

**Ervin Chavez, School Board President
Faye BlueEyes, Assistant Executive Director
DZILTH-NA-O-DITH-HLE COMMUNITY GRANT SCHOOL (DCGS)
Bloomfield, NM**

CONGRESSIONAL TESTIMONY

Submitted to the United States Congress:

**House Appropriations Subcommittee on
Interior, Environment and Related Agencies**

Regarding

FY15 Budget Request for the Bureau of Indian Education, Department of the Interior

April 3, 2014

Mr. Chairman and Members of the Subcommittee:

Request Summary: My name is Faye BlueEyes, Assistant Executive Director of the Dzilth-Na-O-Dith-Hle Community School (DCGS) on the Navajo Reservation in Bloomfield, New Mexico. I will present our testimony on behalf of the DCGS School Board. I have four focused areas of the Bureau of Indian Education FY15 (BIE) funding which negatively impact our efforts in helping our students achieve academic success and practice sound management principles in school operations. These areas are the following, all under the BIE budget category:

1. Direct the BIE and GSA to Replace the School's Aging Bus Fleet.
2. Fully Fund the *Indian School Equalization Program* account at \$431 million.
3. Provide \$109 million in *facilities operations* and \$76 million in *facilities maintenance* as recommended by the National Congress of American Indians in its Budget Requests.
4. Fully fund the Tribal Grant Support Costs at \$70 million.

Background: Our school, which has been in continuous service since 1968, operates a K-8 educational program and a dormitory program for students in grades 1-12. Residential students in grades 9-12 attend the local public school. There are 189 students currently enrolled in our academic program, and 56 students are housed in campus dormitories. DCGS is a tribally controlled grant school is located in Bloomfield, New Mexico, approximately 170 miles northwest of Albuquerque, within the boundaries of the Navajo Indian Reservation. DCGS is primarily funded through appropriations received from the BIE, and pass-through funding from the Department of Education. Our all-Navajo Board operates the DCGS through a Grant issued by the BIE under the Tribally Controlled Schools Act. The DCGS goal is to make a difference in the educational progress of our students and we believe that all of our students are capable of achieving academic success. However, we struggled with underfunding of practically every one of our educational and related programs that impacts our ability to fully meet our school goals

and our ability to successfully operate our programs under the Indian Self-Determination policy. We describe below the impacts of the underfunding in several key areas.

I. Replace the School's Aging Bus Fleet in Accordance with GSA Guidelines. We have six aged school buses, and all are operating well past their lifetime replacement schedules, according to GSA guidelines that call for new buses every 80,000 miles. 41. C.F.R. § 102-34.270. Our buses' ages range between 8 and 12 years old, and have between 100,000 and 175,000 miles on them. The maintenance and additional costs of these vehicles is creeping up every year, sapping the School's funds that could be spent elsewhere. The buses that GSA provides are worn out mechanically and physically due to the unpaved dirt roads on our reservations. We have asked for help replacing our fleet, but have not been successful. *We ask that you direct the BIE Grants Officer and the General Services Administration to allocate appropriate funds to all BIE funded schools for the acquisition of new replacement buses.*

II. Overcome reductions to Indian School Equalization (ISEP) Formula Funds Account and Fund to Meet Needs. The FY15 budget request proposes only a \$2.1 million increase in ISEP formula funds, which is still \$5 million less than what the ISEP received in FY 2013—this is a critical program for us and must make up the ground it has lost in recent years. The proposed funding level is only \$386.6 million, but the National Congress of American Indians has recognized this program needs \$431 million in funding to meet schools' needs. The ISEP funds we currently receive are already pressed to offset non-academic costs under the School Operations accounts which are seriously underfunded (i.e., student transportation, maintenance, administrative functions).

We need you to recognize that despite our best efforts to stretch each and every dollar, such a drastic reduction in ISEP funding may result in even more schools not being able to provide the quality academic programs and instruction necessary for our students to be successful. *Please restore funds to ISEP at the level of \$431 million.*

III. Funding for Facilities Maintenance in the amount of \$76 million and Facilities Operations in the amount of \$109.8 million. *Facilities Maintenance* funds are intended to provide for the preventative, routine, and unscheduled maintenance for all school buildings, equipment, utility systems, and ground structures. As we previously testified multiple times, our school is, unfortunately, among the poorest-rated facilities (FCI of 0.4001). Without a significant increase in facilities maintenance funding, there is little doubt we will not be able to make much progress in addressing the myriad health and safety problems at DCGS, which include the closure of the school kitchen due to leaking corroded water lines and outdated boilers. This school year our kitchen staff had no choice but to boil water on the stove to use for the dishwasher because there was no hot water.

The BIE last estimated that \$7.7 million would be needed to fix all that is on the DCGS deferred maintenance backlog, and the replacement cost would be \$19.1 million. Yet the BIE FY15 request of \$48.59 million for facilities maintenance is nearly level funding from the last two years. Thus, funding will be insufficient to reduce the maintenance backlog of DCGS or that of any other BIE-funded school.

The BIE's FY15 request of \$55.87 million (nearly level funding) for *Facilities Operations* is for the ongoing operational expenses like electricity, heating fuels, communications, ground maintenance, refuse collection, water and sewer service, etc. Considering that the facilities operation expenses are currently funded at approximately 50% of need and that the costs of these essential services continue to escalate, we believe the FY15 request is grossly inadequate.

Unless the facilities operations and maintenance costs are funded at a realistic level in order that we can properly maintain and take preventive action, we will continue to be unable to provide our students staff a safe and healthy environment. We urge you to support the NCAI-recommended \$76 million for facilities maintenance and \$109 million in facilities operation funding.

We have a challenge in trying to maintain our school facilities for the safety of our students with the meager funds we receive, to make matters worse; we are being mandated to meet costly environmental compliances which we receive no extra funds to undertake.

IV. Funding for Tribal Grant Support Costs in the Amount of \$73 million. Tribal Grant Support Costs (TGSC), formerly known as Administrative Costs Grants, are funds provided to tribally-operated schools to cover the administrative or indirect costs associated with the operation of a school. These costs include payroll, accounting, insurance, background checks, and other legal, reporting and record-keeping requirements, including the preparation of required annual audits. Currently, 126 of the 183 BIE funded schools are operated by tribes or tribal school boards, with another three BIE-operated schools considering converting to grant status in FY15.

In FY12, the funding available for TGSC met only 64% of the need of the schools, which means that at 100% of TGSC need, *DCGS should have received nearly \$700,000; instead, we received only \$445,000.* For FY15, the BIE requests level funding of \$48.2 million. This is still far below the 100% contract support costs that will be provided to non-school BIA contractors because of Congress's decision to require the Administration comply with its contracts. In addition, there is not a separate start-up fund for newly converting schools (although there may be an additional conversions in FY15) but for the BIA contractors, \$1 million is requested for the Indian Self Determination Fund, which provides start up costs and CSC for the initial year of contract or compact.

With each passing year, the tribally-operated schools have had to re-direct more and more funds from our classroom budgets to cover the essential services such as insurance, fiscal management, audits, and other overhead services. Lack of funding has meant having less people to complete the countless compliance requirements such as processing background checks, equipment inventory, financial accountability, meeting reporting requirements, and federal program requirements.

We urge that Congress fix the inequity between TGSC and CSC funding by fully funding TGSC at \$73 million for the indirect cost requirements of current tribally-controlled schools, and provide \$2 million in start-up funds for newly converting schools.

Conclusion

It is our hope that our leaders here in Washington will provide the levels of education funding that will enable our school system to provide the type of education and services that will help our Native American students reach their potential. We are grateful for any assistance you can provide.

Respectfully submitted,
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