



"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 Jerry Chavez, ANCCSB Vice-President

Submitted to

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

Regarding the FY 2017 Indian Affairs Budget

March 18, 2016

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 would like to take the opportunity to thank this Subcommittee for making Indian Education a bi-partisan priority. We are deeply grateful for the substantial increases in funding for Indian Education in Fiscal Years 2015 and 2016. These increases were desperately needed to fund such basic things as text books and student transportation. Providing consistent and adequate funding for core functions means that we as educators and administrators can focus on providing our students with a world class education instead of worrying about how we can afford to heat our classrooms during the winter or whether these classrooms are safe to occupy. Looking at the Administration's request for Fiscal Year 2017, we are grateful to see a commitment to maintain, and in some cases build upon, the gains of the last two years. We highlight below some of the budget categories 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. *Tribal Grant Support Costs are the tribally-operated schools' Contract Support Costs.*

Impact. In FY 2016, Tribal Grant Support Costs were fully funded for the first time. In previous fiscal years when TGSC appropriations had been insufficient to meet the level of need without other sources of funding, we had been forced to re-direct more and more funds from our education program budgets to cover essential administrative costs. Our schools were

forced to 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 were 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. Since TGSC is forward-funded, the FY 2016 appropriation provided TGSC funds for SY 2016-17.

We are grateful that this year the Administration again 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. ANCCSB applauds this Subcommittee's and the Administration's decision to treat schools' support costs the same as contractors with the BIA and the IHS.

Request. We fully support the Administration's proposal that TGSC and startup costs be funded at \$75.3 million, and request that this Subcommittee support this level of funding.

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. We are very grateful for the \$7 million increase we saw in this budget category in FY 2016 and encouraged that the FY 2017 request for a \$3 million increase would build upon these gains. This is a marked improvement from years past and while it would not meet all the needs of our schools, it will certainly help.

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 2017 request, 55 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 2017 request elaborates that there is *\$388.9 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 necessities such as electricity, heating fuels, custodial services, communications, refuse collection and water and sewer service. This budget category also saw a \$7 million increase in FY 2016 along with a \$3 million requested increase above that for FY 2017. This is another budget category that has been severely underfunded in years past and we are encouraged to see the proposed increase.

Impact. Our schools are making every effort to make do with very modest 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. The Administration states that the \$59 million requested for Facilities Maintenance and the \$66.2 million requested for Facilities Operations would fund 78 percent of calculated Facilities Operations and Maintenance need across BIE-funded schools. We respectfully ask that the Subcommittee consider funding 100 percent.

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.

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.

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 are relieved to see that the Administration is requesting a \$4 million increase for this critical budget category but we respectfully request that the Subcommittee consider providing at least \$73 million for Student Transportation in the BIE system.

Indian School Equalization Program (ISEP) Formula Funds

The Indian School Equalization Program (ISEP) Formula 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 include salaries of teachers, educational technicians, and principals. The amount provided to each school is determined by a statutorily-mandated formula established by regulation.

During the eight-year period of FY 2003 to FY 2010, the ISEP Formula account increased by almost \$45.5 million; but in only two 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 ISEP 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 ISEP Formula funding, because ISEP Formula 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 funding to satisfy those shortfalls. This means fewer dollars are available for the education. We are tremendously grateful that Congress has increased funding for these critical accounts so ISEP Formula funds can be used for their intended purpose.

Request. The Administration's request for a \$6.5 million increase would be very helpful but it still does not acknowledge the shortfalls that have been building for years. ANCCSB Member Schools respectfully request a total of \$431 million for this critical budget category.

Education Construction

We are very grateful for the substantial increase that Congress provided for Education Construction in FY 2016. We are pleased to see that the FY 2017 request would maintain this level of funding. Providing consistent funding for this budget category each fiscal year means that our aging schools can be replaced in an orderly, scheduled fashion.

Conclusion

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

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