



**HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON  
INTERIOR, ENVIRONMENT AND RELATED AGENCIES  
“2014 APPROPRIATIONS TESTIMONY FOR BIA AND IHS”**

Wednesday, April 24, 2013

Written Testimony of

**THE HONORABLE W. RON ALLEN, TRIBAL CHAIRMAN/CEO  
JAMESTOWN S'KLALLAM TRIBE**

On behalf of the Jamestown S'Klallam Tribe, we are pleased to submit this written testimony on our funding priorities and requests for the Fiscal Year 2014 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) budgets. We urge Congress to work together to achieve a balanced approach to the deficit reduction that includes the raising of new revenue sources and that doesn't rely solely on cuts to discretionary spending.

The federal approach to deficit reduction has been significantly unbalanced with non-defense federal programs shouldering the fiscal burden of these budget cuts. Discretionary programs have already experienced \$1.5 trillion in spending cuts as a result of reductions in the Fiscal Year 2011 Continuing Resolution, the Budget Control Act and the American Taxpayer Relief Act. Tribes are funded out of the non-defense discretionary budget and have experienced significant hardship with the imposed budget reductions for Tribal programs. Additional budgetary restrictions would devastate our Tribal economies impacting not only our Tribal citizens but also the surrounding non-Native communities whom we employ and provide with much needed services, such as, public safety, education, health and dental care.

***Tribal Specific Appropriation Priorities***

1. Restore and Increase Housing Improvement Program (HIP) Funding

***Local/Regional Requests and Recommendations***

The Jamestown S'Klallam Tribe is a direct beneficiary of the collective Tribal efforts and continues to support the requests and recommendations of the **Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.**

***National Requests and Recommendations***

***BIA Requests:***

1. Hold Indian Country Programs Harmless (Deficit Reductions / Sequestration)
2. Fully Fund Contract Support Costs \$242 million for the BIA
3. Economic Development /Indian Loan Guarantee Program \$15 million
4. Increase Funding for Tribal Priority Allocations

***IHS Requests:***

1. Fully Fund Contract Support Costs \$617 million for the IHS
2. Fully Fund the Implementation of ACA Inclusive of the IHCA
3. Increase funding for Contract Health Service \$171.1 million

**Hold Indian Country Programs Harmless (Deficit Reductions / Sequestration)**

Decades of unfulfilled federal obligations has devastated Tribal communities who continue to face persistent shortfalls and overwhelming unmet needs. The additional reductions under sequestration will devastate our communities and severely inhibit our ability to provide essential governmental services to our Tribal citizens. In addition, the budgetary reductions will stifle our economic growth and our ability to promote and achieve Tribal self-sufficiency. Until Tribes attain exclusive taxing jurisdiction within their Tribal lands, federal support remains critical to ensure the delivery of essential governmental services to our Tribal citizens. The federal trust obligation must be honored and vital programs and services for Tribes must be sustained in any deal enacted to reduce the national deficit.

**Bureau of Indian Affairs**

Since 2004, the BIA has received the smallest percentage increase in funding compared to the other agencies within the Department of Interior. Tribal programs make up a miniscule portion of the overall federal budget. For example, the Bureau of Indian Affairs accounts for a mere 0.07% of federal spending. During the last two budget cycles, the trend of favoring other Interior agencies over the Bureau of Indian Affairs has continued. In addition to receiving the least amount of incremental funding increases, the Bureau has absorbed the greatest funding reductions compared to the other agencies within Interior.

Congressional support of our proposed funding initiatives will promote efficiency and accountability, strengthen reservation and surrounding local economies, and affirm Tribal sovereignty and Self-Governance. We have long appreciated this Subcommittee's support of our funding requests and are pleased to submit the following recommendations and requests:

**Fully Fund Contract Support Costs (CSC) \$242 million for the Bureau of Indian Affairs and \$617 million for the Indian Health Service**

The US Supreme Court recently affirmed that Tribes carrying out federal programs under the Indian Self Determination and Education Assistance Act (ISDEAA) are entitled to full payment of their contract support costs. Tribes are entitled to be paid what the statute and contract promised and to be treated on an equal basis with every other federal contractor. Despite the Supreme Court decision, the Bureau of Indian Affairs and Indian Health Service have refused to negotiate in good faith with the Tribes to reach a final resolution of this issue which has been ongoing for the past twenty years. To further exasperate the situation, the President's FY2014 Budget Request will fundamentally alter the nature of Tribal Self-Governance by imposing individual statutory caps on the payment of Tribal contract support costs. The Jamestown S'Klallam Tribe opposes the Administration's unilateral proposal, in its FY 2014 budget request.

Contract support cost funding is essential to the operation of contracted federal programs administered under federally issued indirect cost rate agreements. No change of such a fundamental character should be implemented until there has been a thorough consultation and study process jointly undertaken by the Indian Health Service (IHS), the Bureau of Indian Affairs (BIA), and tribal leaders, informed by a joint technical working group and coordinated through NCAI. Such a consultation process must be scheduled to permit opportunity for full tribal participation. While we firmly believe that overall statutory caps on contract support costs

should be eliminated, at the very least Congress should maintain in FY 2014 and FY 2015 the status quo statutory language enacted in FY 2013 so that tribally-developed changes in contract support cost funding mechanisms, if any, can be included in the FY 2016 Budget.

### **Economic Development/Indian Loan Guarantee Program \$15 million**

Economic Development in Indian Country trails significantly behind the rest of the nation and the acute economic conditions experienced by our Tribal citizens are even more pronounced than those of the current economic crisis. Tribal citizens are more vulnerable to the impacts of the current economic conditions because Tribal governmental revenues depend entirely on effective economic development to support nearly every aspect of reservation life and Tribal governance. However, chronic underfunding by the U.S. Government and the severe lack of private investment has left the economic potential of Indian Country unrealized. Tribes are forced to rely on our own economic ventures to generate revenue to support citizen programs and maintain government services for our people. Yet, Tribes are expected to meet these economic challenges with fewer resources and greater restrictions placed on vital economic financing tools and incentives. It stands to reason that Tribes should be given all of the tools and incentives available to other governments to raise and attract capital. When given the right tools to exercise our inherent right of self-government, Tribes can effectively lift our communities out of poverty and fully participate in the American economy. It is not just our Tribal citizens who benefit from federal investment in our communities, surrounding communities, and at times, entire regions, are also beneficiaries of Tribal success.

Guaranteed Financing is needed for Tribal economic development projects. The Bureau of Indian Affairs (BIA) loan guarantee program is vital to Tribes because it creates jobs, provides new sources of revenue to Tribal communities, and critical support in advancing economic development in Indian Country. This program provides attractive incentives and assurances for banks to expand and underwrite loans in Indian country, assisting Tribes in accessing capital and encouraging lending to Indian owned businesses. Loan guarantee are also an attractive financial measure because they result in the leveraging of federal dollars. Federal program funding and guarantees are critically important to Tribes seeking to develop a strong economic foundation. If not for the BIA Loan Guarantee Program, many Tribes would not, in most cases, be able to secure loans from the standard sources available to other entities and businesses. We urge you to restore and increase funding for this program, a very important tool for raising the level of Tribal self-sufficiency.

### **Tribal Priority Allocations Increase Funding**

Tribal priority allocations fund essential core governmental services. We use these dollars to provide the most basic needs for our Tribal citizens: food, clothing and shelter and to provide critical services, including, law enforcement, education, transportation, natural resources and economic development. Since 1996, Tribal government core services are operating with over a 30% reduction in base funds. We urge you to adequately fund TPA to enhance the health and well-being of our communities.

***Restore Housing Improvement Program (HIP) funding*** - This program serves the neediest population, or, those at 125% of the federal income poverty guideline. The President's

FY2014 budget request zeroed out this program based on the false presumption that it is duplicative of existing HUD programs. This assumption is wrong and we urge you to restore funding for this program that provides an essential service, safe and sanitary housing, to our Tribal citizens.

### **Indian Health Service**

Given the unique mission of the IHS as a direct health care provider fulfilling a federal trust responsibility, fully funding and implementing the ACA and IHCA will elevate the health status and decrease the health disparities experienced by American Indians and Alaska Natives. Federal spending for the Indian Health Service amounts to 0.12%, a very small percentage of the federal budget.

*Contract Health Service* - Provide a \$171.7 million Increase for CHS. Most IHS and Tribal operated direct care facilities do not provide the required emergency and specialty care services so Tribes are forced to turn to the private sector to fulfill this need. CHS funds are used to purchase essential health care services, including inpatient and outpatient care, routine emergency ambulatory care, transportation and medical support services, such as diagnostic imaging, physical therapy, laboratory, nutrition and pharmacy services.

### **Fully Fund the Implementation of ACA Inclusive of the IHCA**

The permanent reauthorization of the Indian Health Care Improvement Act (IHCA) within the ACA is the most significant advancement in Federal health policy for Tribes in decades. The purpose of the IHCA is to promote health care parity for Indian Tribes by addressing deficiencies in health status and resources within the Indian health system. Funding for the IHCA is a top budget priority. Although the IHCA provides the authority and, with it, the opportunity to provide essential health care to Tribal citizens, it did not provide the necessary funds to the IHS to carry out these new statutory obligations.

There are twenty three unfunded provisions in the Indian Health Care Improvement Act (IHCA). Many of the provisions that remain unfunded would strengthen the Tribal health care workforce, provide greater access to behavioral health and support innovative initiatives for healthcare delivery to Tribal citizens. Funding these provisions is a necessary precursor to increase Tribal capacity, infrastructure and most importantly access to health care services. Significant federal investment is needed to achieve a fully funded Indian Health Service and now is the time to act on opportunities made possible in the newly expanded authorities granted under the Indian Health Care Improvement Act.

### **Conclusion**

On behalf of the Jamestown S'Klallam Tribe, I respectfully request that these recommendations be included in the FY 2014 federal budget in order to honor the trust responsibility and support tribal economic security and prosperity.