



Choctaw Nation of Oklahoma

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**ORAL TESTIMONY PRESENTED BY
MICKEY PEERCY, EXECUTIVE DIRECTOR, SELF-GOVERNANCE,
CHOCTAW NATION OF OKLAHOMA
ON THE FISCAL YEAR 2015 BUDGETS FOR THE IHS AND THE BIA
TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
April 8, 2014**

Good morning distinguished members of this Subcommittee and thank you for inviting the Choctaw Nation of Oklahoma to present oral testimony on the FY 2015 President's Proposed Budgets for the Indian Health Service (IHS) and Bureau of Indian Affairs (BIA). On behalf of Chief Gregory E. Pyle, I submit this testimony which identifies the funding priorities and budget issues important to the citizens of Choctaw. We request that the Subcommittee work with Tribes and not allow Tribal programs in the Indian Health Service and Bureau of Indian Affairs, as well as throughout the entire Federal government, to incur further sequestration budget decreases and across the board rescissions that are not imposed on other beneficiaries of the Federal budget.

We recommend the following:

INDIAN HEALTH SERVICE

- 1. Joint Venture Program – Increase President's Request to \$170 million**
- 2. Special Diabetes Program for Indians – Reauthorize for 5 years at \$200 million/year**
- 3. Restore Funding to the Office of Tribal Self-Governance - \$6 million**

INDIAN HEALTH SERVICE AND BUREAU OF INDIAN AFFAIRS

- 1. Contract Support Costs – Full Funding with an Annual Special Appropriation**
- 2. Restore Sequestered Funds and Exempt Tribes from Future Sequestration**

The Choctaw Nation of Oklahoma is the third largest Native American Tribal government in the United States, with over 208,000 members. The Choctaw Nation territory consists of all or part of 10 counties in Southeast Oklahoma, and we are proudly one of the state's largest employers. The Nation operates numerous programs and services under Self-Governance compacts with the United States, including but not limited to: a sophisticated health system serving over 33,000 patients with a hospital in Talihina, Oklahoma, eight (8) outpatient clinics, referred specialty care and sanitation facilities construction; higher education; Johnson

O'Malley program; housing improvement; child welfare and social services; law enforcement; and many others.

JOINT VENTURE PROGRAM – INCREASE PRESIDENT’S REQUEST TO \$170 MILLION

The Joint Venture Construction Program (JVCP) allows IHS to enter into agreements with Tribes that construct their own health facilities. The funding for the construction of the health facility comes from the Tribe using their resources, financing or other funding sources with the exception of the IHS health care facility construction appropriations. Tribes apply for the JVCP during a competitive process and projects that are approved enter into agreements with IHS. Upon projected completion of construction by the respective Tribe, the IHS agrees to request Congressional appropriations for additional staffing and operations based on the Tribes' projected dates of completion, fully executed beneficial occupancy and opening.

The President’s proposed level of \$85 million will not support the intent of the JVCP and should be increased to \$170 million at a minimum. Between FY 2001 and FY 2012, seventeen joint venture project agreements signed by IHS and Tribes were initiated and nine have been completed. The interest of Tribes to assume the cost and build or repair the facilities represents the viability of the JVCP and the future of health care access and delivery of services in American Indian and Alaska Native rural and remote communities.

Another key element to a successful JVCP partnership is full payment of contract support costs. Without reimbursement of contract support cost, offsetting program reductions must be made and services are reduced. Upon entering an agreement the IHS should include staffing and contract support costs in the IHS annual appropriations requests to ensure that the facility can open and begin operations as planned.

SPECIAL DIABETES PROGRAM FOR INDIANS – SUPPORT 5 YEAR REAUTHORIZATION AT \$200 MILLION/YEAR

The Choctaw Nation would like to thank the U.S. House of Representatives for passing H.R. 4302, Protecting Access to Medicare Act, which includes the extension of the Special Diabetes Program for Indians (SDPI) through 2015 at the current level of \$150 million. Although we requested that Congress reauthorize the program for five (5) years and increase the funding to \$200 million a year, we are grateful that you sustained the program which allows us an opportunity to continue our advocacy for an extended reauthorization period.

Since the program was initially authorized in 1997 there has been tremendous improvement in the status of diabetes, as well as building a desperately needed infrastructure for diabetes throughout American Indian and Alaska Native communities. SDPI funding is not part of the IHS appropriations process, but the funds are administered through IHS. The success can be attributed to nearly 400 Indian Health Service, Tribal and Urban (I/T/U) Indian

health programs who have assisted in developing innovative and culturally appropriate strategies, vital resources and tools to prevent and treat diabetes.

Congressional funding remains the critical factor in the battle against diabetes and we request that you urge your colleagues to extend the reauthorization to five (5) years and increase funding to \$200 million for the SDPI program.

RESTORE FUNDING TO THE OFFICE OF TRIBAL SELF-GOVERNANCE (OTSG) - \$6 MILLION

In 2003 Congress reduced funding for OTSG by \$4.5 million in addition to Congressional rescissions in 2005 and 2006 to total more than a 50% cut. In the recent Murray/Ryan spending plan OTSG was cut another \$1 million. Self-Governance was permanently authorized in the IHS under P.L. 106-260; Tribal Self-Governance Amendments of 2000 which increased the responsibilities of the OTSG, yet with the reduction in funding it is not able to fulfill the legal requirements under the law. In addition, there are now 341 Tribes and 84 compacts and 109 funding agreements in S elf-Governance and OTSG distributes approximately \$980 million to Self-Governance Tribes. **We request that you restore the \$6 million cut to OTSG to fulfill legal requirements under Title V of P.L. 106-260.**

CONTRACT SUPPORT COSTS – FULL FUNDING WITH AN ANNUAL SPECIAL APPROPRIATION

Full funding of contract support cost in the FY 2014 and FY 2015 budgets is timely and appreciated. However, funding for Tribal programs is seriously impacted. Although our requests to honor the contracts and the compacts and pay full contract support costs have been fulfilled, it has come at a price that is insurmountable and detrimental to past, present and future Tribal program funding. And, even though CSC claims are paid from the Judgment Fund, the day to-day cost of Tribes doing business with the Federal government has forever compromised how Tribal governments operate and provide essential services to our citizens.

The Choctaw Nation is requesting that contract support costs be an annual special appropriation that is not tied to the “Operations of Indian Programs” account or the Indian Health Service funding. While it is true that contract support costs is based on the programs, services, functions and activities Tribes include in the contracts or compacts with the agencies, most of these funding agreements are multi-year and the levels can be computed beforehand for inclusion in an appropriations measure separate from the larger appropriations bill. This will allow the agencies to more accurately capture the contract support costs and provide Congress with approximate amount for a special appropriation. We welcome the opportunity to discuss this in further detail with members of this Subcommittee.

RESTORE SEQUESTERED FUNDS AND EXEMPT TRIBAL FUNDING FROM FUTURE SEQUESTRATION

Tribes have borne an unfair share of the budget deficit. The Choctaw Nation request that Tribal programs be exempt from future sequestration considering that we have already contributed to the deficit at a rate that is not commensurate with other stakeholders. The percentage of the entire United States' budget that is going to Indian Country is only 0.07%. That is a third less than what the percentage was in 1995. Yet we incurred a cut of \$220 million in the Indian Health Service and \$119 million for the Bureau of Indian Affairs Operations of Indian Programs Account – both under the 2013 sequestration. It is not realistic to expect Tribes to continue to absorb the debt of this nation and ignore the Trust obligation and Trust relationship between our governments. We are in fiscally tough times and our requests, as well as your responses, are tough choices and decisions that we will all have to live with.

In 2013, the Choctaw Nation testified and shared our concern about the impending sequestration. When Congress approved legislation for the budget cuts, they specifically exempted many programs that benefit low-income Americans, including Medicaid, tax credits for working families and food stamps. However, basically none of the Tribal programs funding in the Departments of Interior, Education, Health and Human Services or Agriculture were exempt.

This issue was further exacerbated when the agencies consulted with the Tribes on the FY 2014 Spending Plans as a means of “damage control” and to soften the impact of the sequestration. It was our understanding that the Murray/Ryan budget deal was an attempt to lessen the blow of the sequestration cuts but such is not the case. Our requests to assist in the development of the Spending Plans, or at a minimum to review them prior to submission, was not an option and we were once again left outside of the process, the decision-making and impacted by the outcome.

In general, all Tribal programs, not just the Bureau of Indian Affairs (BIA) and Indian Health Services (IHS) budgets should be exempt from any budget recessions and discretionary funding budget reductions. We remain extremely concerned about the consequences of sequestration and strongly urge Congress to fully restore sequestration cuts from FY 2013. This action threatens the trust responsibility and reduces portions of the budget that are not major contributors to the deficit.

Thank you for considering the requests of the Choctaw Nation of Oklahoma.