

**TESTIMONY OF THE HONORABLE DARRELL SEKI SR  
TREASURER, RED LAKE BAND OF CHIPPEWA INDIANS**

Before the House Appropriations Subcommittee on Interior, Environment, and Related Agencies  
Regarding the FY 2014 BIA, IHS, and EPA Budgets, April 24, 2013

Mr. Chairman, I thank you and the other distinguished members of the Committee for this opportunity to provide testimony on behalf of the Red Lake Band of Chippewa Indians. On behalf of the people of Red Lake, who reside on our reservation in northern Minnesota, we respectfully submit that the budget appropriation process represents for us the major avenue through which the United States government fulfills its trust responsibility and honors its obligations to Indian tribes. We must depend on you to uphold the trust responsibility which forms the basis of the government to government relationship between our tribe and the federal government. The Red Lake Band of Chippewa Indians requests \$5.8 million in additional FY 2014 funding from the Department of Interior for Red Lake's programs.

Red Lake is a fairly large tribe with 11,000 members. Our 840,000 acre reservation is held in trust for the tribe by the United States. While it has been diminished in size, our reservation has never been broken apart or allotted to individuals. Nor has it been subjected to the criminal or civil jurisdiction of the State of Minnesota. Thus, we have a large land area over which we exercise full governmental authority and control, in conjunction with the United States.

At the same time, due in part to our remote location, we have few jobs available on our reservation. While the unemployment rate in Minnesota is 5.5%, ours remains at an outrageously high level of more than 50%. The lack of good roads, communications, and other necessary infrastructure continues to hold back economic development and job opportunities.

**Sequestration**

Although this testimony concerns FY 2014, we must comment on the FY 2013 sequestration of discretionary programs. The sequester reductions to tribal programs undermine Indian treaty rights and obligations – treaties which were ratified under the Constitution and considered the “supreme law of the land.” The ongoing contribution of tribal nations to the US economy is the land on which this nation is built. In exchange for land, the United States agreed to protect tribal treaty rights, lands, and resources, including provision of services for American Indian and Alaska Native tribes, which is known as the federal Indian trust responsibility. Indiscriminate cuts sacrifice not only the trust obligations, but it thwarts tribes' ability to promote economic growth or plan for the future of Native children and coming generations.

The 2013 sequester and expected reductions due to the Budget Control Act caps will hurt law enforcement, education, health care and other tribal services, which have been historically underfunded and have failed to meet the needs of tribal citizens. It will also mean the loss of critical tribal jobs, 365 jobs in FY 2013, and if continued in FY 2014, 630 tribal jobs. At Red Lake, it will mean an estimated 22 jobs lost, with that number rising to 39 jobs next year.

**FY 2014 Interior Budget Overview**

We appreciate your actions to support Indian program funding in recent years, but we are very concerned that BIA and tribes have unacceptably lagged behind the rest of Interior in terms of funding. For instance, the President's FY 2014 budget includes an overall percentage increase of 5.1% for non-BIA Interior programs, but only a 1.24% increase for BIA. This is not fair. In addition, BIA and tribal employees make up 19% of Interior's workforce. Yet, of the total requested increase for Interior of \$486.4 million in FY 2014, BIA's share of that total increase is only \$31.3 million (6.4%). To the extent that Federal spending is driven by employees, the Indian parity share of the Interior budget increase should be at least \$92.4 million, not the \$31.3 million requested. Additionally, over the last 10 fiscal years the budget for the NPS has grown by

33%; FWS by 19%; USGS by 14.5%; BLM by 14%; and last and apparently least, the BIA by a demeaning 10.5%. In FY 2012, BIA received the largest budget cut at Interior - \$62 million. These trends are alarming, and we ask that you address them in 2014 by increasing the BIA's budget by at least 20% over the FY 2010 level.

**Tribal Government Funding (Formerly Tribal Priority Allocations (TPA))**

Tribal governments have suffered terrible cuts in federal funding for their critical core governmental services in the last 18 years. These services, including law enforcement, fire protection, courts, human services, education, road maintenance, and resource protection affect the everyday lives of people in Indian communities. These cuts have caused a crisis in many tribal communities. Below is a partial list of the TPA budget cuts tribes have suffered:

1996 TPA Cut: 16%  
 2002-2008 TPA Cuts: 10%  
 2013/2014 TPA Sequester Cut (projected): 9%  
 Total TPA Cuts since 1996: >35%

Tribes have lost ground more than any other Interior-funded agency for reasons including: The crippling, nearly \$100 million TPA cut in FY 1996; For the last 18 years, with the exception of law enforcement, tribes' core base programs were either flat-funded or further reduced; In just the last 10 years, tribes' base programs were subject to further cuts of about 10% from a multitude of permanent, across-the-board and targeted rescissions to fund everything from federal deficit reduction, tax cuts, the war in Iraq, and even to build up the BIA's Information Technology bureaucracy; and, during the last 10 years, pay costs were only partially funded.

As a result of the above, tribes' core service funding is far less, in real terms, than 15 years Ago. Our ability to provide minimal public safety, security, and well-being for people who already struggle to survive under some of the worst living standards in America has been undermined. It may be the case that some federal agencies can absorb all of these cuts, but tribes like Red Lake cannot - we have reached the breaking point.

Let me provide an example of how real the funding crisis for basic services is at Red Lake. Below is a table showing BIA base funding versus actual expenditures for just three of our critical service programs, Community Fire Protection, Tribal Courts, and Law Enforcement.

	CY 2012 Actual BIA Base Budget	CY 2012 Actual Expenditures	CY 2012 Actual Shortfall*
Red Lake Program			
Fire Protection	\$42,500	\$439,473	(\$396,973)
Tribal Courts	\$384,669	\$805,150	(\$420,481)
Law Enforcement	\$2,362,257	\$3,599,584	(\$1,237,327)
Totals	\$2,789,426	\$4,844,207	(\$2,054,781)

\* The actual shortfall, \$2,054,781 for just these three programs, represents 20% of the Tribe's entire self governance base funding, most of which had to be taken from other Tribal programs, sharply reducing services provided by those programs.

**Fully Fund Pay Costs and Fixed Costs in FY 2014 and Beyond**

For most of the last decade, Pay Costs were only partially funded. This, coupled with the many across-the-board rescissions over the same period, has resulted in virtually every tribal government core service program being funded at a lower level today than 18 years ago. Pay Costs represent the only increase these programs receive. *When Pay Costs are not fully funded, tribal programs have no choice but to cut jobs.* From FY 2001 to the present, the Department of Testimony of Hon. Darrell Seki Sr.. on President's Budget Request for FY 2014

Interior, including BIA and tribes, have collectively lost more than \$700 million through the absorption of Pay Costs and other Fixed Costs, and along with it, literally thousands of jobs. For Indian Country, this has meant the loss of an estimated 1,000 full time jobs. The President's FY 2014 budget includes a truncated \$16.1 million for Fixed Costs, including Pay Costs. We ask that you support this, and we also ask that you, as in past years, express your concerns to the Administration that Pay Costs must be fully funded in all future budget requests. Finally, the failure to fully fund Pay Costs since FY 2001 has resulted in a permanent annual loss of \$2 million for Red Lake. We ask for a permanent restoration of \$2 million in FY 2014, to partially offset the losses in Pay Costs that Red Lake has unfairly suffered.

### **Contract Support Costs (CSC)**

In FY 2014, an increase in CSC of \$9.8 million is requested, and we thank you for the very significant increases which you provided in FY 2011-2012. We oppose the Administration's FY 2014 proposal to fundamentally alter the nature of tribal self-governance by implementing individual statutory tribal caps on the payment of CSC. Funding for CSC is essential to the operation of contracted federal programs administered under federally issued indirect cost rate agreements. No change should be implemented until there has been a thorough consultation and study process jointly undertaken by the IHS, BIA, and tribal leaders. Such a consultation process must be scheduled to permit opportunity for full tribal participation. While we believe that overall statutory caps on CSC should be eliminated, at the very least Congress should maintain in FY 2014-15 existing statutory language enacted in FY 2013 so that tribally-developed changes in CSC funding mechanisms, if any, can be included in the FY 2016 Budget.

### **BIA Justice Services Programs: Law Enforcement, Courts, Community Fire Protection**

From FY 2005 – 2012, funding for BIA Law Enforcement rose by 79%, from \$180 to \$322 million. We previously reported to you that BIA did not allocate most of those increases in a fair manner – BIA operations received the most and tribes received the least. The BIA recently took steps to more equitably allocate law enforcement dollars. Red Lake is so desperately under funded by the BIA for our public safety programs, that each year we must take nearly 20% of our entire Self Governance base budget just to pay the previous year's public safety shortfalls. We ask that you support the President's FY 2014 requested increases of \$5.5 million for law enforcement positions, and \$13.4 million for recently constructed detention facilities. Red Lake has a DOJ-built juvenile detention facility that has sat vacant since 2005 because BIA has not provided the funding to operate it. We ask that \$1.8 million of the \$13.4 million requested be allocated to Red Lake to operate the facility. We further ask for a specific earmark for Red Lake in the amount of \$1.5 million in FY 2014, to bring us up to minimum BIA Law Enforcement safety standards. We also ask that the \$.5 million requested for conservation law enforcement officers be increased to \$5 million. These funds are critically needed by tribes.

The President's FY 2014 budget includes an increase of \$1 million for Tribal Courts. This is much too low. In the last 10 years, funding for Tribal Courts has increased less than half that of Law Enforcement. At Red Lake, we must spend more than twice the amount received from the BIA just to get by in a severely under staffed condition. We ask that you provide an additional \$20 million for TPA Tribal Courts in FY 2014.

Community Fire Protection has been neglected for decades. We are responsible for fighting fires on our reservation and protecting peoples' lives, *on a yearly BIA-funded budget of \$42,500*. I cited earlier, the huge disparity between BIA funding and actual expenditures for Fire Protection at Red Lake. We ask for a specific provision for Red Lake in FY 2014 of \$500,000.

### **Housing Improvement Program (HIP)**

In recent years, funding for the BIA's HIP program was cut from \$19 million to \$12.6 million. Housing is one of the most basic needs of every American. Past funding for HIP has

been terribly inadequate. The President's FY 2014 budget proposes elimination of HIP. In recent years, our Tribe has been able to build 8 new HIP homes for the poorest elderly and disabled members, who were otherwise ineligible for other assistance from agencies such as HUD. The HIP program should be restored in FY 2014 to \$19 million.

### **Trust Natural Resources**

The President's FY 2014 budget includes a much needed \$32 million increase for Trust Natural Resources, including improved science and technical support. The \$9.8 million for Cooperative Landscape Conservation is particularly needed, as to date, tribes have been effectively shut out of Interior spending in this category. Other increases for Forestry, Endangered Species, Invasive Species, Wildlife and Parks, and Water Resources are critical to our ability manage tribal lands, and we ask for your support of these increases.

The FY 2014 budget request included an increase of \$2 million for the Tribal Management/Development (TMD) program. This includes a needed increase of \$200,000 for the Interior Partners in Conservation Award-winning Circle of Flight program. However, the BIA erred in its budget justification for TMD, by excluding the 8 self governance tribes with TMD programs, including Red Lake. It is imperative that you include language directing that any increase in the TMD program shall include the self governance tribes with TMD programs.

### **Indian Health Service (IHS)**

The FY 2014 request for the IHS is \$4.43 billion in discretionary budget authority, an increase of \$124 million over FY 2012. There is a tremendous unmet need for IHS and Tribal health programs, which stems from years of chronic under funding. IHS mandatory increases for medical and general inflation, population growth, pay costs, and contract support for new and expanded programs surpass the requested increase. We ask that you provide an increase of at least \$250 million in FY 2014, which would only offset the effects of the 2013 sequester.

We appreciate the \$74 million increase in contract support costs (CSC) you provided in FY 2012. The President's FY 2014 budget request includes a total of \$477 million for CSC, an increase of \$6 million over FY 2012. As mentioned in the CSC section of this testimony earlier, we oppose the Administration's FY 2014 proposal to fundamentally alter the nature of tribal self-governance by implementing individual statutory tribal caps on the payment of CSC.

### **EPA Programs**

Water, wetlands, and the fish and wildlife which rely on them are precious to us. Red Lake is home to the 6th largest natural, freshwater lake in the United States and it is truly a national treasure. Vital to our efforts to protect the environment at Red Lake are the Indian General Assistance program (GAP), Section 106 Pollution Control, and Clean Air Act grants. We ask that you provide the \$72.6 million for GAP requested by the President in FY 2014. This program forms the basis of tribal environmental management capabilities, but existing funds do not meet needs. Under Section 106, tribes' funding levels have decreased sharply. At Red Lake we've seen a reduction of \$60,000 or 14% since FY 2003. The reason is, each year more tribes become eligible for and receive this funding but the allocation formula stays the same, so fewer dollars go to tribes to carry out water pollution control programs. We ask that in FY 2014, you direct that at least 20% of Section 106 funds go to tribes, as well as support the \$20 million requested increase. Red Lake has stretched EPA dollars to carry out functions under EPA delegated programs. Increases for tribal grants under EPA delegated programs are needed for tribes to perform just a fraction of the functions that States have been enabled to perform.

Thank you for allowing me to present, for the record, some of the most immediate needs of the Red Lake Band of Chippewa Indians in FY 2014, and for your consideration of these needs.