



NATIONAL CONGRESS OF AMERICAN INDIANS

U.S. House Committee on Oversight and Reform From Recession to Recovery: Examining the Impact of the American Rescue Plan's State and Local Fiscal Recovery Funds

Written Testimony of President Fawn Sharp
National Congress of American Indians
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Introduction

On behalf of the National Congress of American Indians (NCAI), thank you for holding this hearing focused on examining the impact of the American Rescue Plan's Fiscal Recovery Funds. I am Fawn Sharp, Vice-President of the Quinault Indian Nation and President of the National Congress of American Indians (NCAI).

Founded in 1944, NCAI is the oldest and largest representative organization serving the broad interests of Tribal Nations and communities. Tribal leaders created NCAI in response to federal policies that threatened the existence of tribal nations. Since then, NCAI has fought to preserve the treaty and sovereign rights of Tribal Nations, advance the government-to-government relationship, and remove structural impediments to exercising tribal self-determination.

Today, there are over 574 federally recognized tribal nations within the United States that are rich in their geographic, political, and cultural diversity. Like all other governments, Tribal Nations strive to ensure the health and wellbeing of their citizens and all those who reside in their communities. And like all other governments, when the Covid-19 pandemic struck, Tribal Nations deeply felt the tolls its impacts took on our collective health, economies, and cultures.

Tribal Nations and COVID

Health Impacts

Although Tribal Nations have, in many cases, led the charge in ensuring our people are vaccinated, and in taking precautions to keep our people safe in these unprecedented times, the fact remains that we have felt the reality of Covid's impacts as strongly as anyone. One year into the pandemic, Native Americans had experienced double the rate of Covid-19 infections and deaths, and more than triple the rate of hospitalizations as compared to White Americans.¹

¹ Casey Lozar, "Structural barriers to tribal revenues leave Indian Country vulnerable to COVID-19

pandemic", *Federal Reserve Bank of Minnesota* (March 4, 2021), available at:

<https://www.minneapolisfed.org/article/2021/structural-barriers-to-tribal-revenues-leave-indian-country-vulnerable-to-covid-19-pandemic>

Just last week, the CDC confirmed that more than 10,000 Native Americans have died from Covid-19 complications.² Among those lost have been far too many of our elders – those respected individuals we rely on to protect our languages, our ceremonies, and our cultures. Equally devastating has been our loss of young people – the future leaders of our nations – who have also been disproportionately infected and killed during this pandemic.³

While no government was fully prepared for all of Covid’s negative effects, Indian Country began the pandemic on unequal footing as compared to state and local governments. And that is because, for far too long, Indian Country’s needs – particularly in the areas of health and infrastructure – have been neglected or, in some cases, completely ignored. Because of this, our communities suffered from poor access to health services, broken or non-existent infrastructure, and above-average rates of immunocompromising diseases – all of which increased our peoples’ vulnerability when the Covid outbreak occurred in early 2020.⁴

Economic Impacts

Tribal Nations have not only felt the health impacts of this pandemic, but have also had to cope with its unprecedented economic impacts as well. Whereas federal, state, and local governments rely heavily on steady streams of tax revenue, a number of lingering legal issues – including dual taxation issues and the inequitable laws on issuing bonds – mean that most Tribal Nations rely on tribally owned enterprises to generate the revenue necessary to provide essential services to our people. Thus, when businesses were impacted by Covid-19, our governments’ abilities to provide for our people were likewise impacted.

Making matters worse, many Tribal Nations rely heavily on revenue generated from tourism and service industries. Tourism is a multi-billion dollar industry in Indian Country, but after the pandemic began, reservations closed their borders to visitors, travel stopped, and tribal offices were shut down for extended periods of time – all of which took its toll on tribal revenues and our ability to provide for our people.⁵

In terms of numbers, tribal gaming lost \$4.4 billion in revenue in 2020, a decrease of nearly 20% from the year before,⁶ in addition to another \$1 billion in lost wages.⁷ More broadly, after twelve months of the pandemic, data suggests that only one-fifth of tribal governments, tribally owned

² Kalle Benallie, “The State of COVID-19 in Native Communities”, *Indian Country Today* (February 18, 2022), available at: <https://indiancountrytoday.com/news/the-state-of-covid-19-in-native-communities>

³ Kalle Benallie, “The State of COVID-19 in Native Communities”, *Indian Country Today* (February 18, 2022), available at: <https://indiancountrytoday.com/news/the-state-of-covid-19-in-native-communities>

⁴ The Center for American Progress Report, “The COVID-19 Response in Indian Country” (June 18, 2020), available at: <https://www.americanprogress.org/article/covid-19-response-indian-country/>

⁵ U.S. Senate Committee on Indian Affairs, “Examining the COVID-19 Response in Native Communities: Native Tourism Economies One Year Later”, Testimony of Anthony Rodman (May 12, 2021), available at: <https://www.doi.gov/ocl/covid-19-and-native-toursim-0>

⁶ National Indian Gaming Commission, “2020 Indian Gaming Revenues of \$27.8 Billion Show a 19.5% Decrease” (August 17, 2021), available at: <https://www.indianz.com/News/wp-content/uploads/2021/08/17/2020GGRFinal.pdf>

⁷ The Center for American Progress Report, “The COVID-19 Response in Indian Country” (June 18, 2020), available at: <https://www.americanprogress.org/article/covid-19-response-indian-country/>

businesses, and tribal organizations had stable revenues, while over half of those same entities lost at least 40% of their revenue during that time frame.⁸ During this same period, the majority of Tribal Nations have seen operational costs rise by 20% or more.⁹ While it will take time to fully quantify the economic impacts of Covid-19 in Indian Country, there is no doubt that the pandemic has had a uniquely devastating effect on Tribal Nations' economies and ability to provide essential government services.

Tribal Nations and ARPA Funding

Fortunately, the federal government listened to Tribal Nations' collective voice after the pandemic struck and, in passing the American Rescue Plan Act of 2021, which provided over \$31 billion in funding to Indian Country, including \$20 billion in direct funding to tribal governments under the Fiscal Recovery Fund – the largest single infusion of federal funding for Native Americans in U.S. history.¹⁰ We applaud Congress and the Administration for heeding the call of Indian Country and acknowledging the needs of our Tribal Nations. Equally important, with this legislation the United States government acknowledged our sovereignty and brought us one step closer to achieving parity with other sovereigns in terms of set-aside funding and grant opportunities. Additionally, it is not just the governmental parity that was important, but also deference and flexibility afforded to our Tribal Nations on how this funding can be used to support our citizens through the on-going pandemic. Parity, deference, and acknowledgement of our Tribal Nations inherent rights are the foundation for building a stronger government-to-government relationship. The American Rescue Plan has helped build on this to create a new standard for engagement between Tribal Nations and the federal government.

Similarly, the passing of the American Rescue Plan Act was followed by unprecedented tribal consultation. For one of the few times in the entirety of our relationship with the United States, we were consulted on how certain funding under this Act would be allocated and how it would be administered. Not only did agencies like the Office of Indian Education and the Indian Health Service engage in consultation, but so did the Department of Agriculture, and the Department of the Treasury. When the federal government provides tribal leaders a seat at the table and a true voice in the process we can accomplish so much for our tribal communities – and we move closer to our vision of free, prior, and informed consent.

While this funding is historic, necessary, and essential Indian Country was already behind the curve at the start of the pandemic. As outlined in the 2018 Broke Promises Report, programs and agencies that work with our Tribal Nations to support our wellbeing, both socially and economically “remain

⁸ Matthew Gregg & Casey Lozar, “One year into COVID-19, pandemic’s negative effects persist in Indian Country”, *Federal Reserve Bank of Minnesota* (May 19, 2021), available at: <https://www.minneapolisfed.org/article/2021/one-year-into-covid-19-pandemics-negative-effects-persist-in-indian-country>

⁹ Matthew Gregg & Casey Lozar, “One year into COVID-19, pandemic’s negative effects persist in Indian Country”, *Federal Reserve Bank of Minnesota* (May 19, 2021), available at: <https://www.minneapolisfed.org/article/2021/one-year-into-covid-19-pandemics-negative-effects-persist-in-indian-country>

¹⁰ Eric C. Henso et. al, “Assessing the U.S. Treasury Department’s Allocations of Funding for Tribal Governments under the American Rescue Plan Act of 2021”, Harvard Project on American Indian Economic Development & Native Nations Institute, Policy Brief No. 7 (November 3, 2021), available at: https://ash.harvard.edu/files/ash/files/assessing_the_u.s._treasury_departments_allocations_of_funding_for_tribal_governments.pdf?m=1635972521

chronically underfunded and sometimes inefficiently structured, which leaves many basic needs in the Native American community unmet and contributes to the inequities observed in Native American communities.”¹¹

Indian Country was able to do so much with the funding provided in the American Rescue Plan Act, but if we were not coming from decades and centuries of funding deficit we could have done so much more to protect our tribal citizens during this pandemic. That is why, moving forward, the American Rescue Plan must not be seen as an outlier, but as a new standard for congressional funding support for Indian Country. Tribal Nations should always be treated as sovereigns, should always be funded equitably and according to our needs, and should always be involved in the legislative process.

Tribal Nations and Usage of ARPA Funding

The American Rescue Plan Act is also a strong statement that a one-size fits all approach does not work in Indian Country. There are 574 federally recognized Tribal Nations and we each have our own unique cultures and our own unique visions for our futures. It is the responsibility of Congress to get behind the vision we, as tribal leaders, have for our communities. When Covid-19 struck, it struck all of us – but in different ways. Every Tribal Nation has had to face unique challenges and, with the aid of the American Rescue Plan funding, has found innovative solutions rooted in the vision and support we have for our communities.

Health

Many Tribal Nations are using the funding to address health concerns. For example:

- The Mississippi Band of Choctaw Indians – who, early on, were one of the most heavily struck by Covid’s devastating health impacts – are investing millions into their Choctaw Health Center to improve its service capabilities.¹²
- The Northern Arapaho Tribe is investing funding into mobile medical units to aid in its ability to respond to Covid-19.¹³
- The Cherokee Nation, while investing money in reinforcing tribal health care services, is doing so with a special emphasis on bolstering the Nation’s mental health and wellness initiatives to help citizens recover from the impacts of the global pandemic.¹⁴

Economic Recovery

¹¹ U.S. Commission on Civil Rights, “Broken Promises: Continuing Federal Funding Shortfall for Native Americans” (December 2018), available at: <https://www.usccr.gov/files/pubs/2018/12-20-Broken-Promises.pdf>

¹² Scott Hawkins, “Tribe receives more than \$53M in COVID monies”, *The Neshoba Democrat* (August 4, 2021), available at: <https://neshobademocrat.com/stories/tribe-receives-more-than-53m-in-covid-monies,51089>

¹³ Felcia Fonseca, “Tribal housing grants benefit 74 tribes”, *Indian Country Today* (January 19, 2022), available at: <https://indiancountrytoday.com/news/tribal-housing-grants-benefit-74-tribes>

¹⁴ “Cherokee Nation receiving \$1.8 billion in federal COVID relief to boost programs, provide every Cherokee citizen with total of \$2,000 allocated over two payments”, *Indian Country Today* (May 24, 2021), available at: <https://indiancountrytoday.com/the-press-pool/ Cherokee-nation-receiving-1-8-billion-in-federal-covid-relief-to-boost-programs-provide-every- Cherokee-citizen-with-total-of-2000-allocated-over-two-payments>

Tribal Nations are also using American Rescue Plan funding to respond to economic needs. For example:

- The Cherokee Nation is channeling funds into the development of a new anti-poverty program designed to eliminate barriers of self-sufficiency created or worsened by the pandemic. This is in addition to utilizing funding to support job training and small business programs that emphasize rebuilding the Cherokee Nation’s economy.¹⁵
- The Saint Regis Mohawk have been utilizing a different strategy and have created a Pandemic Recovery Business Support Program that, so far, has provided support to nearly 300 tribally registered businesses.¹⁶

Infrastructure

Improving infrastructure that has been ignored by federal funders for decades is another common use of ARP monies. For instance:

- The Navajo Nation is using its allocation to make massive investments into infrastructure, including the construction of new water lines, electric lines, broadband internet connections, and road improvements. Another portion of the money is being used to improve housing on the reservation as well.¹⁷
- On the Pine Ridge Reservation, the Oglala Sioux Tribe constructed a new building for their emergency management officials – getting them out of a condemned building previously used as a prison they had been using for years – and, in turn, allowing them to do their jobs more effectively.¹⁸
- The Osage Nation in Oklahoma – while also investing substantially in their Health Center – is engaging in substantial improvements to its water infrastructure all across the reservation, and is constructing assisted living facilities and nursing care facilities, among other uses of its funding.¹⁹

¹⁵ “Cherokee Nation receiving \$1.8 billion in federal COVID relief to boost programs, provide every Cherokee citizen with total of \$2,000 allocated over two payments”, *Indian Country Today* (May 24, 2021), available at: <https://indiancountrytoday.com/the-press-pool/chokeee-nation-receiving-1-8-billion-in-federal-covid-relief-to-boost-programs-provide-every-chokeee-citizen-with-total-of-2000-allocated-over-two-payments>

¹⁶ “Saint Regis Mohawk Tribe Pandemic Recovery Business Support Program helps 284 tribal businesses”, *Indian Country Today* (December 22, 2021), available at: <https://indiancountrytoday.com/the-press-pool/saint-regis-mohawk-tribe-pandemic-recovery-business-support-program-helps-284-tribal-businesses>

¹⁷ “\$1.16 billion allocated in American Rescue Plan Act funding for water pipelines, electricity, and broadband internet projects across the Navajo Nation”, *Indian Country Today* (December 7, 2021), available at: <https://indiancountrytoday.com/the-press-pool/1-16-billion-allocated-in-american-rescue-plan-act-funding-for-water-pipelines-electricity-and-broadband-internet-projects-across-the-navajo-nation>

¹⁸ Felcia Fonseca, “Tribal housing grants benefit 74 tribes”, *Indian Country Today* (January 19, 2022), available at: <https://indiancountrytoday.com/news/tribal-housing-grants-benefit-74-tribes>

¹⁹ Benny Polacca, “ Congress passes special session bills for projects, endeavors funded with ARPA money”, *Osage News* (November 17, 2021), available at: <https://osagenews.org/congress-passes-special-session-bills-for-projects-endeavors-funded-with-arpa-money/>; “ U.S. Department of Housing and Urban Development awards \$1.8 million to deliver equitable COVID-19 relief to the Lac Courte Oreilles Tribe”, *Indian Country Today* (January 26, 2022), available at: <https://indiancountrytoday.com/the-press-pool/u-s-department-of-housing-and-urban-development-awards-1-8-million-to-deliver-equitable-covid-19-relief-to-the-lac-courte-oreilles-tribe>

Housing

Housing, much like infrastructure, is also an area that is being improved upon in many tribal communities. For example:

- The Lac Courte Oreilles Tribe is using their grant to expand safe housing options and suitable living conditions, by in part, providing temporary shelter and utility assistance to families in need due to Covid-19.²⁰
- And the Native Village of St. Michael is also using funding to address its housing shortage by constructing 26 small homes for use by its people, increasing the number of homes in the village by nearly 25%.²¹

Food Security

Food insecurity affects many of our Native brothers and sisters. Many Tribal Nations have taken action to advanced food security, for example:

- The Osage Nation’s expansion of its farm and meat processing capabilities to address supply chain issues and support growing local food economies.
- The Round Valley Indian Tribes’ development of a much-needed food bank.²²

Generally

And while I have focused on single examples from a number of Tribal Nations, it is also important to note that many Nations are trying to address numerous needs simultaneously.

- The Oneida Nation of Wisconsin is using its funding to make significant investments in the construction of affordable housing; improving its sustainable food system; purchasing land necessary for key infrastructure needs, such as water and sewer lines; and investing in both formal and informal education opportunities for its citizens.²³

Cultural Preservation/Language Revitalization

And finally, with the loss of so many of our elders – the keepers of our language, our ceremonies, and our culture – in such a short period of time, Tribal Nations – like the Bishop Paiute Tribe in California and the Nunakauyarmiut Tribe in Alaska – are developing language preservation programs

²⁰ Benny Polacca, “Congress passes special session bills for projects, endeavors funded with ARPA money”, *Osage News* (November 17, 2021), available at: <https://indiancountrytoday.com/the-press-pool/u-s-department-of-housing-and-urban-development-awards-1-8-million-to-deliver-equitable-covid-19-relief-to-the-lac-courte-oreilles-tribe>

²¹ Felcia Fonseca, “Tribal housing grants benefit 74 tribes”, *Indian Country Today* (January 19, 2022), available at: <https://indiancountrytoday.com/news/tribal-housing-grants-benefit-74-tribes>

²² Felcia Fonseca, “Tribal housing grants benefit 74 tribes”, *Indian Country Today* (January 19, 2022), available at: <https://indiancountrytoday.com/news/tribal-housing-grants-benefit-74-tribes>

²³ Nate Wisneski, “Oneida Nation Announces Spending Plan for American Rescue Plan, Fiscal Recovery Funds”, *Oneida Nation* (June 11, 2021), available at: <https://oneida-nsn.gov/blog/2021/06/11/oneida-nation-announces-spending-plan-for-american-rescue-plan-fiscal-recovery-funds/>

while others – like the Pueblo of Pojoaque – are investing in their cultural centers so that no more of our precious traditions are lost.²⁴

Conclusion

The American Rescue Plan Act has given Tribal Nations not just a significant amount of funding, but a meaningful amount of control on how to use that funding. The results have been positive and as diverse as Indian Country itself. But this is not the end, but a new beginning. The American Rescue Plan is standard and raises the bar for Congress for generations to come. It is an important first step in the federal government’s moral and legal duty to fulfill its trust responsibility to all Native people. Our people have paid for the American Rescue Plan hundreds of times over by providing this nation with our land. We demand the United States of America honor the promises it has made with our ancestors. And we expect to continue to be treated like the sovereign nations we are. You have seen what we can begin to do when we work together as sovereigns. We must now continue down that path, and only then will all our people be able to fully flourish.

²⁴U.S. Department of Health and Human Services, Administration for Native Americans, “American Rescue Plan Award Recipients”, available at: <https://www.acf.hhs.gov/ana/grants/2021americanrescueplanawardrecipients>; “Poeh Cultural Center to receive \$150,000 grant from the National Endowment for the Arts as part of the American Rescue Plan”, *Indian Country Today* (January 31, 2022), available at: <https://indiancountrytoday.com/the-press-pool/poeh-cultural-center-to-receive-150000-grant-from-the-national-endowment-for-the-arts-as-part-of-the-american-rescue-plan>