

**Statement of the Honorable Richard McGeshick, Sr.
Chairman of the Lac Vieux Desert Band of Lake Superior Chippewa Indians
Before the Senate Committee on Indian Affairs Hearing
On the Relevant Needs of the Midwest Alliance of Sovereign Tribes**

June 19,2001

Good morning Chairman Inouye, Vice Chairman Campbell and distinguished Members of the Committee. My name is Richard McGeshick, Sr., Chairman of the Lac Vieux Desert Band of Lake Superior Chippewa Indians of Michigan (hereinafter, "LVD"), a Federally recognized Tribe. I appreciate the opportunity to present testimony today before this Committee on the relevant need of our Tribe, as well as the other Tribes that make up the Midwest Alliance of Sovereign Tribes (MAST).

As a matter of background, the Tribe is located in a rural community in Michigan's Upper Peninsula. In the late 1970's, before gaming, unemployment levels of Tribal members approached seventy percent (70%) and those who had jobs averaged two thousand three hundred dollars (\$2,300), per annum. Housing was substandard with little or no plumbing and as many as two or three families lived together in a single-family home. Members suffered from very low education levels and alcoholism was extremely high. Finally, the Tribe was Federally unrecognized and Tribal culture was eroding at a devastating rate. With little opportunity for members in the remote area of Watersmeet, Michigan, the Tribe established a very modest bingo hall in a small building.

Initial revenue generated from this facility provided "seed" money for the Tribe to build a larger bingo facility and more importantly, secure fifteen HUD homes. The larger bingo facility also served as the Tribe's modest indoor recreation complex, community activity center and Tribal offices. Revenue from the new bingo facility provided the financial support necessary for an additional twenty HUD homes as well as a new health and social services center to address the needs of the Tribal members. As the bingo facility prospered, funds were generated to build the Tribe's spiritual center. Meanwhile, in 1988, the Tribe achieved Federal recognition, which was the United States' acknowledgment of the Tribe's rich culture, heritage and sovereign right to self-government. Today, the Tribe operates a Class III casino under a gaming compact with the State of Michigan, in compliance with the Indian Gaming Regulatory Act (IGRA). It is no exaggeration to declare that the economic and social impact of the casino has paved the way to self-determination and self-respect to the Tribe and its members.

The following briefly discusses what the LVD Tribe feels are the relevant needs in our region of Indian Country, listed in a prioritized manner, with the highest priority listed first.

Economic Development -This is an area that is probably one of the most critical for LVD and most other MAST Tribes. Through viable economic development and economic expansion plans, most, if not all other Tribal needs can be met. LVD has done a great job in developing its gaming enterprise, hotel, golf course, restaurant and other economic ventures. However, the need to expand and diversify the Tribe's economy is always at the forefront of the Tribe's governmental improvements. Considering the Tribe's current labor force, land use opportunities, along with natural resource exploitation, there

could easily be developed a diversified economic plan. However, Congress must support these efforts in the following ways:

First, an expedited land acquisition process that allows Tribes to secure contiguous and non-contiguous lands into trust for the purpose of developing diversified revenue-generating projects. To make Tribes wait years for land acquisition approval from the Federal government, similar to what Tribes face in land acquisitions for gaming purposes, will not work. Second, offer increased authority for Tribes to initiate bond offerings as a way to subsidize initial start-up costs for developing economic ventures. Such authority should also extend to allowing third party investors to help underwrite the Tribe's bond initiative, which may help a Tribe to gain premium ratings on their outstanding debt and reduce interest rates on primary and secondary loan paybacks. Third, offer tax and investment incentives, such as tax-free capital gains on interest generated from the financing of Tribal development projects by private investors. Fourth allow increased accelerated depreciation of equipment, taking the current 2 years-to-1 depreciable rates up to a 3 years-to-1 depreciable plan for economic development projects created on Tribal lands. Fifth, provide Federal-funding incentives to States and local governments that actively and fully negotiate cost sharing of Indian economic ventures that will directly benefit non-Indian communities, as well as the Tribal community, once fully operational. Such non-Indian benefits may include the creation of jobs, along with program and service delivery in industries that are currently unavailable in the region as a whole.

Some ideas that have been considered by LVD include the development of guided hunting and fishing excursions for the upper echelon sportsmen who are accustomed to spending considerable dollars for high quality trophy hunts and fishing expeditions, complete with first class lodging, meals and other amenities geared toward the wealthy sports enthusiast, which the Tribe already has in its hotel/casino facilities. In addition, thoughts have also been put towards creating a pre-fabricated log-home building company, similar to other log-home builders in nearby towns throughout the Upper Peninsula. This market seems to be growing in the Great Lakes region and is one that the Tribe could utilize a Tribal workforce for its labor needs, creating skill-based jobs for many Tribal members. With the current Tribal labor force geared primarily toward the construction industry, this may be a viable economic venture that could span from tree harvesting to finished home setups.

By providing tax credits for investors willing to invest in projects on Indian lands, providing for the issuance of tax-exempt bonds by Tribal governments, and further funding Indian empowerment zones grant funding, Congress and the Administration will help to ensure that Indian Country is provided the appropriate tools to create sustainable economies and reach the ultimate goal of economic self sufficiency for all Tribal governments.

Law Enforcement -A key principle of the Federal-Tribal relationship is protecting and encouraging Indian self-government. To achieve self-determination, Tribes require a long-term Federal commitment and adequate funds to develop self-government, an economic base, and social and educational institutions that enable them to benefit from America's prosperity and preserve their cultural heritage. A key component to this goal is adequate police and other law enforcement protection services and facilities throughout Indian Country .The prior Administration proposed a multi-agency initiative to

accelerate law enforcement efforts in Indian country, including the strengthening of core law enforcement functions such as increasing the number of criminal investigators, uniformed police and strengthening basic detention center services.

Parallel with Interior efforts, the Department of Justice also sought to create law enforcement programs on reservations, such as drug testing and treatment, juvenile justice, and assistance to Tribal courts. These initiatives responded to severe, long-standing deficiencies in the provision of law enforcement service in Indian country that has reached a crisis level. This crisis is evidenced by the homicide rate on Indian lands that has soared by 87 percent in the last five years, even as the homicide rate declined nationwide by 22 percent. Many Tribes throughout Indian country lack adequate funding to provide a basic level of security in their communities, such as 24-hour police force coverage and protection. In addition, many police units on reservations lack the technical and human resources they need to ensure their own safety . Overall, crime has become a serious hindrance to Indian Tribes' efforts to achieve meaningful self-governance and ensure peace and stability in their communities.

In discussions with LVD's Police Captain, Mike Hazen, it was learned that the Tribe has spent well over \$700,000 in constructing the Tribe's current Tribal Police Headquarters. In addition, over \$867,072 in Tribal contributions was dedicated to the LVD law enforcement program over the past five fiscal years. It is my understanding that the Tribe, based upon promises made by the U.S. Departments of Justice and Interior that supplemental program funding would be forthcoming, approved much of these expenses. As I have been informed, however, no additional Federal funding has been received by the Tribe to date, and without an immediate influx of Federal program dollars, the Tribe's Police Department will not be able to meet its expectations of providing appropriate law enforcement and protection to the Tribal community .

I have asked the Tribal Police Department, along with the Tribe's Chief Financial Officer to provide me with as much statistical information as available (detention and deterrence program needs, crime rates and financial cost breakdowns) so that we at LVD can begin to compile a report to Congress, the DOJ and the DOI that will justify much needed law enforcement funds for LVD's Police Department and law enforcement program to flow from Federal sources. Along these same lines, LVD will put together justification statements based on forthcoming information from the Tribe's Office of Chief Justice, on Child Support Enforcement (CSE) needs, juvenile detention needs, alcohol and substance abuse prevention needs (i.e., Tribal DARE, AA and NA programs) and other related program needs that seek to deter crime rates, incarceration needs, domestic violence, suicide and teen pregnancy. Our goal at LVD is to secure the necessary support from these Federal agencies to utilize our newly constructed police facility for the benefit of Indian and non-Indian citizens throughout the entire region of Gogebic County, Michigan.

Health Care -The Indian Health Care Improvement Act, P .L. 94-437, (IHCA) was first enacted in 1976, to address long-standing deficiencies in Indian health care; to increase the number of health professionals serving Indian communities; to authorize services to urban Indian populations; to rectify health facility problems; and to provide access for Indian patients to other Federal health resources such as Medicaid and Medicare. The IHCA has been reauthorized four different times incorporating

numerous other amendments over the years. The IHCIA provides comprehensive directives to the Federal government with regard to Indian health, and along with the Snyder Act of 1921, provides overall guidance and authority for the programs of the U.S. Indian Health Service (IHS).

The IHCIA expired at the end of FY2000, but was given a one-year funding allocation by Congress last year as a temporary stopgap, until Congress could fully deliberate the reauthorization of this critical health care legislation and provide a long-term reauthorization plan. IHCIA reauthorization legislation has been introduced in both chambers of Congress this year, where it currently awaits further action. With two Senate committees and four House committees having referral over these bills, we anticipate deliberations over the IHCIA to take up most of the 107th Congress.

In the past six years, LVD health care services have increased each of those years substantially, with the costs for operating the Tribe's health clinic increasing as well. Currently, the Tribe receives more health care funding through third-party billing of Medicaid, Medicare and private insurance companies for services rendered to Tribal member and non-Tribal member patients served in the Tribe's health care clinic, than they do from the Indian Health Service (IHS) for medical care provided to its current service area population. Although diabetes rates have dropped slightly in recent years, mainly due to improved diabetes prevention measures, the "diabetic"at-risk" population of the Tribe is getting older. With this phenomenon comes the likelihood of increased diabetes amongst the Tribe's "at-risk" population, as well as increased health complications stemming from diabetes. Currently, two Tribal members must travel up to 160 miles, round-trip, three times a week to receive dialysis treatments in order to survive.

One of the most immediate needs of the Tribe, as well as the entire region, is to secure a dialysis system (machine and medical service personnel) at the Tribal health clinic. Moreover, the need for such a dialysis program will only increase over time and therefore, LVD asks that Congress direct the IHS to immediately make available the necessary funding for the Tribe to secure funds for this critical medical need. In addition, the Tribe asks that Congress direct the IHS to fund a feasibility study on the development of an Emergency Medical Center as part of LVD's health clinic. When considering the proximity of the Tribe and surrounding non-Indian communities being at least 60 miles from the nearest part-time emergency medical center, the need for such a facility to serve not only the Tribal population, but also the entire population of the region, seems appropriate.

I have asked that the Tribe's health care department compile health statistics on the current service area population, health care program and service cost associations, along with projections as to the increased health care needs of the Tribe's service area population over the next ten years. Once this information is compiled, we will use it to create a justification report to Congress and to the Administration on increasing the Tribe's Federal health care funding, as well as ways in which the Tribe can partner with the State and Federal health care agencies to better serve its current and future health care service area population.

Education -LVD, like most Tribes in the country, receive only a fraction of the Federal education dollars they need to operate adequate Tribal education programs. Currently, LVD operates most of its

education support programs through a two percent (2%) set aside of Tribal gaming revenues. The Tribe also utilizes Johnson O'Malley funds to enable the Tribe to place a Tribal educator into the public school system to ensure that Indian student attendance and participation in the public education system is appropriately monitored.

The Tribe would like more authority over the way in which Federal "Impact Aid" funding is spent by the State's education system, to ensure that Tribal members attending State-operated public schools receive the same level of education and educational opportunities as do the non- Indian students. In addition, funds must be secured under the President's education improvement plan for after school programs and related educational needs that are currently not being met by the State and Federal public education system.

I have asked the Tribal education director to compile statistical information on the LVD student population in order to develop a justification plan for increased funding and authority for the Tribe under Impact Aid, which will be presented to Congress, as well as the Department of Education's Office of Indian Education and the BIA' s Office of Indian Education. Our goal is to secure the best public education environment for our Tribal students that is conducive to their overall education needs and stimulates their desire to continue in their education goals beyond K - 12 education.

Social Services -One of the greatest needs at LVD and throughout the Great Lakes region is in the area of social services. Although political reality tells us that the area of social services will undoubtedly be one of the least areas of focus by the Administration and Republican-controlled House until the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, or Welfare Reform) comes up for reauthorization, the need still continues. LVD operates very successful Early Head Start, Head Start and related childcare services through the Tribe's child care/education center. With over seventy children being served from infancy through Kindergarten, the financial and programmatic burdens are evident, yet somehow the center does an incredible job with the little funding it receives.

With the reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, or Welfare Reform) expected this Congress, I have asked our Social Services director to provide me with statistics on the current population being served through the Tribe's center, as well as information on those programs and services that the center would like to begin providing to the entire family of the children currently being served. (I.e., child care, family counseling, supplemental nutrition services, a Boys & Girls Club, increased Early Head Start and Head Start funding, and possible Department of Education Early Learning Program funds to help expand the Tribe's kindergarten program). LVD wishes to work with Congress to develop a plan to improve the programs, services and funding levels for the litany of social service needs that LVD and many other Tribes throughout Indian Country will face in the years to come.

In Conclusion -Chairman Inouye, Vice Chairman Campbell and Members of the Senate Committee

on Indian Affairs, this concludes my statement for the record and I will be happy to answer any questions you may have at this time, or through supplemental written form, upon your request. On behalf of the LVD Tribe, I thank you for the opportunity to testify before this Committee today on these important issues.
