortunately, the same policies and programs which failed to provide the Indian with an improved lifestyle on the reservation have also failed to provide him with the vital skills necessary to succeed in the cities." (House Report No. 94-1026 on Pub. Law 94-437, p. 116. April 9, 1976)

Similarly, the Supreme Court and lower Federal Courts have held that the Federal government's obligations to Indians extend beyond reservation boundaries: "The overriding duty of our Federal

Government to deal fairly with Indians *wherever located* has been recognized by this Court on many occasions. (*Morton c. Ruiz*, 415 U.S. 199, 94 S.Ct 1055, 39 L.Ed.2d270 (1974) (emphasis added), citing *Seminole Nation v. United States,* 316 U.S. 286, 296 (1942); and Board of COunty Comm'rs v. Seber, 318 U.S. 705 (1943).

In sum, the Federal government's responsibility to urban Indians is rooted in basic principles of Federal Indian law. From 1787 to 1871 the United States entered into hundreds of treaties with tribes. In almost all of these treaties, the Indians gave up land in exchange for promises. These promises included a guarantee that the United States would create a permanent reservation for Indian tribes and would effectively protect the safety and well-being of tribal members. The Supreme Court has held that such promises created a trust relationship between the United States and Indians resembling that of a ward to a guardian. (See *Cherokee Nation v. Georgia*, 30 U.S. 1. 1831). As a consequence, the Federal government owes a duty of loyalty to Indians.

Disease knows no boundaries

As one Federal Court has noted, the "patterns of cross or circular migration on and off the reservations make it misleading to suggest that reservations make it misleading to suggest that reservations and urban Indians are two well-defined groups." (*United States v. Raszkiewicz*, 169 F.3w 459, 465 - 7th Cir. 1999).

From this it can be extrapolated that urban Indians to a great extent suffer from the same severe health care problems, which are common to reservation Indians. According to research undertaken by the Urban Indian health Institute last year, urban Indians suffer higher mortality rates "due to accidents (38% higher than the general population), chronic liver disease and cirrhosis (126% higher), and diabetes (54% higher). In general, alcohol related deaths were 178% higher than the rate for all races combined. Nearly one in four Indians residing in areas served by Urban Indian Health Organizations live in poverty and nearly half live below the Federal poverty level. These rates are substantially higher than the rates for the general population (all races combined) and are only comparable to the poorest countries in the developing world.

With the 2000 Census American Indian and Alaska Native population numbers convincingly showing that well over half of the total Indian population now resides in urban areas, the health problems particularly associated with the Indian population as a whole can only be successfully combated if there exists funding, which addresses specifically the urban Indian population and the reservation based population.

Conclusion

In conclusion, I would like to thank the Senate Indian Affairs Committee for this opportunity to provide testimony on this important issue. We are grateful for your commitment and concern for the improvement of the health and well-being of urban Indian. The time has come to address this serious urban Indian health discrepancy as compared to the general population, which demands

not only a restoration of funding, but a 10% increase in funding of the Urban Indian Health Program (Title V within the Indian Health Care Improvement Act) over the FY 2007 budget. Only this level of increase would be able to have a serious effect on the current health status of urban Indians and enable a process of changing our health care reality to better reflect current medical and technological advances.

Hunter Health Clinic is the only place I can receive services in Kansas.
I am in my 40s and am a disabled American Indian--We rely on their services.
I also need a Liver transplant due to a tainted blood transfusion in 1980.
Elimination of these vital programs and services are nothing but a death sentence---this time for myself as well as other American Indians who rely on these clinics. I would be happy to receive a transplant from any of the legislative body who votes for the end of these services. Thank You.
---Submitted online on February 6, 2007 by Patrick Kennedy Chickasaw/Choctaw/Cherokee---

DEPARTMENT OF EDUCATION

Statement by Catherine Freeman
Deputy Assistant Secretary for Elementary and Secondary Education

before the

Senate Committee on Indian Affairs
on the Fiscal Year 2008 Budget for
Department of Education Programs Serving
American Indians and Alaska Natives

February 15, 2007

Mr. Chairman and Members of the Committee, on behalf of Secretary Spellings, thank you for this opportunity to appear before you to discuss our fiscal year 2008 budget request for Department of Education programs that address and serve the needs of American Indians and Alaska Natives.

My name is Catherine Freeman and I am Deputy Assistant Secretary for Policy in the Office of Elementary and Secondary Education. I am here with my colleagues, Jeff Johnson, Policy Advisor, Office of Elementary and Secondary Education, and Tom Corwin, Director of the Division of Elementary, Secondary, and Vocational Analysis, Budget Service.

The Bush Administration is strongly committed to ensuring that federally and non-federally recognized American Indians and Alaska Natives benefit from national education reforms and receive every opportunity to achieve to high academic standards. Recent data suggest that our investments in Indian education are beginning to pay off. We know that more Indian students are pursuing postsecondary education than ever before; the number of Indian students enrolling in colleges and universities has more than doubled in the last two and a half decades. American Indian and Alaska Native

students scored higher than some other minority groups on the 2003 and 2005 National Assessment of Educational Progress (NAEP) for 4th- and 8th-grade reading and mathematics. However, significant achievement gaps persist between the American Indian and Alaska Native student population and the general population. These students continue to be subject to significant risk factors that threaten their ability to improve their academic achievement and general well-being, and continue to need support from Federal programs that address the specific educational needs of this population.

Overview

When President Bush signed the No Child Left Behind Act (NCLB) into law five years ago, our Nation embarked on a landmark effort to reform education and improve student achievement for all students. The President believed then, and believes now, that if we provide school systems with resources and the flexibility to direct them to where they are most needed, ensure that we have highly qualified teachers in our classrooms, set rigorous standards for students, and hold schools accountable for results, our Nation's children will learn and achievement gaps among students will decrease and eventually disappear.

Today, States and school districts are completing implementation of many of the ground-breaking changes NCLB requires. As of 2006, for the first time, all 50 States and the District of Columbia have accountability plans in place and have assessments that test all students annually in grades 3 through 8, and once in high school, in reading and mathematics. The current school year is also a time when States must meet the NCLB requirement that all teachers of the core academic subjects are highly qualified.

These changes are producing results. The most recent National Assessment of Educational Progress long-term trend results show that reading scores for 9-year-olds increased more over the five years between 1999 and 2004 than in the previous 28 years. In math, scores of 9- and 13-year-olds also reached all-time highs. Further, 91 percent of teachers have met NCLB's requirements to be highly qualified, including holding a bachelor's degree and State certification in addition to having demonstrated experience in the subject matter taught.

***No Child Left Behind* Reauthorization**

Last month, the Administration released *Building on Results: A Blueprint for Strengthening the No Child Left Behind Act.* This reauthorization proposal would strengthen and build on the success of NCLB by focusing on turning around struggling schools and improving the academic performance of middle and high school students, while preserving the law's core principles: enabling all students to read and do math at or above grade level by 2014; annual assessments and disaggregation of data to close the achievement gap; qualified teachers in the core academic areas in every classroom; and timely information and options for parents.

The Department will continue to work with States to strengthen efforts to close the achievement gap through the implementation of high State standards and comprehensive accountability systems; ensure that middle and high schools offer rigorous coursework that prepares students for postsecondary education or the workforce; provide flexibility and resources to help States restructure chronically underperforming schools; and provide families with increased options for educating their children.

Fiscal Year 2008 Budget Request

The President's fiscal year (FY) 2008 budget request, aligned with the reauthorization proposal, increases total funding for NCLB by $1.2 billion, to $24.5 billion, a 41 percent increase since 2001. One of the most significant increases for FY 2008 is in the Title I program, a $1.2 billion increase with a total request of $13.9 billion, primarily to provide additional resources to high schools serving large numbers of low-income students while maintaining funding for Title I elementary and middle schools. Further, the President is requesting $500 million in new funding for Title I School Improvement Grants. This program will help States restructure, reform, and restaff chronically underperforming schools. These two initiatives would have important implications for the education of Indian students, since many of these students receive services through Title I.

The budget also requests $365 million in new funding to improve elementary and secondary instruction in mathematics and science, as part of the President's American Competitiveness Initiative. Notwithstanding the academic improvement already demonstrated under No Child Left Behind, we know that there is a pressing need to improve K-12 mathematics and science education across the country. Students need a strong foundation in mathematics and science skills in order to compete in the 21st century economy, and the building of that foundation begins in the early grades. The Administration requests $250 million to support the proposed Math Now for Elementary School Students and Math Now for Middle School Students programs, which are designed to help elementary and middle school students obtain the knowledge they need to succeed in high school mathematics courses.

The FY 2008 budget request also provides over $90 billion in new grants, loans, and work-study assistance to ensure that higher education remains accessible and affordable to all students. Approximately $15.4 billion is requested for the Pell Grant program, a 76 percent increase since 2001, which would support 5.5 million recipients in the 2008-09 school year. The Pell Grant program helps to ensure financial access to postsecondary education by providing grant aid to low- and middle- income undergraduate students. The President proposes to increase the maximum Federal Pell Grant to $4,600 in 2008. Further, the request proposes an additional $800 increase in the maximum Pell Grant over the next five years, to $5,400 in fiscal year 2012, representing the largest-ever five-year increase.

Also included in the President's request is $1.2 billion for the Academic Competitiveness (AGC) and National SMART Grants programs. The AGC programs, enacted in 2006, awards need-based grants to low-income first- and second-year undergraduates who complete a rigorous high school curriculum. The President's Budget would increase AGC grant awards by 50 percent and enable more than 660,000 Pell Grant-eligible students to receive up to $1,125 for the first year of college and up to $1,950 for the second year. The National SMART Grants program, also enacted in 2006, provides awards of up to $4,000 to approximately 93,000 low-income, high-achieving college juniors and seniors majoring in math, science, technology, engineering, and critical foreign languages.

The FY 2008 budget request for the Department of Education supports the President's commitment to provide resources to help improve educational opportunities for all students. American Indian students will continue to benefit from implementation of NCLB, as well as new initiatives to improve the quality of secondary, math, science, and

foreign language education. Overall, Department programs would, under the FY 2008 budget, provide close to $1 billion in direct support specifically for Indians and Alaska Native students. The Interior Department's Bureau of Indian Education (BIE) would receive over $220 million of these Department of Education funds to support Indian education programs operated by that agency. The Department works closely with the BIE on program implementation issues and to improve the quality of the services the Bureau provides to Indian students.

Indian Education Programs

The President's fiscal year 2008 request for the Department's Indian Education programs is $118.7 million. These programs include formula grants to school districts, competitive programs, and national activities for research and evaluation on the educational needs and status of the Indian population.

Indian Education - Grants to Local Educational Agencies

We are requesting $95.3 million for Indian Education formula grants to local educational agencies (LEAs), the same amount as the 2007 continuing resolution level. This program is the Department's principal vehicle for addressing the unique educational and culturally related needs of Indian children. These grants supplement the regular school program, helping Indian children improve their academic skills, raise their self-confidence, and participate in enrichment programs and activities that would otherwise be unavailable. The requested level would provide an estimated per-pupil payment of $203 for approximately 469,000 students, including more than 48,000 students in Bureau of Indian Education (BIE) schools.

Special Programs for Indian Children

Our request for Special Programs for Indian Children is $19.4 million. These funds would be used for three activities.

Approximately $7.7 million would support an estimated 32 demonstration grants that focus on two types of activities. First, we would fund school readiness programs that provide age-appropriate educational programs and enhance the language skills of American Indian and Alaska Native 3- and 4-year-old children to prepare them for successful entry into kindergarten. Second, we would fund college-preparatory programs for American Indian and Alaska Native secondary students that are designed to increase competency and skills in academic subjects, including mathematics and science, to enable these students to transition successfully to postsecondary education.

In addition, the 2008 request would provide over $11.5 million to continue two training efforts under our Professional Development program, the American Indian Teacher Corps and the American Indian Administrator Corps initiatives. Approximately $9.5 million of these funds would be used to support the American Indian Teacher Corps, which trains Indian individuals for teaching positions in schools with concentrations of Indian students. The 2008 request would also provide approximately $2 million for the Administrator Corps to train Indian individuals at the master's-degree level to become new school administrators in Indian communities. Both programs are designed to provide on-going professional development and in-service support to these new Indian teachers and administrators during their first year of work.

We are requesting $4 million for research, evaluation, data collection, and technical assistance related to Indian education.

Fiscal year 2008 funds would be used to analyze American Indian and Alaska Native students' performance on the 2007 NAEP reading and mathematics assessments and would also be used to support the initial stages of oversampling Indian students in the 2009 NAEP administration. This project provides the Department with reliable, national-level data on American Indian and Alaska Native students' performance in reading and mathematics. Funds would also continue to support data collections initiated in earlier years. These data collections include the special NAEP study designed to gather information on the educational experiences of American Indian/Alaska Native students and the role of Indian culture in their education and the Indian component of the NCES Early Childhood Longitudinal Study-birth cohort, which examines Indian children's health, development, care, and education from birth through kindergarten.

Title I: Education for the Disadvantaged

Title I Grants to LEAs

Title I provides supplemental education funding to local educational agencies (LEAs) and schools, particularly those in high-poverty areas, to help the more than 18 million educationally disadvantaged students, including eligible Indian children, learn to the same high standards as other students. Title I funds may be used, for example, to provide eligible students with supplemental instructional programs at all grade levels, extended-day kindergarten programs, learning laboratories in math and science, and intensive summer programs. As discussed earlier, Title I is subject to reauthorization this year, and the Administration recently announced a reauthorization proposal that

reaffirms the core principles of the current program while focusing on extending the benefits of NCLB to the high school years, providing the support needed to turn around persistently low-performing schools, and ensuring that students in schools undergoing restructuring have more opportunities to receive a quality education.

The Department is requesting $13.9 billion for Title I Grants to local educational agencies (LEAs) in fiscal year 2008, a $1.2 billion increase over the 2007 current level. Under the statute, the BIE and the Outlying Areas receive 1 percent of these funds. The BIE share of the set-aside would be approximately $100.1 million. These funds would serve more than 46,000 children in BIE schools, in addition to Indian children served in regular public schools.

School Improvement Grants

Our budget request would provide new funding for formula-based Title I School Improvement Grants, authorized under section 1003(g) of the ESEA. These funds would help ensure that States have sufficient resources to build their capacity to provide effective improvement support to LEAs and schools identified for improvement. Under this program, the BIE would receive a share of the School Improvement Grants funds equivalent to its share of national allocations for Title I Grants to LEAs. The fiscal year 2008 request of $500 million would provide the BIE with approximately $3.5 million for school improvement activities.

Reading First

Reading First is a comprehensive, nationwide effort to implement the findings of high-quality scientifically based reading instruction for children in kindergarten through third grade. Helping all children read well by the end of the 3rd grade is one of the

Administration's highest priorities for education. Providing consistent support for reading success from the earliest age has critically important benefits. Under this formula program, the BIE receives 0.5 percent of the State Grants appropriation. Our 2008 budget request of more than $1 billion would provide approximately $5.1 million to BIE schools.

Improving Teacher Quality State Grants

The President's budget request emphasizes the importance of good teaching for all students. The Improving Teacher Quality State Grants program provides flexible funds to States and LEAs to develop and support a high-quality teaching force through activities that are grounded in scientifically based research. Funds are used to strengthen the skills and knowledge of teachers and administrators to enable them to improve student achievement in the core academic subjects and for teacher and principal recruitment, development, and retention. States and the BIE also use the funds to achieve the NCLB objective of ensuring that all teachers of the core academic subjects are highly qualified. Under the statute, the BIE receives a set-aside of 0.5 percent. The Department's fiscal year 2008 request of $2.8 billion would provide the BIE with an allocation of $13.9 million.

Impact Aid

Basic Support Payments

Impact Aid provides financial assistance to school districts affected by Federal activities. The Basic Support Payments program is the primary vehicle for providing Federal assistance to many LEAs that educate Indian children. The 2008 budget request of $1.1 billion would provide approximately $518 million to support the education of more than 121,000 children living on Indian lands.

Payments for Children with Disabilities

Impact Aid Payments for Children with Disabilities help federally affected school districts to provide the special education services required by the Individuals with Disabilities Education Act (IDEA) for federally connected children, including children residing on Indian lands. The budget request of approximately $50 million would provide $20.7 million for services to approximately 20,000 children with disabilities living on Indian lands.

English Language Acquisition

English Language Acquisition programs support the education of limited English proficient students through a State formula grant program that helps to ensure that these students learn English and meet the same high academic standards as other students. The NCLB Act established a set-aside of the greater of 0.5 percent or $5 million for schools operated predominantly for American Indian, Alaska Native, and Native Hawaiian children. The 2008 budget request would include $5 million for these schools. In addition, English Language Acquisition State formula grant funds serve limited English proficient American Indian, Alaskan Native, and Native Hawaiian students enrolled in public schools.

21st Century Community Learning Centers

The 21st Century Community Learning Centers program enables communities to establish or expand centers that provide activities offering extended learning opportunities (such as before- and after-school programs) for students and related services to their families. Under this program, the Department may reserve up to

1 percent of the appropriation for grants to the Bureau of Indian Education and the Outlying Areas. The fiscal year 2008 request of $981.2 million would provide approximately $7.3 million to the BIE.

Grants for State Assessments

The Grants for State Assessments program helps States develop and implement the additional assessments required by the NCLB Act. Under the funding formula, 0.5 percent of the appropriation for formula grants is reserved for the BIE. For 2008, the Administration is requesting $400 million for the formula grants portion of this program, $2 million of which would go to the BIE.

Education for Homeless Children and Youth

Under the McKinney-Vento Homeless Assistance Act, the Secretary is required to transfer 1 percent of the appropriation for Education for Homeless Children and Youth to the BIE for services to Indian students in BIE-operated and funded schools. The Administration's 2008 budget request of $61.9 million includes almost $620,000 for the BIE to provide services to homeless children and youth to enable them to attend and excel in school.

Safe and Drug-Free Schools and Communities: State Grants

The Safe and Drug-Free Schools and Communities (SDFSC) State Grants program is designed to help create and maintain drug-free, safe, and orderly environments for learning in and around schools by supporting effective, research-based approaches to drug and violence prevention. Under the Department's reauthorization

proposal, one-half of one percent of the appropriation for State grants would be reserved for drug and violence prevention programs serving Indian children in BIE-operated or -supported schools.

The 2008 budget request of $100 million for the SDFSC State Grants program includes $500,000 for the BIE.

Career and Technical Education

State Grants for Career and Technical Education

The State Grants for Career and Technical Education, authorized by the Carl D. Perkins Career and Technical Education Act of 2006, assist States and Outlying Areas in expanding and improving career and technical education in high schools, technical schools, and community colleges. Each State uses these funds to support a variety of career and technical education programs developed in accordance with its State plan. By statute, the Department reserves 1.25 percent of the total appropriation for State Grants for grants to federally recognized Indian tribes and tribal organizations to support career and technical education for Indian students.

The fiscal year 2008 request of $600 million for the Career and Technical Education State Grant program would provide approximately $7.5 million to the BIE.

Tribally Controlled Postsecondary Career and Technical Institutions

This program provides competitive grants for the operation and improvement of certain tribally controlled postsecondary career and technical institutions. Funds support continued and expanded educational opportunities and training for Indian students

attending those institutions, along with basic institutional support of career and technical education programs. Under the FY 2008 budget request, the Department would provide $7.4 million for this program, the same amount as the 2007 level.

Higher Education Aid for Institutional Development

The Aid for Institutional Development programs under Title III of the Higher Education Act of 1965 are designed to strengthen institutions of higher education that enroll large proportions of minority students and students from low-income households. The programs provide financial assistance to help institutions solve problems that threaten their ability to survive, improve their management and fiscal operations, build endowments, and make effective use of technology.

The Strengthening Tribally Controlled Colleges and Universities (TCCUs) program authorizes 1-year planning and 5-year development grants that enable these institutions to improve and expand their capacity to serve American Indian students. Under the budget request, the Department would award $18.6 million for activities to strengthen TCCUs, including faculty and academic program development; fiscal and administrative management; construction and maintenance of instructional facilities; student services; establishment of teacher education programs; and the development of community outreach programs. Since fiscal year 2001, a portion of funds has supported construction and renovation activities, and the fiscal year 2008 budget request would provide approximately $4.3 million for these purposes.

Special Education

Grants to States

The Special Education Grants to States program provides formula grants to meet the excess costs of providing special education and related services to children with disabilities. Under the budget request of $10.5 billion, the Department would provide approximately $86 million to the BIE to help serve approximately 7,800 Indian students. The BIE would use 80 percent of those funds for the education of children 5 through 21 years old and distribute 20 percent to tribes and tribal organizations for the education of children 3 through 5 years old.

Grants for Infants and Families

The Grants for Infants and Families program provides formula grants to assist States in implementing statewide systems of coordinated, comprehensive, multidisciplinary, interagency programs to make available early intervention services to all children with disabilities, aged birth through 2, and their families. An amount equivalent to 1.25 percent of the amount available for States is allocated to the BIE. Under the 2008 budget request of $423.1 million, the BIE would receive approximately $5.2 million.

Vocational Rehabilitation

The Vocational Rehabilitation (VR) State Grants program provides services for individuals with disabilities, consistent with their abilities, capabilities, interests, and informed choice, so that these individuals may prepare for, and engage in, gainful employment. Nationally, this program provides services to approximately 9,000 American Indians with disabilities each year. In addition, the Rehabilitation Act requires that between 1 percent and 1.5 percent of the funds appropriated for the VR State

Grants program be set aside for competitive grants to Indian tribes to provide vocational rehabilitation services to American Indians with disabilities living on or near reservations. For 2008, the Department requests approximately $2.8 billion for the VR State Grants program. The amount set aside for grants to Indian tribes would be approximately $34.4 million, approximately $5.7 million more than the minimum amount required by law to be reserved for this purpose, and would serve approximately 5,750 American Indians with disabilities.

Program Eliminations

The 2008 request also continues our policy of proposing to eliminate or consolidate funding for programs, including some that focus on or have set-asides for Native Americans, that have achieved their original purpose, that duplicate other programs, that may be carried out with flexible State formula grant funds, that are ineffective, or that involve activities that are better or more appropriately supported through State, local, or private resources. Programs for which the Department is not requesting funding, and that focus on or have set-asides for Native Americans, include the Alaska Native Education Equity program, Education for Native Hawaiians, Even Start, Educational Technology State Grants, and Strengthening Alaska Native and Native Hawaiian-Serving Institutions.

Program Performance

The Administration wants to make sure that government programs work well for the American people. Last year, to ensure greater government transparency and accountability to the public, the Administration launched a new website: ExpectMore.gov. The site includes information for taxpayers on the programs that have been assessed for effectiveness using the Program Assessment Rating Tool, commonly

referred to as the PART. These PART reviews have helped increase accountability for results by giving the American people information about where the Government is successful, and where improvement is needed. I encourage the members of this Committee and others interested in our programs to visit ExpectMore.gov.

Conclusion

The 2008 budget request for the Department of Education programs serving American Indians and Alaska Natives supports the President's overall goal of ensuring educational opportunities for all students.

Thank you for the opportunity to appear before the Committee. My colleagues and I will be happy to respond to any questions you may have.

Response to Questions from the Senate Committee on Indian Affairs Hearing on the President's FY 2008 Budget for Indian Programs

Questions submitted by Chairman Dorgan

Consultation with Tribes

Question. How does the Department of Education consult with the tribes in the development of the budget request submitted to OMB or on other matters?

Answer. The development of the President's budget request is an internal process. Although we may take into consideration recommendations from tribes and other organizations, the process does not involve consultation with parties outside of the Executive Branch.

The Department does, however, believe that consultation with the tribes on issues affecting the education of American Indians is important. For example, in April, in partnership with the Department of the Interior's Bureau of Indian Education (BIE), we will convene six regional consultation meetings with tribal leaders, school board members, and tribal community members. These consultation meetings will focus on improving outcomes for American Indian students in BIE-funded schools by exploring legislative alternatives that might reconcile the conflicting policies of various statutes regarding accountability for program results in tribal contract and grant schools.

We have also consulted with tribes and with other members of the American Indian population on matters related to President Bush's Executive Order on American Indian and Alaska Native Education (E.O. 13336). In early 2005, the Department convened five regional forums with Federal, State, tribal, and local representatives on concerns related to the No Child Left Behind Act as it affects American Indian students. These regional forums set the stage for a National Conference on Indian Education held in April of that year.

Funding for Indian Education Programs

Question. How would you explain the level-funding pattern (for Indian Education programs), when significant, measurable achievement gaps persist?

Answer. The Administration recognizes that significant achievement gaps exist between American Indian and non-American Indian students and believes that if we provide school systems with resources and the flexibility to direct those resources to where they are most needed, ensure that we have highly qualified teachers in our classrooms, set rigorous standards for students, and hold schools accountable for results, students will learn and achievement gaps will decrease and eventually disappear. The President's FY 2008 budget request supports those priorities by protecting funding gains experienced in recent years by programs

serving American Indian students and also by providing significant funding increases for priority programs.

For example, the budget would increase funding for Title I Grants to Local Educational Agencies by more than $1 billion, to $13.9 billion. Reflecting the need for the type of progress at the high school level that we are seeing in the elementary grades, most of the increase would flow to high schools that serve large numbers of low-income students. The FY 2008 budget would also provide $500 million in new funding for Title I School Improvement Grants. These grants would provide additional resources to States to build their capacity to provide support to LEAs and schools identified for improvement. Together, these efforts will likely have a significant impact on American Indian, Alaskan Native, and Native Hawaiian students, since many of those students attend schools that receive Title I funds. The requested funding would also increase the Title I allocation to the BIE schools from nearly $90 million to more than $100 million and provide new funding of nearly $3.5 million through the Title I School Improvements Grant program allocation to the BIE schools.

Under the FY 2008 budget, Department of Education programs would provide close to $1 billion in direct support specifically for American Indian and Alaska Native students with more than $220 million of those funds directed to the BIE to support the schools and education programs administered by that agency.

Program Eliminations

Question. Please explain the President's reasoning for eliminating funding from the Education for Disadvantaged Program account—Education for Native Hawaiians, Alaska Native Education Equity- and from the Higher Education Accounts- Strengthening Alaska Native and Native Hawaiian-Serving Institutions.

Answer. The Administration recognizes the importance of ensuring that Native Hawaiian and Alaska Native students receive appropriate educational services to enable them to achieve to high standards. The FY 2008 budget request is consistent with the Administration's policy of eliminating narrow categorical programs, in order to provide significant increases for more flexible State grant programs that support comprehensive reforms that will improve the quality of educational opportunities for all students, including American Indian and Alaska Native children. School districts that seek to implement programs and services tailored to the educational and cultural needs of Native Hawaiian and Alaska Native students will be able to use funds provided under other Federal programs, such as Title I Grants to Local Educational Agencies and Indian Education programs.

Alaska Native students benefit from the Department's Indian Education programs, which provide more than $118 million in formula grants to school districts and competitive grants for demonstration and professional development programs. These programs serve as the Department's principal vehicle for addressing the unique educational and culturally related needs of American Indian and Alaska Native students. Specifically, the grant awards supplement the regular school program, helping American Indian and Alaska Native students improve their academic skills, raise their self-confidence, and participate in enrichment programs and activities that would otherwise be unavailable.

In the area of higher education, the budget would eliminate funding for the Strengthening Alaska Native and Native Hawaiian-Serving Institutions program because the types of activities supported by this program may be carried out under the Title III Strengthening Institutions program. Institutions whose projects would be discontinued would be eligible to seek funds under the Strengthening Institutions program.

Higher Education Funding

Questions. Why does the President's FY 2008 budget request to eliminate foundational financial aid programs—the Federal Supplemental Educational Opportunity Grants (SEOG) and the Perkins Loan Program? Further, why does the President's budget maintain flat funding for the Federal Work-Study Program?

Answer. The FY 2008 budget would provide over $90 billion in new grants, loans, and work-study assistance to ensure that higher education remains accessible and affordable to all students. The Administration is targeting limited Federal resources to students most affected by rises in college tuition by requesting more than $15 billion for the Pell Grant program in fiscal year 2008. This request would raise the maximum Federal Pell Grant to $4,600 in 2008. Further, the President proposes an additional $800 increase in the maximum Pell Grant over the next five years, to $5,400 in fiscal year 2012. The increase in the maximum Pell Grant would ensure that low- and middle- income students—including part- time and older students—have the resources to pay all tuition and fees at an average public community or technical college, and 75 percent of the tuition at an average public 4-year institution.

In addition to increasing the amount of overall need-based student, the Administration also proposes to simplify the Federal student aid process by eliminating duplicative or poorly targeted programs. The Administration would eliminate the Federal Supplemental Educational Opportunity Grants (SEOG) program because funding allocations from the program are awarded to qualifying postsecondary institutions under an outdated statutory formula. The current formula provides a disproportionately low level of resources to public institutions

of higher education, which typically serve a large percentage of low-income students. Further, the SEOG awards are not optimally allocated based on a student's financial need. Institutions are required by statute to give priority in awarding SEOG funds to Pell-eligible students; however, there is no requirement that the size of these awards be tied to the need of the student. Institutions are given the discretion to provide larger SEOG awards to students who do not exhibit the highest financial need. The Administration believes Federal resources should be focused on the Pell Grant program, which is available to all eligible students, regardless of the institution they attend.

With regard to elimination of the Perkins Loan program, the number of Perkins Loan institutions has steadily declined over the past 20 years and less than 3 percent of students enrolled in postsecondary education receive Perkins Loans each year. The Administration believes that the Federal share of funds held by this small group of institutions would be better invested in Pell Grants and in higher loan limits in the Federal Family Education Loans (FFEL) and Direct Loan programs, for which students are eligible regardless of the institution they attend.

Lastly, the Administration strongly supports the Work-Study program, which offers students need-based aid as well as an opportunity to gain valuable experience. That said, however, the Budget proposes level funding for Work-Study so that scarce resources can be concentrated on increases in Pell Grants, the most effective, broadly available Federal aid program.

Questions submitted by Senator Cantwell

Impact of Elimination of Johnson-O'Malley Program

Question. With the proposed elimination of the Johnson O'Malley Act, how will the Agency fulfill the education goals authorized under the Johnson O'Malley Act?

Answer. The Johnson O'Malley program, funded by the Department of the Interior, has provided funding to support supplemental services, including tutoring, academic support, cultural activities, summer education programs, and after-school activities. The Department of Education administers a number of programs with both the flexibility and funding resources to offer a range of supplemental services similar to those provided under JOM, such as Title I Grants to Local Educational Agencies (LEAs), Special Education State Grants programs, Impact Aid, and 21st Century Community Learning Centers. Funds are available under these programs to provide supplemental education services such as tutoring, counseling, and after-school and summer programs.

For example, Title I Grants to LEAs provide school districts and schools with considerable flexibility in using Federal dollars to support instructional strategies and programs that meet local needs. Schools frequently use Title I funds to provide tutoring, after-school, weekend, and summer programs. In addition, schools that have been identified as "in need of improvement" for two or more years must provide their low-income students with the opportunity to receive supplemental educational services, typically after-school tutoring.

In addition, the 21st Century Community Learning Centers program provides almost $1 billion to provide extended learning opportunities, such as before- and after-school and summer programs.

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NCAI TESTIMONY ON THE ADMINISTRATION'S FISCAL YEAR 2008 BUDGET REQUEST FOR INDIAN PROGRAMS

Senate Committee on Indian Affairs
February 15, 2007

On behalf of the tribal nations of the National Congress of American Indians, we are pleased to present testimony on the Administration's Fiscal Year 2008 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 presented his moral choices for the country in his $2.9 trillion budget proposal. Tribal leaders, through consultation with various agencies and through NCAI convenings, have identified the following areas for meaningful federal investment in Indian Country: public safety and justice, health care, education, and natural resources. However, NCAI would like to emphasize that, although tribal leaders have developed the above priority areas for FY 2008, the unconditional underpinnings for all of the funding recommendations in this testimony are tribal self-determination and self-governance. NCAI's support for areas in the federal budget that support self-determination and self-governance is uncompromising.

Although tribal people in the United States have inherited the challenges stemming from centuries of unjust policies and broken agreements, a promising resurgence in self-government and self-determination has allowed tribes to flourish in ways unimaginable 50 years ago. When tribes are able to operate as governments responsible for their own people and resources, which is the essence of tribal sovereignty, the resulting achievements have led to reversing the poor conditions created by centuries of injustice. Accordingly, before addressing our various programmatic funding recommendations, we would like to call attention to the very alarming proposal for reductions to the very category at the Bureau of Indian Affairs (BIA) that directly supports tribal self-determination and represents the federal trust responsibility to tribes: Tribal Priority Allocations (TPA).

NCAI understands that the Administration and Congress must make difficult budget decisions this year and must support the most efficient and worthy programs in the federal budget while taking into account efforts to reduce the national deficit. While tribes will advance the priorities detailed in this testimony, the priority initiatives cannot come at the expense of Tribal Priority Allocations. In the Bureau of Indian Affairs budget request, TPA would be reduced by $20.5 million from the FY07 CR amount, which constitutes the majority of the cuts proposed to the BIA Operation of Indian Programs. TPA has long been one of the most important funding areas for tribal governments, as they have the flexibility to use these funds to meet the unique needs of individual tribal communities, making TPA the main resource for tribes to exercise their powers of self-governance. The current proposed reductions undermine the very self-determination policy that has driven Indian Country's success in addressing the long enduring socio-economic disparities.

Trust Responsibility
The federal government's trust responsibility to tribes is one of immense moral and legal force, the result of treaties, solemn agreements, executive orders, and statutes and constitutes one of the most important doctrines of Indian law. When vast tracts of land under the care of sovereign tribes were taken, by exchange or force, the US gave its solemn promise to protect the rights of tribes to govern themselves on their remaining land and to provide for the health, education, and well-being of tribes. This commitment is not a hand-out but a contract. We ask that the President and Congress defend the honor and integrity of this nation and seek justice in the US treaty and trust responsibilities to tribes.

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 closely to heart as the FY08 budget advances.

First, tribal leaders have identified **public safety and justice** as key concerns in the FY 2008 budget. 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.

Second, poor health continues to inhibit the economic, educational and social development of all of Indian Country. 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. NCAI urges Congress to fund IHS at a level to at least maintain existing health services and restore loss of buying power. We also oppose the zeroing out of the Urban Indian Health Program. Urban Indian health provides a critical link in the health care chain that cannot afford to be broken and cannot be replaced by other health services.

Third, NCAI encourages this committee to invest in **Indian education** through support of Native languages, Indian Head Start, tribal colleges, and restoring the Johnson O'Malley program in BIA.

Fourth, tribal leaders have identified natural resources as a significant area for investment in FY 2008.

This testimony will assess the President's proposed FY 2008 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.

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 2 officers per 1,000 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[6], 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.

According to a gap analysis the BIA performed in 2006, Indian Country has 2,555 law enforcement officers, yet needs a total of 4,409, resulting in a gap of 1,854 officers, or a 42% unmet staffing need. This gap in police to service population is based on the FBI's 2004 Uniform Crime Report (UCR) and recent BIA/ Office of Law Enforcement Services (OLES) preliminary data. Excluding tribal policing, BIA/OLES has 358 officers overall, yet needs 1,153, resulting in a gap of 759 officers, or a 69% unmet staffing need. This gap is based on the UCR rate of 3.3 officers/1,000 inhabitants for rural areas under 10,000. The current police force of 358 officers provides 0.9 officers/1,000 inhabitants.

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. However, tribal court systems frequently are overburdened due to lack of federal funding. A recent Wall Street Journal article highlighted some of the issues resulting from inadequate resources.[1] The front page article illustrated how the laws that protect the rights of Indian people cannot be effectively enforced due to lack of funding. The Wall Street Journal article included an example from the Tohono O'odham Nation. After the attacks of Sept. 11, 2001, the federal government clamped down on illegal immigration in the urban areas of the Mexican border. As a result, the Tohono O'odham reservation saw a huge increase in illegal immigration, drug smuggling, and related crime. Tribes, including the Tohono O'odham Nation, have repeatedly asked for additional federal resources to help them govern their international borders. Yet, Indian tribes are not eligible to directly receive any of the billions that the federal government distributes to state governments to help them patrol the borders and combat drug-trafficking. Thus, these tribes are forced to allocate their scarce resources among many competing priorities. Any discussion of public safety in Indian Country is inextricably tied to the strength of tribal courts to maintain order in tribal communities.

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

[1] "Native Americans on Trial Often Go Without Counsel," Wall Street Journal, February 1, 2007

staff supervision and the influence of drugs and alcohol; and jails dilapidated to the point of condemnation.

In the Southwest, serious problems have arisen due to the closing of tribal detention centers. In September 2005, the BIA closed the Peach Springs jail. The Hualapai Tribal Police Officers then had to transport adult arrestees to either Flagstaff, a 270 mile round trip, or Gallup, New Mexico, a 600 mile round trip. Depending on availability, juveniles may be taken to Gallup, or to Towoac, Colorado, an 880 mile round trip. Due to police officer shortages to transport the prisoners such distances, many are not arrested.

In summary, the problems that arise due to insufficient funding are --
1) Reduced ability to detain criminals: Some tribes have attempted to place criminal offenders in county or other off-reservation detention facilities. However, in an increasing number of cases, these facilities are refusing Indians due to the BIA's negligence in paying for past inmates (these facilities directly bill the BIA). In other instances, there is simply not the manpower of facilities available to detain arrested individuals and the police have no other option than to let them go; and
2) Severe impact on tribal law enforcement organizations: Tribal law enforcement officers are currently transporting prisoners great distances, often hundreds of miles, to the few BIA detention facilities in other locations. Transporting prisoners severely impacts tribal police departments that are already short-staffed and removes officers from other policing duties on the reservations. In addition, many Tribal law enforcement officers are suffering from fatigue due to the extra time and effort required to transport prisoners. Morale is very low and many law enforcement officers are leaving their respective tribal police departments; and
3) Deplorable conditions and lack of rehabilitative services: Existing BIA detention facilities are overcrowded, understaffed, and under funded. A report by the U.S. Department of Interior General (An Assessment of Indian Detention Facilities, September 2004) found many of these facilities "egregiously unsafe, unsanitary, and a hazard to both inmates and staff alike." The BIA detention facilities are for "lock-up" only and make very little effort towards rehabilitating inmates by addressing antisocial behavior and other clinical problems (substance abuse, violence, gang activity, etc.). Most of the crimes on Indian reservations are committed by repeat offenders; and
4) Increased costs to tribal governments: The cost of transporting prisoners and alternative detention measures has far exceeded many Tribal budgets and absorbed funds that would normally be used for crime prevention (in most cases, the BIA has refused to reimburse Tribes for the cost incurred from transporting prisoners). This is occurring in spite of the fact that under its trust obligation, the BIA is responsible for detention costs in Indian Country and receives Congressional appropriations for such purposes; and
5) Increase in criminal activity in Indian Country: The lack of law-enforcement presence on the reservations and the lack of other crime prevention measures have lead to more criminal activity, which in-turn has created a greater need for effective detention services.

Funding Recommendations

NCAI commends the Secretary of Interior's departmental Safe Indian Communities Initiative to "help Indian Country reduce methamphetamine crime and the afflictions it has brought to many Tribes," which includes a $16 million increase for public safety programs at BIA. This initiative is congruent with the tribal leaders' priority to strengthen public safety and justice in Indian Country. However, NCAI notes the decreases and reorganization at the Department of Justice for the tribal COPS, detention, tribal courts, and juvenile justice 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 10% annual increases in the Interior Department and Justice Department Indian Country public safety programs. 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 is required.

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. Once again, one of the most notable proposed recommendations for the 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. The 2000 Census showed that well over half of the Indian population resides in urban areas. Health problems associated with the Indian population can therefore only be successfully combated if significant funding is directed at the urban Indian population as well as the reservation population.

The urban Indian health programs enjoy a unique level of confidence with their clients due to their remarkable cultural sensitivity and crucial role in educating health care providers in the community about the needs and cultural conditioning of the urban Indian population. With its current funding level of $32.744 million, the urban Indian health programs have been successfully treating 120,000 of the estimated one million eligible Indians residing in urban settings. For this positive trend to continue in the future and for programs to expand according to expressed needs, funding must increase. However, this will be an ongoing battle as the Administration already last year proposed to eliminate funding for the Urban Indian Health Program from the FY 2007 Budget. The chart highlights the real resource loss in funding (adjusted for inflation) for the Urban Indian Health Program since 1993.

Rather than the President's proposal, NCAI recommends increased funding for Urban Indian Health Programs by 10%. This increase will elevate the Urban Indian Health Program funding from $32,744,000 to $36,018,000 and represents a necessary step towards closing the funding gap for urban programs. While this in no way addresses the total need, it will make a difference in access to and quality of care for American Indians/Alaska Natives living in urban areas.

Increase IHS Funding by $437 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 $437 million increase to IHS is necessary in FY 2008 just to maintain existing health services and restore loss of buying power.

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.

$150 Million for Contract Support Costs
On March 1, 2005, the United States Supreme Court issued a unanimous decision in *Cherokee Nation and Shoshone-Paiute Tribes v. Leavitt* lawsuit, which powerfully reaffirms the enforceability of government contracts between Indian Tribes and agencies such as IHS and BIA. The Court's ruling compels corrective action from Congress, where historically insufficient funds have been appropriated to pay government contracts with Tribes, while all other government contracts are fully paid (through supplemental appropriations, if necessary). Further, in enacting the Indian Self-Determination and Education Assistance Act and in all subsequent amendments, Congress has emphasized that funding under the Act is a mandatory, binding obligation of the federal government. Self-determination contracts and compacts are enforceable, just like other federal contracts for good and services.
The National Congress of American Indians requests a $150 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. A dangerous pattern has developed in recent years where Indian programs receive smaller increases in years where overall funding is up and bigger cuts in years when overall funding is down, and the proposed budget for FY08 continues this trend in the Department of Education and Department of Interior. Although NCAI supports Interior Secretary Kempthorne's proposal to increase funding for the Bureau of Indian Education as part of an Indian Education Initiative, many of the education programs supported by tribal leaders were eliminated or reduced in the FY08 budget request, such as scholarships and adult education (reduced by $5 million) and the Johnson O'Malley program (proposed to be eliminated).

Johnson O'Malley Program
The President proposes to completely eliminate the Johnson O'Malley program (JOM) in the Bureau of Indian Affairs in FY 2008. 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.

Once again, the Administration justifies eliminating JOM stating other government programs can provide this funding. 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. 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. *NCAI urges Congress to restore the funding for this critical Indian education program.*

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 Esther Martinez Native American Languages Preservation Act of 2006 was signed into law this past December. The Act amends the Native American Programs Act of 1974 to allow the Administration for Native Americans in the Administration for Children and Families at the Department of Health and Human Services to award language restoration grants, language nest grants, and language survival school grants to tribes, tribal organizations, schools and universities.

NCAI supports a $10 million increase to $54 million in FY 2008 for ANA, which should be allocated toward Native language immersion and restoration programs authorized by the Esther Martinez Native American Languages Preservation Act of 2006.

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. *NCAI supports $5 million in appropriations in FY 2008 for Tribal Education Departments so they can assume the responsibilities that Congress envisions for them.*

Even Start
The Even Start program provides participating families with an integrated program of early childhood education, adult basic skills training or secondary education, and parent education. The program's design is based on the notion that these components build on each other and that families need to

receive all three services, not just one or two, in order to effect lasting change and improve children's school success. This integrated approach is akin to the holistic learning styles of many Indian cultures, making Even Start especially effective in Native communities where literacy rates are often very low. When overall Even Start funding exceeds $200 million, there is a 6% set-aside for programs focused on serving migrant and Native American communities. However, when it drops below $200 million as it did in FY 2006, the set-aside drops to 5% meaning that these communities suffer even deeper funding cuts. In FY 2004, the Indian Even Start program was funded at $4.94 million; by FY 2006 Indian Even Start funding had been drastically cut to $1.49 million. *Restore funding for the Even Start Program to at least the FY 2004 levels.*

Impact Aid
The Impact Aid Program provides over $500 million to public school districts with Indian lands out of a total program funding level of $1,228,453,000. Approximately 95% of American Indian children are educated at these public schools. Due to level funding in recent years, the program enters the fiscal year 2008 funding cycle having lost 7% of its buying power since fiscal year 2005, even though student populations continue to grow. The National Association of Federally Impacted Schools estimates that in order to maintain a per student funding level equal to the fiscal year 2005 level, the program requires at a minimum a $75 million increase. Additionally, the program will experience over the next four years an increase in eligible students as a result of Department of Defense restructuring activities that will add between 35,000 and 38,000 children to the program. Unless Impact Aid funding is increased, funding levels for all schools including those school districts educating children residing on Indian land will see their Impact Aid payments drop significantly. *NCAI supports an increase of $85 million over the FY07 CR level, for a total of $1.342 billion in FY 2008.*

NATURAL RESOURCES

Tribal communities maintain significant spiritual, economic, cultural, and material relationships with their natural environment. Natural resource programs are of immense importance to tribal cultures, including resource development, fish and wildlife, conservation, wetlands protection, and water resources. Protection of these resources form an integral part of the federal Indian trust responsibility.

BIA Natural Resources
At the Bureau of Indian Affairs/Tribal Budget Advisory Council, tribal leaders and bureau representatives placed natural resources in the top four funding priorities for tribes and the BIA in FY08. However, a partial list of disinvestments from FY04 proposed in the President's FY08 budget include: a $1.9 million cut, an 88% reduction, for *Endangered Species* from FY04 levels; a $5.4 million cut, a 55% reduction, for *Tribal Management/Development*; $2 million, a 52% reduction, for *Noxious Weed Eradication*; a $6.2 million reduction for *Rights Protection Implementation*; and complete elimination of the *Wetlands and Waterfowl Management* program. Such diminishing resources leads to the dismantling of both the tribes' abilities to manage their natural resources and the Interior Secretary's trust responsibility to protect them. *Overall, BIA natural resources funding should be restored to at least their FY 2004 enacted levels.*

Environmental Protection
Tribes are currently facing the direct impacts of environmental degradation, contamination, and climate change. In order to preserve and enhance the environmental quality in Indian Country, tribes warrant equitable funding for their environmental programs. As sovereign entities, tribes have the ability to set environmental quality standards, make environmental policy decisions, and manage

programs consistent with EPA standards and regulations and must be given an equal opportunity to do so.

Fund General Assistance Program at $62.5 Million
Tribes use EPA General Assistance Program (GAP) funding to support assessment and basic environmental program development activities in pursuit of protecting human and environmental health through compliance assistance, incentives, and monitoring and enforcement. Tribes in the National Tribal Caucus of the EPA National Tribal Operations Committee have identified environmental tribal program capacity building as a number one priority, and GAP is a key to fulfilling this priority.

Fund Direct Implementation Tribal Cooperative Agreements (DITCA) at $5.35 Million
In 2001, the EPA began the Direct Implementation Tribal Environmental Agreement (DITCA) initiative to enhance EPA's abilities in meeting their federal trust responsibility to tribes by partnering with tribal governments for the implementation of Federal environmental quality mandates in Indian Country. A high priority for tribes, DITCA provides a mechanism for tribes to meet the statutory responsibilities assigned to EPA. Additionally, DITCAs provide tribes with the flexibility and opportunity to develop staff capacity to manage environmental programs, to address specific tribal environmental needs and priorities that are within EPA's authority for direct implementation, and to determine the scope and pace of tribal involvement, all through a DITCA work plan.

Clean Water Act Programs
Various grants under the Clean Water Act (CWA), such as sections 106, 319, 518C, all support tribes' ability to protect their water. The Clean Water State Revolving Fund (CWSRF) helps tribes and states protect the nation's water resources by funding construction of drinking water and wastewater treatment facilities. EPA considers the CWSRF a national success in improving the quality of wastewater treatment since the 1970s. However, 73% of tribal water treatment facilities are considered inadequate.[2] According to the Indian Health Service, 31,000 Indian homes lack access to safe drinking water and 71,000 households lack access to basic sanitation.

Tribes receive a 1.5% set-aside from the overall CRSRF. In FY07 the President proposed $678.5 million for the CWSRF, however, the Indian Health Service in FY05 that $634 million would be required to meet the need in Indian Country for wastewater treatment facilities. *The EPA National Tribal Operations Committee documents an $18 million need for the Indian Set-Aside in the CWSRF.*

Safe Drinking Water Act State Revolving Fund
Section 1452 of the Safe Drinking Water Act provides a tribal government allocation for public water system expenditures to facilitate compliance with the national primary drinking water regulations of 1.5%. *The EPA National Tribal Operations Committee documents a $14.98 million need for tribal drinking water programs under this fund.*

Alaska Native Water and Wastewater Grants
The President proposed a 57% decrease for these grants in FY07, down to $14.85 million from $34.485 million enacted in FY06. *NCAI recommends at least $42.8 million for this infrastructure assistance in FY08.*

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[2] Housing and Economic Development in Indian Country: produced by Rutgers University and published by the Fannie Mae Foundation in 2006

ADDITIONAL RECOMMENDATIONS BY AGENCY

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 (NAHBG) at $748 Million. The President proposed a slight increase for the Native American Housing Block Grant over FY 2006 with a level of $627 million. The NAHBG 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 NAHBG 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 NAHBG 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 $748 million.*

DEPARTMENT OF INTERIOR

Contract Support Costs

NCAI commends the Administration's requested increase for Bureau of Indian Affairs indirect contract support costs for FY 2008. 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.

Indian Land Consolidation
Tribal leaders continue to stress that Indian land consolidation is critical for addressing the problem of fractionation, which creates an accounting nightmare for the federal government and enormous difficulties for Indian land owners in putting land to economic use. Land consolidation will improve federal administration and management, and saves substantial federal dollars that currently go to tracking tiny interests. The Administration proposed $10 million for Indian land consolidation for FY 2008, $24.5 million below the enacted amount for FY 2006. NCAI understands that the reduction to land consolidation may have been proposed at a time when *Cobell* settlement legislation, which included further measures to address fractionation, was anticipated to be passed during the 109th Congress. *Considering that the Cobell settlement legislation was not enacted, NCAI urges Congress to fund the Indian Land Consolidation program in the very least at the FY 2006 enacted level of $34.5 million. However, NCAI would encourage Congress to fund ILCP at the level proposed by the Administration in FY 2007, $59.5 million.* Our understanding is that the Land Consolidation Office can effectively utilize these funds without the need to scale up the size of the office, and that land transactions costs are decreasing as the new title system is implemented. This investment in land consolidation will do more to save on future trust administration costs than any other item in the trust budget.

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).

Housing Improvement Program
The President proposed complete elimination of the $18.8 million that funds the Housing Improvement Program in Tribal Priority Allocations. HIP serves the poorest of the poor in Indian Country by reducing substandard housing and homelessness through providing housing repairs and renovations of existing homes, construction of a modest replacement home, or construction of a modest home. NCAI urges Congress to restore this critical program in the FY08 budget process.

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.

Navajo Nation Statement
To the
U.S. Senate Committee on Indian Affairs
Oversight Hearing
The President's FY 2008 Budget Request for Tribal Programs

February 15, 2007

Chairman Dorgan, Vice Chairman Thomas, and members of the Committee, thank you for this opportunity to provide comments on behalf of the Navajo Nation with regard to the President's proposed FY 2008 Budget for funding Indian Country law enforcement programs. My name is Hope MacDonald-Lone Tree.[1] I am an elected delegate to the Navajo Nation Council and serve as the Chairperson of the Public Safety Committee of the Navajo Nation Council. I also serve as the Navajo Nation representative to the joint Bureau of Indian Affairs/Tribal Budget Advisory Council's Workgroup on Indian Law Enforcement, a national workgroup that advocates for Indian law enforcement budgetary needs.

The President's FY 2008 Budget continues a positive trend of adding resources for Indian Country law enforcement in the BIA Budget. The increased funding is greatly appreciated by the Navajo Nation. However, the generally positive trend in these BIA funding levels is largely outweighed by:

1. Proposed cuts in Indian programs in the FY 2008 Justice Department budget, especially the lack of funding or mention of The Correctional Facilities on Tribal Lands Program, and
2. The continuation of a flawed formula for the distribution of funding for BIA law enforcement.

FY 2008 BIA Law Enforcement Budget

The President has proposed a 10% increase in law enforcement funding in the FY 2008 BIA law enforcement budget from the FY 2007 level, while essentially holding public safety construction funding even with 2007. The increase is greatly appreciated by the Navajo Nation.

Bureau of Indian Affairs	**2006 Actual**	**2007 CR**	**2008 Request**
Law Enforcement	193,377,000	201,620,000	221,753,000
Public Safety Construction	11,603,000	11,611,000	11,621,000
TOTAL	204,980,000	213,231,000	233,374,000

[1] Hope MacDonald-Lonetree, Chairperson, Public Safety Committee, Navajo Nation Council, P.O. Box 3390, Window Rock, AZ 86515. Tel: (928) 871-6380. Email: HopeMacDonald@aol.com.

The majority of the increase in the Law Enforcement budget is due an extra $16 million for a Safe Indian Communities Initiative to increase the training and staffing of law enforcement and detention facility personnel on tribal lands to combat the spread of methamphetamine. This increase in funding is necessary to help fight the growing problem of methamphetamine in Indian country and is appreciated by the Navajo Nation. However, the need for resources for law enforcement in Indian country is so great that this increase will not adequately resolve the shortfall in police and detention personnel facing Indian public safety agencies. In fact, the "FY 2008 Departmental Highlights" document outlining the Safe Indian Communities Initiative states that the new funding will, "Increase the percent of BIA/tribal law enforcement agencies that are on par with recommended national staffing levels from 38 percent in 2007 to 40 percent in 2012." So, the increase helps, but the need for law enforcement staffing assistance in Indian is much greater.

Notwithstanding the generally positive trend in these funding levels in the FY 2008 BIA budget, the Navajo Nation has two primary concerns:

- **First, while the President's Budget would provide critically needed funding for detention facility operation and repair, virtually all of that funding is directed at BIA facilities, while the Navajo Nation, which has 34.2% of the on-reservation Indian population, gets no funding for its decaying facilities because they are not BIA-owned and operated.** There has been a great deal of attention paid in past years to the dangerous state of many Indian Country facilities. The BIA has moved to address this situation, but only with its own facilities. The Navajo facilities are widely acknowledged as posing a danger both to staff and inmates, yet the Navajo Nation facilities have not received the benefit of this funding. The Navajo Nation urges the Congress to direct the BIA to apply a fair portion of this funding to addressing the detention facility crisis on the Navajo Nation.

- **Second, the budget does not address the need to establish a formula for the distribution of BIA public safety funds in a sound, policy-based fashion using objective criteria.** Currently, the BIA cites "historical precedent" as their methodology for determining how to distribute these funds. This has clearly been to the detriment of the Indian population on the Navajo Nation, which is 34.2% of the entire on-reservation Indian population in the United States, but the Navajo Nation receives approximately 12% of the BIA public safety dollars. The Navajo Nation urges the Congress to direct the BIA to establish a sound, policy-based funding formula for the distribution of these funds.

FY 2008 Justice Appropriations for Indian Programs

The President's FY 2008 Department of Justice budget proposes to create four new, competitive grant programs to replace over 70 existing grant programs. Unfortunately, the existing programs that are eliminated include several programs important to Indian Tribes. Also, the consolidation proposal does not provide any indication or surety that Indian programs will receive funding or that Indian tribes will receive a fair portion of the broad and largely undefined block grant

programs. This consolidation proposal continues the trend established in the FY 2007 Administration budget, which called for the consolidation of several programs for Indian tribes into one COPS/OJP Tribal Law Enforcement Program that effectively proposed to reduce funding dedicated to Indian tribes from $47 million in FY 2006 to $31 million in FY 2007. The FY 2006 funding was allocated as follows:

FY 2006 Funding:	
Mississippi Choctaw Judicial Center/Detention Facility	$9 million
Tribal Courts	$8 million
Demonstration projects on alcohol and crime	$5 million
COPS Funding	$15 million
Tribal Youth Program	$10 Million
TOTAL	$47 Million

We hope that the funding provided in FY 2007 under the Continuing Resolution will at least maintain the levels directed in the FY 2006 Commerce, Justice, State Appropriations bill language.

The President's FY 2008 budget proposal to consolidate many programs into four block grants is unacceptable to the Navajo Nation because it does not provide any assurance that Indian programs will be continued, or funded at sufficient levels. Even worse, the State and Local Law Enforcement grant program, which provides funding for Indian tribes, would receive a $445 million cut from the amount provided in FY 2007 with no explanation for how the cuts would be distributed.

Therefore, the Navajo Nation urges the Congress to reject the proposal to consolidate all of the various programs funded by the State and Local Law Enforcement account into one block grant, and maintain Congress's ability to help direct a fair portion of DOJ grants to Indian tribes. **Most importantly, we urge this Committee and the Congress to maintain the Correctional Facilities on Tribal Lands Program (also called "Tribal Prison Construction Program") in FY 2008, and to provide $50 million for this program to meet the dire needs for more detention facilities in Indian Country, especially in the Navajo Nation.**

Public Safety – A Government's First Obligation

The first thing that a people demand of their government is that it act to ensure the public safety. A crime-free and safe environment is essential to the vitality of any community. It is also critical to the development of an economic base, including attracting investment as well as retaining skilled workers who have the option of living where they please. The Navajo Nation government takes its responsibility to address the public safety needs of its citizenry very seriously. Unfortunately, we face great challenges that principally arise out of the poor economic conditions on the Navajo Nation. Some of these conditions can be directly traced to actions by the Federal government in violation of its trust responsibility to the Navajo Nation.

Many of them can be corrected if the Federal government fully lived up to its trust responsibility, which includes funding a basic level of public safety services within our reservation boundaries.

The High Incidence of Violent Crime in Indian Country

Although violent crime has declined throughout the United States in recent years, tragically there is no evidence of a decline in Indian Country. According to DOJ statistics, Native men and women are still more than twice as likely to be a victim of a violent crime - whether you are talking about child abuse, sexual assault, homicide, or assault - than any other racial or ethnic group. Native youth are significantly more likely to be the victims of rapes, assaults, shootings, beatings and related crimes than their counterparts. Nearly a third of all American Indian and Alaska Native women will be the victim of sexual assault in their lifetime, the highest rate of any racial or ethnic group. It takes no imagination whatsoever to understand the scarring impact of these high crime rates not only on the victims, but also on their communities. In the Native way, when one person is harmed, everyone is harmed. Adequate funding for the provision of basic public safety services is an essential part of any strategy to reduce the Indian Country crime rate and provide the same safe and secure environment for Native peoples that is enjoyed by most other Americans.

The High Incidence of Violent Crime in the Navajo Nation – Lack of Jails

The US Attorney's Office in Flagstaff estimates that violent crime on the Navajo reservation is six times higher than the national average. Increased crime includes alcohol and drug abuse, domestic violence and child sexual abuse. The Navajo Nation has a population of more than 250,000 spread over an area larger than West Virginia and includes over one-third of the national on-reservation population of Indian Country. **However, the Navajo Nation has only a total of 82 available detention beds for its inmates.** Many inmates serve only a portion of their sentences due to the lack of available detention facilities.

We cannot address domestic violence on Navajo because we cannot separate the abuser from the victim due to lack of detention facilities – and the abusers know that.

We cannot protect our children from sexual predators. Just in one community, there were 100 reported cases of child sexual abuse in one month. We cannot protect our families without somewhere to put the perpetrators threatening our communities.

We cannot incarcerate criminals without putting them at significant physical and health risk due to deteriorating facilities. Therefore, in many instances, tribal court is just a revolving door for many criminals, and criminals and their victims have a complete disregard for our criminal justice system. Communities across the reservation and neighboring towns are at risk. Public safety officers are at risk.

The Shocking State of Navajo Nation Detention Facilities

In the late 1950's and early 1960's, the Navajo Nation constructed six (6) detention facilities. Of our many urgent public safety needs, our highest priority is to replace or fully renovate these out-of-date and dilapidated facilities. For example, in January of 2006, the Tuba City detention facility caught fire due to an electrical short. The jail recently suspended its operation due to an EPA action on health and safety and a subsequent Court ruling. Other facilities in Chinle and Shiprock are in roughly the same poor condition. Our remaining facilities at Kayenta, Crownpoint and Window Rock are only a few years away from joining Tuba City as facilities not fit to house animals, much less human beings. The BIA does not operate these facilities as the Navajo Nation, pursuant to the Indian Self Determination and Assistance Act, has contracted to carryout BIA law enforcement programs on the reservation. However, the same funding shortfalls that have led to problems in BIA-operated detention facilities have affected the Navajo Nation-operated detention facilities.

The Navajo Nation has recognized the lack of detention facilities as a paramount priority, and just recently, **the Navajo Nation enacted a 1% sales tax dedicated for detention facilities.** We have raised our own taxes, despite the poor economic situation in the Navajo Nation, to address this vital issue. It is time for the federal government to fulfill its trust responsibility and join us in providing funding for new detention facilities.

The Shocking State of Indian Country Detention Facilities.

The Navajo Nation is not the only tribe suffering from insufficient and substandard detention facilities. In 2004, the Department of Interior Inspector General published a study of Indian detention facilities entitled "Neither Safe Nor Secure – An Assessment of Indian Detention Facilities" (Report No. 2004-I-0056). The Inspector General's office was shocked by what it found:

> "Early in our assessment, it became abundantly clear that some facilities we visited were egregiously unsafe, unsanitary, and a hazard to both inmates and staff alike. BIA's detention program is riddled with problems and, in our opinion, is a national disgrace with many facilities having conditions comparable to those found in third-world countries. In short, our assessment found evidence of a continuing crisis of inaction, indifference, and mismanagement throughout the BIA detention program. BIA appears to have had a laissez-faire attitude about these horrific conditions at its detention facilities. Because many of the conditions were life-threatening, the Inspector General issued an Interim Report to the Secretary in April 2004 describing our most significant findings, and to provide an opportunity for her to take immediate and appropriate action."

The 2004 Report issued 25 recommendations to improve the BIA's detention program. Recommendation #16 stated that Dept. of Interior should work with BIA, tribes and DOJ to

develop strategic plans for jail replacement and renovation. The IG Report also recommended that the DOI should assist BIA in developing a comprehensive needs assessment to ensure jails are built and sized appropriately. We are concerned that the BIA has not produced a strategic plan for jail replacement and renovation, and has not announced the findings of any needs assessment to ensure jails are built and appropriately sized.

Federal Neglect of Navajo Nation Detention Facility Needs

The Navajo Nation has raised the need for detention facilities for many years, and many federal officials have recognized the need for additional facilities. However, despite the obvious need of new detention facilities, the BIA and the DOJ have not provided the necessary funding, or provided solutions for rebuilding the Navajo Nation jails.

With funding, principally approved eight years ago, the Department of Justice in a joint Justice-Interior initiative has built or expanded 21 detention facilities in Indian country, but no new adult facilities have been built on the Navajo Nation. In fact, at the start of this initiative a list was compiled prioritizing the facilities needed across Indian country. There were three Navajo facilities on that list; every facility ahead of these three have been built, as well as several after.

In fact, the FY 2003 President's budget request contained the names of eleven detention center facilities on a priority list that remained to be funded. The following table reported in the FY2003 President's budget request lists the eleven remaining facilities, by ranked order:

Table 1. Unfunded Detention Facility Priority List

Rank	Tribe/Reservation
7.	Salt River Pima
8.	Colville Confederated Tribes
9.	Navajo—Crownpoint, NM
10.	Navajo-Kayenta, AZ
11.	Navajo-Shiprock, NM
12.	Mississippi Band of Chocktaw Indians
13.	Tohono O'odham
14.	Confederated Tribes of the Umatilla Indians
15.	Eight Northern Pueblo
16.	San Carlos Apache Tribe
17.	Three Affiliated Tribes of Ft. Berthold

As the Committee can see, the Navajo Nation would have been scheduled for three detention facility construction projects after FY2003, according to the priority list that was included in the President's budget. However, funding for the Tribal Prison Construction program has been cut, and several detention facilities on the priority list have apparently been abandoned by BIA and the Department of Justice.

Lack of Funding for Tribal Prison Construction

The Correctional Facilities on Tribal Lands program was authorized by Section 20109 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134). The Program has provided grants to Native American and Alaska Native tribes to assist them with the planning and construction of correctional facilities for people convicted under and subject to tribal law. However, in recent years Congress and the Administration have dramatically reduced funding for this vital program:

Funding for Correctional Facilities on Tribal Lands, FY2002-FY2007:

FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
$35.2 million	**$5 million**	**$2 million**	**$5 million**	**$9 million**	**CR = FY 2006 $9 million**

Despite the shocking Inspector General Report in 2004, and the incomplete priority list, the Correctional Facilities on Tribal Lands Program has been reduced to only assisting with the completion of the facilities that have already begun construction. However, the FY 2006 Justice Budget, for the first time in several years, provided $7,000,000 for construction of the Choctaw Justice Center in Mississippi. Since the Administration was not acting to address the need for detention facilities, Congress was forced to provide an earmark for the construction of one detention facility. Ironically, that facility was ranked lower on the priority list than 3 Navajo 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). Unfortunately, the President's FY 2008 budget provides no funding for the Correctional Facilities on Tribal Lands Program. Therefore, we urge Congress to reject the FY 2008 proposal to consolidate all of the various programs funded by the State and Local Law Enforcement account into one block grant, and maintain Congress's ability to help direct a fair portion of DOJ grants to Indian tribes. Most importantly, we urge this Committee and the Congress to maintain the Correctional Facilities on Tribal Lands Program (also called "Tribal Prison Construction Program") in FY 2008, and to provide $50 million for this program to meet the dire needs for more detention facilities in Indian Country, especially in the Navajo Nation.

The Navajo Nation has enacted a 1% sales tax increase dedicated to constructing detention facilities. It is time for the federal government to join us in providing funding for detention facilities. How else is America's largest populated Indian reservation ever to turn around its high rate of crime? How else is our criminal justice system ever to adequately partner with other jurisdictions, when all we do is release our criminals back into our communities? It is time to fix that unacceptable situation.

Working Together the Crisis In Indian Country Public Safety Can be Addressed
In June 2004, I presented testimony before the Committee regarding Indian detention facilities and its impact on curbing criminal activity. In that statement, I remarked that:

> *"These unresolved and longstanding issues have put our communities and our officers at immense risk. Our effort to make our communities safe is a battle we cannot win if criminals cannot serve their sentences at detention facilities deemed unsafe."*

Unfortunately, not enough has been done, and my statement in 2004 applies even more today. Therefore, we ask for you support, both through advancing legislation that addresses public safety concerns and through advocating for adequate funding to support Indian public safety services is critical and greatly appreciated by the Navajo Nation. This Committee has shown great leadership in focusing attention on public safety issues in Indian Country. We urge your continued support and ask that you seek the highest possible funding for public safety in Indian Country.

Thank you for this opportunity to share the concerns of the Navajo Nation. Please do not hesitate to contact me if you have any questions or if we can be of any assistance. The Navajo Nation looks forward to working closely with the Committee to address public safety concerns in Indian Country.

Dr. Joe Shirley, Jr.
Navajo Nation President

Ben Shelly
Navajo Nation Vice-President

MEMORANDUM

DOC-07-DG-0049

To : Hope MacDonald-Lonetree, Chair
Public Safety Committee
The Navajo Nation Council

From : Delores Greyeyes, Director
Department of Corrections

Date : February 16, 2007

Subject : **Tuba City Facility**

The Tuba City Detention Facility (main building) remains in operation as an hour holding facility. In the interim, the Department of Corrections is working on having the four jail modulars for future operations. The following activities are taking place:

- The four jail modulars that were sitting behind the main detention facility have been moved and set up behind the Law Enforcement Offices (located in the old Captain and Lieutenant Quarters). The handicap railings have been put in place, one of the modular was renovated with new tiles, replacement of weather stripping and paint.
- There has been some extensive work done Hathalie Construction which include the installation of the water and sewer lines, leveling and skirting. The backup generator has been brought up from the detention facility to its current location.
- Two of the four jail modulars will still require some work on replacement of tiles, weather stripping and replacement of locks.

Work still pending include:

- Inspections by NTUA and APS on the water; sewer lines and generator.
- The heating, cooling, sprinkler, fire alarm systems have not been tested for repairs and/or replacement. The Professional Services Contract is pending review and approval for "emergency procurement" by the Navajo Nation Purchasing Department. The request has been pending for almost four weeks.

- Cost estimates were obtained for the fencing and the Professional Services Contract is pending review and approval by the Navajo Nation Purchasing Department.
- Cost estimates have been obtained to replace the security cameras. Most of the old cameras are no longer working and will require operational when the jail modulars go into operation.
- The purchase and delivery of the modular to house detention administration is targeted for March 30, 2007. Mrs. Priscilla Littlefoot, Tuba City Chapter Manager is coordinating this work plan. Thus far, numerous extensions have been made on the completion and delivery of the office modular.

Keith Elliott, Supervisory Detention Specialist, with the Bureau of Indian (BIA) Justice Services cancelled the contract with McKinley County Adult Detention facility at the end of November 2007. This cancellation occurred due to the Navajo Nation's continued use of the Tuba City Adult Detention facility for new arrestees and those inmates waiting for trial.

Those inmates who are sentenced are being transported to the Window Rock Adult Detention District, three hours away. The Window Rock Detention District has reserved 6 jail beds for use by the Tuba City Adult Detention. These beds are continuously fill and are used to house inmates who are being held on the more serious charges.

At the time the BIA cancelled the contract with Gallup McKinley County Adult Detention facility, Tuba City District Detention had nine serving inmates. All nine were all released since there were no available jail beds.

Most sentenced inmates are released after a few days of time served to make room for others coming into the system. I have attached the most recent statistics starting on December 1, 2006, when the McKinley County contract was cancelled by the BIA. To date there have been 1,163 individuals booked into the Tuba City Adult Detention facility with 1099 being released. 53 were transferred to other facilities and 11 were place as community services workers in the community, but did not have to continue serving time in jail.

The 53 inmates who were sentenced have been released except for 9 who currently are serving time in the Window Rock Adult Detention facility. On average after 8 days these inmates will have been released to make room for new arrestees and/or sentenced inmates.

Budget:

The Navajo Nation Council approved $200,000.00 for relocation and renovation activities. The following amounts have been allocated for the following activities:

1. Hathalie Construction	$ 52,829.90
2. Liberty Fence	$ 32,243.00
3. Gallup Fire	$ 57,836.00
4. Replacement of Security Systems	$ 57,092.00
Total	$ 200,000.00

A second allocation of $94,800.00 was made by the Navajo Nation Council during their 2006 Fall session. This amount will be used to pay a portion of the remaining balance on the detention office modular and cost for connection of the plumbing, communication systems, and utilities. I understand the Department of Corrections will have to install petitions, a back exit and counters to meet specifications once this modular arrives.

If you should have any questions please feel free to direct them to my attention at 928-871-7555. Thank you.

Attachments (2)

cc: Samson Cowboy, Division Director
file

THE NAVAJO NATION

JOE SHIRLEY JR.
PRESIDENT

BEN SHELLY
VICE PRESIDENT

Memorandum:

To : Delore Greyeyes, Department Manager III
Navajo Department of Corrections

Fr : Barbara Johnson, Detention Supervisor
Tuba City Department of Corrections/NDLE

Subject : **Update Modular Units** (TC-DOC-16-07)

Date : January 23, 2007

As of January 23, 2007 Facility Maintenance are finally here to install the supporting beam (reinforcement bars) for the handicap rail and to install the threshold for the bottom doors. I met with Herbert Yazzie and Marvin Begay this morning and they advised they will be back tomorrow (January 24, 2007) to continue to work on the doors.
January 24, 2007 Facility Maintenance worker Herbert Yazzie and Marvin Begay are here to work on the remaining doors. Locksmith Andrew Segaye is also here to replace the locks on all the doors.

Pending with Facility Maintenance:

1. Replace weather stripping
2. Replace the busted plumbing pipes
3. Re-caulk the ceiling
4. Replace the floor tiles in Modular Unit 3 & 4
5. Re-level two back doors-won't closed completely

Pending with Jerry Hatathlie:

1. Install ground rods to all four units 2. Reconnect the charging lines for the Generator

Major Work:

1. Fencing	Liberty Fence, Co	Pending Payment
2. Security Cameras	SafeGuard Security	Pending Payment
3. Sprinkler System	Gallup Fire & Police Equipment	Supplies on Order
4. Fire Panel	Gallup Fire & Police Equipment	Supplies on Order
5. Generator	Empire Power System	**Complete** (Maintenance)
6. NTUA	Meter/BAC T Test	Pending Payment
7. Trailer	TC Chapter	Pending

NTUA is extremely busy with water breakage, unable to get a hold of Chester Whiterock to release the folder for TCDOC project

Should you have any questions, do not hesitate to contact me at (928) 283-3120.

The Navajo Nation
Facilities Maintenance Department, P.O. Box 528, Fort Defiance, AZ. 86504 (928) 729-4258 Fax: (928) 729-4267

JOE SHIRLEY, JR.
President

BEN SHELLY
Vice President

January 22, 2007

MEMORANDUM

FEB 1 2007

TO: Samson Cowboy, Division Director
Division of Public Safety

THROUGH: Kenneth Peterson, Division Director
Division of General Services

FROM: Wallace Hanley, Department Manager
Facilities Maintenance Department

SUBJECT: **TUBA CITY N.D.L.E. (MODULAR UNITS)**

This memorandum will serve to update you regarding the repairs and maintenance of the Tuba City Detention Facility. The department repaired the floors of two modulars recently. Repairs were also made to the sprinkler system and other plumbing fixtures. Skirting was put around the four modular units. The water was turned on when there was no heat and this caused the waterlines to rupture. Repairs were made to all four modulars.

Two of the modulars will be repaired with new plywood and floor tile. Doors and locks that are broken will be replaced beginning Wednesday, January 24, 2007.

All four modulars are not grounded and this electrical work needs to be done by the contractor. All the HVAC units are working and the heat is on. The Gap modular is to be moved by a contractor and we will assist is setting up the modular.

NOTE: You informed us last month that you would pay for our craftsmens motel lodging in Tuba City which was not done.

I was contacted on January 13 and 20 from the Window Rock Detention Facility regarding sewer back up which was corrected. Your maintenance people should maintain the facility.

If you have any questions, contact me at 729-4258.

Attachments

xc: Delores Greyeyes, Department Manager, Department of Corrections/NDPS
Kenneth Peterson, Division Director, Division of General Services

Joe Shirley
President

THE NAVAJO NATION

Frank Dayish
Vice-President

FACILITIES MAINTENANCE DEPARTMENT
P.O. BOX 528 FORT DEFIANCE ARIZONA 86504
928-729-4258/59 FAX 928-729-4267

December 8, 2006

RECEIVED
DEC 8 2006
TRIBAL MAINTENANCE
DEPARTMENT

MEMORANDUM

TO : Wallace Hanley, Department Manager
Facilities Maintenance Department

FROM : Norman Tsosie
Norman Tsosie, Bldg. Maintenance Supervisor
Facilities Maintenance Department

SUBJECT : **THE MODULARS IN TUBA CITY, (UP DATE).**

This is and up date on the Modulars in Tuba City, and that the maintenance crew has been out there since 12-5-06, and working on the renovation of the modulars, this includes the renovation of the floors in two of the modulars in which new plywood was install, due to deterioration, and floor tile is also being put down. This will be complete on Friday, December 08, 2006.

The other is that the generator was moved and hooked up, and therefore its ready for hook up by APS. APS was to have done this Wednesday along with N.TU.A. but they never came out, even yesterday no one show up, not even Sampson Cowboy. Who we were to meet with us.

The handicap ramp is also being done and this will be complete on the Dec. 13, next week.There are a few minor repairs that need attention, and Facilities will correct this also next week.

We will also check the plumbing again for water pressure and for water leaks, when the heating and utilities is turn on. Also check the drainage, (sewer line).

Maintenance was ask to assist in moving some more dirt, and this will be done next week by Heavy Equipment. They will also assist in removing the skirting around the Trailer which is going to be move in front of the Police station.
If you should have any more question on this , please contact me @ 729-4258/ 4262.
Thank you

XC : Kenneth Peterson, Division Director, Division of General Services.

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Testimony of Verlie Ann Malina Wright, President
National Indian Education Association
before the
Senate Committee on Indian Affairs
on the President's FY 2008 Budget Request
February 15, 2007

Chairman Dorgan, Vice- Chairman Thomas and Members of the Senate Committee on Indian Affairs, thank you for this opportunity to submit testimony on behalf of the National Indian Education Association with regard to the President's FY 2008 budget request.

Founded in 1969, the National Indian Education Association is the largest organization in the nation dedicated to Native education advocacy issues and embraces a membership of over 3,000 American Indian, Alaska Native and Native Hawaiian educators, tribal leaders, school administrators, teachers, parents, and students.

NIEA makes every effort to advocate for the unique educational and culturally related academic needs of Native students. NIEA works to ensure that the federal government upholds its responsibility for the education of Native students through the provision of direct educational services. This is incumbent upon the trust relationship of the United States government and includes the responsibility of ensuring educational quality and access. Recognizing and validating the cultural, social and linguistic needs of these groups is critical to guaranteeing the continuity of Native communities. The way in which instruction and educational services are provided is critical to the achievement of our students for them to attain the same standards as students nation-wide.

A pattern has developed in recent years where Native education programs get smaller increases in years where overall funding is up and bigger cuts in years when overall funding is down. This is not just and should be corrected. Over the years, the President's budget requests have proposed many significant cuts in Native education, which have deepened the negative effects of previous cuts. If these cuts to Native education are not reversed, then Native children and Native communities will be further harmed as well as future generations, especially given the tragic reality that the standard of living in Native communities continues to be far lower than any other group in the United States. Native communities continue to experience the highest rates of poverty, unemployment, morbidity, and substandard housing, education, and health care.

Despite all of the funding needs for educational services for American Indian, Alaska Native, and Native Hawaiians, the President's FY 2008 flat funds or eliminates many of the programs critical to Native academic achievement.

Department of Education Budget Request

The Department of Education funds the education of Native American students by operating Native American-targeted programs and setting aside funds within programs open to all students and transferring these funds to the BIA for BIA- managed schools. Department of Education Native American programs are consistently funded at minimum levels, never the maximum. The federal government has not upheld its legal and moral obligations to provide sufficient funding for the education of Native American students.

Within the Department of Education budget, none of the programs specifically for Native students received an increase. Rather, Indian education funding received level funding from Fiscal Year 2006/ Continuing Resolution 2007 levels $118.7 million, resulting in de facto decreases in light of inflation. Additionally, the President's FY 2008 budget proposes eliminating funding for several programs that benefit Native students, including Alaska Native Education Equity in Title VII of NCLB ($33.9 million), Education for Native Hawaiians in Title VII of NCLB ($33.9 million), and Strengthening Alaska Native and Native Hawaiian- serving Institutions ($11.8 million). Other programs proposed for elimination that have a direct effect on Native students include Exchanges with Historic Whaling and Trading Partners, Even Start, Tech Prep Education State Grants, and Teacher Quality Enhancement and School Dropout Prevention, to name a few. These programs have provided an enormous benefit to Native students and served their intended purpose in Native communities. Even Start serves a vital role in Native communities, helping to break the cycle of poverty and illiteracy by providing assistance with writing and language skills to disadvantaged communities. These programs have focused on the needs of our children and the proposed elimination of these programs would cause a negative disparate impact on Native students. NIEA recommends restoration of these programs targeted for low- income students.

The rationale for the elimination of Alaska Native Education Equity, Education for Native Hawaiians, and Strengthening Alaska Native and Native Hawaiian Serving Institutions is based on the assertion that these programs are duplicative of uses under Title I (Alaska Native Education Equity and Education for Native Hawaiians) and Title III of the Higher Education Act (Strengthening Alaska Native and Native Hawaiian Serving Institutions).

Title VII Programs

In consideration of the tight domestic budget, NIEA requests a **moderate 5% increase of $9.3 million** over the FY 2007 continuing resolution level of $186.5 million for a total of $195.8 million for NCLB Title VII funding. $186.5 million was the FY2006 enacted level for Title VII (all subparts), which is the estimated funding level for FY 2007. $188.3 million was the enacted level in FY 2005. The President's FY 2008 budget proposes reducing Title VII by $67.8 million from the FY 2006/FY 2007 level by

eliminating funding in Title VII for Education for Native Hawaiians ($33.908 million) and for Alaska Native Education Equity ($33.908 million). The President's FY 2008 budget requests a total of $118.683 million for Title VII with the purpose of funding Indian education. **NIEA urges the Congress to restore the funding for Education for Native Hawaiians and Alaska Native Education Equity and to provide the overall modest increase it proposes for Title VII.** The level funding and elimination of Native education programs will diminish, if not undo, the progress that has been made. Within the past several years, the Office of Indian Education has suffered from inconsistent funding, has never received full funding, and many sub-programs have never been funded.

The purpose of Title VII programs in NCLB is to meet the educational and culturally related academic needs of American Indian, Alaska Native, and Native Hawaiian students. The funds for these programs are the **only** sources of funding that specifically address the cultural, social, and linguistic needs of Indian students. At current levels, these programs are underfunded and the proposed levels would only provide approximately $204 a student (Indian education grants). An increase in funding could be used to motivate students, support improved academic performance, promote a positive sense of identity and self, and stimulate favorable attitudes about school and others. Native students are more likely to thrive in environments that support their cultural identities while introducing different ideas. The importance of such environments cannot be overstated.

NIEA also requests that $4 million of the increase it seeks go toward national research activities (Title VII, Part A, Subpart 3) that would focus on analyzing effective approaches in teaching Native children and on the educational status and needs of Native students. NIEA requests that another portion of the increase it seeks go toward funding Tribal Education Departments which are authorized under NCLB but have never been funded.

Although the National Indian Education Association supports the broad based principles of No Child Left Behind, there is widespread concern about the many obstacles that the NCLB present to Indian communities, who often live in remote, isolated and economically disadvantaged communities. There is no one more concerned about the accountability and documentation results than the membership of our organization, but the challenges many of our students and educators face on a daily basis make it difficult to show adequate yearly progress or to ensure teachers are the most highly qualified. The requirements of the statute and its time frame for results do not recognize that schools educating Native students have an inadequate level of resources to allow for the effective development of programs known to work for Native students.

Title I Programs

Nearly 90% of the approximately 500,000 Indian children attend public schools throughout the nation. Indian students, who attend these schools, often reside in economically deprived areas and are impacted by programs for disadvantaged students. The President's FY 2008 budget proposes an admirable increase of $1.2 billion for Title I

grants to be used for school improvement, state assessments, increased Pell grants, and English language acquisition. Title I funds go to the state education agencies who, in turn distribute to the local areas.

However there is a concern that education funds for Native students do not always reach the students they are intended to serve. While the set aside for BIA schools presumably is spent on Native students, it is not clear that this is the case with grants to local education agencies. Most Native students are educated in non-tribal public schools, not BIA schools, and a large share of funding does not flow directly to Native students. Also, not all states have cooperative relationships with the tribes located within its borders and sometimes the state education agencies do not fund schools with high populations of Indian students like they should.

Higher Education
Within the Department of Education budget, the budget for Tribally Controlled Postsecondary Vocational and Technical Institutions remains flat funded at $7.4 million and the budget for Strengthening Tribally Controlled Colleges and Universities is decreased by $5 million for a total of $18.5 million. Also, as noted above, the Strengthening Alaska Native and Native Hawaiian Institutions program receives zero funding. Tribally controlled colleges and universities receive just under $3,000 annually per student, less than half of the amount annually provided per student to other community colleges, and do not have access to other state and local dollars, exacerbating the situation. NIEA requests full funding for tribal colleges and universities and for scholarships for Native students. NIEA also supports restored funding for the Strengthening Alaska Native and Native Hawaiian-serving institutions because these colleges rely on federal funding to meet core operational needs.

Impact Aid
The Impact Aid program directly provides resources to state public school districts with trust status lands within the boundaries of a school district for operational support. NIEA supports the National Indian Impacted Schools Association in jointly requesting $1.342 billion for impact aid. The President's FY 2008 budget request proposes funding impact aid at $1.228 billion, a $29 million decrease from the proposed FY 2007 continuing resolution level of $1.257 billion with facilities construction allocated at only $17.8 million compared to the proposed continuing resolution level for FY 2007 at $46.6 million. Even at the FY 2007 level, the need for new school facilities far exceeds the funding provided to build new facilities. Many public schools on reservations are crumbling and should be replaced. An increase of $85 million for a total of $1.342 billion over the FY 2007 continuing resolution level would allow for some progress to be made in meeting the mushrooming public school construction needs on reservations.

Department of Interior Budget Request
There are only two educational systems for which the federal government has direct responsibility: the Department of Defense Schools and federally and tribally operated schools that serve American Indian students. The federally supported Indian education

system includes 48,000 students, 29 tribal colleges, universities and post- secondary schools.

Under DOI, BIA's budget has historically been inadequate to meet the needs of Native Americans and, consequently, our needs over time have multiplied. NIEA was pleased to see increased funding for education under the Operation of Indian Programs. NIEA is supportive of increased funds for school transportation and education program enhancements at lower performing schools. NIEA notes that BIA has requested funding to move forward with the restructuring of the Office of Indian Education programs. The President's FY 2008 budget request calls for increasing funding in the amount of $3.6 million to support a skilled national team under the new organizational structure.

Last year, Indian country learned that DOI planned to use funds that would otherwise be used for early literacy efforts under the Baby FACE and FACE programs. DOI requested that these programs dollars be reprogrammed to support the restructuring efforts. NIEA does not support the use of program or classroom dollars to fund the restructured organization at the Department of Interior.

Indian School Construction Funding
The inadequacy of Indian education facilities is well documented and well known. NIEA **requests a $106 million increase** from the FY 2007 continuing resolution level of $157.441 million for a total of $263.4 million in FY 2008 to the BIA for Indian school construction and repair. BIA's budget has historically been inadequate to meet the needs of Native Americans and, consequently, Indian school needs have multiplied. In FY 2006, funding for BIA Indian school construction and repair was a large reduction from FY 2005 due to the BIA's position that it wanted to finish ongoing projects. The FY 2006 funding amount was $206.787 million; however, this funding amount failed to fund tribes at the rate of inflation, thus exacerbating the hardships faced by Native American students. The President's FY 2007 budget requested only $157.4 million for BIA school construction and repair. The President's FY 2008 budget request proposes funding school construction and repair at an even lower level at $139.844 million. The funding proposed in the FY 2007 continuing resolution and for FY 2008 will not keep pace with the tremendous backlog of Indian schools and facilities in need of replacement or repair. $263.4 million was the funding level in FY 2005, which was instrumental in reducing the construction and repair backlog.

In 1997, GAO issued a report "Reported Condition and Costs to Repair Schools Funded by the Bureau of Indian Affair" that documented an inventory of repair needs for education facilities totaling $754 million. In 2004 the backlog for construction and repair was reported to have grown to $942 million. During President Bush's first term, he promised to remove the backlog for new Indian school construction. Between 2001 and 2007, funding was appropriated for 34 replacement schools. Since that time, 10 of the schools are completed and operating with 19 in design and construction. Two schools will be completed under the FY 2008 funding. The FY 2008 budget proposes to cut Indian school construction by $67 million from the FY 2006 enacted level with the rationale that the focus must remain on schools already funded for construction and

school construction has fallen behind. We understand and support the Committee's views that money for programs and construction must be managed appropriately and efficiently; however, our children are forced to shoulder the burden of contracting delays at the BIA and tribal levels. Completing the construction of 10 schools since 2001 (2 more in 2008), while progress, is not enough. We believe that we must keep pace with the FY 2005 level of funding in order to finally make some headway in the construction backlog. The purpose of education construction is to permit BIA funded schools to provide structurally sound buildings in which Native American children can learn without leaking roofs and peeling paint. It is unjust to expect our students to succeed academically if we don't provide them with a proper environment to achieve success.

Indian Education Facilities Improvement and Repair Funding
The continued deterioration of facilities on Indian land is not only a federal responsibility; it has become a liability of the federal government. Old and exceeding their life expectancy by decades, BIA schools require consistent increases in facilities maintenance without offsetting decreases in other programs if 48,000 Indian students are to be educated in structurally sound schools.

Of the 4,495 education buildings in the BIA inventory, half are more than 30 years old and more than 20% are older than 50 years. On average, BIA education buildings are 60 years old; while, 40 years old is the average age for public schools serving the general population. 65% of BIA school administrators report one or more school buildings in inadequate physical condition. Although education construction has improved dramatically over the last few years, the deferred maintenance backlog is still estimated to be over $500 million and increases annually by $56.5 million. As noted by the House Interior Appropriations Subcommittee in its Committee Report accompanying the FY 2006 Interior appropriations bill, "much remains to be done." Of the 184 BIA Indian schools, 1/3 of Indian schools are in poor condition and in need of either replacement or significant repair.

Johnson O'Malley Funding
The President's FY 2007 budget requests total elimination of Johnson 0'Malley (JOM) grants. NIEA and the Johnson O'Malley Association Board urge the BIA to continue to fund JOM under the FY 2007 continuing resolution, especially considering that its funding under the FY 2007 CR is based upon FY 2006 levels, which contains funding for JOM. We are very concerned that the Department of Interior is considering not funding JOM in FY 2007. We seek your assistance on this matter.

For FY 2008, NIEA supports the Johnson O'Malley Association Board and jointly urges the Congress to not only restore JOM but also to increase funding for it by $7.6 million for a total of $24 million, which was the amount of funding for JOM in FY1994. Even back then, the needs of Indian children far exceeded the amount of funding. This does not factor in inflation, growing populations, and growing needs. As in the President's FY 2007 budget request, the President's FY 2008 budget request proposes elimination of funding for JOM. The FY 2006 enacted level was $16.4 million, and the FY 2005 enacted level was $16.51 million. In the FY 2006 House Interior Appropriations

Subcommittee Report accompanying the FY 2006 Interior appropriations bill, the Committee rejected the Administration's FY 2006 budget request to cut JOM by over 50%, stating that the Administration's justification for the reductions—that there are other programs in the government that could provide these funds—"is completely unfounded." The President's FY 2008 budget request restates its same justification as in FY 2006 that JOM is duplicative of other government programs.

JOM grants are the cornerstone for many Indian communities in meeting the unique and specialized educational needs of Native students who attend public schools. Many Indian children live in rural or remote areas with high rates of poverty and unemployment. JOM helps to level the field by providing Indian students with programs that help them stay in school and attain academic success. Even though JOM funding is extremely limited due to BIA budget constraints, it is being used across the country in a variety of basic as well as innovative ways to assist Indian students to achieve academically. JOM funding is used to provide vital programs designed to build self-esteem, confidence, and cultural awareness so that Indian students can grow up to become productive citizens within their communities. For example, JOM funds help students achieve and succeed by providing such services as: eyeglasses and contacts, resume counseling, college counseling, culturally based tutoring, summer school, scholastic testing fees, school supplies, transition programs, musical instruments, Native youth leadership programs, student incentive programs, financial aid counseling, fees for athletic equipment and activities, caps and gowns, art and writing competitions, etc. Other programs administered by the federal government, such as NCLB funding at the Dept. of Education, do not allow funding for these types of activities.

Under funding for JOM is exacerbated by certain factors. In 1995, a freeze was imposed on JOM funding through DOI, limiting funds to a tribe based upon its population count in 1995. The freeze prohibits additional tribes from receiving JOM funding and does not recognize increased costs due to inflation and accounting for population growth. NIEA urges that the JOM funding freeze be lifted and that other formula-driven and head count-based grants be analyzed to ensure that tribes are receiving funding for their student populations at a level that will provide access to a high quality education.

Tribal Colleges and Universities

Under the FY 2008 budget request, Post Secondary Education receives a decrease of $4.6 million. The $98.5 million BIA request for post-secondary schools is expected to support two BIA and 24 tribal colleges and universities as well as scholarships for Indian students. NIEA requests full funding for programs affecting higher education of Native students in both the DOE and BIA budgets.

The average funding level for full time students for non tribal community colleges was $7,000.00 in 1996. By comparison, the 26 tribally controlled colleges under BIA are receiving $4,447.00 per full time enrolled Indian student. Although this is the highest amount per student level to date, it is still only about 75% of the authorized level. The conditions under which tribal institutions must educate Native students are constrained by the lack of a tax base to support them. To make up for the lack of money caused by

inadequate funding, tribal college tuitions are typically so high that many Native American students cannot afford them.

Department of Health and Human Services Budget Request

Head Start

The Head Start/Early Head Start programs are vital to Indian country. Over the last 40 years, Indian Head Start has played a major role in the education of Indian children and in the well-being of many tribal communities. Of the approximately 575 federally recognized Tribes, 28% participate in Head Start/Early Head Start Programs, with a funded enrollment of 23,374 children. These programs employ approximately 6,449 individuals of whom 3,263 are either former or current Head Start/Early Head Start parents. There are another 35,395 volunteers, of which 22,095 are parents.

The President's FY 2008 budget request calls for level funding of Head Start. This means another year of less than adequate funding for Head Start programs, which, according to researchers at the National Head Start Association, could result in cuts in enrollment next year of at least 25,000 kids (calculated at 23,700 for Head Start and 1,700 for Early Head Start). The Indian Head Start program would experience a cut of approximately 725 kids. The only way to save these slots for kids under the Administration's proposal would be to take critical funding from the Head Start training and technical assistance budget. The President's budget would require programs to cut the number of children served, reduce services, lay off teachers and decrease the length of the school year or turn full day programs into half day programs.

NIEA supports full funding allocation for Indian Head Start. NIEA also supports raising the Indian Head Start set-aside from 2.7% to 4% with no exceptions and no equivocations as proposed by the Indian Head Start community.

NIEA also requests $5 million be designated in FY 2007 for the TCU Head Start partnership program to ensure the continuation of current TCU programs and the resources necessary to fund additional TCU partnership programs.

Administration for Native Americans

NIEA requests a **$10 million increase to $54 million** for FY 2008 to ANA to support Native language immersion and restoration programs. In previous years, ANA has received $44 million per year as a lump sum but less than $500,000 went toward actual Native language immersion programs due to other grant programs that ANA administers. The President's FY 2008 budget requests flat funding for ANA at $44 million.

NIEA requests that the $10 million increase to ANA be allocated toward Native language immersion and restoration programs at ANA authorized by the Esther Martinez Native American Languages Preservation Act of 2006. The President signed the bill into law this past December. The Act preserves and fosters fluency in Native American languages. The Act amends the Native American Programs Act of 1974 to allow ANA to award three new grants to tribes, tribal organizations, schools, and universities called language restoration grants, language nest grants, and language survival school grants.

Research shows that Native children who participate in immersion programs perform better academically than their Native peers who do not participate. Native languages are not spoken anywhere else in the world; and, if they are not preserved, then they will disappear forever. In Native communities across the country, Native languages are in rapid decline. It is a race against the clock to save Native languages.

Additional Funding Needs

Tribal Education Departments

As mandated in many treaties and as authorized in several federal statutes, the education of Indian children is an important role of Indian tribes. The involvement of tribes in their children's educational future is key to the educational achievement of Indian children. Tribal Education Departments (TED) provide tribes with the opportunities to become actively involved in the education of their children. The authorization for TED funding was retained in Title VII, Section 7135 of the No Child Left Behind Act. Despite this authorization and several other prior statutes, federal funds have never been appropriated for TEDs. The use of TEDs would increase tribal accountability and responsibility for their students and would ensure that tribes exercise their commitment to improve the education of their youngest members.

TEDs are authorized for funding at the BIA as well as the Department of Education under NCLB but have never been funded. TEDs develop educational policies and systems for Indian communities that are attuned to the cultural and specialized academic needs of Indian students. TEDs partner with the federal government and state governments and schools to improve education for tribal students. NIEA is requesting both DOI and DOE fund TEDs at $5 million each. $10 million total is a very modest request which would yield exponentially positive benefits for Indian students and provide tribes with increased input over the education of their children.

Conclusion

The continued decrease in Indian education funding is a direct violation of the federal trust responsibility. Every year our funding is decreased and the educational mandates that we must meet are increased.

NIEA thanks the Committee for its tremendous efforts on behalf of Native communities. With your support we are hopeful that we can begin to provide the funding for education that Native communities deserve.

Please join with NIEA and other organizations established to address the needs of Native students to put our children at the forefront of all priorities. We must acknowledge our children, who are our future, our triumph, and our link to the past, and their educational achievement.

WRITTEN TESTIMONY FOR REGINA B. SCHOFIELD
ASSISTANT ATTORNEY GENERAL
OFFICE OF JUSTICE PROGRAMS
SENATE INDIAN AFFAIRS COMMITTEE
FEBRUARY 15, 2007

Chairman Dorgan, Vice-Chairman Thomas, and Members of the Committee: The Department of Justice appreciates the opportunity to testify before the Committee regarding the Department's proposed Fiscal Year 2008 budget priorities for Indian country. As the Committee is aware, and as we at the Justice Department know as well, the needs of Indian tribal governments in combating crime and violence continue to be great. The President and the Attorney General remain committed to addressing the most serious law enforcement problems in Indian country, including substance abuse, domestic violence, and other violent crimes, and to ensuring that federally recognized Indian tribes are full partners in this effort.

My name is Regina B. Schofield, and I am the Assistant Attorney General for the Office of Justice Programs (OJP). One of my highest priorities is strengthening the relationship between tribes and the federal government. It's an opportunity that I am privileged to have, because OJP plays a critical role in combating crime in Indian country.

OJP, the Department of Justice's Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS) continue to be the Department's primary resources for funding and other assistance in Indian country. Through these offices, the Department identifies emerging criminal and juvenile justice system issues, develops new ideas and tests promising approaches, evaluates program results, collects statistics, and disseminates these findings and other information to federal, state, and local units of government, tribal communities, and criminal justice professionals. DOJ works to prevent and control crime and

help crime victims by providing funding to and assisting federally recognized Indian tribes, state and local governments, law enforcement, prosecutors, courts, corrections, and other service providers. OJP, OVW, and COPS continue their specific support to federally recognized Indian tribes and Alaskan Native Villages and Corporations by providing grants to support innovative approaches to breaking the cycle of drugs, delinquency, crime and violence, and through technical assistance and training to provide tribal leaders with the knowledge and skills required to address these issues.

One of my primary goals at OJP is strengthening communication with tribes. Too often tribal government officials, law enforcement and others who work on criminal justice issues find it difficult to locate information about grants, training, and other types of assistance that may be available to them.

Last November the Department of Justice launched a new Web site created specifically for Indian country – *www.tribalsafetyandjustice.gov*. The Web site serves as a comprehensive resource, featuring information on law enforcement, corrections, crime victim issues, juvenile justice, and civil rights. It also provides information on grants, training, technical assistance and conferences that can be of help to tribal communities, federal agencies and the general public.

The new Web site is one of many areas in which DOJ is reaching out to tribal governments. In 2005, I established a Justice Programs Council on Native American Affairs. The council coordinates OJP's efforts on behalf of tribes and serves as a liaison with other Department of Justice components on tribal issues. We want to find out how we can better serve tribal communities, how we can get information to them more quickly, how we can provide them with better training, and how we can make sure our funding resources respond to their needs. Last month I expanded the Council membership to include all senior level OJP leadership and

representatives from other Department of Justice offices and agencies. During our most recent meeting held January 29, 2007, we established several workgroups to respond to OJP's Strategic Plan for 2007-2012 and tribal leaders' priorities:

1) Tribal Justice & Safety Web Team/Tribal Education & Outreach Workgroup

2) IT Capacity Building/Information Sharing Workgroup

3) Tribal Grants Policy Workgroup

3) Tribal Youth Initiatives Workgroup

4) Tribal Economic/Codes Development Workgroup

5) OJP Federal Workforce Education Program on American Indian and Alaska Natives Workgroup

These workgroups are increasing our responsiveness to tribal concerns by improving management and efficiency.

I have met with numerous tribal delegations to hear tribal leader concerns and issues, expand existing relationships to OJP, and create new partnerships with tribal leaders on tribal justice and safety issues for Native communities. In October 2006, I convened a tribal leader roundtable meeting in conjunction with the National Congress of American Indians. I will continue to meet with tribal leaders and visit tribal communities. It is essential that they know that my door is always open.

One of the many challenges that federally recognized Indian tribes and Alaskan Native Villages and Corporations face is building their capacity to strengthen their law enforcement and criminal justice systems. As the Committee is aware, methamphetamine abuse is a growing problem in tribal communities. With the proximity of some tribal lands to international borders, tribal communities have been targeted by meth traffickers. OJP has been providing

methamphetamine investigation training for law enforcement, including tribal law enforcement, for many years. The training has been delivered by the Center for Task Force Training (CenTF), an OJP grantee that is supported by the National Narcotics Officers' Association.

Last year OJP developed a new methamphetamine investigation training specifically tailored to tribal law enforcement. This new course will provide tribal law enforcement what they need to know to conduct successful and safe methamphetamine investigations. We expect that, by the end of March 2008, several hundred tribal law enforcement officers will receive training through this initiative.

Also last year, OJP launched a National Drug Endangered Children Resource Center, which will provide critical information to the federal government, tribal governments, states, and local communities on how to best help children hurt by drugs, including methamphetamine. This effort will help drug enforcement officers and child welfare workers aid children found in environments where drugs are manufactured, sold, or used. The Resource Center will also raise awareness of these children's needs and provide a forum for leading experts and researchers to propose solutions. We hope that the Resource Center will also be a useful tool for tribal communities, especially in areas with methamphetamine problems.

Another way to build capacity is to improve tribes' ability to share information. Our Bureau of Justice Statistics (BJS) found that less than ten percent of tribal criminal justice agencies are electronically linked within their jurisdictions. This makes it very difficult for tribal law enforcement to be an effective part of a national intelligence network. Through the Global Justice Information Sharing Initiative, tribal, federal, state, local, and international organizations have worked together to overcome the barriers to justice information sharing. Tribal representatives have been an important part of these efforts.

This spring in Albuquerque, we held a training conference for tribal officials to address information sharing in Indian country. The conference discussed promising tribal information sharing initiatives. We talked about national standards on justice information sharing. We worked toward strengthening tribal capacity to collect, manage, and analyze crime data.

I am constantly striving to improve our training and technical assistance efforts. OJP recently established a Strategic Planning and Action Committee (StratPAC) to identify ways to improve the efficiency and effectiveness of these efforts. One of the first issues that StratPAC will address is enhancing tribal training and technical assistance efforts.

Child abuse and child sexual assault, though not unique to Indian country, is a particularly serious problem in that community. Our Office for Victims of Crime (OVC) helps tribes build their capacity to handle serious child abuse and child sexual assault cases through the Children's Justice Act (CJA) Partnerships for Indian Communities Discretionary Grant Program. The program has helped tribes make numerous systemic improvements in the handling of child abuse cases. The CJA grant program has made a difference by helping tribes improve the investigation and prosecution of child abuse cases; reduce the burden and trauma to child abuse victims; revise tribal codes and procedures to better address child sexual abuse; adopt culturally sensitive services and practices into the handling of child abuse cases; and hire specialized staff to handle these cases. Since 1989, OVC has awarded more than $14,566,421 to approximately 231 tribes and nonprofit tribal agencies through this program. We are requesting $3 million for this program in Fiscal Year 2008, which maintains the current funding level.

OVC also supports efforts to help crime victims in Indian country through its Tribal Victim Assistance (TVA) Discretionary Grant Program. TVA funds programs that help tribal victims of many different types of crimes, including child abuse, DUI, and gang violence. These

programs provide assistance such as counseling, referrals, emergency services, court accompaniment, and help in obtaining victim compensation. TVA is supported through the Crime Victims Fund, which obtains money from federal criminal fines, forfeited bail bonds, penalty fees, and special assessments.

Another DOJ effort in helping reduce and prevent crimes against children is the Dru Sjodin National Sex Offender Public Web Site, which was instituted by Attorney General Gonzales in May 2005. The site provides real-time access to public sex offender data nationwide with a single Internet search. It allows parents and concerned citizens to search existing public state and territory sex offender registries beyond their own localities. Currently all 50 states, the District of Columbia, and two territories are linked to the site. We are continuing to explore ways to help tribal governments that want to participate become part of the effort.

As the Committee is aware, the Adam Walsh Child Protection and Safety Act of 2006, established new sex offender registration requirements. Earlier laws did not include sex offenders convicted in tribal courts or those entering tribal lands following a conviction elsewhere. Some sex offenders considered tribal reservations to be safe havens. Through the tools provided by the Adam Walsh Act, we are working with tribes to change this. Under the Act, tribes can either take on the responsibility for sex offender registration themselves or delegate this responsibility to the state. This process will not be easy, but we will provide tribes with the guidance and training to make it work.

I also want to make you aware of another initiative I am privileged to lead. As the National AMBER Alert Coordinator, I am exploring ways to raise awareness about the AMBER Alert program for residents in Indian country. (The AMBER Alert program is the nation's first

early warning system for missing and abducted children who are presumed to be in imminent danger.)

Key federal, state, and private sector individuals have begun implementing ways to bring AMBER Alert training to Native American law enforcement personnel and their respective tribal communities. In addition, the Bureau of Indian Affairs, Office of Justice Services at the Department of the Interior is now represented on the AMBER Alert Working Group. We held the most recent AMBER Alert National Conference in Albuquerque, New Mexico last July. Albuquerque was selected in order to facilitate a related meeting that brought together various tribal representatives to discuss issues relating to AMBER Alert and missing children within tribal government jurisdiction.

We also recognize the need for improved research on crime in Indian Country, including what sort of programs are most effective in combating violence and substance abuse. Our National Institute of Justice (NIJ) is developing a National Tribal Crime & Justice Research and Evaluation Agenda. NIJ has several tribal research projects underway, including an evaluation of the Tribal Victim Assistance Program and a review of larger issues of criminal justice administration in Indian Country.

The President's proposed Fiscal Year 2008 Budget creates new competitive grant programs that will provide states, localities, and Indian tribes with considerable flexibility to address their most critical needs. Many of our current state and local law enforcement will be consolidated into the Byrne Public Safety and Protection Program. States, local governments and tribal governments would be able to use Byrne funds for purposes such as comprehensive gun and gang violence programs; drug enforcement and treatment; improved law enforcement information sharing; enhanced use of DNA evidence; combating domestic trafficking in persons;

expanding prisoner re-entry initiatives; and improving services for crime victims. We are requesting $350 million for this program in Fiscal Year 2008.

Another new initiative would be the Violent Crime Reduction Partnership Program. This will help communities suffering from high rates of violent crime form law task forces including local state, tribal and federal agencies. We are requesting $200 million for this program in Fiscal Year 2008.

We also propose consolidating many of our juvenile justice and child victimization programs into a new Child Safety and Juvenile Justice Program. This will assist states, local governments and tribal governments in reducing child exploitation and abuse; strengthening juvenile justice systems; and bolstering school safety efforts. We are requesting $280 million for this program in Fiscal Year 2008.

I pledge to this Committee that OJP will work diligently to ensure that tribes have the information and develop the capacity they need to apply for funding under these new programs.

The Department also recognizes the importance of addressing domestic violence in Indian country where victims often lack the basic resources necessary to access services, such as phones and transportation. There are also complex jurisdictional difficulties, which vary from state to state. For example, just determining who the responding law enforcement agency should be in a violent situation can often be problematic and hinder appropriate response.

In Fiscal Year 2006, the Department's Office on Violence Against Women (OVW) provided funding to 85 tribal grantees for a total of $28.3 million. The President's Fiscal Year 2008 Budget requests a grand total of $370 million for OVW grant programs. In the past, tribal governments and tribal organizations had to submit separate applications to obtain money from each OVW program. For FY 2008, the Department has proposed a major grants consolidation

including a single, competitive OVW grant program – eliminating formulas. Under the new proposal only one application will be necessary. As tribal applicants often lack the infrastructure to apply for funding successfully under all of the available grant programs, these changes make funds more accessible to these grantees.

OVW tribal grantees are reporting that VAWA funds are helping to make significant changes in the response to violence against Indian women. Grantees are reporting successes such as increased accountability for offenders; increased safety for victims; collaboration between criminal justice and victim services; enhanced training for criminal justice personnel; and heightened awareness of domestic violence, sexual assault, and stalking.

This fiscal year, I launched a series of four national Tribal Justice and Safety Training & Technical Assistance Sessions designed to enhance tribal capacity and grants management. Our first session held in December 2006 was well attended, and next month our second session is planned to encompass even more, including a tribal consultation forum. I am pleased that the Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (HHS, SAMHSA), has joined me in this important partnership for all four sessions. I am also pleased that for our second session in March, we are now joined by the Department of the Interior, Bureau of Indian Affairs (DOI, BIA). We are pleased to be working with two other federal departments to serve Native communities.

In addition to the grant programs administered by the Department of Justice, we also strive to fulfill our statutory responsibilities to Indian country through the provision of direct services. These services are not generally represented in a specific Indian country line item, but are included in the general litigation activities of the Department.

For example, the Office of Tribal Justice (OTJ) provides a single point of contact within the Department for meeting the broad and complex federal responsibilities to federally recognized Indian tribes. Currently, the majority of the staff at OTJ are American Indian, all of whom have lived and worked in Indian country. As the Department's primary liaison with tribal governments, OTJ staff travel to Indian reservations and communities and serve as a point of coordination, repository of both legal and practical knowledge, and source of information about Indian country for the Department.

Finally, one of the most important duties of the Department is the prosecution of federal crimes in Indian country. The Major Crimes Act (18 U.S.C. § 1153) and other statutes create federal criminal jurisdiction over most felonies committed on tribal lands in over 20 federal judicial districts. There are over 560 federally recognized Indian tribes in the United States that, together, control about 56 million acres of land and have a tribal membership population of about two million people. Moreover, as you know, American Indians suffer the highest rates of violent crime victimization in the United States. Federal felony criminal jurisdiction in Indian country is usually exclusive because tribal court jurisdiction is limited to misdemeanors (25 U.S.C. § 1302(7)) and in most districts, state jurisdiction arises only in certain limited circumstances.

Responsibility for prosecuting federal cases in Indian country falls on the United States Attorneys. The U.S. Attorneys work through local task forces to address the needs of Indian country law enforcement on pressing issues such as gang violence, drug, and gun crimes. In Fiscal Year 2006, U.S. Attorneys' offices filed 606 cases pertaining to violent crime in Indian country. These offenses included homicides, rapes, aggravated assaults, and child sexual abuse. Several U.S. Attorneys' offices have formed task forces to investigate and prosecute crimes related to tribal casinos.

The Attorney General's Advisory Committee - Native American Issues Subcommittee (NAIS), consists of 24 U.S. Attorneys who have significant portions of Indian country in their respective districts. The NAIS as a group is also actively working to ensure that the law enforcement needs of Indian country are met. Members of the NAIS frequently consult with tribes on law enforcement and prosecution issues. They have also arranged training for U.S. Attorneys and their staffs to learn more about tribes in their districts.

In May 2002, the NAIS set forth its current priorities, which are: 1) homeland and border security (including international border issues and protection of critical infrastructure); 2) violent crime (including drugs, guns, domestic violence, child abuse, and sexual abuse); 3) crime involving gaming and other tribal enterprises; 4) white collar crime; and 5) resolution of jurisdictional disputes. Since setting these priorities, the NAIS has met to address terrorism and homeland security issues and problems related to gang, drug, and gun crime in Indian country, as well as to discuss the integrity of Indian gaming, the enhancement of law enforcement resources, and the problem of methamphetamine use in Indian country.

The Justice Department coordinates, to the extent possible, with other relevant federal agencies, including the Bureau of Indian Affairs (BIA) Office of Justice Services. For example, the Department assigned an experienced administrator from the Bureau of Prisons to assist BIA in developing strategies to improve detention services in Indian country. The FBI also works with other federal agencies, including BIA, on the Indian Gaming Working Group (IGWG), which addresses the most serious Indian gaming cases. The IGWG has provided financial resources, personnel, and other assistance for several Indian gaming investigations.

The Administration wants to make sure that government programs work well for the American people. Last year, to ensure greater government transparency and accountability, the

Administration launched a new Web site, *ExpectMore.com*. The site includes information on what programs are working, what programs need improvement, and the Program Assessment Rating Tool.

Mr. Chairman, Attorney General Gonzales has pledged to honor our statutory duties and to work with sovereign Indian Nations on a government-to-government basis. The Attorney General and the entire Justice Department will honor this commitment and continue to assist tribal justice systems in their effort to promote safe communities. We also recognize that the most effective solutions to the problems facing tribes come from the tribes themselves, and that our role is to help them develop and implement their own law enforcement and criminal justice strategies. We are confident that our current activities and our Fiscal Year 2008 proposed budget reflect these priorities. This concludes my statement Mr. Chairman. I would welcome the opportunity to answer any questions you or Members of the Committee may have. Thank you.

ASSISTANT ATTORNEY GENERAL REGINA B. SCHOFIELD
AMERICAN INDIAN AND ALASKA NATIVE ACCOMPLISHMENTS

Prior to beginning her service to the President as the Assistant Attorney General for the Office of Justice Programs, Ms. Schofield served as the President's White House Liaison and Intergovernmental Affairs Director for the Department of Health and Human Services (HHS) for several years.

Ms. Schofield continues to advance American Indian and Alaska Native (AI/AN) Tribal government relationship with the federal government, and strives to implement initiatives, programs, services, and activities beneficial to Tribal governments and Native communities nationwide.

DEPARTMENT OF HEALTH AND HUMAN SERVICES ACCOMPLISHMENTS:

In her former HHS capacity, HHS distinguished itself as a leading Department working with AI/AN Tribal governments and forged strong relationships with Tribal leaders on a government-to-government basis. Several accomplishments during this period included:

Distinguished Leadership Award **-** The National Congress of American Indians (NCAI) honored HHS with the Distinguished Leadership Award in recognition of the Department's spirit of cooperation and consultation with tribal governments and tribal organizations. HHS was the first Department to receive such a prestigious award from NCAI. Ms. Schofield was responsible for directing and monitoring all HHS tribal consultation efforts and was tireless in her work to strengthen the HHS tribal consultation process.

Increased IGA Tribal Affairs Capacity – Under the HHS Secretary leadership, Ms. Schofield expanded the capacity of the Office of Intergovernmental Affairs (IGA) to address the AI/AN intergovernmental issues on a Department-wide basis by developing interagency staff details and resurrecting a Secretarial level Council.

Intradepartmental Council Native American Affairs (ICNAA). Ms. Schofield was directly responsible for the reactivation and executive direction of this body. The Council membership included the heads of each HHS Division and served as the HHS Secretary's principal advisory body on tribal policy matters.

Title VI Study - Pursuant to statutory requirements under P.L. 106-260, the Self-Governance Amendments of 2000, HHS conducted a study to determine the feasibility of a demonstration project that would extend tribal self-governance to HHS programs other than those in the Indian Health Service (IHS). The HHS Office of Intergovernmental Affairs dedicated two staff to this effort to ensure its timely completion of that study which resulted in the submission of a report to the Congress by the Secretary of HHS in March 2003. The report concluded that Tribal Self-governance was feasible within 11 other HHS programs.

Consultation-Regional Sessions/Policy Revisions - In 2001, the Office of Intergovernmental Affairs conducted training sessions in all 10 HHS regional offices to educate HHS staff on tribal affairs. As a result of this training Ms. Schofield submitted to the Secretary the recommendation to begin conducting annual regional tribal consultation sessions, which was fully adopted. Under Ms. Schofield's direction, IGA coordinated and led all such sessions. One of the issues raised by tribes at those sessions was the need to revise the HHS Consultation Policy. In response to tribal concerns the Secretary committed to strengthen the HHS policy. Ms. Schofield convened a national Secretary's Tribal consultation policy revision workgroup and asked the Indian Health Service Director to join her. That the policy was signed by the Secretary on January 14,

2005 is a testament to her hard work and skill in working with all federal and tribal partners to achieve consensus on support for the revised policy, which serves as an example today to other Departments to follow.

American Indian/Alaska Native Access to HHS Grants Barriers Study – In 2003, as part of her executive direction oversight for the Secretary's Council and in response to Tribal leader tribal consultation comments, Ms. Schofield led an initiative through the Council to conduct a study of the barriers. This study was lead by the HHS Office of the Assistant Secretary for Planning and Evaluation, and was completed in April 2006, which includes specific findings and recommendations to improve the HHS grants process and included participation and consultation with Tribal leaders.

Increased Resources and Grants Access – From 2001-2005, the HHS resources provided to tribes or expended for tribes increased from $3.9 billion to $4.66 billion. These gains came in both appropriated funding as well as increased tribal access to non earmarked funds and increased discretionary set asides. This reflects an 12.84 percent increase in access to HHS funding for tribes over this period.

Federal-Tribal-State Human Services Intergovernmental Collaboration - In October 2003, Ms. Schofield created a federal-tribal-state partnership with the National Congress of American Indians (NCAI) and the American Public Human Services Association (APHSA) which serves the states and territories, to work collectively on human services priorities and issues to share information, best practices and promising approaches for more efficient and effective service delivery. This unique project raised awareness of the need and value of intergovernmental collaboration. All three groups noted a change in their respective organizational culture and joint participation in hearings, national meetings and in the HHS regulatory process because of the broadened dialogue created through this collaboration project.

OFFICE OF JUSTICE PROGRAMS ACCOMPLISHMENTS:

Ms. Schofield was confirmed by the Senate as Assistant Attorney General for the Office of Justice Programs in June 2005. She immediately began implementing tribal priorities in her new position.

Justice Programs Council on Native American Affairs – Establishment & Elevation – In November 2005, AAG Schofield established the first-ever Justice Programs Council on Native American Affairs (JPCNAA) which is comprised of OJP and other Department of Justice (DOJ) components to address American Indian and Alaska Native initiatives, issues and policy matters. On January 19, 2007, AAG Schofield elevated the Council membership to include all senior level Office of Justice Program leadership, supported by a wide cast of tribal expert policy staff, and she expanded the Council membership to include other DOJ offices and agencies. On January 20, 2007, the Council established several workgroups to respond to OJP's Strategic Plan for 2007-2012 and tribal leaders' priorities.

1) Tribal Justice & Safety Web Team/Tribal Education & Outreach

2) IT Capacity Building/Information Sharing Workgroup

3) Tribal Grants Policy Workgroup

3) Tribal Youth Initiatives Workgroup

4) Tribal Economic/Codes Development Workgroup

5) OJP Federal Workforce Education Program on American Indian and Alaska Natives Workgroup

Office of Justice Programs 2007-2012 Strategic Plan **-** On August 28, 2006, the Office of Justice Programs implemented its new 5-Year Strategic Plan, which fully includes Tribal governments along with state and local governments on all OJP goals and objectives, unless statutorily prohibited.

OJP Enhanced Tribal Capacity **-** On September 3, 2006, AAG Schofield filled the first-ever Senior Advisor to the AAG for Tribal Affairs/Executive Director – Justice Programs Council on Native American Affairs. Ms. Eugenia Tyner-Dawson, a member of the Sac and Fox Nation, was selected and brings with her over 20 years of experience working with tribal governments, national tribal organizations, and federal government agencies on tribal policy issues. On February 1, 2007, AAG Schofield entered into a Memorandum of Agreement to retain Ms. Leslie Hagen, Assist US Attorney, Western District, MI, to dedicate her time to implementing the Adam Walsh Act provisions for Indian country. Ms. Hagen is a proven prosecutor, just completed an important detail to the Attorney General's Native American Issues Subcommittee in WDC, and has extensive experience working on Native American issues for DOJ.

Government-wide Tribal Justice and Safety Website **–** On November 28, 2006, AAG Schofield launched the first-ever government-wide Web site designed to serve as a comprehensive resource too for American Indian/Alaska Native Tribal governments, federal agencies, and the general public.

Fiscal Year 2007 Tribal Justice and Safety Training & Technical Assistance Sessions **–** On November 8, 2006, AAG Schofield initiated national Tribal Justice and Safety Training and Technical Assistance Sessions (TT&TA) to focus on public safety and public health tribal issues and training needs and are scheduled to convene across the country throughout the fiscal year. The initial session was held on the Aqua Caliente Tribal lands in Palm Springs, CA, the

second in the series of four sessions will be held at the Shakopee (sp) Tribe's Mystical Lake Resort in March. The third and fourth sessions are scheduled for Phoenix, AZ and the northwest. AAG Schofield invited all federal departments to join her in this endeavor. The HHS Substance Abuse and Mental Health Services Administration (SAMHSA) partnered with Ms. Schofield for all of these sessions, and beginning in March, she will be joined by the Bureau of Indian Affairs. AAG Schofield will continue to encourage others to join her in this important collaboration.

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, DC 20530

May 1, 2007

The Honorable Byron L. Dorgan
Chairman
Committee on Indian Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed are the responses for the record of Regina B. Schofield, Assistant Attorney General for the Office of Justice Programs, U.S. Department of Justice, to written questions received following the February 15, 2007, hearing held by the Committee entitled, "Oversight of the President's FY 2008 Budget Request for Tribal Programs.

We hope this information is helpful to you. If we can be of further assistance, please do not hesitate to contact this office.

Sincerely,

Richard A. Hertling
Acting Assistant Attorney General

cc: The Honorable Craig Thomas
Vice Chairman

Questions for the Record
Oversight Hearing on the Fiscal Year 2008 Budget Request for Indian Programs
February 15, 2007

Questions from Senator Byron Dorgan (Chairman)

Question: Is it correct that the majority of tribal-specific programs are being consolidated into the four new general programs? Were tribes consulted before the Department made the decision to consolidate many tribal-specific programs into general competitive programs available to all state and local governments? Can you describe the tribal-specific programs that will continue in Fiscal Year (FY) 2008 under the President's Budget request?

Answer: In the FY 2008 President's Budget request, four Office of Justice Programs (OJP) tribal-specific initiatives are incorporated into two newly proposed multi-purpose grant programs. The Tribal Courts initiative, Indian Alcohol and Substance Abuse Program, and Indian Country Prison Grants are incorporated into the new Byrne Public Safety and Protection Program. The Tribal Youth Program (traditionally funded through Title V Delinquency Prevention Program) is incorporated into the Child Safety and Juvenile Justice Program (which includes the Title V Program). While there are no tribal-specific programs in the OJP FY 2008 President's Budget request, tribes are eligible and encouraged to apply under the competitive Byrne Public Safety and Protection Program and the Child Safety and Juvenile Justice Grant Program.

Tribes would also be able to participate in the proposed new Violent Crime Reduction Partnership Program. This program will help communities suffering from high rates of violent crime form law task forces including local, state, tribal and federal agencies.

Developing the proposed budget is an internal process. The Department consults with tribes, states, local governments, and stakeholder organizations on needs and priorities. However, this consultation does not cover specifics of the Department's budget request. The Department remains committed to assisting Indian tribes and Native American communities to improve their criminal justice systems and will continue its outreach to these groups to assist them in making the most of the funding opportunities available under this budget proposal.

Question: How much funding is the Department requesting for the construction of tribal courts and detention facilities?

Answer: The FY 2008 President's Budget request does not include specific funding for construction costs of tribal courts and detention facilities. Although the Budget does not request such funding within the Department of Justice, Department of Justice grant resources still would be available to assist tribes with related tribal law enforcement and criminal justice needs.

Marty Shuravloff
Chairman of the Board of Directors
National American Indian Housing Council

Testimony
Before the Committee on Indian Affairs
United States Senate

Oversight Hearing to Examine the President's Fiscal Year 2008
Budget Request for Tribal Programs

February 15, 2007

Good morning Chairman Dorgan, Vice Chairman Thomas, Senator Murkowski and distinguished members of the Senate Committee on Indian Affairs. My name is Marty Shuravloff and I am honored to appear before you today to discuss issues relevant to the delivery of safe, decent, affordable homes to Native people across our great Nation.

As the Chairman of the National American Indian Housing Council, I have the privilege to represent the housing interests of more than 460 tribes and Alaska Native Villages. As a member of the Leisnol Village, Kodiak Island, Alaska, I serve as the Director of the Kodiak Island Housing Authority as well as a variety of appointed posts, including the Alaska Housing Finance Corporation.

The National American Indian Housing Council was founded in 1974 to support and advocate for tribes and tribally designated housing entities (TDHEs). NAIHC assists tribes with their self-determined goals of providing housing and community development for Indian people and Alaska Natives. I come to you today with the NAIHC's thoughts on the President's Fiscal Year 2008 Budget Request.

With billions of dollars in American taxpayer money fleeing overseas, now more than ever, is the time we prioritize America's neediest citizens. One in ten, over 11%, of Native American homes lack plumbing, far higher than the 1.2% the rest of the Nation faces. One in five Native Americans lives in overcrowded homes, on some reservations with as many as 25 to 30 people living in a three-bedroom house. Nearly half of Native American homes are considered inadequate by all applicable standards and less than half of all reservation homes are connected to a public sewer.

While we have heard it time and again, it bears repeating, the United States has it own places of "third world" conditions in its own backyard. Indian people are consistently near the bottom of every indicator of health year after year. In a country proud of its democratic standards, we have whole Nations of Indian people doing without. The NAIHC's recommendations are as follows:

Indian Housing Block Grant

For the Indian Housing Block Grant, the primary funding for Indian housing Nation-wide, President Bush has requested $627 million. While remaining level from the previous two appropriation cycles, this number does not take into account inflationary costs. The potency of the Federal funding for the IHBG has been steadily eroded. Funding for the IHBG in the past 9 fiscal years is as follows:

Fiscal Year 1998	**$600 million**
Fiscal Year 1999	**$620 million**
Fiscal Year 2000	**$620 million**
Fiscal Year 2001	**$650 million**
Fiscal Year 2002	**$648.2 million**
Fiscal Year 2003	**$644.8 million**
Fiscal Year 2004	**$650.3 million**
Fiscal Year 2005	**$622 million**
Fiscal Year 2006	**$626 million**
Fiscal Year 2007	**$626 million**

For Federal funding to approach 2002 levels accounting for inflation, **the minimum amount needed is $748 million. The National American**

Indian Housing Council recommends the Indian Housing Block Grant be funded at this amount for Fiscal Year 2008.

Additionally, many tribes use their IHBG funds as security for Title VI loans. While Title VI loans are 95% guaranteed, by using IHBG funds for Title VI loans, many basic tribal construction and maintenance programs would lose funding. To participate in this potentially successful program many Indian Nations would have to sacrifice services and wager an incredible amount of debt on the possibility of future reduced Federal funding. An increase in Indian Housing Block Grant funding would help to mediate the risk of Title VI loans for tribes.

Indian Housing Loan Guarantee (Section 184 Loans)

For the Indian Housing Loan Guarantee Program, while an admirable $1 million increase is proposed totaling $6 million, "Section 184" loans do not work in all Indian areas, including many of the reservations with the largest populations in the west and Midwest for many of the same reasons Title VI loans are underused: use of IHBG funding to secure the loan. **An increase in funds above the $6 million amount would guarantee nearly $400 million in home loans for Indian people.**

Indian Community Development Block Grant

For the Indian Community Development Block Grant, which insures that Indian Communities have the infrastructure and attendant economic development needed to build livable communities, the Administration has requested $57.4 million. **The National American Indian Housing Council recommends funding at $77 million, a $19.6 million increase over**

previous year funding. The increase will provide for the absolute bottom needs of development in Indian communities.

HUD Rural Housing and Economic Development

While not a specific Indian program, HUD's Rural Housing and Economic Development is one other tool Indian Communities use to help build homes on the more isolated and primarily Western lands. It is zeroed out in President Bush's FY08 Budget. **The NAIHC recommends the continuation of funding for this invaluable program at FY05 funding of $24 million.**

USDA Rural Development Programs

The Department of Housing and Urban Development is not the only source of housing funds for Indian people. The Direct Home Loan Program and the Rental Housing Direct Loan Program, all under USDA, are zeroed out in the President's budgetary requests. The cutting of these invaluable services will adversely affect the millions of Indian people Nation-wide living in rural areas. The NAIHC recommends the continuation of funds for these beneficial programs.

Bureau of Indian Affairs Housing Improvement Program (HIP)

HIP was the original housing program for tribes at BIA before the beginning of HUD assistance. Even after implementation of the NAHASDA block grant, the BIA HIP program continues to play an important role in tribal housing. Much of the housing stock in Indian Country is aging or of initially low quality. Rehabilitation is therefore one of the most desperately needed

services. Funding for HIP FY07 was $23 million. For FY08, the BIA HIP is zeroed out. Tribes would be well served to see this funding kept and if possible increased to supplement other housing efforts.

National American Indian Housing Council

The NAIHC is the only national Indian-led organization providing guidance, technical assistance, training and related capacity-building services for Indian housing authorities and tribally designated housing entities.

The NAIHC trains thousands of Indian housing and associated staff each year with a full range of programs and services, including housing program management, financial planning, environmental compliance, methamphetamine awareness and many more services. In Fiscal Year 2005 and 2006, more than 5,000 Indian housing staff participated in our tuition-free training.

The NAIHC has been an integral force for beneficial change in Indian housing. In the early 1990s, Indian tribes, housing authorities and others came together to share their vision of how Indian Self Determination should influence housing and related community development. The NAIHC was instrumental in shaping these discussions and in helping to draft the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA") 25 U.S.C. §§4101 et seq.

Although great strides have been made since the Act's inception, much more is necessary to make an even more powerful impact for Native people. The National American Indian Housing Council is vital to that goal.

Section 703 of the NAHASDA calls for the appropriation of funding for "a national organization representing Native American housing interests [to provide] training and technical assistance to Indian housing authorities and tribally designated housing entities." The National American Indian Housing Council is that organization. The Federal funding the NAIHC receives is not an earmark added to the appropriations cycle. The authorizing language of NAHASDA calls for the direct appropriation of funds for the purposes the NAIHC provides, separate from similar activities under HUD.

Yet in spite of positive outcomes like the maintaining of Indian housing funding levels and increases in Native home purchase loan originations over the past couple of years, the NAIHC has been zeroed out in Fiscal Year 2008 funding.

Congressional members and staff, to meet their obligations to Indian people, must be aware of the dire housing circumstances most Indian people live with everyday. The National American Indian Housing Council is one of the few organizations capable of bringing that knowledge to Congress and the public. The NAIHC recommends funding be restored to the Council at $4.6 million for FY08.

Reauthorization of the Native American Housing and Self-Determination Act

Lastly, the Congressional passage of NAHASDA revolutionized the way Federal housing programs and services were designed and implemented in Native communities. Since the time of the Founding Fathers, Native Americans have made treaty abrogations of land and resources to the United States in exchange for basic services, such as housing. Unlike previous

Federal attempts, NAHASDA stressed this trust responsibility of the United States Government to Native American people.

With implementation of NAHASDA, the Federal government recognized the uniqueness of the problems facing Indian communities. NAHASDA replaced confusing and scattered grant programs with one block grant that afforded tribes the flexibility to design housing unique to each Indian community's need; it encouraged tribes to develop long-term comprehensive housing strategies through the preparation of housing plans; and finally it enabled tribes unprecedented opportunities to use different sources of financing to meet housing needs in their community.

NAHASDA is scheduled for reauthorization this year. The lack of significant private investment, functioning housing markets and the dire economic conditions most Indian communities face mean that federal dollars make up a significant amount of total housing resources for Native people. NAHASDA is integral to these resources and without the legislation specific to Indian communities, there would be few options left to house America's neediest citizens. We respectfully request for this Act's reauthorization and this Committee's active and vigorous support for it in the Senate.

In conclusion, I would like to thank you, Chairman Dorgan, Vice Chairman Thomas and the members of the Committee for your continuing support of Indian people. The National American Indian Housing Council is eager to work with the Committee on all the issues affecting Indian housing programs – no matter how difficult –that together we can achieve better - housing and a brighter future for America's first citizens.

The National American Indian Housing Council is a 501(c)(3) organization representing tribes and tribal housing organizations nationwide. It operates a national technical assistance and training program as well as the Native American Housing Resource Center in Washington, DC through an appropriation from the Congress administered by HUD. NAIHC's headquarters office is located at 50 F Street NW, Suite 3300, Washington, DC 20001; phone: (202) 789-1754; fax: (202) 789-1758; websites: www.naihc.net, www.nativeamericanhomebuyer.com.

NATIONAL INDIAN HEALTH BOARD

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TESTIMONY OF H. SALLY SMITH

BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS ON THE PRESIDENT'S FISCAL YEAR 2008 BUDGET REQUEST FOR TRIBAL PROGRAMS THURSDAY, FEBRUARY 15, 2007, 9:30 AM SENATE RUSSELL BUILDING ROOM 485

Good Morning, Chairman Dorgan and Vice-Chairman Thomas, and members of the Indian Affairs Committee. I am Sally Smith, Chairman of the National Indian Health Board. I am Yupik from Alaska and I also represent the Bristol Bay Area Health Corporation in southwestern Alaska. On behalf of the National Indian Health Board (NIHB), it is an honor and pleasure to offer my testimony on the President's FY08 Budget for Indian Programs.

Established in 1972, NIHB serves Federally Recognized American Indian and Alaska Native Tribal governments by advocating for the improvement of health care delivery to American Indians and Alaska Natives (AI/ANs), as well as upholding the federal government's trust responsibility to American Indian and Alaska Native Tribal governments. We strive to advance the level and quality of health care and the adequacy of funding for health services that are operated by the Indian Health Service (IHS), programs operated directly by Tribes and Tribal organizations pursuant to the Indian Self-Determination and Education Assistance Act (ISDEAA), and urban Indian organizations pursuant to Title V of the Indian Health Care Improvement Act (IHCIA). Our Board Members represent each of the twelve Areas of IHS and are elected at-large by the respective Tribal Governmental Officials within their Area.

The Budget

The President's Budget recommends increases in nearly every line item of the Indian Health Service's budget, requesting that Congress appropriate $4.1 billion dollars for FY 2008 for health care delivery to America's Native Peoples. Based on the President's budget request, this amount represents a net increase of $212 million over the FY 2007 Continuing Resolution and an increase of $101 million over the FY 2007 President's budget. NIHB notes with appreciation that the FY08 budget request continues the Administration's trend of slight increases to the IHS each year – but, with calculation for population growth included, as well as inflation, America's Native populations cannot maintain even the status quo under this budget. Unfortunately the budget, as in FY 2007, completely eliminates funding to urban Indian programs. With all due respect, we simply do not understand the Administration's reasons for eliminating the urban Indian program line item especially when Congress restored funding to the urban Indian program in the Senate and House FY 2007 appropriation bills. The urban Indian program is a significant component of the Indian health care delivery system. The urban Indian health programs provide health care services to Indian people who move to urban centers to improve employment and education opportunities for their families. Many of these families do not have ready access to health care services from Federal, State or other health care providers. Elimination of funding to the urban Indian program is a recommendation that is completely unacceptable to us.

Except for the urban Indian program, we realize the IHS fared quite well compared to other agencies; however, it and the Tribal governments providing health care services cannot begin to provide adequate health care with a 7% funding increase, especially considering inflation and, according to information provided by the National Center for Health Statistics, birth-death records indicating that the American Indian and Alaska Native population is increasing at 1.7% per year. The 1.7% population increase translates to approximately 70,000 new patients entering into the Indian Health care system annually.

According to the "Needs-Based Budget" developed for FY06 documents the IHS health care funding needs at least $19.7 billion. The FY08 budget request amount of $4.1 billion (including third-party reimbursements of $700 million, $150 million in Special Diabetes Program for Indians (SDPI) and mandatory spending) falls well short of the level of funding that would

permit AI/AN programs to achieve health and health system parity with the majority of other Americans. This funding meets only 60 % of established need for the IHS.

However, it is critical to realize that even the status quo for AI/AN health should not be acceptable to Congress – it would not be acceptable to your families - and is not acceptable to us. We request a financial and policy commitment from Congress to help America's Native People move beyond the status quo and begin to achieve true progress in changing the reality of health care inferiority known to us.

Indian Country is acutely aware of the funding challenges faced by the federal government. The release of the President's budget last week confirmed the reality that federal spending for all non-defense discretionary programs will be extremely limited. AI/ANs have long been supportive of national security efforts and will continue to do so. However, we call upon Congress and the Administration to work with Indian Country to find innovative ways to address the funding disparities that continue to hamper Indian Country's efforts to improve the health status of AI/ANs. Funding for the IHS has not adequately kept pace with population increases and inflation. While mandatory programs such as Medicaid and Medicare have accrued annual increases of 5 to 10 % in order to keep pace with inflation, the IHS has not received these comparable increases on a consistent basis.

We in Indian Country deeply feel the challenges facing our nation. One of the most pressing challenges is the continual restoration of the lives of those ravaged by brutal forces of nature - the hundreds of thousands forced from their homes, moved to distant and strange locations and wondering whether relief will be swift and complete, or when it will happen, at all. There are entire cities to be rebuilt and lives to be reconstructed. AI/ANs, such as those relocated to urban Indian centers during the 1950's Federal government's relocation policy, know what it is like to be uprooted from their home communities. We support Congress's efforts to continue to assist Katrina disaster victims with rebuilding their lives, their families and their cities. In fact, many of the tribally operated health programs were impacted by Katrina as a direct result by damage to tribal health facilities and communities, or by the reduced availability of tribal health professionals, such as Public Health Service Commissioned Corps officers, who were ordered to leave tribal program assignments to assist others in need. The tribal programs were required to

adjust to the loss of personnel or incur additional expenses by hiring other health professionals to replace the Commissioned Corps officers.

The NIHB recognizes that there are many realities confronting the federal government that create enormous fiscal challenges. America continues to be at war both in distant lands and here in our own homeland. I remind you, that as citizens of this great nation, American Indians have the highest per-capita participation in the armed services of any ethnic group. AI/ANs continue to support disaster relief, national security, and fiscal responsibility and will continue to do so. The release of the President's budget last week made clear federal spending will be remarkably limited. We must, however, once again call upon Congress to work with Indian Country and the Administration to confront and make measurable progress in addressing the funding disparities that persist and promote our mission and the law of this land to improve the health status of AI/ANs.

No other segment of the population is more negatively impacted by health disparities than the AI/AN population. Tribal members suffer from disproportionately higher rates of chronic disease and other illnesses. AI/ANs lag behind every other group in America in most economic indicators – but we are in 1st place for health disparities – in some cases – such as in the speed with which we acquire HIV and AIDS in certain age groups and in infant mortality in the Northern Plains – we are first in the whole world. But in the richest, most powerful country in the world, a country whose very foundation – quite literally – sits on the American Indian homeland that was largely traded for guarantees of peace and health care, among other things– can and should do better to produce health equity for its first Americans. When the U.S. was contemplating methods through which it could provide universal healthcare to the people of Iraq – the IHS health care system was deemed a model system to emulate. However, before the U.S. holds out the IHS system as a model system for other countries in the world to adopt, the U.S. needs to uphold its obligation to provide adequate funding to support a health care system to the first Americans. We simply ask that our Nation look within its own borders first – and invest and commit to its relationship with the first Americans – its relationship with Native America.

There are many health care funding priorities in Indian Country; the health care needs are so great and vary greatly from each area of Indian Country. Each year the Department of Health

and Human Services (HHS) and IHS holds regional tribal budget consultation meetings with tribal leaders to seek advice and input from tribal communities on health care funding priorities. For instance, the FY 2009 funding priorities identified by the IHS areas will be compiled and prioritized at a national budget consultation meeting to be held March 28-29, 2007 at the HHS building.

Based on last year's regional tribal budget consultation meetings and input from the NIHB Area Health Boards, the following is a summary of some of the FY 2008 health care funding needs identified by the NIHB that need particular attention:

Diabetes

As testified to by the Chairman Buford Rolin of the Poarch Band of Creek Indians and the NIHB's Vice-Chair, at last week's oversight hearing on Diabetes in Indian Country and the Special Diabetes Program for Indians, AI/ANs are first in the Nation for incidence of Diabetes: It is an epidemic. In Indian Country we are 318 % more likely to die from diabetes compared to others and about 73 % of people with diabetes also have high blood pressure. The NIHB appreciates that the President's budget included $150 million for the SDPI for FY 2008. The SDPI provides critical funding for clinical exams, laboratory tests, screening, education and awareness but is set to expire October 1, 2008. The renewal of the SDPI funding is a top priority for NIHB and we ask that it be a top priority for Congress, as well.

There is little doubt that these statistics could be radically improved if adequate funding was available to provide consistent, basic health care and to enhance and continue public health programs that promote healthy lifestyles. The SDPI is a successful example that health promotion and disease prevention work.

Cancer

The President's budget includes $2 million for building effective disease prevention and health promotion practices at the local level. However, this amount of funding is not sufficient to address preventative services and cancer screenings in Indian Country. As Chairman Rolin noted in his testimony at the Oversight hearing on Diabetes, it has taken the U.S. 75 years to

identify a reduction in cancer rates in the general population as a result of increase preventative services such as education and awareness as to the causes of cancer and screening services for early detection of cancer. However, cancer rates in Indian Country have not declined: lung cancer is the leading cause of cancer death among American Indians and Alaskan Natives; cancer is the second leading cause of death for all AI/ANs 45 years of age and over; cancer is the leading cause of death for Alaska Native Women; cancer is the third leading cause of death for all American Indian and Alaska Natives of all ages, and AI/ANs have the poorest survival from most cancer sites in comparison with other racial and ethnic groups in the US (e.g. African American, White, Hispanic, Asian American and Pacific Islander).

The IHCIA, if reauthorized, would allow the IHS and tribal programs to provide new and expansive authorities for preventative services and screenings for cancer. But funding is needed to ensure AI/ANs have access to cancer screenings in a timely manner. In addressing the need for additional authority and funding for cancer screenings in the IHCIA, one tribal council member from the Shoshone-Arapahoe Tribe told how he had a pain in his stomach area and he was not tested for cancer for almost two years due to limited funding. When the tribal member was finally tested for cancer, he was found to have cancer of his kidneys and one of his kidneys had to be removed. If adequate funding for cancer screenings were available, this tribal member, as well as other AI/ANs would not have to suffer the loss of their organs, or more importantly, their lives to cancer.

Contract Health Services

The President's Budget includes a request for $570 million in Contract Health Service (CHS) dollars, a $53 million increase from the FY 2006 budget and a $49 million increase over the FY 2007 Continuing Resolution. As you know, CHS funds are used to purchase health care services from the private and public sector where there is not an IHS and tribal direct care facility available or services are not available at the IHS or tribal facility because the services are specialized or cannot otherwise be provided due to workload capacity and reduced staffing.

An increase of approximately $50 million to the CHS line item is not sufficient. The Northwest Portland Area Indian Health Board (NPAIHB) has estimated that an additional $300 million is

needed to meet unmet CHS needs. This estimate is based on FY 2005 data and could be higher if all the CHS data from Tribal programs were available. In most IHS Areas, CHS funds are authorized for services that meet medical priority one: life or limb emergencies. Due to limited funding, the CHS programs are unable to authorize payment for health care services that are identified as medically necessary but do not reach medical priority status. The CHS programs place these non-emergent medical services on a "deferred" list which are not approved for payment until funding becomes available. AI/ANs, whose medical treatment is placed on this deferred list, are then faced with the incomprehensible choice of forgoing necessary medical treatment until CHS funds are available or seeking medical treatment on their own without knowing how the services will be paid. The NPAIHB has reported that many IHS beneficiaries do not visit their health facilities to request CHS referrals because they know they will be denied services due to funding shortfalls. Many tribal programs no longer report deferred or denied services because of the expense associated with tracking and reporting. Thus, the $300 million estimate could be conservative and the amount of funding for unmet CHS health care needs could be even higher.

In Alaska, the CHS program is crucial to provide necessary health care services to Alaska Natives who live in very remote areas. Because there are few roads in Alaska, Alaska Natives who require emergency or specialized services must be air transported to Anchorage. The air transportation costs are very expensive and constitute a major drain on the CHS budgets of local tribal programs.

An important measure that will increase the availability of CHS funds is the publication of final regulations required by section 506 of the Medicare Modernization Act. Section 506 requires the Secretary of HHS to develop by regulations "Medicare like rates" that Medicare participating hospitals would be required to accept as payment of full for services provided to AI/ANs referred under the CHS program. In some parts of Indian Country, IHS and tribal programs pay full-billed charges to private and public sector hospitals for services provided to AI/ANs. Thus, publication of these regulations would ensure that Indian health programs pay reasonable rates similar to Medicare rates paid to Medicare participating hospitals. Tribal programs have estimated that the CHS program could save approximately $25 million a year – savings that

could be used to pay for more CHS services. Section 506 indicates that these regulations should have been published no later than December 2004. Although the HHS published a proposed rule in April, 2006, the "Medicare like rates" are not effective until a final regulation is published. Four years have passed since enactment of the MMA and as of this date, the final regulations have not been published.

Poor Health Funding = Poor Health Status

We request $100 million for the Well Indian Nations Initiative – crafted to undertake disease prevention and health promotion activities in Indian Country. The SDPI could serve as the model for distributing Well Indian Nations Initiative as grant awards to the IHS, tribes, and urban Indian programs.

AI/ANs have a lower life expectancy (6 years less than the rest of the population) and higher disease burden than others. Approximately 13 % of AI/AN deaths occur among those under the age of 25, a rate three times that of the total U.S. population. Our youth are more than twice as likely to commit suicide, and nearly 70 % of all suicidal pacts in Indian Country involve alcohol. We are 630 % more likely to die from alcoholism, 650 % more likely to die from tuberculosis and 204 % more likely suffer accidental death. Disproportionate poverty, poor education, cultural differences, and the absence of adequate health service delivery are why these disparities continue to exist. According to the 2006 National Healthcare Disparities Report, AI/ANs received poorer quality of care than Caucasians in 38% of the core measures analyzed.

Public health is the underpinning for wellness in Indian Country and public health includes clean, safe drinking water and sanitation services as well as disease prevention through education, immunization and screening programs for early detection and intervention; mental health; dental health; social services; nutrition counseling; public health nursing; substance abuse treatment and injury prevention.

Alternative Health Care Delivery Models

Mr. Chairman, you discussed with the NIHB members in the President's Room of the Capitol the need for innovative health care delivery systems to address the lack of "after hour" health care needs in Indian Country. We appreciate your leadership in proposing to develop new health care

delivery systems in Indian Country that are currently available to the general public. The NIHB supports your effort to address the problem in Indian Country of services not being available after 5 p.m. on Friday, but funding is necessary to enable IHS and tribes to provide medical services as needed during off-hours, such as in the evenings or weekends.

Tribal programs have tried to extend ambulatory health care center hours with existing funding, but the programs have not always been successful due to the lack of patients to justify the increase in staffing and operational costs. Tribes have had to be innovative using existing authorities and funding to develop "after hour" programs that serve unique purposes. For instance, many tribal programs have established "after-hour" programs, such as on Saturday mornings specifically geared to particular health promotion and disease prevention (HP/DP) activities. A tribal program in California operates a dental preventative program on Saturday mornings for families who are not able to access these services during the week due to school and work commitments. Thus, the tribal program has health professionals on staff to provide dental preventative services, and at the same time, the health professionals are available to treat walk-in patients seeking other medical treatment or to provide necessary emergency medical treatment or referrals.

Contract Support Costs (CSC)

We request an additional $90 million over the current request in order to assure that contract support costs obligations will be met.

The President's FY08 budget request includes a $7 million increase in contract support costs. We understand that these are difficult budgetary times and that this increase represents successful efforts on behalf of the Administration and Tribal Leadership to increase funds for contract support costs. In that spirit of appreciation, it also must be stated that the demonstrated need for contract support costs is in excess of $90 million over existing appropriated levels. The President's request of a $7 million increase is the first step toward meeting the government's obligations and we request that Congress continue to seek opportunities to advance this effort and provide the necessary resources to Tribal governments operating their own health care systems.

The $90 million gap is between current funding and the funding needed for the contracts with tribes into which IHS already has entered. The President's budget request for IHS contract support costs will not begin to address existing contractual obligations and does not address contract support cost needs for new and expanded programs. Since 2005, the IHS has demanded that Tribes waive their statutory rights to contract support costs as a condition to taking on any new IHS programs or facilities. Some Tribes have concluded that IHS services to their communities are so poor that they are willing to take over an IHS program even if doing so means waiving their rights to contract support costs (and thus forcing the Tribe to absorb those costs within the amount of the contract designated for health services). Other Tribes have concluded that they cannot enter into new contracts if they must suffer the penalty of waiving all contract support cost rights. One Tribe has filed a lawsuit challenging IHS' policy as illegal, but to date no decision has yet been issued in the case. Congress should expressly prohibit IHS' policy requiring tribes to "waive" their statutory right to contract support costs and address increased contract support cost funding for new and expanded programs.

Funding is necessary to adequately support Tribes who are interested in entering into new Self Determination contracts or Self Governance compacts or expand the services they have contracted or compacted. We ask you to fund contract support costs at a level that is adequate to meet the needs of the Tribes and to further the important Trust responsibility charged to the federal government. We recommend an additional $90 million to meet the shortfall for current contracting and compacting, and to allow for funding in anticipation of the 20-25 additional Tribal programs anticipated.

This funding is critical to support tribal efforts to develop the administrative infrastructure gravely necessary to successfully operate IHS programs. Tribal programs have clearly increased the quality and level of services in their health systems fairly significantly over IHS operated health service programs. Failure to adequately fund contract support costs is defeating the very programs that appear to be helping improve health conditions for AI/ANs.

Urban Clinics

Once again, the President's FY08 budget recommends cutting all funding to the urban health programs for AI/ANs. We strongly support the continuation of the urban Indian health programs and request continued funding at FY07 levels while enjoying the same 7% increase the general ledger of IHS is recommended to receive under the President's FY08 budget.

Urban Indian health programs, which receive only 1% of IHS funding, provide unique and non-duplicable assistance to Urban Indians who face extraordinary barriers to accessing mainstream health care. The President's justification for eliminating funds to the urban Indian program is that "Unlike Indian people living in isolated rural areas, urban Indians can receive health care through a wide variety of Federal, State, and local providers." Many AI/ANs, from remote areas of Indian Country, move to urban centers to access improved employment and educational opportunities for their families. It cannot be assumed that other health care resources are available to AI/ANs residing in urban centers. These alternative health care providers cannot come close to matching the effectiveness of the urban programs in addressing the needs of urban Indians. Through a culturally savvy and cultural-competency-based approach to Native health, these programs overcome cultural barriers to health care delivery. Many Native Americans are reluctant to go to health care providers that are unfamiliar with Native cultures. Through disease prevention and health promotion activities, urban Indian health programs save money and improve medical outcomes for the patients they serve. As stated in the Indian Health Care Improvement Act, Congress has recognized the value of these programs by stating 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)."

AI/ANs receive health care through IHS not because they are poor, although it is clear that most are economically disadvantaged; rather, it is because they are Indian. Providing health care is part of the Federal Government's trust responsibility toward America's Native People and is not an obligation that is determined by geography-alone.

In the 21st Century, it is imperative that the Federal Government act more prudently when making policies that will clearly create upheaval of large numbers of American Indians. No one knows what will happens if the urban clinics are closed. AI/ANs are the most vulnerable population in this Nation, and it is an unacceptable Federal policy to enter into a plan for which no clear outcome is known. It is possible that because alternative health care providers are not trained in AI/AN cultural competency and are not adequately funded to absorb this new population, urban Indians will either forego seeking care or return to their reservations or Native communities to acquire medical attention.

If urban Indians return to their reservations or communities to seek health care, there is no subsequent increase in funding to the Tribes to accommodate this potential increase in patients. Because there could not only be an impact on the Tribes, but the potential exists for a substantial impact on the Tribes – we request that HHS Tribal Consultation takes place before any policy decisions are made to close the Urban Indian Clinics.

If closing the Urban Indian health clinics is a goal of the Federal government, in addition to Tribal Consultation, we also request that the General Accountability Office be engaged to conduct a study to estimate possible outcomes and recommend fact-based options – and that no such plan be wholesale foisted upon the Nation's Native People – but, a demonstration project in a single Area be undertaken to ensure continuity of care.

Indian Health Care Improvement Act

Finally, Mr. Chairman, I would be remiss if I did not mention it has been nearly 14 years since the Indian Health Care Improvement Act (IHCIA) was updated. Indian Country is grateful to you for your leadership, the commitment of the Committees' time and staffing resources, and the personal time and energy you have invested into achieving the reauthorization of the IHCIA. Unfortunately, the IHCIA was derailed in the 11th hour of the 109th Congress. Mr. Chairman, we urge you to introduce a reauthorization bill as soon as possible in the 110th Congress so that we, working with you and other members of the Senate and House, can achieve passage this year.

As you know, the United States has a longstanding trust responsibility to provide health care services to AI/ANs. This responsibility is carried out by the Secretary of the Department of HHS through the IHS. Since its passage in 1976, the IHCIA has provided the programmatic and legal framework for carrying out the federal government's trust responsibility for Indian health. The IHCIA is the law under which authority under which health care is administered to AI/ANs. That is why it is so important to all AI/ANs that this law be modernized and reauthorized this year. The National Indian Health Board is committed to seeing IHCIA successfully reauthorized during the 110th Congress.

In Conclusion

On behalf of the NIHB, I thank the Committee for inviting me to be here today and for its consideration of our testimony. We are grateful for your commitment and for your concern for the improvement of the health and well-being of AI/AN people. We must abate the terrible disparities between the health of AI/ANs when compared to other Americans and that demands a greater increase in funding of the IHS. Specifically, we request a financial and policy commitment from Congress to help America's Native People's move beyond the status quo and begin to achieve true progress in changing the reality of health care inferiority known to us. At least a 10% increase over current funding levels would be a convincing articulation of that commitment.

I am happy to answer any questions you may have.

TESTIMONY BEFORE

THE COMMITTEE ON INDIAN AFFAIRS
UNITED STATE SENATE

PRESENTED BY

TERRY SMITH, PRESIDENT

NATIONAL INDIAN IMPACTED SCHOOLS ASSOCIATION

FEBRUARY 15, 2007

THANK YOU, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, FOR THIS OPPORTUNITY TO DISCUSS ISSUES IMPORTANT IN THE FIELD OF INDIAN EDUCATION. MY NAME IS TERRY SMITH AND I AM THE ASSISTANT SUPERINTENDENT OF THE WAPATO SCHOOL DISTRICT LOCATED IN WAPATO, WASHINGTON. I AM ALSO CURRENTLY PRIVILEGED TO REPRESENT OVER 120,000 NATIVE AMERICAN CHILDREN AS PRESIDENT OF THE NATIONAL INDIAN IMPACTED SCHOOLS ASSOCIATION (NIISA), A SUBGROUP OF THE NATIONAL ASSOCIATION OF FEDERALLY IMPACTED SCHOOLS (NAFIS).

NIISA IS AN ORGANIZATION THAT REPRESENTS PUBLIC SCHOOL DISTRICTS THAT, LIKE WAPATO, SERVE CHILDREN WHOSE PARENTS RESIDE ON TRUST OR TREATY LAND OR LAND CONVEYED UNDER THE ALASKA CLAIMS SETTLEMENT ACT. AS MANY OF THESE PUBLIC SCHOOL DISTRICTS HAVE A HIGH PERCENTAGE OF STUDENTS WHO RESIDE ON LAND WITH A NEGLIGABLE TAX BASE, THEY ARE ENTIRELY DEPENDENT ON FUNDING FROM THE IMPACT AID PROGRAM. HOWEVER, I DID NOT COME HERE TODAY TO DISCUSS IMPACT AID GENERAL FUNDING.

ALTHOUGH THERE ARE MANY ISSUES FACED BY FEDERALLY IMPACTED PUBLIC SCHOOL DISTRICTS, MY PRIMARY INTENT TODAY

IS TO HIGHLIGHT TWO MAJOR AREAS OF CONCERN WITH CURRENT INDIAN EDUCATION POLICY:

1. **THE DETERIORATING STATUS OF PUBLIC SCHOOL FACILITIES THAT SERVE INDIAN CHILDREN; AND**
2. **THE LACK OF COORDINATION BETWEEN THE BUREAU OF INDIAN EDUCATION (BIE) AND THE PUBLIC SCHOOL SYSTEM.**

ISSUE #1 – PUBLIC SCHOOL FACILITIES

MR. CHAIRMAN, FACILITIES CONTINUE TO BE A CRITICAL ISSUE IN INDIAN COUNTRY. OUR SCHOOL DISTRICTS HAVE ONLY TWO SUBSTANTIVE MEANS WITH WHICH TO FINANCE SCHOOL CONSTRUCTION PROJECTS: LOCAL BONDS AND IMPACT AID CONSTRUCTION MONEY. WITH LITTLE TO NO TAX BASE UPON WHICH TO BOND, MANY OF OUR SCHOOLS HAVE GRADUALLY BEEN DETERIORATING. THIS PROBLEM HAS ONLY BEEN EXACERBATED WITH RECENT ADMINISTRATION BUDGETS DRASTICALLY CUTTING IMPACT AID CONSTRUCTION FUNDING. PROJECTS THAT DO GET FINANCED ARE USUALLY SMALL-SCALE BAND AID ATTEMPTS AT FACILITY UPGRADES—JUST ENOUGH TO KEEP OUR DOORS OPEN.

NIISA HAS RESEARCHED THIS PROBLEM TO THE BEST OF OUR ABILITY. WE CONDUCTED AN INTRNAL SURVEY A FEW YEARS AGO THAT VALIDATED—AND IN SOME CASES EXCEEDED—OUR WORST ASSUMPTIONS ABOUT THE STATUS OF THESE FACILITIES. FOR INSTANCE, WE LEARNED THAT OVER 60% OF THE DISTRICTS SURVEYED HAD NOT PASSED A BOND ISSUE IN THE PAST TWENTY YEARS, LEAVING MANY SCHOOLS SUFFERING FROM YEARS OF EXTREME WEATHER DAMAGE AND RUST AND MOLD PROBLEMS. SEVERAL SCHOOLS CANNOT ACCOMMODATE THEIR GROWING STUDENT POPULATIONS AND HAVE TO PACK THEIR ROOMS WITH DESKS BARELY INCHES APART. MR. CHAIRMAN, ALTHOUGH WE HAVE TRIED TO INDEPENDENTLY ASSESS THE EXTENT OF THIS PROBLEM, WE DO NOT HAVE THE RESOURCES TO CONDUCT A COMPREHENSIVE REVIEW OF THESE SCHOOLS. THE BIA IS CURRENTLY UNDER ORDERS TO STUDY THEIR OWN SCHOOL FACILITIES AND CANNOT ALSO BE EXPECTED TO ASSESS THE PUBLIC SCHOOLS. THAT IS WHY WE WOULD LIKE THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) TO CONDUCT A STUDY ON THE STATUS OF PUBLIC SCHOOL FACILITIES THAT SERVE INDIAN CHILDREN. I OFFER AN ANECDOTE TO ILLUSTRATE THE EXTENT TO WHICH OUR SCHOOL OFFICIALS ARE STRUGGLING WITH THIS PROBLEM:

THE NEW TOWN SCHOOL DISTRICT OF NEW TOWN, NORTH DAKOTA, IS A HEAVILY IMPACTED INDIAN SCHOOL. IT RECEIVES THE LARGEST POSSIBLE PAYMENT FROM IMPACT AID FOR A DISTRICT ITS SIZE. THESE PAYMENTS COMPRISE THIRTY PERCENT (30%) OF THE DISTRICT'S BUDGET. SUPERINTENDENT MARC BLUESTONE EXPLAINED TO US THE ABSURD LENGTHS TO WHICH HIS DISTRICT HAS BEEN FORCED TO GO IN RAISING CONSTRUCTION FUNDING. IN ADDITION TO YEARLY UPKEEP PROJECTS LIKE RENOVATING AND MAINTAINING CLASSROOMS AND REPAIRING OLD AND DAMAGED ROOFS AND HEATING SYSTEMS, HIS SCHOOLS HAVE ALSO HAD TO DEAL WITH RECRUITING HIGHLY QUALIFIED TEACHERS.

TO COMPENSATE FOR THE LACK OF HOUSING IN NEW TOWN, THE SCHOOL DISTRICT RECENTLY RAISED MONEY TO BUILD A SINGLE $280,000 FOUR-PLEX HOUSING UNIT FOR NEW TEACHERS. TO COME UP WITH THE FUNDS, THE DISTRICT PASSED A FIFTEEN-YEAR, $90,000 BOND TOWARDS THE COST OF CONSTRUCTION. FIFTEEN YEARS AND ONLY $90,000 TOWARDS A SINGLE HOUSING STRUCTURE—THAT IS ONLY $6,000 PER YEAR. BUT THE NEW TOWN SCHOOL DISTRICT CARES DEEPLY ABOUT RECRUITING HIGHLY

QUALIFIED TEACHERS. TO MAKE UP FOR THE DIFFERENCE, THEY TOOK OUT A LOAN WORTH $60,000 AND APPEALED TO LOCAL TAXPAYERS FOR DONATIONS. THEY EVEN INCREASED THE TICKET PRICE OF THEIR HIGH SCHOOL ATHLETIC EVENTS BY TWO DOLLARS PER TICKET, RESULTING IN MAYBE A FEW THOUSAND EXTRA DOLLARS TOWARD THE PROJECT. EVERY DOLLAR COUNTS, THOUGH, BECAUSE THE NEW TOWN SCHOOL DISTRICT IS SERIOUS ABOUT PROVIDING FOR THEIR CHILDREN. AND IT SHOWS.

THE CHILDREN OF NEW TOWN SCHOOL DISTRICT HAVE MET THE ADMINISTRATION'S BENCHMARKS FOR ANNUAL YEARLY PROGRESS (AYP) THREE YEARS IN A ROW. MR. CHAIRMAN, NEW TOWN IS A SERIOUS SCHOOL DISTRICT DOING EVERYTHING THEY CAN TO CONFRONT A SERIOUS SHORTAGE OF RESOURCES. IMAGINE WHAT NEW TOWN COULD DO FOR ITS CHILDREN IF THEY COULD AFFORD ADEQUATE FACILITIES.

A GAO STUDY WOULD NOT SOLVE EVERYTHING, BUT IT WOULD FINALLY PUT AN OBJECTIVE, EMPERICAL FOCUS ON THIS ISSUE AND

WOULD QUANTIFY ITS SEVERITY. WE APPRECIATE YOUR CONSIDERATION OF THIS MOST PRESSING PROBLEM.

OUR SECOND ISSUE IS EQUALLY IMPORTANT BUT FAR LESS TANGIBLE AND FAR MORE DIFFICULT TO ASSESS.

ISSUE #2 – THE "ONE INDIAN CHILD"

INDIAN CHILDREN, LIKE MILITARY CHILDREN, OFTEN GROW UP EDUCATED IN TWO UNIQUE AND DISSIMILAR SCHOOL SYSTEMS. LARGE NUMBERS OF INDIAN STUDENTS ALTERNATE BETWEEN BIA AND PUBLIC SCHOOLS MUCH AS MILITARY DEPENDENT CHILDREN ALTERNATE BETWEEN DEPARTMENT OF DEFENSE AND PUBLIC SCHOOLS. THE BUREAU OF INDIAN EDUCATION HAS ACKNOWLEDGED THIS PROBLEM AND HAS VOWED TO TAKE STEPS TOWARDS FIXING IT. THEY LISTED IMPROVED COMMUNICATIONS AS ONE OF THE PRIMARY GOALS OF THEIR PROGRAM IMPROVEMENT AND ACCOUNTABILITY PLAN (PIAP). ASSOCIATE DEPUTY SECRETARY CASON HAS STATED BEFORE THAT THE GOAL OF PIAP IS "TO PROVIDE IMPROVED COMMUNICATIONS AND COORDINATION BETWEEN ALL OF THE PARTIES WHO MUST CONTRIBUTE TO THE SUCCESS OF OUR INDIAN EDUCATION PROGRAMS."

AS OUR PAST PRESIDENT, IVAN SMALL, TESTIFIED TO THIS COMMITTEE IN THE MAY 25, 2006 HEARING, NIISA FULLY EMBRACES THIS NOTION AND VOWS TO WORK HARD TOWARD FOSTERING COOPERATION AND COORDINATION BETWEEN THE BIE AND THE PUBLIC SCHOOL SYSTEM. HOWEVER, WE CLEARLY HAVE A LONG WAY TO GO.

MR. CHAIRMAN, DESPITE ALL THE COMPREHENSIVE REVIEWS, THE IMPLIMENTATIONS OF MULTI-PRONGED STRATEGIC PLANS, THE REORGANIZATIONS AND THE RE-EVALUATIONS, THE TRUTH IS THAT THE BIE AND THE DEPARTMENT OF EDUCATION STILL DO NOT HAVE A COHESIVE SYSTEM IN PLACE. IN FACT, EVIDENCE SUGGESTS THAT THEY DO NOT EVEN TREAT THIS AS AN URGENT ISSUE.

OUR EXECUTIVE DIRECTOR, BRENT GISH, MET WITH THE BIE EARLIER THIS WEEK AND WAS DISSAPOINTED TO FIND OUT THAT MANY OF THE INITIATIVES LAUDED IN THE MAY 2006 HEARING WERE EITHER GREATLY POSTPONED OR HAD NOT EVEN MATERIALIZED. FOR EXAMPLE, THE COMMITTEE WAS NOTIFIED OF A TECHNICAL ASSISTANCE CONFERENCE TO BE HELD JOINTLY BETWEEN THE DEPARTMENT OF EDUCATION AND THE BIA THAT WAS SCHEDULED TO BE IN THE FALL OF 2006. IN FACT, THIS CONFERENCE NEVER TOOK PLACE BUT HAS BEEN "POSTPONED" TO JULY 2007. ADDITIONALLY,

DESPITE REPEATED CLAIMS THAT THE BIE IS WORKING CLOSELY TO COORDINATE THEIR EFFORTS WITH THE DEPARTMENT OF EDUCATION, WE WERE INFORMED THAT THE BIE HAS NOT EVEN ESTABLISHED A FORMAL POINT OF CONTACT TO DEAL WITH THE DEPARTMENT OF EDUCATION. IN FACT, WE WERE TOLD THAT BIA SCHOOLS ARE "ALL ON THEIR OWN" TO COORDINATE WITH PUBLIC SCHOOLS. THE BIE HAS AN INDIAN STUDENT INFORMATION SYSTEM CALLED NASIS, BUT THIS PROGRAM IS UNABLE TO TRACK INDIVIDUAL STUDENTS AS THEY ALTERNATE BETWEEN THE SAME SYSTEMS. THIS CONTRASTS GREATLY WITH STATEMENTS MADE TO THE COMMITTEE IN THE MAY 2006 HEARING.

MR. CHAIRMAN, WE CANNOT EXPECT MIRACLES WHEN WE CONFRONT SUCH A DAUNTING TASK. INDEED, MANY PEOPLE WORK VERY HARD EVERY SINGLE DAY TO GIVE OUR CHILDREN A CHANCE FOR A BETTER FUTURE. WE UNDERSTAND THAT THE TIGHT BUDGETARY ENVIRONMENT AFFECTS EVERYBODY, AND WE ARE WILLING TO DO THE BEST WITH THE RESOURCES WE ARE GIVEN. HOWEVER, OUR CONCERN WITH THIS MATTER HAS NOTHING TO DO WITH MONEY—IT IS AN ISSUE OF EFFORT AND HONEST ASSESSMENTS, BOTH OF WHICH HAVE BEEN SORELY LACKING.

THE MILITARY HAS MADE TREMENDOUS STRIDES IN ADDRESSING THIS SAME PHENOMENON BY CREATING AN OFFICE WITHIN THE DEPARTMENT OF DEFENSE TO ASSIST MILITARY DEPENDENT STUDENTS. IT IS TIME WE ALSO ESTABLISHED A STRONG FORMAL WORKING PARTNERSHIP BETWEEN THE PUBLIC SCHOOLS OF THE DEPARTMENT OF EDUCATION AND THE BIA SCHOOLS OF THE DEPARTMENT OF THE INTERIOR. WITHOUT SUCH A PARTNERSHIP, WE SIMPLY CANNOT EXPECT TO FIX INDIAN EDUCATION.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, THANK YOU AGAIN FOR THE OPPORTUNITY TO TESTIFY ON THIS MOST PRESSING ISSUE.

STATEMENT OF
THE NATIONAL ALLIANCE TO SAVE NATIVE LANGUAGES

Mr. Chairman and Members of the Committee: I am Ryan Wilson, an enrolled member of the Oglala Sioux Tribe and President of the National Alliance to Save Native Languages (NASNL). On behalf of the Alliance, I would like to thank you for the opportunity to submit written testimony to the Senate Committee on Indian Affairs on the importance of the President's FY 2008 budget and how it affects Native students. Specifically, I would like to address the importance of heritage language, culture and its vital role in the education of Native learners.

About the National Alliance. The National Alliance to Save Native Languages was founded in October of 2006 for the exclusive purpose of promoting the revitalization of Native languages. Creation of the Alliance was precipitated by broad-based concern in Indian Country that the rapid decline in Native language acquisition by Native youth was hurting our youth academically, culturally, socially, and physically.

The National Alliance to Save Native Languages is a coalition of stakeholders who share a desire to see the revitalization of Native Languages. The Alliance is comprised of tribes, schools, individuals, regional and national organizations. It is the only National Indian organization dedicated solely to the recovery of Native languages.

The Alliance seeks to work with tribal communities, state and federal governments to promote Native language immersion opportunities and remove barriers that may prevent those opportunities. In working with tribal communities we have discovered that approximately 95% of our youth today do not speak their heritage language.

Native scholars and linguist have documented that only 20 languages of the nearly 300 originally spoken in America are still being used by Native youth today. We are in the 59th minute of the last hour when it comes to saving these American treasures (Native Languages). Not only are these languages sacred and vital to Indian country but they are as well part of the sacred heritage of America and vital to our rich history. The Alliance believes this trend can be reversed through long term engagement and investment. Specifically a reinvigorated investment through the recently passed Esther Martinez Native American Languages Preservation Act of 2006.

Request for Increased Federal Funding of Native Language Immersion Programs. The Alliance requests a $10 million increase for FY 2008 to the Administration for Native Americans to support Native Language Immersion and other revitalization programs. This will increase the ANA budget to $54 million, and would increase Native language programs from $4 million to $14 million. More significantly it would elevate the investment in language immersion programs, which only received $500,000 in FY 2006 out of the $44 million ANA budget.

This increase of $10 million would support programs authorized under the Esther Martinez Native American Languages Preservation Act. These programs include the following:

- **Language Nest Grants.** Native American Language nests are site based educational programs that provide instruction and child care through the use of a Native language for at least ten children under the age of seven for at least an average of 500 hours. A unique attribute to Language nest is that they provide instruction for parents, and grandparents of the the enrolled children. This is designed to increase the use of the heritage language in the home.

- **Language Survival Schools Grants.** Native American Language Survival Schools are site based educational programs for school-age students that provide an average of at least 500 hours of instruction through one or more Native American languages for at least 15 students who attend the school as their principle place of instruction. The survival school must work toward a goal of all students achieving fluency in a Native American Language as well as academic proficiency in core academic areas including math, reading, science, and writing.

- **Language Restoration Grants.** Native American Language Restoration Programs are educational programs that: provide training programs for teachers of Native languages, develop materials and publications for curriculum, work toward a goal of increasing fluency in at least one Native American language, develop master and apprentice programs, operate at least one Native American language program, provide instruction in at least one Native American Language.

President Bush signed into law the Esther Martinez Native American Languages Preservation Act on December 14' 2006. Funding the Act is of the highest priority for the National Alliance to Save Native Languages.

The Alliance to Save Native Languages acknowledges the tight budget conditions and challenges in funding domestic programs. We feel the request for $10 million is justifiable and if funded will make an immediate and significant impact.. The Alliance supports the Presidents continued funding of ANA and thanks the President for recognizing the worth of ANA.

Administration for Native Americans, HHS. The Administration for Native Americans was established in 1974 through the Native Americans Programs Act. Its roots go back to the war on poverty programs of the Johnson administration when it was formally housed in the Office of Economic Opportunity. The Esther Martinez Native American Languages Preservation Act amended the Native American Programs Act to authorize these new grant programs. This is a continuation of the evolution of ANA and the amazing contribution it has made to Indian country.

Level Funding of ANA for Five Years has effectively reduced the value of ANA funding by 12% even while the crisis in saving Native languages has deepened. The Alliance would like to draw the Committee's attention to the fact that ANA has been level funded for five consecutive years at $44 million. When inflation is factored in, in constant dollars, the purchase power of the 44 million is reduced to $38.89 million. Moreover, the President in FY 2006 carved out $1.8 million from the ANA budget for the his Healthy Marriage Initiative, reducing the funding available for the pre-existing ANA programs including language.

Exacerbating the budget challenge 562 federally recognized tribes compete for ANA funds, along with Native people's from Hawaii, Guam, America Samoa, Mariana Islands, Non federally recognized tribes, Native organizations and Native Hawaiian Non profit organizations.

Only 23% of applicants receive funding. With an average grant amount of $168,000. ANA administers 220 projects annually. Of this figure 13 went to language programs. Tribal communities have demonstrated that they can leverage and create profound contributions and impact with these resources and that they are some of the best spent on Indian country of all the federal agencies.

For communities who receive these precious dollars it often means that their languages will survive. For those tribal communities who's languages are on the brink of extinction they are forced into fierce competition for these resources. In some cases getting funded or not dictates whether a language will be recorded or not before the last fluent speaker dies.

Language revitalization efforts are consistent as well with President Bush's Executive Order on American Indian and Alaska Native Education (April 2004). In that order, the President directed Federal agencies to support the education of American Indian and Alaska Native students in a manner that is consistent with tribal traditions, languages, and cultures.

The Extraordinary Benefits of Native Language Competency. A growing body of research demonstrates why Native language schools are so important. First, Native American students have historically failed to respond as a whole to western learning styles. The failure has gone on at BIA, Tribal, Public, Charter, and Mission schools and is closely correlated to the effort to fully supplant Native ways of thinking with an alien intellectual structure .

Second, Native students who attend Immersion/ Heritage language schools (actually, all students not just Native) do remarkably better than their counterparts in standard, English-only schools. In Indian country this is exemplified by the students who attend the following schools:

- **Piegan Institute, Browning Montana**
- **Akwesasne Freedom school, St. Lawrence River**

- **Tse hootsooi Dine Bi olta , Ft. Defiance Arizona**
- **Lower Kuskokwin School, Bethel Alaska**
- **Cherokee Immersion, Tahlequah Oklahoma**
- **Aha Punanaleo, Hawaii**

Native students at these schools have demonstrated an extraordinary ability to out perform academically their peers at mainstream schools. Not only on standardized test are they out performing their peers, they are matriculating at Division I and Ivy league/ private colleges than their mainstream counterparts. A tragic statistic in Indian education is that for every 100 Native students who enter kindergarten only 5-10 will enroll in college. The immersion schools are reversing this sad fact.

Beyond the academic benefits of these schools the Alliance is witnessing broad-based disparities between the physical, social, mental and spiritual health of Native learners who attend heritage language schools and their counterparts who attend other schools. The Western Regional Laboratory, and the One Sky Center have advanced research and testimony that correlates bi-cultural competence and a strong sense of cultural identity with elevated protective factors. Those Native youth who have the highest levels of risk factors are Native youth who lack a sense of their cultural identity and have an inability to transfer their comfort zone into any kind of mainstream setting.

The suicide epidemic, and epidemic in meth use, violence, and other substance abuse in Indian country has not reached Immersion / heritage language schools even though it surrounds the schools themselves. Site-based management at these schools also reports a low level of office referrals, low level of truancy, and low level of classroom or playground discipline problems.

Investment in these schools and the creation of new Immersion / Heritage language schools is one of the best investments that the United States Congress could make in Indian country. While the request of the Alliance for a $10 million increase would only represent 1% of the Federal government's Indian Education budget, it will prove itself and investment well made and will increasingly become one of the core strategies in turning around the performance of Indian students.

Closing

The National Alliance to Save Native Languages commends Congress for acknowledging America's historical and moral responsibility in revitalizing Native languages. The Alliance thanks the Indian Affairs Committee for its steadfast efforts on behalf of Indian country and for upholding the sacred trust relationship between Indian country and the United States. Where once the United States was the primary investor in the destruction of Native languages it now has an opportunity to invest in the revitalization of these American treasures. The Alliance believes that through partnership and collaboration we can give Native children the world class education they need and deserve. The Alliance stands ready to assist the Committee in any way possible in carrying forward this historic endeavor.

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