



“ANCCSB, INC.”

Association of Navajo Community Controlled School Board, Inc.

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"A partnership of communities working together to inspire and advocate for excellence in Dine Education"

Written Testimony of Fernie Yazzie, ANCCSB Executive Director

Submitted to

United States House of Representatives Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies

Regarding the FY 2016 Indian Affairs Budget

March 20, 2015

The Association of Navajo Community Controlled School Board (ANCCSB), Inc. is an organization of 11 member school boards who operate federally-funded schools on the Navajo Reservation in Arizona and New Mexico under contracts or grants from the Bureau of Indian Education (BIE).

We urge that the BIE school system be exempted from any further reductions in Federal spending, we highlight below four of the most pressing areas of need that directly impact our schools' educational programs, facilities, student transportation, and administrative management.

Tribal Grant Support Costs

Since the 1988 Elementary and Secondary Education Act reauthorization, tribally-operated elementary and secondary schools have received funding for the administrative expenses incurred for the operation of BIE-funded schools through an Administrative Cost Grant, now called *Tribal Grant Support Costs* (TGSC). These funds are used for costs of essential services such as contract/grant administration; program planning and development; human resources; insurance; fiscal, procurement, and property management; required annual audits; recordkeeping; and legal, security and other overhead services.

Impact. Since TGSC appropriations have historically been insufficient to meet the level of need without other sources of revenue, we must re-direct more and more funds from our education program budgets to cover essential administrative costs. Our schools must make difficult decisions—such as delaying purchase of new textbooks and other materials, paying non-competitive teacher salaries, reducing the number school days—to fit within these reduced budgets. Even with these cost-saving measures, some schools are still struggling with further reductions in management and business-office personnel at the risk of prudent internal controls and meeting the federally-mandated requirements for fiscal processes and operation of education grants/programs. TGSC is forward-funded, so the FY 2016 appropriation would provide TGSC funds for SY 2016-17.

We are gratified that this year the Administration proposes to follow through on commitments to pay *full* TGSC funding for all BIE-funded schools, and to include in its request

sufficient funding for schools that are deciding to transition to grant or contact school status. Up until last year, schools had only received, at most, two-thirds of the TGSC needed to cover overhead costs. ANCCSB applauds this Subcommittee's and the Administration's decision to treat schools' support costs the same as contractors with the Bureau of Indian Affairs and the Indian Health Service.

Request. We fully support the Administration's proposal that TGSC and startup costs be funded at \$75.34 million, and request that this Subcommittee provide this level of funding for TGSC.

Facilities Operations and Maintenance

Facilities Maintenance funds are intended to provide for the preventative, routine, and unscheduled maintenance for all school buildings, equipment, utility systems, and ground structures. The FY 2016 Facilities Maintenance request contains a \$10 million proposed increase, which is a marked improvement from its current level, but will not meet the needs of our schools or others. We are faced with rising costs of maintaining school buildings—particularly for the older facilities that make up much of the BIE schools.

There are numerous studies which attest to the fact that there is a close correlation between poor or inadequate facility conditions and poor student and staff performance. According to the Administration's FY 2016 request, 42 of the 183 BIE-funded schools and dormitories (one-third) are still rated in "poor" condition in the Bureau's Education Facility Condition Index (FCI). Further, the Administration's FY 2016 request elaborates that there is *\$377.1 million in deferred maintenance backlogs!* It is clear that there is a long way to go with regard to upkeep of our schools. Part of the maintenance problem will be solved by replacing school wholesale, but Federal resources for this crucial need must increase so our schools buildings can make it to their replacement date.

Facilities Operations funding is for the ongoing operational expenses such as electricity, heating fuels, custodial services, communications, refuse collection, water and sewer service, grounds maintenance, etc. This budget category is also underfunded, with the latest estimates indicating that federal funds provide only an estimated *46% of need*. This is the first year the Administration requests funds that will be over the recent high-water mark of \$59.4 million from FY 2010, as the proposed budget contains \$66.1 million for Facilities Operations. However, this level is still only 60% of the need.

Impact. Our schools are making every effort to make do with the meager facilities funding. Since we cannot delay paying our utilities or avoid taking actions that would impact student safety, we often have to resort to using our other education or academic program monies. We caution that insufficient funding to for facilities maintenance and operations will mean delaying routine, as well as unscheduled, maintenance of buildings, equipment, utility systems and grounds—thereby jeopardizing student and staff safety. Attempts to moderate electrical and/or heating costs, or reduce custodial and refuse services and similar costs cutting measures would only make our already compromised learning conditions more uncomfortable and

unhealthy for students and staff. If we cannot provide a decent learning environment, how can we expect our students to focus on achieving academic success?

Request. To fully fund Facilities Maintenance would require \$76 million, and \$109.8 million would be needed to fully fund Facilities Operations.

Student Transportation

The Student Transportation account is intended to cover: 1) the costs of the daily bus services for children attending the BIE-funded elementary and secondary schools; and 2) air travel for children who attend distant boarding schools. School transportation costs include vehicle rental (buses, vans), maintenance and repair, fuel, and qualified bus driver salaries. The BIE budget justification states that students at BIE-funded schools travel 16% of their miles on unimproved roads, and that the BIE-funded schools have transportation routes where the mileage covered is "significantly higher than in metropolitan areas."

For the schools located on the Navajo Reservation, the percentage of unimproved roads traveled by our buses is much higher and in some cases it can be as much as 90%. Further, these unpaved roads are often subject to becoming "washboards" due to adverse weather impacts such as mud and snow. At times these roads become impassable so we must resort to using 4-wheel drive vehicles to ferry the students to a waiting bus. There have been times, however, when even the 4-wheel vehicles cannot reach the students so they are prevented from making it to class through no fault of their own. These conditions take a tremendous toll on vehicles, resulting in greater maintenance and repair costs, and greatly increase student travel time as well as the drivers' work day.

The Administration must be aware of the enormous increases in costs over the past several years. Nonetheless, the Administration seeks a paltry increase of \$197,000 in the proposed FY 2016 budget. The Administration's proposal will prevent our schools from making any forward progress on safely and reliably getting our children to school.

From our experience, the 66 BIE-funded schools on the Navajo Reservation must supplement our Student Transportation allocated amounts by at least \$70,000 to \$100,000 each year. The best estimates show that there is a \$21 million shortfall in funding for Student Transportation as the BIE has allowed funding to fall far behind need, and has been willing to allow schools to poach other school funds for transportation purposes. This, in the face of multiple challenges for schools at Navajo, including transporting students to/from evaluations to determine eligibility for Special Education services (when evaluators will not drive to our remote areas to conduct assessments), additional bus runs related to after-school academic services (many parents lack transportation or are not employed close-by to pick up children), and extra miles traveled around washouts or road hazards.

Impact. As with the other program shortages, varied cost cutting measures have been instituted—from reducing the number of bus routes (resulting in longer rides for our students) to delaying vehicle replacements as long as possible. Nonetheless, underfunding Student

Transportation will continue to adversely impact classroom programs since each year schools have no choice but to use scarce education program dollars to subsidize transportation costs.

Request. We request that the Subcommittee provide at least \$73 million for Student Transportation in the BIE system.

Indian School Equalization Formula (ISEF)

The Indian School Equalization Formula (ISEF) is the core budget account for Educational and Residential programs of the BIE elementary and secondary schools and dormitories. These funds are used for instructional programs at BIE-funded schools and residential programs at dormitories, and include salaries of teachers, educational technicians, principals, and other school-level program administration, kitchen, and dormitory staff. The ISEF amount due to each school is determined by a statutorily-mandated formula established by regulation (24 C.F.R. §§ 39.12(g)(1)-(2), 39.13, & 39.14).

During the eight-year period of FY 2003 to FY 2010, the ISEF account increased by almost \$45.5 million; but in only two (2) of those years – FY 2009 and FY 2010 – the increase was actually an increase in program funding. For the other years, the requested increases were limited to amounts needed for fixed costs and related changes, as opposed to actual program increases. Funding for ISEF began to fall in FY 2011, and the FY 2015 level was actually \$5 million less than in FY 2010.

Impact. For most BIE-funded schools, the chronic shortfall in the other key school accounts has a negative impact on ISEF funding, because ISEF funds are often diverted to make up the shortfalls in other accounts such as Student Transportation, Facilities, and Tribal Grant Support Costs when a tribe or tribal school board has no other source of revenue to satisfy those shortfalls. This means fewer dollars are available for the education and residential programs.

Request. The Administration's proposal of \$391.8 million for ISEF restores the funding to FY 2010 levels, but does not acknowledge the shortfalls that have been building for years. ANCCSB Members Schools respectfully request funding of ISEF at least \$431 million.

Conclusion

Thank you Chairman Calvert, Ranking Member McCollum, and Members of this Subcommittee for the opportunity to relay our needs to you.

Questions regarding this document may be directed to:
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