

Metlakatla Indian Community

P.O. Box 439
Metlakatla, Alaska 99926
907-886-4741

Audrey Hudson, Mayor

Testimony submitted to the House and the Senate Appropriations Subcommittees
on Interior, Environment and Related Agencies
March 19, 2015

Concerning the FY 2016 Indian Health Service and Bureau of Indian Affairs Budgets

Summary. The requests of the Metlakatla Indian Community for FY 2016 are:

- Support the Administration's request to make Contract Support Costs funding mandatory, with a preference that such a change occur beginning in FY 2016.
- Exempt the IHS from any future sequestration, as Congress has done for the Veterans Health Administration programs.
- Extend the Special Diabetes Program for Indians.
- Substantially increase funding for BIA Natural Resources; the Administration requested a \$48 million increase but given the wide array of programs for which the Metlakatla Indian Community has historically received far less funding than necessary, the need is much more than that.

* * *

The Metlakatla Indian Community (Community) is located on the Annette Island Reserve in southeast Alaska, a land base of 87,000 acres. Through our Annette Island Service Unit we provide primary health services at our outpatient facility through funding from the IHS as a co-signer to the Alaska Tribal Health Compact under the Indian Self-Determination and Education Assistance Act. We have significant fish and forestry resources but as noted elsewhere in this testimony, we require more resources to fully manage them.

Contract Support Costs (CSC) Mandatory Funding. We are encouraged by the Administration's policy proposal changes with regard to contract support costs and the widespread recognition that these costs are mandatory in nature. In our testimony of just two years ago we were fighting against the Administration's proposals to not only underfund CSC but to cap each BIA and IHS individual contract. Now we are testifying in support of an Administration proposal to move IHS and BIA contract support costs to a mandatory funding basis and in amounts that appear to be sufficient for full funding.

We support the Administration's proposal to make IHS and BIA contract support costs funding mandatory although we and other tribes and tribal organizations would like this designation to begin with FY 2016. It differs from our and others in Indian Country proposal that CSC be funded indefinitely and not capped, but we acknowledge the Administration's proposal as a huge step for the federal agencies directly involved and the Office of Management and Budget. We are hopeful that the \$718 million proposed for CSC funds for IHS and \$277 million for the BIA will be sufficient for full funding for FY 2016 – a lot of work has gone into the estimated calculations and that should bode well for future estimates as well.

Under the Indian Self-Determination and Education Assistance Act, the full payment of CSC is not discretionary; it is a legal obligation, affirmed by the U.S Supreme Court. Funding of CSC on a discretionary basis has placed the House and Senate Committees on Appropriations, in their own words, of being in the “untenable position of appropriating discretionary funds for the payment of any legally obligated contract support costs.”

We ask for this Subcommittee's intervention with the Budget Committee and any others that may influence this proposal for mandatory CSC funding. You have had a great deal of experience in talking with Alaska Native and Indian leaders over the years about the frustrations and the inequity of tribes and tribal organizations who contract to assume administration of federal programs not being paid for the true costs to administer them. You have much to offer others in Congress who will weigh in on this issue.

Sequestration. We ask that IHS funding be exempt from sequestration, as is the Veterans Health Administration programs. We understand that a number of members of Congress, including some on this Subcommittee, have indicated that it was an oversight that IHS was not exempted from sequestration and that it should be corrected. We are grateful for this and trust it will be done this year. That oversight that resulted in a \$220 million cut in funding IHS for FY 2013, made worse by the fact that it had to be absorbed in a matter of a few months. Those sequestered levels then become the base for future funding.

The Veterans Health Administration (VA) was made fully exempt from the sequestration for all programs administered by the VA. *See* § 255 of the Balanced Budget and Emergency Deficit Control Act (BBEDCA), as amended by P.L. 111-139 (2010). Also exempt are state Medicaid grants, and Medicare payments are held harmless except for a 2 percent reduction for administration of the program. We thus strongly urge the Subcommittee to support an amendment to the BBEDCA to fully exempt the IHS from any future sequestration, just as the VA's health programs are exempt.

Special Diabetes Program for Indians. The authorization and funding for the Special Diabetes Program for Indians (SDPI) expires at the end of FY 2015. The SDPI provides crucial funding for diabetes treatment and prevention programs for Alaska Natives and American Indians, among whom diabetes is an epidemic. The SDPI is showing significant outcomes – both in terms of dramatically increased access to treatment and prevention services and for improved blood sugar control and blood lipid levels. The President's FY 2016 budget proposal recommends extending SDPI for three years at its current level of \$150 million per year, and we appreciate their advocacy. However, we join with others in Indian Country in recommending a

five-year extension at \$200 million per year. We ask for your support of the efforts to pass such a multi-year extension of the SDPI and that the extension be accomplished as quickly as possible—well in advance of its expiration in September, 2015—so that these indispensable programs can continue to provide uninterrupted care and contracts can be renewed without disruption and loss of expertise.

BIA Natural Resources Funding. The Metlakatla Indian Community has the only reservation (Annette Island Reserve) within the State of Alaska—87,000 acres, plus the marine waters 3,000 feet out from the shorelines of Annette Islands. We did not participate in the Alaska Native Claims Settlement Act (ANCSA), though were given the opportunity to do so. Instead we communicated to the Congressional drafters of ANCSA the need for the Reservation to stay intact. As a result, Section 19 of ANCSA excludes the Metlakatla Indian Community, thus preserving the Community's trust land and reservation intact.

Today I want to bring to your attention a terrible injustice: the BIA has, for decades, underfunded our natural resource programs. We recently conducted a detailed analysis of not only the funding we currently receive to carry out BIA natural resource programs (\$957,205), but an analysis of the funding necessary to adequately protect the trust assets (our lands, waters, habitat, minerals, and fish and wildlife), and also to steward those trust assets to meeting tribal needs on an ongoing basis. We determined that our BIA natural resource programs require a total funding of \$4,274,731 on an annual basis, which means additional appropriations in the amount of \$3,317,526.

This breaks down as additional funds needed for the Community in the following budgetary accounts: BIA Hatchery Operations (+\$500,000); Fisheries Management and Development & Wildlife Management and Development (+\$1,006,068); Forestry (+\$464,545); Natural Resources General/Administration (+\$533,369); Other Rights Protection (including water) (+\$191,709); Mineral Development (+\$304,372); and Invasive Species Management (+\$317,463).

We urge the Committee to fully fund these needs so that the Community can adequately carry out responsibilities that are critical to ensure that the Community's natural resources programs are adequately funded. I discuss below two of these program areas—Fisheries and Forestry—to greater illustrate all that is involved in carrying out these natural resource programs, the existing inequitable share of these funds that the Community receives in comparison with other Tribes in the Northwest, and why this funding is so critical to the Community.

Fisheries: Because State-managed waters surround the Reservation's waters, and because there is no court-ordered co-management relationship between the Community and the State, Tribal fisheries must be managed in a way that accounts for the Community's fishing effort, as well as the State's. This must be done without having any influence over the State's management strategies, which, at times, have been preemptive of our subsistence and harvest rights. In order to properly manage our fishery resources, we need to bring our own scientists and resource managers to the table, but have insufficient funding to do so.

We manage the following commercial fisheries (subject to Secretarial approval): *Salmon*—The Community’s fishery is the largest tribally managed salmon fishery in the Nation. In fact, the Community annually harvests more salmon than the five top fishing tribes in western Washington combined; *Herring*—we manage the second largest herring stock in southeast Alaska (second only to the Sitka fishery), the largest (almost certainly the only) tribally managed herring fishery in the Nation; *Halibut*—our halibut fishery is comparable to the tribal halibut fisheries in western Washington; and *Dive Fisheries for Sea Cucumber and Geoduck*—Comparable to tribal fisheries in western Washington.

The tribes of western Washington, which conduct fisheries that are most similar to the Community’s, also have complex managerial, technical and scientific needs. Yet, their funding, although substantially greater than the Community’s, is still inadequate to cover the costs of retaining staff in each of the individual disciplines that, in combination, make up a legitimate fishery management program. However, Congress, through the BIA, makes millions of dollars available to the Northwest Indian Fisheries Commission (NWIFC) for that very purpose. The NWIFC, like the Columbia River Inter-Tribal Fish Commission, is able to draw on economies of scale and consortia staff, so that when tribes meet with the State, or other management authorities, they are supported by expertise that the State cannot ignore. By contrast, the Community not only does not have the funds necessary to hire its own experts, we are also not able to draw upon the expertise of an inter-tribal consortium. Our Tamgas Creek Hatchery is possibly the largest tribally-operated hatchery in the nation, but it inexplicably receives \$0 in the Hatchery Operations line item in the BIA budget, while Oregon and Washington tribes receive substantial funding. Our Community is very much on its own. When considered in this light, the disparity between the fishery management support available to western Washington tribes and the support available to the Metlakatla Indian Community is enormous. As a result, we are severely handicapped in efforts to protect our fishing rights and conserve our fishery resources.

Forestry: A second example of critically needed funding to meet tribal natural resource program needs is in the forestry program. We receive \$62,000 for our forestry program. This is insufficient funding to hire even one position in the program, let alone plan, design, and implement silvicultural prescriptions, forest harvest, conservation, and wildfire prevention and control strategies on the 21,172 acres of commercial forestland, and 54,197 acres of non-commercial forestland and associated muskeg habitat. Using the formula developed by the IFMAT III team in 2011, the Community's forestry program should receive a minimum of \$646,223.32 in federal funding in order to ensure forest health and federal trust obligations are met. We have requested less than this full amount, or only an additional \$464,545.

We are glad to provide any additional information you may request. Thank you for your consideration of our concerns and needs.

###