Testimony of Harlan Baker, Chairman, Chippewa Cree Tribe "House of Representatives American Indian and Alaska Native Public Witness Hearings" House Appropriations Subcommittee on Interior, Environment, and Related Agencies February 25-26, 2025

Recommendations:

- 1. Protect the Indian Health Service (IHS) from cuts, rescissions, sequestrations, and freezes.
- 2. Ensure mandatory funding for contract support costs and section 105(l) lease payments.
- **3.** Reduce dependence on competitive grants for Indian Country.
- 4. Restore critical infrastructure investments for the Indian health system.
- 5. Address staffing shortages through adequate funding.
- **6.** Increase funding and extend self-governance to the Special Diabetes Program for Indians.
- 7. Increase funding for behavioral and mental health programs.
- 8. Increase funding for Public Safety and Justice funding at the BIA
- 9. Rocky Boy's North Central Regional Water System OM&R funding

<u>Introduction</u>: Thank you, Chairman Simpson, Ranking Member Pingree, and Members of the Subcommittee for the opportunity to share our funding priorities for the FY 2026 federal budget. My name is Harlan Baker, and I serve as the Chairman of Chippewa Cree Indians of the Rocky Boy's Reservation. Ours is the smallest of the seven Indian reservations in Montana. We have a total enrollment of 6,862, including 4,031 who live on the Reservation. Our community is isolated—the nearest supermarket is in Havre, 30 miles away, and the nearest major airport and shopping facilities are located in Great Falls, 110 miles away. In 1993, the Chippewa Cree Tribe was one of the first to achieve self-governance under a pilot program that preceded the Tribal Self-Governance Act of 1994. We were able to take over the administration of all programs that were previously managed by the federal government. This includes the Rocky Boy Health Center, the sole healthcare facility on the Reservation. It provides integrated primary health care, behavioral health and substance use services, dental care, and pharmacy access, to all American Indian people within the catchment area.

We would like to thank this Subcommittee for its recent, historic investments in the Indian health system. To build off these victories, we urge you to remember that the trust and treaty responsibility to provide for the health and well-being of Tribal Nations exists irrespective of Congress' separate goal to balance the budget. This Subcommittee must appropriate the amounts necessary to fulfill its obligations. To that end, I offer the following recommendations for your consideration for FY 2026 appropriations for the IHS.

Permanently Exempt the IHS from Cuts, Sequestrations, Rescissions, and Funding Freezes: The IHS and its Tribal partners under the Indian Self-Determination and Education Assistance Act strive to provide Tribal people with high-quality and comprehensive medical services, in line with the federal government's trust obligation. However, chronic underfunding of the Indian health system has had detrimental impacts on our people. Tribal communities are disproportionately affected by obesity, diabetes, heart disease, cancer, substance use disorder, and other preventable conditions. Today, the Indian health system is constantly at risk of additional budget cuts, sequestrations, rescissions, and funding freezes. As recently as January 2025, Tribal health programs like ourselves feared that our desperately-needed funding was frozen when the Office of Management and Budget issued a memorandum pausing federal financial assistance. Similarly, in FY 2024, Congress rescinded \$350 million marked for public health infrastructure from the IHS. In fact, the IHS is the only federally funded service providing direct patient care that is not exempt from sequestration. This uncertainty greatly impacts our daily operations, ability to plan for the future, and patient care.

We respect the efforts of Congress and the Trump Administration to balance the federal budget. However, we ask you to remember that your trust and treaty obligation exists irrespective of these goals. In fact, the IHS budget remains so small in comparison to the federal budget that cuts, rescissions, sequestrations, and freezes do not result in any meaningful savings in the national debt, but they do harm Tribal Nations and their citizens. We urge Congress to ensure that any budget cuts hold the IHS and our patients harmless.

Safeguard the Indian Health System in Budget Reconciliation. While Medicaid is not within the purview of this Subcommittee, we recognize the role you play in the upcoming budget reconciliation process. To the extent that Medicaid reform is considered, we urge you to protect the Indian health system's access to Medicaid. Tribal facilities like ours get 30% to 60% of their funding from Medicaid dollars, but Medicaid outlays in Indian Country only account for 0.21% of total program spending. In other words, capping Medicaid would not result in any material savings to the federal government, but it would utterly devastate our facility and force us to cut back on the care we provide our citizens. To protect our programs and people, we implore Congress to exempt services received through IHS and Tribal programs from counting towards any funding cap. This exemption was included the last time Congress considered these reforms in the American Health Care Act of 2017 and the Better Care Reconciliation Act of 2017. Furthermore, should such an exemption not be included, we urge you to appropriate additional funds to the IHS to offset the devastating losses we would experience.

<u>Continued Support for Advance Appropriations for IHS</u>: We thank this Subcommittee for its commitment to advance appropriations for the IHS and for proposing to expand it to Health Care Facilities Construction and Sanitation Facilities Construction for FY 2027. We strongly support this proposal and urge the Subcommittee to also extend advance appropriations to Electronic Health Records Modernization.

Mandatory Funding for Contract Support Costs (CSC) and 105(*l*) lease payments: We appreciate the Subcommittee's commitment to fully funding CSC and section 105(*l*) leases, but issues remain. Despite the obligatory nature of these payments, they remain in the discretionary budget, where they continue to take up a larger and larger percentage of overall IHS funding. In FY 2020, the Subcommittee found that "[o]bligations of this nature are typically addressed through mandatory spending, but in this case, since they fall under discretionary spending, they are impacting all other programs funded under the Interior and Environment Appropriations bill, including other equally important Tribal programs."

We are concerned that this issue will only worsen given the recent ruling in *Becerra v. San Carlos Apache Tribe* that ruled the IHS is required to pay CSC on third-party revenues. This will cause a drastic escalation in the CSC budget, and we are very worried that Congress will cut into other essential Tribal programs to pay for these increases. Indeed, in FY 2024, this Subcommittee approved cuts to Electronic Health Records Modernization, Health Care Facilities Construction, and Sanitation Facilities Construction in part to offset the increases to CSC and section 105(l) leases. To permanently protect the rest of the IHS budget, we ask you to advocate with your colleagues on authorizing committees to enact mandatory appropriations for CSC and 105(l) lease costs.

Reduce Dependence on Federal Grants: We also support moving away from competitive grants for Indian Country. Grants unfairly pit Tribes against each other for resources we are all deserving of. The federal trust responsibility does not require that we jump through a myriad of hoops and onerous applications to see that services are provided to our citizens. Too often, Tribes are too under-resourced to apply for federal grants and comply with their reporting requirements. Our staff must divert time to apply and report, thereby diluting the usefulness of the resources. Instead, we request widespread,

formula-based funding across all programs. Tribes must also be granted the flexibility needed to respond to the specific needs of their own communities, not those prescribed by federal grants. This also means appropriating enough resources so funds are provided in meaningful amounts across all Tribes. We join other Tribal leaders in calling for broad-based funding for Indian Country.

Adequately fund critical infrastructure investments: We were excited to see that this Subcommittee proposed advance appropriations for infrastructure accounts in its draft FY 2025 bill. We also appreciate Congress' investment in IHS sanitation facilities through the Bipartisan Infrastructure Law. Yet, with a multi-billion-dollar backlog and growing inflation, funding to close out the list is not keeping pace with need. This creates situations where facilities are unfit and unsafe. Therefore, we recommend increases for Health Care Facilities Construction and Sanitation Facilities Construction in FY 2026. That being said, we were disappointed to see that this Subcommittee has proposed drastic cuts for Electronic Health Records. This would effectively halt desperately needed modernization efforts. We urge that you restore this account with \$217 million for FY 2026.

Address Staffing Shortages. The Indian health system is chronically understaffed due to challenges like underfunding and rural location. We face difficulties recruiting and retaining critical staff because we must compete with the larger non-Tribal health systems nearby. We thank this Subcommittee for proposing a 12% increase to the Hospitals and Health Clinics line item, which will help Tribal health programs offer competitive salaries and benefits. We urge this Subcommittee to ensure this increase is included in the final bill along with additional direct resources for staff housing.

Extend Self-Governance Funding Options to the Special Diabetes Program for Indians (SDPI) and increase funding to \$200 million/year: Communities like ours across Indian Country rely on these resources to address the alarming rates of diabetes among our people. SDPI's success rests in the flexibility of its program structure that allows for the incorporation of culture and local needs into its services. While we understand that SDPI is not under the jurisdiction of the Subcommittee, we ask you to support permanent reauthorization at a minimum base of \$200 million per year with annual adjustments for inflationary increases. This is consistent with that which was included in the first continuing resolution released on December 17, 2024, before the pared-down version passed. Congress should also authorize SDPI participants the option of receiving their federal funds through either a grant (as currently used) or self-governance funding mechanisms under the Indian Self-Determination and Education Assistance Act.

Behavioral Health: Our communities, like all of Indian Country, have been devastated by the ongoing fentanyl and opioid epidemic. Nevertheless, funds for these services are extremely limited. For example, in FY 2024, Congress only appropriated \$2 million to fund essential detoxification-related services. That is less than \$1 per IHS patient. We urge the Subcommittee to dedicate resources to detoxification and reemphasize the importance of protecting funding for the following accounts— Health Care Facilities Construction, Alcohol & Substance Use, and Mental Health.

<u>Public Safety and Justice funding at the BIA</u>: Like many Tribes, we have seen a drastic increase in drug trafficking and related crime coming onto our lands. There is a significant need for the federal government to improve law enforcement resources and bring state and local authorities to the table with Tribes to address public safety. Congress needs to provide additional resources to the BIA for law enforcement programs, the U.S. Attorney's Offices, the Federal Bureau of Investigation (FBI), and other agencies to help us stem the flow of illegal drugs, investigate crimes, and prosecute offenders. We need additional officers to meet the guidance from the FBI on the recommended numbers of officers given our population and land base. The underfunding of Tribal law enforcement and justice systems is well-

documented. Since 2016, the BIA has submitted annual reports to Congress, as required by the Tribal Law and Order Act, regarding existing and needed spending, staffing, and estimated costs for BIA-funded Public Safety and Justice Programs in Indian Country. The most recent TLOA report released in February 2024 estimates that to provide a minimum base level of service to all federally recognized Tribal nations, a total of \$1.7 billion is needed for Tribal law enforcement, \$1.5 billion is needed for Tribal courts, and \$284 million is needed for existing detention centers. Based on enacted funding in FY 2024 – a total of just over \$555 million was provided for BIA PS&J programs. This means that Tribal law enforcement, detentions/corrections, and Tribal courts are funded at a staggeringly low amount of 16% of estimated need!

The funding shortfalls for Tribal law enforcement endanger public safety on our reservation by increasing call response times and forcing us to use Tribal discretionary funds, which means less resources in other areas and it hamstrings future business development. Another complicating factor is that our police and detention officers are required to be federally trained. However, the state of Montana has an excellent officer training program, and it would be more efficient financially and logistically to take advantage of the Montana Law Enforcement Academy. The BIA needs to provide more flexibility in allowing officers to train at state academies rather than needing to go to the federal training center in New Mexico, which often has a long wait list and requires recruits to spend weeks away from their homes and families. In line with recommendations put forth by the Tribal Interior Budget Council (TIBC), we urge this subcommittee to provide a total of \$3.017 billion for BIA Public Safety and Justice funding, with approximately \$1.47 billion for BIA and Tribal Law Enforcement (criminal investigations & police services), \$257 million for detention/corrections and \$1.155 billion for Tribal courts in FY 2026.

Rocky Boy's - North Central Regional Water System (BIA): The Rocky Boy's/North Central Montana Regional Water System Project is critical to addressing the health impacts of poor water quality on the Rocky Boy's Reservation and surrounding off-reservation communities. This Project, the construction of which is funded by the Bureau of Reclamation, has been ongoing for over 20 years since being authorized by Congress in 2002. Today, Tribal members are still waiting to receive safe drinking water as part of the Tribe's 1998 Water Rights Settlement. As portions of the Tribal components of infrastructure have been completed, the Bureau of Indian Affairs (BIA) has been required to engage with and pay for the Operations, Maintenance, and Repair (OM&R). This was part of the 2002 law authorizing the project and a Tri-Partite Cooperative Agreement established in 2005 between the BIA and the Chippewa Cree Tribe. As part of that agreement, a Trust Fund was established to pay for OM&R costs, which have been sufficient to account for the interim costs while the Tribe awaits water service. However, the Trust fund is estimated to be drastically insufficient once the new Water Treatment Plant and water system comes online.

Due to the significant funding boost made to the Bureau of Reclamation for rural water projects in recent years through annual discretionary appropriations and the Bipartisan Infrastructure Law, substantial construction progress is being made on both the Tribal and non-Tribal water system, including substantial completion of the new Water Treatment Plant Building at Tiber Reservoir. Numerous pipelines, a pump station, and water storage tanks are in stages of progress, all to turn on water service in the late 2027 or early 2028 time period. At that time, the additional funding will be required to pay for the BIA OM&R costs obligations under the Tri-Partite Agreement, which would be several million dollars annually. The Chippewa Cree Tribe is working actively with the BIA in the Rocky Mountain Regional Office to begin preparations for full-scale water system operations, and Tribal and non-Tribal residents are looking forward to receiving a clean, safe, and abundant water supply within the next few years.