

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
TESTIMONY OF GOVERNOR STEPHEN ROE LEWIS
GILA RIVER INDIAN COMMUNITY
February 12, 2020

Chairwoman McCollum and Ranking Member Joyce, thank you for the opportunity to submit testimony on behalf of the Gila River Indian Community (“Community”) in support of the section 105(l) lease program at the Department of the Interior. This funding is critical to ensure the continuation of the innovative school construction/leaseback pilot project and expand the program so much needed construction can continue for outdated and overcrowded schools across Indian Country.

Background:

In May of 2018, the Community testified in front of this Subcommittee requesting approximately \$6 million to create a pilot program at the Department of the Interior that would supplement existing construction programs for Bureau of Indian Education schools. The Community was encouraged to pursue this program based on what all parties – the Administration, the Congress, and Tribal Nations agreed has been a long-term problem in Indian education – to meet the school construction needs within the Bureau of Indian Education system given federal budgetary constraints.

For many years, this Subcommittee heard about the substandard conditions at many Bureau of Indian Education schools, some initially built over 100 years ago, and the negative impact these school conditions have on the education of Native youth. Under current funding levels, it would take over 60 years, or another three generations of students before the current backlog could be eradicated.

The Committee responded by increasing school construction funding where possible, while acknowledging that periodic funding increases alone is insufficient to address this long-standing issue. Several years ago, this Subcommittee challenged the Administration and Indian Country to work together to bring innovative solutions to the construction backlog. In response, the Community researched a novel new approach to funding Indian school construction and came up with a program that used existing statutory authority to stretch precious school construction dollars and accelerate school construction. Working closely with the Administration and Congress, the Community became the first Tribe in the Country to enter into a school lease with the Department of the Interior to lease a school facility that was constructed by the Community.

The construction/leaseback program works as follows: the Community agreed to construct the school with their own funding and financing and upon completion, leased the school facility back to the Bureau of Indian Education through a negotiated lease. Although this is a pilot program, this type of project is able to be replicated throughout Indian Country, especially if other federal financing tools can be leveraged – especially access to New Market Tax Credits.

Gila Crossing Community School:

The Community has three Bureau of Indian Education schools: the Blackwater Community School, Gila Crossing Community School, and Casa Blanca Community School. Each of these schools was in poor condition and overcrowded. However, only the Blackwater Community School made it onto the Bureau of Indian Education's list of priority schools to be replaced.

The other two schools were not on the priority list due to the competing need for new school facilities across Indian Country. The Community made a commitment to increase educational opportunities for its students, including providing a safe facility that meets the educational needs of students, teachers and school administrators.

Given the support of this Committee and the Department of Interior to look at innovative ways to deal with the school construction backlog, the Community engaged in negotiations that led to the construction and subsequent leaseback of the Gila Crossing Community School. With funding for the pilot program in fiscal year 2019, the Gila Crossing Community School became the first school in Indian Country to be constructed using the section 105(l) lease program.

The school was completed in July of 2019 in approximately one year and under the budget that the Department would have incurred building the same facility. In addition, because the Community, school officials, teachers and students had input into the design and functionality of the school, the Community's culture is prevalent throughout the structure and in the curriculum of the school and it truly is the Community's building.

In fiscal year 2019, \$2 million was appropriated which represented the amount needed to fund the lease for the last quarter of that fiscal year since the school was finished in July of 2019. In fiscal year 2020, \$6 million was appropriated to cover the full year of lease funding for the Gila Crossing Community School. The Community requests full year funding for the school in the fiscal year 2021 appropriations bill for the lease payments for the Gila Crossing Community School. In addition, the Community requests a modest increase in funding to expand this program at the Department to ensure that additional schools are able to enter into construction/leaseback leases at the Department.

Since constructing the Gila Crossing Community School, the Community has had outreach from a number of Tribes across the country that also have antiquated schools that were originally built in the late 1800s or early 1900s that are in poor condition and do not meet even the basic educational needs found on schools off the reservation. The Community has had visits from a number of tribal leaders and has offered advice to a number of other Tribes because we believe as the pilot Tribe for this program we have a responsibility to ensure other Tribes and students are afforded the facilities and educational opportunities they deserve.

Given the Community's need for a replacement school for its Casa Blanca Community School and the need that is apparent throughout Indian Country, we recommend this Committee appropriate \$25 million for fiscal year 2021 to cover the existing lease for the Gila Crossing Community School and allow for additional negotiated leases for school construction.

Recommendations:

We understand that the fiscal year 2020 appropriations contained language to require the Department of the Interior to enter into consultation on the section 105(l) program and we support that language. It is our belief that the school construction at the Department of the Interior will not face the same planning issues that exist at the Indian Health Service because a great deal of planning has to occur before a school can be constructed which allows adequate notice to the Appropriators and the Department of the Interior of upcoming appropriations needs. We acknowledge however, that requests for other leases will be forthcoming and support the efforts of both the Department of the Interior and this Committee to fund those leases which will help address the long-standing infrastructure issues in Indian Country and reinforce self-determination and self-governance for Indian Country as intended in the Indian Self-Determination and Education Assistance Act.

The Community also agrees with the language in the fiscal year 2020 appropriations report that calls for an examination of whether the 105(l) lease funding should become permanent since it is statutorily mandated. This would ensure that funding would be designated directly to 105(l) leases and reprogramming would not be necessary – especially when it can impact other critical programs and staffing needs at the Indian Health Service and Department of the Interior.

In addition, we recommend Congress support tribal legislation that would provide incentives and allocations of New Market Tax Credits that would support school construction and other projects throughout Indian Country. The Community attempted to utilize New Market Tax Credits for the Gila Crossing Community School, but the appropriations timing and allocation timeframes were inconsistent. If New Market Tax Credits could be used for these types of projects the federal government would save up 20% on each of these construction projects, thereby stretching the federal dollar farther to allow for additional infrastructure projects. Tribal specific legislation to address this issue is being introduced in the coming weeks, so we urge you to support that legislation which is compatible with your support for this innovative program.

Conclusion

The Community is humbled and grateful to this Subcommittee for allowing us to be the first Tribe to pilot this innovative school construction/leaseback program. It took your support, the support of the Administration, and especially the Gila River Community Council to make this pilot project a success. It is a success we can all be proud of and that can be replicated throughout Indian Country. With this school, our students know that we have all invested in them and their future. I want to make sure that our students at the Casa Blanca Community School and all across Indian Country know that they are worth the investment – because they are the future leaders that our Tribes and the Country need.

We look forward to continuing our work with you, the Administration and Indian Country to expand this program and continue its success.