



U.S. House of Representatives Committee on Appropriations

Sub-Committee on Interior, Environment and Related Agencies

FY-2016 Appropriations Testimony for the Bureau of Indian Affairs and Indian Health Service

**Written Testimony of
The Honorable W. Ron Allen, Tribal Chairman/ CEO
Jamestown S'Klallam Tribe
March 24, 2015**

On behalf of the Jamestown S'Klallam Tribe, I am pleased to submit this written testimony on our funding priorities and requests for the Fiscal Year (FY) 2016 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) budgets. Funding for Indian country is appropriated in the non-defense discretionary portion of the Federal budget. We, therefore, renew our request that Congress work together to achieve a balanced approach to the budget deficit that includes raising new revenue sources and that doesn't rely solely on cuts to discretionary spending.

We strongly support the Administration's FY2016 Budget Proposal as it reflects an improved commitment on behalf of the Federal government to uphold treaty and trust obligations with an investment in Indian programs that includes a 12% increase for the BIA over the FY2015 enacted level, a 9% increase for the IHS, and mandatory funding for contract support costs. These proposed increases are extremely important to Tribes because we rely on this funding to support our core governmental programs and critical services that promote the safety and well-being of our Tribal citizens and Indian community. We also advocate for the expansion of Self-Governance so that Tribes can continue to have the flexibility to redesign programs and services throughout the Federal government to better address their community needs.

In addition to the items detailed below, our Tribe would like to reiterate that we are a direct beneficiary of the collective and continuing efforts of the **National Congress of American Indians, the Affiliated Tribes of Northwest Indians, the Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.**

TRIBAL SPECIFIC BUDGET PRIORITIES:

Indian Health Service and Bureau of Indian Affairs

- 1. \$737,000 - Five Quarter Funding to Move the Jamestown Self-Governance Funding Agreements from Fiscal Year to Calendar Year**

REGIONAL BUDGET PRIORITY - Bureau of Indian Affairs:

- 2. Increase Rights Protection Implementation to \$52 million**

NATIONAL BUDGET PRIORITIES

- 3. Exempt Tribes from Sequestration and Rescissions and Restore 2013**

Sequestration Cuts

4. **Full Funding/Mandatory Funding for CSC which is included in President's FY 2016 Budget Request**

Indian Health Service

5. **Increased Funding for Purchased and Referred Care to \$198.2 million**
6. **Maintain Current Services \$166.1 million**
7. **Special Diabetes Program for Indians \$200 million a year for five years**

Bureau of Indian Affairs

8. **Economic Development: \$15 million Loan Guarantee/\$9 million Surety Bonds**
9. **Support for Tribal Governments Fixed Costs/Paycosts**
10. **Roads Maintenance \$40 million**

TRIBAL SPECIFIC BUDGET REQUEST JUSTIFICATION - \$737,000 to extend our FY 2015 Jamestown Self-Governance Funding Agreements in the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA) from fiscal year to calendar year funding:

Estimate of funds needed to extend our FY2015 Funding Agreement to December 31, 2015: Indian Health Service (based on FY2015 total funds and AFA) \$352,560.14 (92 days of funding) Department of Interior (based on FY2015 AFA and FY2014 Contract Support Costs actual) Direct Funding \$435,467.26 / CSC Funding \$301,120.79 / Total = \$736,588.05

We are requesting this change in the funding cycle of our Annual Funding Agreements to minimize the impact the Tribe has incurred because of Continuing Resolutions (CR) have on our programs and services for the nearly two decades. Since FY1998, there has only been one year (2006) in which the Interior, Environment and Related Agencies Appropriations Bill has been enacted before the beginning of the new fiscal year. Delayed appropriations undermines Tribal Self-Governance because it creates budgetary uncertainty, disrupts programs and service delivery which impedes the Tribes' ability to efficiently and effectively utilize our Federal funds. We currently operate our programs and services under a fiscal year annual funding agreement that is consistently not available to us until half-way or later in the fiscal year due to CRs. This year, we received our final allocation for IHS facilities money on February 11, 2015, or, four and a half months into the fiscal year. On the BIA side, we are still waiting for almost \$1 million dollars of contract support costs (CSC). When we do not receive our funding in a timely manner it interrupts our government operations in the following ways: we are forced to borrow money from our Tribal businesses to supplement our programs and services; we have to work out deals with our vendors to extend payments which costs us additional money in finance costs; projects are postponed; our ability to invest in economic development and job creation is limited; and the amount of money we can leverage to enhance programs and services is not realized. Program performance is a significant factor that influences budgetary decision-makers. Yet, we cannot demonstrate program success or the effective and efficient use of Federal funds when we do not receive our funding at the beginning of the fiscal year. Self-Governance was designed to allow Tribes flexibility to redesign programs, services, functions and actions to meet the needs of our Tribal citizens. We therefore respectfully request five quarter funding to allow us to transition from fiscal year to calendar year funding.

REGIONAL BUDGET REQUEST - Rights Protection Implementation: Increase to \$52 Million (BIA)

Rights Protection Implementation funds important court ordered management activities which support off reservation treaty rights of 49 Tribes and other intertribal management efforts. This funding is essential for the protection of tribal economic, subsistence, cultural and medicinal

practices as well as the sustenance of healthy productive Tribal nations and their surrounding states, local governments and neighboring communities.

NATIONAL BUDGET REQUESTS

3. Exempt Tribes from Sequestration and Further Rescissions and Restore 2013

Sequestration Cuts (BIA and IHS):

Budgetary reductions undermine Indian Treaty Rights and Federal obligations. The Federal trust obligation must be honored and vital programs and services for Tribes must be sustained despite the budget deficit. In FY2013, the Budget Control Act imposed a \$228 million reduction for the Indian Health Service which translated into a reduction of 3,000 inpatient admissions and 804,000 outpatient visits for American Indian/Alaska Natives to IHS and Tribal hospitals and clinics. In addition, the BIA endured a \$119 million reduction which directly impacted public safety, education, housing, roads, Indian child welfare and social services for Tribal citizens and Indian communities. Sequestration and rescissions further exasperate an already precarious budgetary situation undermining the Tribes abilities to maximize their unfunded operations and provide basic services to our Tribal citizens. We urge Congress to exempt Tribes from any further reductions imposed by the Budget Control Act and to restore funding cuts due to the 2013 sequestration and rescissions.

4. Full Funding/Mandatory Funding for Contract Support Costs (BIA and IHS):

- **BIA \$277 million, an increase of \$26 million above the FY2015 enacted level**
- **IHS \$718 million, an increase of \$55 million above the FY2015 enacted level**

Although we are pleased that the Federal government has provided full funding for contract support costs under the Indian Self-Determination and Education Assistance Act (ISDEAA) in FY 2014 and 2015, Tribal programs should not be subjected to programmatic decreases in order to fulfill the Federal government's contractual obligations. CSC should be appropriated as a mandatory entitlement. Under the ISDEAA, the full payment of CSC is not discretionary, but is a legal obligation of the United States to pay Tribes for services. We strongly urge Congress to fund CSC on a mandatory basis as included in the FY 2016 President's Budget Proposal.

5. Increase Funding for Purchased/Referred Care (formally called Contract Health

Services) - \$198.2 million: Purchased and Referred Care (PR/C) is important to Tribes in the Northwest because we do not have any hospitals to address emergency and specialty care services. Much of the secondary care, and nearly all of the tertiary care needed must be purchased from the private sector. PR/C funds are used to purchase essential health care services, including inpatient and outpatient care, routine emergency ambulatory care, and transportation and medical support services. These funds are critical to securing the care needed to address many of the diseases which are among the leading causes of death for American Indian and Alaska Natives (AI/AN). Tribes have been forced to rely on 3rd party revenue (Medicare, Medicaid and Private Insurance) when PR/C funds have been depleted. The IHS has established medical priorities because PR/C funding is inadequate to fund all needed medical services. Most Tribal facilities are only able to address Priority 1 life and limb and catastrophic healthcare emergency cases. We request an increase of \$198.2 million for Purchased/Referred Care in the FY 2016 budget to meet this critical need.

6. IHS Mandatory Funding (maintaining current services – +\$368.9 million over the FY 2015 President's proposed budget: Current Services include mandatory costs that are required to maintain health services to include population growth, medical and non-medical inflation,

paycosts and CSC. When these mandatory costs are not funded, Tribes are faced with having to cut programs and services for our Tribal citizens. Tribes cannot continue to absorb these costs and maintain the level of quality care our Tribal communities deserve.

7. Special Diabetes Program for Indians – \$200 million a year for five years (Special Appropriations administered by IHS))

American Indian/Alaska Natives (AI/AN) are two to four times as likely to develop diabetes compared to other races. The SDPI program has proven effective in combatting diabetes and enhancing care and education in AI/AN communities. As a result, the program has successfully reduced costly health complications and the incidence of the disease itself.

8. Economic Development/Loan Guarantee/Surety Bonds - \$15 million Loan Guarantee/\$9 million Surety Bonds (BIA)

Tribal governmental revenues depend entirely on effective economic development to support nearly every aspect of reservation life and government operations. Chronic underfunding of Indian programs and the severe lack of private investment has left the economic potential of Indian country unrealized. The Loan Guarantee Program provides eligible Tribal and individual Native borrowers a mechanism to obtain conventional lender financing for businesses and economic development projects. Funding the Surety Bonding component of the Loan Guarantee Program would create an avenue for Tribes to compete for Federal contracts. In order for Tribes to attain economic self-sufficiency, they need access to capital, investment in infrastructure, parity in funding and tax incentives and resources for technical assistance and training to develop Tribal capacity.

9. Support for Tribal Government TPA / Fixed Costs Paycosts – +\$139 Million Increase (BIA)

The BIA Tribal base funding allows Tribes to exercise their inherent right to Self-Governance and is used to support core governmental programs. These funds pay the wages of our cops, firefighters, social workers, child welfare workers, and resource managers. Since 1996, Tribal government core services are operating with over a 30% reduction in base funds. While base funding has decreased, there has been an increase of grant funding. Allocating new funding for BIA via grant opportunities marginalizes and impedes the exercise of Tribal self-determination because grants limit the flexibility and local control available to Tribes under the ISDEAA. Tribes advocate for an increase to base funding instead of funding Tribes with grants. Tribal paycosts represent the only TPA base increase most Tribal service programs receive. Most Federal agencies receive annual increases to their fixed costs rates each year to address inflationary costs associated with fringe benefits and pay costs. Partially funding or failing to fund paycosts devastates Tribal communities by causing critical job losses.

10. Road Maintenance \$40 million - The Road Maintenance Program is frequently identified as one of the Tribes top budget priorities, and yet, it is frequently targeted for funding reductions and remains one the BIA's most underfunded programs. Tribes often have to use their maintenance dollars for day to day activities to maintain public safety such as snow and ice removal on Tribal roads. Currently the deferred maintenance backlog is about \$75 million but road maintenance is currently funded at less than \$25 million.

Thank you on behalf of the Jamestown S'Klallam Tribe. I respectfully request that these recommendations be included in the FY 2016 budget in order to honor the trust responsibility and support tribal prosperity and well-being.