



Choctaw Nation of Oklahoma

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**ORAL TESTIMONY PRESENTED BY
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CHOCTAW NATION OF OKLAHOMA
ON THE FISCAL YEAR 2016 BUDGETS FOR IHS AND BIA
TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
March 25, 2015**

Good morning to distinguished members of this Subcommittee and a special congratulation to new members, Messrs. Derek Kilmer and Steve Israel. Thank you for inviting the Choctaw Nation of Oklahoma to present oral testimony on the FY 2016 President's Proposed Budgets for the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA). I submit this testimony which identifies the funding priorities and budget issues important to the Choctaw Nation and its citizens.

This is a very important Subcommittee for American Indians and Alaska Natives because you determine just how much funding will be appropriated for the Bureau of Indian Affairs and the Indian Health Service to support basic essential services for Indian people to fulfill the United States' trust responsibility. While there have been increases in both agencies over the past decade, Tribal programs remain underfunded and Tribes are expected to do more with less. We incurred the wrath of cuts from the 2013 Sequester and we were hit with additional cuts in 2014 and 2015 to fully pay Contract Support Costs (CSC). We remain resilient and are optimistic that the FY 2016 President's Budget Proposal will address the long-term fix for CSC and bring attention to the forefront regarding the lack of budget equity for Tribal program funding that has persisted for far too long. We want to rebuild our faith in the government-to-government relationship that we have invested in for many generations – but partnerships involve more than one party to make it happen!

We recommend the following:

INDIAN HEALTH SERVICE

- 1. Joint Venture Program – Increase President's Request to \$100 million**
- 2. Special Diabetes Program for Indians – Reauthorize for 5 years at \$200 million/year for 5 years**

INDIAN HEALTH SERVICE AND BUREAU OF INDIAN AFFAIRS

- 1. Contract Support Costs – Fully Fund in 2016 and shift into Mandatory funding beginning in 2017 with 3 Year Spending Authority**
- 2. Exempt Tribal Government Services and Program Funding From Sequestrations, Unilateral Rescissions and Budget Cuts**

Choctaws – growing as one with pride, hope and success

3. Provide funding increases - Office of Tribal Self-Governance (IHS) and the Office of Self-Governance (DOI) to fully staff to support the number of Tribes entering Self-Governance

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, nine (9) 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. The Choctaw Nation has operated under the Self-Governance authority in the Department of the Interior (DOI) since 1994 and in the Department of Health and Human Services' IHS since 1995. As a Self-Governance Tribe, the Nation is able to re-design programs to meet Tribally specific needs without diminishing the United States' trust responsibility. Self-Governance is now a permanent reality for many Tribes.

In 2014 the Choctaw Nation of Oklahoma was designated one of the five, and the only Tribal, Promise Zones in the United States. The initiative will enhance cooperation between Federal agencies, local government branches, community advocates and the Choctaw Nation to focus on key areas that will contribute to economic growth and revitalize opportunities for a better quality of life in Southeastern Oklahoma.

JOINT VENTURE CONSTRUCTION PROGRAM – INCREASE PRESIDENT'S REQUEST TO \$100 MILLION

The Joint Venture Construction Program (JVCP) is a unique opportunity for the Indian Health Service to partner with Tribes and make scarce Federal dollars stretch much farther than in the traditional Federal construction programs. The President's proposed level of \$18 million will not support the intent of the JVCP and should be increased to \$100 million at a minimum. Tribes have taken on great risks in financing the construction of new or replacement facilities. These risks are taken with a commitment from the IHS to fund necessary staffing and operating costs upon completion of facility construction. Failure to fund staffing and operating costs in a sufficient and timely manner leaves Tribes without the means to safely operate these facilities, compromising their ability to service loan agreements while jeopardizing the health and safety of our entire communities.

In 2014 the Choctaw Nation applied for and was awarded a JVCP for a new Regional Health Care Facility in Durant, Oklahoma. There are no IHS facilities in the County and the 2014 estimated user population is 6,939 with projected primary provider visits of almost 29,000 which speak volumes to the need. The Nation will design, construct, and equip the new facility consisting of 123,780 sq. ft. (11,500 sq. m) in size and it will be operated under the Nation's Self-Governance Agreement.

Upon projected completion of construction the IHS agrees to request Congressional appropriations for additional staffing and operations based on the Tribes' projected dates of completion, beneficial occupancy and opening. Another key element to a successful JVCP partnership is full payment of contract support costs (CSC). Without reimbursement of contract support cost, offsetting program reductions must be made and services reduced. Upon entering into 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 Special Diabetes Program for Indians (SDPI) has been a top priority for the Choctaw Nation since it was initially authorized in 1997. SDPI is currently reauthorized through March 31, 2015 at a flat-line rate of \$150 million/year (since 2004). Continuing support of the SDPI will maintain critical momentum in diabetes research and care to help bring diabetes-related costs under control. The permanency of SDPI would be a great asset to promoting stability for this important health program and for reversing the trend of Type 2 diabetes in Indian Country. In addition it will provide for staff retention, programmatic long-term planning which increases and improves patient care, and more stable outside contracts with vendors and suppliers.

Congressional funding remains the critical factor in the battle against diabetes and we request that as we continue to work for permanent authorization and mandatory program status, that you urge your colleagues to extend the reauthorization to five (5) years and increase funding to \$200 million/year for the SDPI program.

CONTRACT SUPPORT COSTS – FULL FUNDING FOR BIA AND IHS IN 2017 WITH THREE YEAR RE-AUTHORIZATION

Full funding of contract support costs in the FY 2014 and FY 2015 budgets was timely and appreciated, however it was at a price that severely impacted Tribal program funding in both the Bureau of Indian Affairs (BIA) and the IHS. The Choctaw Nation supports the President's FY 2016 Budget proposal which bears the likes of a two-prong conundrum: (1) obtaining fair compensation for past CSC shortfalls; and (2) ensuring full CSC funding for all contracts or Self-Governance compacts to manage programs previously administered by the Department of the Interior and Department of Health and Human Services. The law is very specific, "Tribes contracting and compacting under the Indian Self-Determination and Education Assistance Act (ISDEAA) are entitled to full contact support costs."

Today, we find ourselves at a place that many thought was not in the foreseeable future. However, a long-term proposed fix to fully fund CSC is underway. Over the years, both the BIA and IHS established CSC workgroups, consisting of Tribal and Federal representatives, to work on

resolving the CSC shortfall and to develop strategies to fully fund CSC. While many Tribes have settled their CSC claims in IHS, it was an onerous and costly exercise for most of us.

The Choctaw Nation engaged in negotiations with the IHS and because of the recalcitrance of the agency representatives, we had to engage legal counsel. The CSC shortfall due Choctaw was reduced to 75% after we incurred the legal cost, 25%, to get through the negotiations. The unfortunate part for the Tribe is that the total amount paid by IHS was the "original" full CSC shortfall amount due to the Nation. However because of the haranguing and lack of facilitating in good-faith on behalf of the United States, the Nation did not receive the full 100% - simply put because we had to pay legal fees which should have been spent on services for Tribal citizens.

The BIA has been just as asinine. The Choctaw Nation cannot settle our claim because "not all Tribes [17]" have negotiated their settlement and the agency is withholding ALL of the payments to avoid incurring overpayments to Tribes. So rather than settle and close claims with Tribes at the table, BIA has put a hold on payments unless settlements for all Tribes have been negotiated. There is nothing in the law that allows the agency to withhold funds. Tribes continue to bear the brunt of their ineptness at math and their unwillingness to follow the intent of Congress and fully implement the law to pay ALL CSC claims.

The Choctaw Nation asks that Congress directs the BIA and IHS to enter into these negotiations with the honor and respect intended by Congress and not to invoke its own judgement during these proceedings. Lawyers should not be factored into the government-to-government relationship that is between Tribal Governments and the United States.

EXEMPT TRIBAL GOVERNMENT SERVICES AND PROGRAM FUNDING FROM SEQUESTRATIONS

The Choctaw Nation requests that Congress exempts ALL Tribal programs from future sequestrations, unilateral rescissions and budget cuts. American Indian and Alaska Natives are the most at risk population in the United States and we do not rebound from extreme cuts, such as the 2013 sequestration, in a few years because our programs are disproportionately underfunded. Traditionally, Tribes have borne an unfair share of the budget deficits to our health care systems, law enforcement, education and essential governmental services, just to name a few. Sequestration reneges on the United States contract with Tribal governments and cripples services and benefits to our citizens.

We are continually subjected to the broken and empty promises by our Federal trustees. We ask the United States to step up and honor the agreements and treaties between our great Nations and protect the funding of Native American programs.

The Choctaw Nation supports the budget requests of the National Congress of American Indians and the National Indian Health Board. Thank you.