

**Testimony of Cynthia Petersen, President, Yakutat Tlingit 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**

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**Recommendations:**

1. Protect the IHS from cuts, rescissions, sequestrations, and freezes.
  2. Ensure mandatory funding for contract support costs and section 105(I) 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.
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**Introduction:** 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 Cynthia Petersen, and I serve as the President of the Yakutat Tlingit Tribe in southeast Alaska. For over thirty-four years, the Yakutat Tlingit Tribe has successfully provided services for our Tribal citizens. To this date, we have remained true to our purpose by continuously uplifting the cultural, social and economic aspects of our community; genuinely advancing the welfare of our 820 enrolled members as well as the entirety of the Tribe’s traditional territory which extends to the Yakutat Borough boundaries, encompassing 9,460 square miles.

We would like to thank this Subcommittee for its recent, historic investments in the Indian health system. We are also grateful for your bipartisan effort to protect the IHS from cuts during the most recent fiscal years. 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.

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**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 (ISDEAA) 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. Alaska Natives 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. We also urge you to also support exempting Alaska Natives and American Indians from any work requirements to access Medicaid benefits. Furthermore, should Medicaid spending be reduced, we urge you to appropriate additional funds to the IHS to offset the devastating losses we would experience.

**Continued Support for Advance Appropriations for IHS:** 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(I) lease payments:** We appreciate the Subcommittee's commitment to fully funding CSC and section 105(I) 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 Supreme Court 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(I) 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(I) lease costs.

**Purchased/Referred Care and Travel**

In Alaska, our rural communities are not located on a road system requiring our patients to travel far distances, often by plane to access health care services. In recent years, the cost of travel through commercial and chartered flights and medevac transports has skyrocketed to unsustainable levels straining our already limited resources to provide health care services. In Fiscal Year 2023, the Alaska Tribal Health System overspent the Purchased/Referred Care (PRC) budget by \$44 million to cover the high costs of patient travel. We urge this Subcommittee to allocate an additional \$50 million to the Alaska Area for PRC to address the high costs of patient travel.

**Reduce Dependence on Federal Grants:** We also support ending the use of competitive grants to provide Tribes with federal funds. 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 that are distributed through our ISDEAA contracts and compacts. This will give us the flexibility 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 Tribes and Tribal Organizations.

**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. This program has funded over 200 projects in our communities to provide clean water and safe sanitation systems for many communities for the first time. Yet, with a multi-billion-dollar backlog and growing inflation, funding to close out the list of sanitation facilities 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.

**Community Health Aide Program (CHAP) Funding:**

Over the last 60 years, health aides through the CHAP have provided critical healthcare services to rural communities in Alaska. The IHS provides limited funding to the Alaska Area to operate the CHAP, including for training and certifying health aides. Recently, the IHS provided the Alaska Area with one-time funding to support CHAP nationalization efforts. We ask this Subcommittee to dedicate recurring funds to support CHAP in the Alaska Area.

**Address Staffing Shortages.** The Alaska Tribal Health System is chronically understaffed due to challenges like underfunding and rural location. We face difficulties recruiting and retaining critical staff because our facilities are located in remote areas in Alaska. 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 ISDEAA.

**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's 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.