

**Investing in Indian Nations:
Building Tribal Self-Government and Economic Development**

**Prepared Statement on the FY2001 President's Budget Request
for Federal Indian Programs
to the Senate Committee on Indian Affairs**

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National Congress of American Indians**

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I. Introduction

Good morning Chairman Campbell, Vice-Chairman Inouye and distinguished members of the Indian Affairs Committee. Thank you for the opportunity to present testimony regarding the President's Budget Request for Fiscal Year (FY) 2001 Indian programs and services. My name is Susan Masten. I am President of the National Congress of American Indians (NCAI) and Chair of the Yurok Tribe of Northern California.

The member tribal governments of NCAI are extremely excited about this year's budget process. For the first time in a generation, the President has proposed a significant increase in the budget for programs that assist Indian people and Indian tribes, more than 1.2 billion. This commitment to Indian programs will better serve Indian communities and take a big step toward honoring the federal government's treaty and trust obligations to Indian nations. The news is out in Indian Country: this year the President is committed to meeting the acute needs in our communities. We are going to work very hard to ensure that Congress shares that commitment.

The last time the federal government enacted an increase of a similar scope to the President's FY2001 proposal, was in the mid-1970's, as a part of President Nixon's Tribal Self-Determination policy. Self-Determination has been and continues to be the most successful federal policy toward Indian Nations ever in the history of the country. Under this policy tribal governments have local control over programs and decision making on their reservations and have been able to fulfill needs and solve problems far more quickly and efficiently than through "top-down" federal programs. Through experience with Self-Determination, a generation of financially astute and fiscally responsible tribal government leadership has learned to function as better managers and service providers in all manner of tribal government functioning and tribal business

development.

The experiment with Tribal Self-Determination has succeeded, and it is time to invest more heavily in its continued success. Since the 1970's, Indian people have had the highest population growth rate of any group in the U.S., and their population is outgrowing the basic infrastructure of the reservations. Schools, law enforcement, transportation, health care, jobs programs, low-income housing, and drinking water and wastewater infrastructure are in desperate need. The President's proposed budget recognizes these needs and proposes increases to programs in all of these areas. NCAI would strongly encourage Congress to support the President's budget in these areas, and in light of these great needs, consider even greater increases.

Tribal Priority Allocations. NCAI would go beyond the President's request to strongly encourage Congress to put more funding into the basic Tribal Priority Allocations (TPA) that go to each tribal government for running governmental programs and services. These dollars are the core of the Tribal Self-Determination policy, because they allow tribal governments to set their own priorities for spending on programs and services. The unmet need for programs and services in Indian Country has been measured at 7.4 billion for the BIA and \$15.1 billion for the IHS, this includes \$2.8 billion for TPA, and it is absolutely necessary that Congress begin to address that unmet need.

Federal funding for tribal governments is also a matter of equity. Indian people living on reservations pay federal taxes just like every other citizen, but the reservations derive little support from federal funds that go to state governments. Most often, the states refuse to fund services on tribal lands, pointing out the federal responsibility for tribes. As a result, the programs serving the American Indian and Alaska Native population have rarely received the funding required to fulfill even the most basic needs, and funding for Indian programs has lagged far behind the funding of non-Indian programs. Compared to all other sectors of the American populace, American Indians and Alaska Natives most often rank at or near the bottom or top of most social and economic indicators, whichever is worse. Of the more than 500 federally-recognized Indian tribes, a great majority of their populations are characterized by the most severe unemployment, poverty rates, ill-health, poor nutrition and sub-standard housing in the U.S. In an era of federal budget surpluses, there are no excuses for failing to meet the federal obligation to remedy the human tragedy behind the statistics.

Economic Development Funding. NCAI is strongly supportive of the New Markets Initiative, and is looking forward to working with Congress in enacting legislation this year. However, we feel that even more targeted economic development funding towards Indian Country is warranted. Every study of Indian reservations points to the barriers to economic development as the fundamental problem. Larger investments in economic development strategies are needed to push Indian Country past this barrier

and into a position where economic development becomes the norm, rather than an aberration. Because of its past actions, the United States has an obligation to help rebuild the shattered infrastructures of Indian Nations and create the opportunity for economic prosperity that will benefit not only Indian people, but the entire American economy. It should also be noted that the conversion of welfare entitlement funds into state discretionary funding has added to the urgency felt throughout Indian Country to boost economic development. We believe there should be a greater emphasis on increasing the number of Empowerment Zones (EZ) in Indian Country. Under the current formulas too few of the EZ will be available for tribal designation.

Transportation Funding. NCAI is strongly supportive of ongoing efforts to provide increases in funding for the Indian Reservation Roads (IRR) program this year. As you are well aware, Indian Country has historically received a disproportionately lower share of the Highway Trust Fund. While TEA-21 provided a long-overdue increase in dollars for the Reservations Roads program, the increase did not adequately address the \$ 7.2 billion backlog of need for transportation improvements in Indian Country. The increase to the IRR program was considerably less than increases to other programs. Meanwhile, federal fuel tax receipts have far exceeded expectations, and this year are estimated to be \$ 2.5 - 3.0 billion more than anticipated when TEA-21 was enacted. An increased allocation of for the IRR program would begin to provide Indian tribes with an equitable share of the rising fuel tax receipts and provide many Indian communities with critically-needed transportation improvements to better access jobs, health services, and educational and economic development opportunities.

One of the primary things we will be seeking, along with the rest of Indian Country, is to restore funds lost due to the inadvertent application of the Obligation Limitation to the IRR Program. Prior to TEA-21, IRR program funds were not reduced by the obligation limitation. The application of the obligation limitation to the IRR program has resulted in the loss of over one-third of the total IRR increase intended by Congress to benefit Indian tribes. This inequity can be fixed by an amendment to TEA-21 and we look forward to working with the Committee on this very important issue.

We caution against the use of appropriations riders to legislate in Indian affairs. Tribal self-government rights are recognized in the United States Constitution and hundreds of treaties, federal statutes and Supreme Court cases and are deserving of serious consideration by the Congress. If the federal government is to contemplate legislation affecting tribal self-government, the legislation should be considered in the authorizing committees, given opportunity for consultation with the affected tribes, and taken up as stand-alone legislation where Members of Congress can know and understand what they are voting on.

NCAI urges Congress to increase the investment in Indian programs and tribal government infrastructure. We believe that the President's FY2001 budget request has taken a positive step in that direction. The following testimony is an overview that

provides NCAI's viewpoint on sections of the budget that are most critical to tribal governments. NCAI would like to express its appreciation for information and funding recommendations by our member tribes (see attached resolutions) and from regional and national Indian organization, including the National Indian Education Association, the National Indian Health Board, the National American Indian Housing Council, the National Indian Council on Aging, the National Tribal Environmental Council, the Native American Rights Fund, the Northwest Portland Area Indian Health Board, the California Indian Manpower Consortium, the Indian and Native American Employment and Training Coalition, and the Inter-Tribal Agriculture Council.

II. Background Information

When comparing trends between FY1975 - FY1999 for the total BIA budget and the federal non-defense budget as a whole, federal spending as a whole increased at a rate of \$41 billion a year, with an average level of \$669.8 billion, while when corrected for inflation, the BIA budget actually declined by \$10 million a year, on an average spending level of \$1.7 billion. Throughout the entire FY1975-FY1999 period, per capita spending on the U.S. population as a whole consistently increased, whereas per capita spending on Indians through major Indian-related programs began to fall after FY1979.

Furthermore, in FY1996, federal funding for Indian programs fell short 13 percent or \$581 million from the President's budget request for that fiscal year. This was mostly seen in dramatic cuts in funding for the BIA (\$322 million less), Department of Housing and Urban Development (HUD) New Indian Housing (\$134 million less), and the Indian Health Service (IHS) (\$80 million less). In FY1997, funding for these programs fell short 4.1 percent or \$175 million below the President's request. And in FY1998, there was a 1.2 percent or \$52 million shortfall from what the President requested. In FY1999, this unfortunate trend continued with a \$100 million shortfall.¹ Mr. Chairman, in a year when the U.S. economy is booming and the federal government is expecting over seventy billion dollars in surplus funds, the federal government should not be cutting funds to American Indians, this nation's poorest people.

As Congress begins the appropriations process for FY2000, NCAI aggressively seeks support from the Committee in reversing the decline in funding for federal Indian programs that we have experienced since FY1996. In general, we feel the President's FY2001 budget moves Indian Country in this direction.

¹ See *generally* "Indian-Related Federal Spending Trends, FY1975-1999", Congressional Research Service (CRS), February 1998.

III. The President's FY2001 Budget Request

A. DEPARTMENT OF INTERIOR

1. Bureau of Indian Affairs

a. FY2001 Funding

The President's FY2001 budget calls for \$2.2 billion to be allocated to the BIA, an increase of \$332 million over the FY2000 enacted level. The budget contains a request of \$1.8 billion for the Operation of Indian Programs (OIP), a increase of \$155 million over the FY2000 enacted level. The request of \$761 million for Tribal Priority Allocations (TPA) is a \$60.5 million increase over FY2000. Despite the importance of these increases to the tribes and the apparent commitment to tribal self-sufficiency, self-determination and self-governance shown by the Administration in its budget request, they still fall short of providing adequate funding for critically needed tribal programs. Historically, federal Indian policy has been governed by the solemn commitment made to Indian tribes in treaties, statutes, executive orders, judicial decisions and the general course of the tribes' dealings with the United States. Clearly, the current proposed FY2001 President's budget request of \$2.2 billion represents a growing disparity between Indian and non-Indian citizens. Indian tribes are challenged by the same problems the rest of the world faces: increasing difficulty in sustaining cultural and traditional ways and quality of life on a deteriorating resource base. However, these challenges to Indian Country are heightened to a much greater degree since most Indian tribes are dependent on the federal government to provide funding for critical programs, social and cultural services, education, natural resources/environmental and community development.

According to the Tribal Working Committee on Policy and Appropriations, comprised of 24 tribal leaders - 2 from each of the 12 BIA regions, the proposed FY2001 "needs-based" budget request is \$7.4 billion for the BIA. In preparing the needs-based budget projections, BIA and tribal representatives provided the following funding recommendations to address the unmet need in Indian Country:

- ▶ \$2.8 billion for TPA
- ▶ \$1.5 billion for Jobs and Training
- ▶ \$0.5 billion for Land, Water and Air
- ▶ \$0.3 billion for Trust and Natural Resources
- ▶ \$2.3 billion for Special Request and other New Funding

Although the Administration's budget request for FY2001 includes a \$60.5 million increase in TPA over FY2001, this increase is inadequate to meet the vital needs of

tribal governments and falls significantly short of the need-based budget projection. TPA budget activity includes the majority of funds used to support on-going services at the local tribal level, including such programs as: housing, law enforcement, child welfare, education, natural resources management and other tribal government services. TPA gives tribes the flexibility to prioritize funds among these programs according to their unique needs and circumstances.

Over the past two decades, TPA has not received the required funding to allow tribes to exercise self-determination and self-governance. Further, in FY1995, TPA was drastically cut and critical tribal programs and services were severely impacted. The small increases to TPA over the past few years have not been adequate to keep pace with inflation. As a result, tribal governments have increasingly fallen behind in their ability to provide services in their communities. These budget reductions clearly undermine the successes tribal governments have achieved.

Mr. Chairman, at the very least, the President's FY2001 requested TPA increase of \$60.5 million must be supported by Congress. The enormous tribal program responsibilities associated with this budgetary category include the direct tribal operation of programs. Although the President's requested funding level for this budgetary category will help tribes address these needs, Congress is urged to consider the tribal needs-based budget projection and increase the TPA budget category well beyond its current enacted level.

Also of concern within the BIA is the issue of contract support costs. The President's FY2001 budget request for contract support costs includes a very modest increase of \$3.5 million to address the Bureau's continuing contract support cost shortfall, plus \$5 million for the Indian Self-Determination Fund to address the contract support cost needs of tribes taking on new BIA programs. This continual shortfall penalizes tribes which elect to operate BIA programs under the Self-Determination Policy.

Another major area of concern is BIA construction funding. The President's FY2001 budget request of \$366 million request, an substantial increase of \$168.5 million, must be supported by Congress. As this Committee is well aware, most of the schools, health facilities, courts, police and fire departments in Indian Country are in desperate need of repair and/or replacement.

The Administration and Congress' attempts to empower tribal governments to assume more management responsibilities over tribal program and service operations, create tribal jobs and develop sustainable economies that lead Indian Country into greater self-sufficiency are very commendable goals, and ones that are clearly shared by tribal governments. However, without adequate federal appropriations these objectives will not be achieved. Increased funding for programs and services under the BIA budget must be provided to ensure that the basic needs of this nation's first citizens are adequately met and our collective goals for a stronger economic base in Indian Country

are fully realized.

b. Economic Development

Pursuant to the Indian Financing Act of 1974 as amended, the Office of Indian Economic Development administers the guaranteed loans, direct loans, and grants programs within the BIA. However, since 1996 funding for the direct loan and grant programs has ceased, the guaranteed loan program is the sole economic funding source within the Office of Indian Economic Development. The elimination of this funding has created gaps in the services that are provided to Indian tribes to develop economic opportunities on Indian reservations.

In the President's FY2001 proposed budget, there is an increase within the Indian Guarantee Loan Program of \$1 million over last years budget of \$5 million, making this years total request \$6 million. Additionally, there is a first time request of \$2 million for technical assistance under community development non-recurring programs. NCAI supports this request and believes that it will assist in building economic self-determination in Indian communities while removing barriers to funding in Indian Country. However, Indian Country still fails to benefit during this country's economic boom and assistance is greatly needed to bring sustainable economic development onto Indian reservations. As requested by NCAI's membership through NCAI Resolution #PSC-99-028, NCAI requests that Congress appropriate \$10 million specifically for funding the BIA Office of Indian Economic Development. The purpose of this funding is to provide training and technical assistance for the development and expansion of reservation businesses. NCAI further requests that Congress provide funding for the purpose of re-establishing the direct loan and grant programs within the Office of Indian Economic Development.

c. Indian Education

NCAI applauds the Administration for its ongoing investment in Indian education and its commitment to "instilling hope" to Indian students by seeking to provide better educational resources in this year's budget. President Clinton has proposed a total investment of \$506.6 million for BIA school operations, an increase of \$39.6 million over FY2000. This increase allows the BIA to educate approximately 12 percent of the American Indian K-12 population and will cover additional costs for teachers, transportation, and operations resulting from the growing student population in Indian Country. Of the \$1.75 billion request for the hiring of 100,000 new teachers as part the Class Size Reduction program in the Department of Education, the President proposes to provide \$6 million to BIA-funded schools. The Administration has also furthered its recognition of the federal government responsibility by seeking additional funding for safe and adequately equipped BIA schools.

Recognizing that BIA school systems have been the victim of neglect for many years, the President is seeking \$300.5 million for BIA education construction, a profound increase of \$167.3 million over FY2000, the largest request ever to build schools in Indian Country. From this total, \$126 million will be used to replace six schools on Indian reservations which are considered a threat to student safety and not equipped to provide Indian students with modern educational tools enjoyed by other students in America.

The President has also requested an increase of \$103.4 million for the repair and improvement of BIA school facilities. Over 50,000 Indian students are currently learning in facilities that present serious health and safety threats. This increase will assist in the replacement and repair of some of the 185 BIA-funded schools on reservations. Tribes or tribal consortia may use up to \$30 million of the BIA school construction funds in issuing school modernization bonds by using these funds to ensure principal repayment for tribal issuers.

NCAI commends the Administration for honoring the federal governments responsibility in providing a quality educational system to American Indian and Alaska Native students attending BIA-funded schools. While NCAI is pleased with additional funding for safe and adequately equipped BIA schools, support is also needed for the following BIA Indian education programs.

Tribal Priority Allocations (TPA):

1. Adult Education. Year after year, this program unfortunately remains one of the most underfunded Indian education programs by the federal government. For FY2001, the Administration proposes \$2.46 million for Adult Education, a decrease of \$133,000 over the FY2000 enacted level. The real need requires \$5 million to adequately fund tribally-based adult education programs. The BIA estimates that in 1998, approximately 15,000 Indian adults who did not finish high school, participated in the program in order to obtain their General Educational Development (GED) degree.
2. Johnson-O'Malley (JOM) Program. The FY2001 request is \$17 million, a decrease of \$352,000 over the FY2000 enacted level. The funding need for this program should not be less than \$25 million in order to provide supplemental educational services for 272,000 American Indian students in 23 states. Moreover, in FY1995, Congress established the JOM program base-funding by calculating the Native American student count and multiplying it by \$85.11 per student and since FY1995, the funding amount per student and student count have been frozen. Per NCAI Resolution #99-103, the immediate release of JOM frozen funding is requested.
3. Scholarships. The FY2001 request of \$30.7 million for undergraduate scholarships for American Indians is an increase of \$2.24 million over the FY2000 enacted level. Since FY1996, this program has been increased only by \$2 million and has not

provided for the increase in the number of Indian students wishing to enter college, or the increase in college tuition costs which are out pacing inflation. The proposed FY2001 funding would greatly help meet the needs of Indian students pursuing post-secondary education, especially when critically-needed programs are cut or eliminated such as the Department of Education's Office of Indian Education Fellowship Program.

Other Education Programs:

1. Indian School Equalization Program (ISEP) Formula. The President's FY2001 request is \$333.3 million for this program, an increase of \$16.8 million over the FY2000 enacted level. The requested amount would provide a little more than \$3,199 per Weighted Student Unit (WSU) compared to \$3,125 per WSU in school year 1997-98. NCAI supports a funding level of \$3,500 per WSU and requests an funding increase to meet this level.

2. Student Transportation. The FY2001 request for student transportation is \$38.2 million, a \$2.2 million increase over FY2000. In FY1997-98 the BIA-funded transportation cost was \$1.98 per mile with 15,197 miles (School Year 1996-1997) driven for day and boarding schools. According to the latest School Bus Fleet information, the national average for student transportation costs in school year 1993-94 was \$2.94 per mile for public schools. Therefore, the BIA-funded schools, which are located primarily in rural, isolated areas, are at least \$.96 below the national per mile average.

3. Tribal Departments of Education. The Improving America's Schools Act (Pub. L. 103-382) authorizes funding to assist tribes in planning and developing their own centralized tribal administrative entities. Unfortunately, the FY2001 budget request, as in years past, does not include any funding for this program. NCAI recommends at least \$3 million for tribal departments of education to accomplish the original intent of the 1994 Act. This level of funding would be appropriate, given the recent trend to convert more and more schools from BIA to tribal control.

4. Tribal Colleges/Post Secondary Schools. The President's FY2001 request for Tribally-Controlled Community Colleges is \$38.2 million, a \$2.9 million increase over FY2000. NCAI continues to supports \$40 million for this program.

5. Post Secondary Schools. The FY2001 request is \$14.3 million, an increase of \$300,000 over the FY2000 enacted level. The request includes funding for Southwestern Indian Polytechnic Institute (SIPI) and Haskell Indian Nations University. NCAI requests that the amount for Haskell be increased to \$10 million since it is the only national institution dedicated solely to the post secondary needs of Indian students.

6. Special Higher Education Scholarships. The FY2001 request is \$1.33 million, the

same level provided in FY2000. The amount of funding to this program was reduced in FY1993 from \$2.6 million to \$1.33 million. At the same time, the American Indian graduation rates from 1993 to 1999 have more than doubled, thus more than twice the number of eligible American Indians and Alaska Native graduate and professional student have applied for financial assistance. Per NCAI Resolution #99-046, an increased funding level of \$5.6 million is needed to support the financial need of over 700 Indian student seeking higher education per year.

d. Public Safety and Justice

Of critical importance to Indian Country is adequate funding for public safety programs. As this Committee is well aware, tribal governments are in desperate need of sufficient resources to help reduce the increasing rate of crimes within their communities, to provide fire protection, and to provide immediate response in cases of emergency or disaster. In FY2000, Congress provided important funding to the BIA to begin addressing the law enforcement needs of Indian Country. In FY2001, the President is requesting an \$18.9 million increase for the continuation of this "multi-year" Presidential Initiative, resulting in a total of \$156.6 million for BIA Law Enforcement. Along with the increase in BIA funding for Indian Country law enforcement, the President has also requested \$173 million to the Department of Justice for law enforcement on reservations. NCAI supports these funding requests, because it will further the ongoing efforts to enhance law enforcement and judicial functions in tribal communities.

While Indian Country has enjoyed the recent attention resulting from the drastic short falls in funding for law enforcement, NCAI is also concerned with the current funding levels regarding fire protection and emergency services. Under the Community Fire Protection program, funding has steadily decreased over the past few years. In FY1999, the program was funded at \$1.47 million which was subsequently decreased to \$1.38 million in FY2000. For FY2001, the President has requested a further decrease in funding to \$1.36 million. With so much attention being paid to the needs of tribes with regard to law enforcement, NCAI seeks support from this Committee in addressing the shortage of critical public safety funding in Indian Country.

e. General Assistance Program

The FY1996 Interior Appropriations Bill included language which capped BIA General Assistance (GA) program expenditures. Such inadequate and limited appropriations have forced BIA and tribal social service programs to cut caseloads, leaving many potential recipients unserved. The enactment of the Welfare Reform law (Pub. L. 104-193) further stained the GA program. As urban tribal members exhaust benefit time limits in Temporary Assistance for Needy Families (TANF) programs, many of these Indian families will have to return home to their reservation and their family support network. These families will likely seek support from the GA program.

Since the inception of welfare reform, NCAI and other tribal advocates have been warning about the future increase in GA caseload. Because the caseload increase is dependent on TANF time limits, which vary by state, the GA caseload will not rise uniformly in all areas. This time lag may be the most deceptive aspect of the GA caseload increase. Nineteen states hit their first TANF work requirement late in 1999. It will take time for these TANF participants to be terminated and to turn to GA for assistance. As such, it is only within the next fiscal year that GA caseloads will begin to increase. NCAI believes that now is the time to increase funding for the GA programs as it will be strained with increased caseloads in the upcoming year. Unfortunately, rather than increasing funding for the GA program, the President's FY2001 budget requests \$93.2 million, a decrease of \$20 million from the FY2000 enacted level.

With this substantial funding decrease, the GA program will not be able to serve eligible tribal members in desperate need of support, let alone accommodate any new recipients. This level of funding effectively prohibits tribal governments from providing assistance to tribal members without any other means of support. Tribal communities already manage scarce resources and stretch those as far as possible. Further reductions in program funding serve to undermine the Congress' intent of the GA program and seriously threaten the quality of life in tribal communities.

Per NCAI Resolution #PSC-99-022, the funding that the GA program currently receives is not adequate to meet the need of those tribal members reliant on the program. As a result, tribes must often use funds intended for important tribal government functions and programs in order to meet the basic needs of their people. NCAI urges this Committee to seek an increase the President's FY2001 GA program budget request by a minimum of \$20 million, restoring GA to its FY2000 funding level. Although this level of funding would not provide greater assistance for tribal members, it would at least allow tribes to maintain the safety net program as it currently exists.

f. Housing Improvement Program

The Housing Improvement Program (HIP) is a safety net program that is targeted to very low-income families who do not meet Department of Health and Urban Development (HUD) minimum income guidelines. This program serves the "neediest of the needy" Indian families for whom no other assistance is available. The President's FY2001 request of \$32 million for HIP doubles the FY2000 enacted level of \$16 million. NCAI strongly supports this proposed increase to HIP as it is currently grossly underfunded and one of Indian Country's desperately needed programs. With this potential increase, we urge this Committee to ensure that BIA consult with tribal governments on the funding distribution methodology for the HIP program. Although NCAI welcomes the proposed increase, the most current data identifies a need of approximately \$435 million for an estimated 30,000 eligible American Indian and Alaska Native families for the repair or replacement of their dilapidated homes in tribal communities.

g. National Academy of Public Administration

In August of 1999, the National Academy of Public Administration conducted a management and administration study of the of the BIA. As a result, recommendations were made to reform the BIA. In the FY2000 Interior Appropriations Act, \$5 million was appropriated to begin implementing these reforms. To continue the reorganization efforts, the President's FY2001 budget proposes an additional \$4 million. In an effort to better serve Indian Country, NCAI support movements to reform the BIA. Tribal leaders in their own efforts to reform the BIA have also formulated recommendations. NCAI strongly advocates that these recommendations be considered in the reformulation of the BIA.

h. Trust Fund Management

The Office of Special Trustee for American Indians (OSTAI), oversees and coordinates trust asset reform and has operating responsibility for financial trust service functions for the BIA. To ensure that trust management reform is accomplished, the President's proposed FY2001 budget request \$82.6 million for the OSTAI. Over \$58 million of this proposal targets OSTAI program operations for trust management reforms.

In conjunction with the OSTAI, the President's proposed budget includes \$108 million for Trust Management Reform within the BIA, a 48 percent increase over the FY2000 enacted level. The requested FY2001 amount is intended to ensure that the OSTAI trust management funded improvements are maintained. Out of the FY2001 BIA's proposed budget, \$12 million will be allocated to strengthen real estate services, \$3 million for additional staff for BIA probate functions, \$5.3 million to perform cadastral surveys, and \$4.8 million for the land titles and records programs. All of these increases will support the overall reform of the trust management services within both the OSTAI and the BIA.

NCAI supports this level of funding but has significant concerns regarding the Trust Asset and Account Management System (TAAMS). The clear need to overhaul of the BIA trust management system has been continually proven, but TAAMS has yet to be verified as a working system. The Department of Interior stated that system verification by an independent verification service would be completed in late August. It is now February of 2000 and there is yet to be any verification that the TAAMS system actually works. Overall, NCAI supports these funding levels to help the BIA and the OSTAI improve the Secretary's management of these accounts and to meet the goal of correcting a 70-year-old Indian trust fund mismanagement problem. Nevertheless, there continues to be concern that the requested money will be used to fund a system that has not been proven to work. NCAI is aware of your intention to introduce legislation to correct the ongoing trust management, and we look forward to working with you and the Committee during this process.

The President has nominated Mr. Thomas N. Slonaker to serve as Special Trustee for American Indians at the Department of Interior. NCAI supports the President's attempt to fill the Special Trustee position that has been vacant for approximately one year, and looks forward to working with the Special Trustee to correct the trust fund management problem.

The President's FY2001 budget also requests \$12.5 million for the OSTAI to continue the Indian Land Consolidation project. This request includes an increase of \$7.5 million over the \$5 million FY2000 enacted level. NCAI supports the voluntary consolidation of fractionated land interest for the benefit of both its owners and the tribes.

NCAI strongly encourages Congress and the Trustee to work collectively with tribes to end these mismanagement practices and begin reconciling outstanding accounts. NCAI urges Congress and the Administration to stay committed, as tribes are, to achieving these goals.

i. Indian Reservation Roads

Sufficient funding for the Indian Reservation Road (IRR) program, which funds the construction and maintenance of public roads that provide access to and within Indian reservations, Indian trust lands, restricted Indian land and Alaska Native villages, is of critical importance to Indian Country. Road maintenance is currently funded through the Department of the Interior, and the need to adequately maintain BIA-owned roads is estimated by the Bureau to be \$100 million annually. For FY2001, the President requests \$31.7 million for the IRR program, an increase of \$5 million over the FY2000 enacted level.

Currently, the BIA receives approximately \$26 million per year for road maintenance which represents about \$500 per mile and in some cases as little as \$80 per mile for Indian roads maintenance. In comparison, an average of \$2,200 is spent on maintaining other federal roads, and an average of between \$3,000 and \$5,000 per mile is spent by states. As a result of insufficient funding, many roads in Indian communities are not sufficiently maintained and have to be shut down during the winter or become impassable during other times throughout the year. The deteriorating road systems negatively affect the health and economic viability of all tribal communities.

2. Indian Health Service

a. FY2001 Funding

According to the National Indian Health Board (NIHB), the FY2000 Indian Health Service (IHS) expenditure will provide less than 43 percent of the per capita expenditure for the civilian U.S. population. This is based on an IHS per capita

expenditure of \$1,400 per client, compared to the U.S. civilian resident per capita expenditure of \$3,200. In order to address such glaring inequities, NCAI, along with the NIHB, and the Tribal Self-Governance Advisory Committee (TSGAC), have worked collectively to ensure that the federal government upholds the President's Executive Order #13084, titled "Consultation and Coordination with Tribal Governments", which requires federal agencies to consult with tribal governments on the annual budget.

Throughout 1999, IHS engaged tribal governments in the development of its FY2001 budget. At that time, there was agreement by NIHB, the TSGAC, and the National Council on Urban Indian Health (NCUIH) that the FY2001 IHS Budget should be \$15.1 billion, but no less than \$3.2 billion in order to adequately address the health care needs of American Indians and Alaska Natives. Included as a priority is an appropriation of at least \$423 million for Contract Support Costs (CSC), which is critically needed to ensure that tribal governments are successful in fulfilling the goals of Indian self-determination and self-governance. Per NCAI Resolution #VAN-99-050, it is unanimously agreed that a budget of no less than \$3.2 billion in FY2001 for IHS, is necessary, as the first increment, to reaching the needs-based funding level of \$15.1 billion.

The President's IHS request of \$3.1 billion is an increase of \$229 million over the FY2000 level. This includes \$2.27 billion for IHS Services and \$349 million for IHS Facilities. However, the President's FY2001 total also includes an estimated \$405 million in Medicare, Medicaid, and private health insurance collections, making an adjusted request of approximately \$2.7 billion. Of this total, the Health Services program would receive a \$195 million increase, and a \$34 million increase would go to the Health Facilities program. Though an improvement over last year, the actual total request of nearly \$2.7 billion falls significantly short of the \$3.2 billion required for the IHS to provide and sustain clinical and preventive services to save the lives of Indian people.

While the FY2001 budget request for IHS provides the largest single-year increase since FY1992, and, according to IHS, is perhaps the most strongly supported proposal in the Agency's history, NCAI requests the support of this Committee in seeking the additional \$600 million to reach the \$3.2 billion total needed for this first increment in reaching the overall health care needs of Indian Country. In real terms, these funding increases will result in thousands of American Indian and Alaska Native people having access to better and more increased health care services including hospital admissions, outpatient visits, dental services, mental health and social services, public health nursing home visits, and community health representative visits.

b. Contract Support Costs, Mandatory Costs, and Contract Health Services

The FY2001 budget request of \$269 million for Contact Support Costs (CSC) also falls short of the tribally recommended funding level. While the IHS claims that contractors will receive approximately 44 percent of the IHS's total budget, it stills remains far short of the \$423 million for CSC recommended by tribes. Furthermore, the proposed budget includes language that may result in existing contractors and compactors receiving no increases to compensate for resources lost to inflation.

According to the Northwest Area Indian Health Board, instead of funding mandatory costs at no less than \$160 million, the President's proposed budget provides only \$60.7 million for pay costs. Although these pay costs will be distributed among tribes and IHS programs, it is obvious that pay costs are not provided for in all tribal programs. The Alcohol and Substance abuse line item, for example, has only \$829,000 in pay costs funded for a nearly \$100 million program.

With regard to Contract Health Services, Contract Care has lost \$245 million in unfunded inflationary cost increases and increased costs due to population growth since FY1992. The Catastrophic Health Emergency Fund request of \$12 million for FY2000, for example, was less than the amount for FY1992. As a result, Indian health programs risk financial exposure during the last quarter of each fiscal year, jeopardizing their very existence.

c. Urban Indian Health

Mr. Chairman, according to the 1990 Census, there are approximately 1.2 million American Indians and Alaska Natives living in urban areas. Many native people have moved to an urban environment with the intent of improving their lives. They leave their native community, which has provided health care, housing and cultural support, only to find an urban environment with high crime rates, crowded and poor housing, inaccessible and sometimes resistive state programs, pollution, and other unfamiliar circumstances. Under Title V of the American Indian Health Care Improvement Act, the federal government is authorized to establish "programs in urban centers to make health services more accessible to urban Indians."

These urban programs have assisted eligible tribal members and their descendants in accessing health care critically needed in urban areas. According to the National Council of Urban Indian Health (NCUIH), there are currently 34 urban Indian health programs located throughout the 48 contiguous states. The majority of this service population currently lives below the poverty level. When viewed as a public health indicator, the NCUIH finds that "the urban environment contributes to and exasperates family dysfunction, poor health maintenance, behavioral health problems, cultural isolation, and reduces their ability to contribute to family and community." The President's FY2001 budget proposal includes \$31 million, an increase of \$3 million, for the Urban Health program, or 11 percent over FY2000. According to the IHS, an additional \$6 million is requested to bring more health professionals into the Agency

and for additional increased pay costs.

Mr. Chairman, while approximately half the total population of American Indians and Alaska Natives live off their reservations and villages, urban programs currently receive only about 1 percent of the IHS Service funds. NCAI supports the NCUIH in its efforts to improve this disparity and in addressing the critical needs of today's Native urban populations.

d. Elevation of the IHS Director

The position of the Director of IHS in the Administration is also of critical importance to NCAI. For nearly two years, NCAI has urged Congress to elevate the IHS Director position to that of Assistant Secretary within the Department of Health and Human Services (DHHS). Currently, the IHS Director, the top administrative official charged with carrying out the federal responsibility for Indian health, does not report directly to the DHHS Secretary. NCAI, along with tribal leaders and tribal health care professionals, believes that in order for the IHS to operate efficiently and effectively the head of the IHS must be elevated to the level of Assistant Secretary. NCAI thanks this Committee for supporting this effort and look forward to the passage of this legislation before the end of the 106th Congress.

3. Institute of American Indian Art

For nearly forty years, the Institute of American Indian Art (IAIA) has been a national fine arts college devoted solely to the teachings and preservation of American Indian and Alaska Native arts and culture. The IAIA has educated over 4,000 American Indian and Alaska Native students since its inception in 1962. Since Congress termination last year of federal funding for IAIA, with many tribal leaders have voiced opposition to this efforts. They continue to believe that such a move is truly hurting Indian Country's efforts to preserve a significant part of its cultural identity.

NCAI is strongly committed to the enrichment and preservation of American Indian and Alaska Native cultures and art and the continuance of the IAIA. The Board of Trustees of IAIA have asked for the advice and assistance of NCAI and tribal leaders as it works to ensure the future of the IAIA. Per NCAI Resolution #PSC-99-098, NCAI strongly urges Congress to keep the IAIA in the federal budget. Under FY2001, continued funding for the IAIA should be in the amount of \$4.25 million for core operations and \$2 million for construction with a 100 percent matching provision. Mr. Chairman, as an artist, we know you have a personal commitment to American Indian and Alaska Native art and culture. We seek this Committee's support in seeking funding for this very important educational institution.

4. National Park Service

In November 1990, the Native American Graves Protection and Repatriation Act (NAGPRA) (Pub. L. 101-601) was passed by Congress and signed into law by the President. As you know, Congress' intent in enacting NAGPRA was to ensure that Native American human remains and sacred objects retained by the federal, state, and local governments, universities, and the museum community are returned to the appropriate tribes and/or descendants. The law also ensures that burial sites on tribal and federal lands are properly protected. Since the passage of NAGPRA, activities under the law have intensified in a number of areas, including the completion of summaries and inventories of human remains and objects, as well as a variety of successful repatriations. However, while the process is moving forward, many tribes are still finding themselves with very little resources and limited staff available to complete the work necessary to fulfill the mandates of the law. Meanwhile, government agencies, museums, and universities, in many cases, have the available resources and staff available to implement the law's requirements.

Under Section 10 of NAGPRA, the Secretary of the Interior is authorized to provide grant funds to Indian tribes, Alaska Native villages and corporations, and Native Hawaiian organizations to assist them in the repatriation of human remains and cultural items. Museums are also eligible to receive grants under this section. Most funded proposals emphasize collaboration: tribes working with tribes; tribes working with museums; and museums working with other museums. The funds are usually divided equally between tribes and museums, but have proven to be inadequate. Despite a continual tribal request since FY1994 for NAGPRA related grants of \$10 million², to date, the Administration has requested and Congress has appropriated only a fraction of that amount - \$2.4 million annually.

Under the FY2001 proposed budget, the Administration provides an increase of \$400,000 to the NAGPRA program, bringing the total to \$2.8 million. While this increase is one of the most substantial single year increases in the history of the program, it is far below the projected amount necessary to successfully comply with the provisions of the Act and well below the \$10 million level. Mr. Chairman, the protection and return of our ancestors and their sacred objects is of vital concern to our member tribes. In order to be equal partners in the NAGPRA process, tribal governments must be provided with sufficient funding, a request which NCAI has repeatedly conveyed to this Committee.

Another law of critical importance to tribes is the National Historic Preservation Act (NHPA) (Pub. L. 89-665) . The NHPA provides one of the few legal options available

² NCAI and the Museum community have continuously pointed out this need when providing testimony to the Senate Committee on Indian Affairs and both the House and Senate Interior Appropriations Subcommittees.

for tribes to protect sites of historic and cultural significance. In 1992, NHPA was amended to authorize tribal governments to assume the responsibilities of State Historic Preservation Offices (SHPO's). The 1992 amendments also include important provisions that apply to federal actions that would affect cultural and sacred sites outside reservation boundaries. Not only does this language underscore current policy, including the President's Executive Order on Sacred Sites (No. 13007), but more importantly, the 1992 amendments added a requirement that the federal agencies notify tribal governments and invite them to participate in Section 106 consultation if a proposed federal action might affect a National Register site that has cultural or historic importance to the tribe.

The NHPA authorizes tribes to assume responsibilities like those performed by SHPO's for lands within reservation boundaries and also authorizes the National Park Service (NPS) to provide financial assistance to tribes that have assumed SHPO responsibilities. Currently, there are 20 tribes which have signed agreements with the National Park Service regarding assumption of SHPO duties since the drafting of agreements began four years ago. By assuming these responsibilities and receiving federal financial support for performing those functions, tribes can establish programs to interact with federal and state agencies to assert tribal interests in historic preservation and related matters. This has also eased the burden on many federal and state agencies, and has also opened the door for many tribes to have direct control over the protection and preservation of sites that are important to the community. The amount of funds appropriated for tribal preservation programs has increased modestly in recent years, about \$3 million under the FY2001 proposed budget, but that amount of funding has not kept pace with the number of tribes that have taken over SHPO responsibilities, and is far short of the \$5 million to \$10 million annual level recommended in a 1990 report to Congress by the National Park Service.

The NPS tribal grant program represents a small part of the Historic Preservation Fund, the line item through which the National Park Service provides funding to tribes and to state historic preservation offices. The participation of tribal governments as full partners in our national historic preservation program would benefit the larger American society in a variety of ways, including helping Indian and non-Indian people learn about tribal perspectives on American history and the ways in which tribal cultures are rooted in the land. In order to preserve the vast history and cultural traditions of our people, and pursuant to NCAI Resolutions #PSC-99-056 and #PSC-99-017, NCAI calls upon Congress to fulfill its duties to Indian people and appropriate additional funding to assist tribal historic preservation programs and support funding of Tribal Historic Preservation Offices at the same level as State Historic Preservation Offices.

B. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The President's FY2001 budget request of \$650 million for the Indian Housing Block Grant program reflects a \$30 million increase over FY2000. This request falls short of

the \$985 million in base funding determined by the National American Indian Housing Council (NAIHC) as a minimum to begin addressing the housing shortage in American Indian communities. Per NCAI Resolutions #VAN-99-022 and #PSC-99-060, NCAI supports the NAIHC proposed request and urges Congress to address the real housing need in Indian Country by appropriating \$985 million in FY2001 for the Indian Housing Block Grant program. Adequate Indian housing funding is critical since 40 percent of Indian reservation housing currently is considered substandard; this is in stark contrast to the national substandard housing rate of 5.9 percent. This disparity translates to an inadequate housing ratio of over 6:1.

The Department of Housing and Urban Development (HUD) has a variety of other initiatives which will benefit tribes greatly. The Indian Housing Block Grant program will allow tribes or tribally-designated housing entities to provide housing or housing assistance for qualified law enforcement officers. Indian families are also eligible for the 10,000 new rental housing vouchers to help low-income working families through the Administration's proposed \$690 million initiative. Additionally, the budget proposes to set aside \$5 million of the Community Development Block Grant program for competitive grants to tribal colleges to assist their communities with neighborhood revitalization, housing, and economic development. A proposed \$2 million will allow HUD to establish a Native American Economic Development Access Center, which will link all 12 agencies through a toll-free number that Native American callers can use to receive information about federal programs for economic development. Additionally, the budget proposes a \$5 million set aside within the Indian Housing Block Grant to create a non-profit homeownership intermediary. This homeownership intermediary will serve as a catalyst for the creation of private homeownership in Indian Country and will support the "one-stop mortgage centers". Finally, HUD programs will also benefit tribal governments through the proposed expansion of the Empowerment Zone initiatives. NCAI strongly supports the funding of these much-needed programs and believes that they will help in addressing the housing shortage in Indian Country.

Recently, Senator Christopher Bond, Chairman of the HUD Appropriations Subcommittee, has threatened to block government funding of American Indian smoke shops in an effort to curb teen smoking. NCAI is extremely alarmed by this threat and would request that this Committee support the continuation of HUD funding for smoke shops under the Indian Community Development Block Grant program.

C. DEPARTMENT OF JUSTICE

Pursuant to the federal trust responsibility, the United States has an obligation to maintain public safety and criminal justice in Indian Country by supporting tribal law enforcement and justice systems. According to the Department of Justice (DOJ), American Indians are the victims of violent crimes at more than twice the rate of all other citizens. In his FY2001 budget proposal, the President makes a major commitment to improve law enforcement in Indian Country by requesting \$173 million

to fund the “multi-year” joint DOJ and Department of Interior (DOI) initiative to fight crime and bolster judicial systems in Indian Country. The \$81.8 million in new and redirected DOJ funding and the \$18.8 million in additional DOI law enforcement funding will go far in addressing the current public safety crisis on tribal lands. NCAI fully endorses the Administration’s commitment to increasing the number of police officers and improving the quality of detention facilities in Indian Country. It supports anti-crime grants to Indian governments and the following FY2001 funding requests:

1. In the U.S. Attorneys Office, \$4.6 million and 60 positions in additional resources will support an initiative to augment current investigative and prosecutorial efforts in Indian Country.
2. In the Office of Justice Programs, NCAI also welcomes the \$10 million in Drug Testing and Intervention Program funds for grants to tribal governments. This funding will help tribes develop and implement comprehensive systems to combat alcohol and substance abuse in Indian Country.
3. \$15 million in Tribal Courts Program funds will help assist tribal governments in the development, enhancement, and continuing operation of tribal juvenile justice systems.
4. \$20 million in Title V Grants for Local Delinquency Prevention will serve Indian youth by developing, enhancing, and supporting tribal juvenile justice systems.
5. \$34 million in State Correctional Facilities Grant Program funds will help to construct or expand adult and juvenile correctional facilities and jails in Indian Country.
6. \$2 million will provide for important tribal criminal statistics collection.
7. \$5 million in Police Corps Program funding will provide advanced educational opportunities for police in Indian Country.
8. In the Community Oriented Policing Service (COPS), \$45 million in COPS Public Safety and Community Policing Grants Program funding will be for additional law enforcement officers, equipment, and training.

Mr. Chairman, the Office of Tribal Justice (OTJ) and the Office of Justice Programs both serve Indian Country in many ways, most notably, through the multitude of grant programs that have recently been extended to tribal governments. These grant programs cover areas such as Corrections Programs, Drug Courts, Violence Against Women, Domestic Violence, Child Victimization Enforcement, and Juvenile Justice and Delinquency Prevention, just to name a few. Although some discretionary grant programs provide funding for tribal needs, such as the STOP Violence Against Women Discretionary Grant Program’s four percent set aside for tribes and tribal organizations, there are many other programs that do not. We seek support from this Committee in

obtaining similar direct funding initiatives for all programs that have a significant impact on tribal governments.

Further, we request the Committee to support the President's FY2001 budget request of \$932,000 to make the Office of Tribal Justice (OTJ) a permanent office within the Justice Department. Since 1995, OTJ has had notable success in promoting government-to-government relations and has gained wide acceptance and support throughout the federal government and among tribes. It is critical that OTJ be made an independent component within the Justice Department because it has performs significant and wide-ranging responsibilities in Indian Country.

D. DEPARTMENT OF EDUCATION

For FY2001, the President's proposed budget request for the Department of Education Office of Indian Education (OIE), is \$116 million which is a 50 percent increase over the FY2000 enacted level. This request will allow the Department's OIE to fund formula grants to Local Education Agencies (LEAs), support the 1998 Executive Order on Indian Education, continue the hiring of new American Indian teachers, and start a new program for American Indian administrators. NCAI fully supports this funding for OIE as it promotes the President's education initiatives. The following are NCAI's recommendations regarding OIE funding by category:

1. Formula Grants to LEAs. For FY2001, \$92.8 million is requested for OIE's formula grant program to public schools, an increase over FY2000 of \$30 million. This will increase the per-pupil average funding from \$134.00 to \$200.00. These funds are provided to BIA supported schools for the improvement of educational achievement of Indian students by allowing for the initiation and expansion of Indian specific programs and services.
2. Supporting Executive Order. NCAI fully endorses the Administration's effort to support the initiatives under the President's 1998 Executive Order on Indian Education. Within the FY2001 requested budget is a \$20 million request for Special Programs, an increase of \$6.7 million over FY2000 funding. This request includes \$5 million for awards for school readiness demonstrations and educator professional development grants and \$10 million for the continuation of the American Indian Teacher Corps. The American Indian Teacher Corps will focus on the need to increase the number of qualified Indian teachers in the field. NCAI fully supports President Clinton's commitment to recruit and train 1,000 new Indian teachers over a five-year period who will then teach in schools with high concentrations of Indian students. Additionally, The President has requested \$5 million for a new program, the American Indian Administrator Corps. This program will recruit, train, and provide in-service professional development to American Indians to become effective school administrators in schools with a high concentration of Indian students. Lastly, the FY2001 proposed budget requests \$2.7 million, an increase of \$1 million over FY2000 to support a

comprehensive Federal research agenda on Indian education.

Of the Nation's more than two million elementary and secondary teachers, less than one percent are American Indian or Alaska Native. The lack of role models has contributed to the disproportionately high drop out rates and low academic achievement rates of Indian students. Overall, the President's commitment to support the 1998 Executive Order will help curb the Indian drop out rates by providing demonstration grants for early childhood and preschool education; additional Indian teachers, preparation of Indians to take positions in school administration, and a mechanism to gather statistics on Indian education. NCAI also supports the OIE's involvement in the Regional Partnership Forums as articulated in the 1998 Executive Order. Their participation in these forums has assisted in bringing Federal, State, and Tribal governments together to discuss and consider ways of providing better educational services to Indian students.

3. Special Programs for Indian Adults. Since 1996, this program has received no funding. NCAI requests that the FY2001 proposed budget reflect \$5 million to be appropriated for this discretionary program devoted to increasing the educational skills of Indian adults.

4. The National Advisory Council on Indian Education (NACIE). Over the past two years, NACIE has been funded at \$50,000 to carry out its congressionally mandated role as a Departmental advisor for Indian Education. Although this funding allows for the two required meetings per year, the fifteen-member presidentially-appointed board has no permanent office and must rely on OIE staff to carry out minimal functions. NCAI is concerned that the Administration's request would neglect the inclusion of one of its own commissions, particularly in its obvious concern for Indian education. Therefore, NCAI requests that \$500,000 be appropriated for NACIE in light of their increased advisory role in the implementation of the Indian Education Executive Order signed by President Clinton in August 1998.

5. OIE Fellowship Program. This program was last funded in FY1996 and represented a broad, non-targeted approach to ensuring Indian students participated in post secondary education. At its peak, the program allowed approximately 150 Indian students annually to attend higher education institutions in fields from education to medical school. Although there have been increases in education funding, the American Indian higher education community has not been as fortunate. Complicating the situation is the fact that funding for higher education scholarships, at both the undergraduate and graduate levels through the Bureau of Indian Affairs and the Indian Health Service, has been cut more than 50 percent since 1996. NCAI recommends that the fellowship program be funded at \$5 million.

Within the President's FY2001 proposed budget for Higher Education, \$40 million has been requested for a new dual degree program. The Dual Degree for Minority-Serving Institutions would provide grants to minority-serving institutions and research universities to enable students at Tribally and Alaska Native controlled, Hispanic, Black, and Native Hawaiian colleges to earn a dual degree. Three years would be spent at the minority-serving college and two years would be spent at a major research university to earn a masters or bachelors degree in a field of which the students racial or ethnic group is under represented. The funds will provide scholarships to bridge the tuition costs between the two schools and compensate the minority-serving institution for revenue losses due to the student accelerated matriculation. NCAI firmly supports this funding level and program to encourage Indian students to enter into areas of study that Indians are under represented.

E. DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. Administration for Native Americans

The FY2001 budget requests \$44 million for ANA, an increase of \$9 million over the FY2000 enacted level. In awarding grants in FY2001, ANA will give special attention to energy development and the creation of tribal codes and ordinances. NCAI urges Congress to support this much-needed increase that will support tribal government infrastructure and increase tribal government capacity to administer programs.

ANA administers its basic grant program in four distinct categories, including: 1) the Social and Economic Development Strategies program (SEDS); 2) an Alaska specific SEDS program primarily geared to governance; 3) an environmental regulatory enhancement program focused on tribal capacity building; and, 4) a native language program to preserve and revitalize native languages. The SEDS program includes a wide range of governance projects allowing for tribal constitution revisions and codes/ordinance development, social projects that are based on maintaining and fostering cultural traditions, and economic development projects covering a wide range of areas.

ANA economic development projects include not only the development of new enterprises but also the expansion of existing successful businesses. The majority of economic development projects are planning grants for architectural and engineering costs or grants that provide for economic development infrastructure (i.e. codes/ordinances development and creation of enterprise boards).

Through its Native American program assistance, the ANA has moved many tribal and Native programs from dependency on federal services, or operating federally-mandated programs, to developing and implementing their own discrete projects. ANA continues to serve a large and diverse base of Native American communities and organizations, many of which have little in the way of resources and lack sustainable economic development opportunities.

2. Administration for Children and Families

Within the Administration for Children and Families (ACF) lies a host of Agencies, Bureaus and Divisions that regulate social service programs which are critically needed in Indian Country. Unfortunately, access to these programs and services is extremely limited for tribal governments, with tribal resources and consultation measuring only a fraction of what is provided to states and other non-tribal government entities.

a. Division of Tribal Services

The FY2001 request for the ACF Federal Administration line-item is \$165 million, an increase of \$17 million over FY2000. From this total, funding is provided to the Division of Tribal Services (DTS), which was established under the DHHS/ACF to fulfill the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (Pub. L. 104-193).

While this is the first time that DTS has been mentioned in the federal budget, the President's FY2001 budget request again fails to provide the Division of Tribal Services (DTS) with its own discretionary program authorization and budgetary line-item. Because of this, the DTS continues to be forced to compete with other agency programs in order to provide services to tribal governments in the areas of Temporary Services for Needy Families (TANF) and Native Employment Works (NEW) programs. The ACF has tried to provide necessary funding to carry out these duties, but without line-item funding authorization for the DTS, the increasing needs of Indian tribes surrounding these social support programs will not be met. NCAI requests the assistance of the Committee to work with DHHS in securing line-item funding for DTS.

Distinct, line-item funding is urgently needed by DTS, which oversees tribal programs that are quickly growing and expanding. The DTS provides programmatic support to 22 tribal TANF programs which directly affect 94 tribes and Alaska Native villages. If the 22 additional pending plans were approved, a total of 44 tribal TANF plans serving 172 tribes will be in operation. Based on current trends and at the increased interest expressed by tribes, it is estimated that by FY2001 approximately 50 percent of all federally-recognized tribes will either administer or be served by a tribal TANF program.

Furthermore, NCAI urges this Committee to work with the Labor, Health and Human Services and Education Subcommittee to seek an immediate authorization of a \$10 million budgetary line-item for the DTS in FY2001. As part of this authorization, NCAI requests Congress to expand the DTS responsibilities beyond just TANF and NEW to include social support related tribal services under the ACF, including child care, child support and enforcement, and child protection services. Creating a more streamlined approach to serving tribal government social support program needs will benefit all parties involved in providing, obtaining and accounting for these services. In last year's oversight hearing on

welfare reform's impacts on Indian Country, tribal leaders testified to the need for tribes to develop comprehensive, streamlined programs to serve their tribal members. The inclusion of ACF welfare reform related services under DTS will be the first step in allowing tribes access to a whole range of programs and services in a central agency.

Lastly, because final tribal TANF and NEW regulations have just been published, there is a great need for DTS to provide training and technical assistance to aid tribal governments in taking full advantage of the flexibility in the regulations. This would necessarily entail travel expenses, regional and national conference expenses, and the printing of numerous publications related to the new regulations. NCAI again requests support from this Committee in seeking a DTS line-item, which would allow DTS to develop and justify their budget and set aside funds specifically for these purposes.

b. Office of Child Support Enforcement

In the development of tribal Child Support and Enforcement programs, the PRWORA authorizes tribal governments to apply for direct funding over an entire tribally-operated Office of Child Support and Enforcement (OCSE) program. Another option is that OCSE program functions carried out by the tribe direct funds as part of a cooperative agreement with the state over child support enforcement activities. However, the OCSE has stated to tribes that they would not authorize any direct tribal OCSE funding until regulations over such tribal program functions are promulgated. NCAI Resolution #MRB-98-067 requests the OCSE provide funding prior to a final rule being promulgated so that tribes can immediately begin building the infrastructure and technological base to operate such a complex program. NCAI seeks support from this Committee in implementing this request.

Additionally, while DHH boasts that the Child Support Enforcement (CSE) program is breaking records for nationwide collections, including the number of federal income tax refunds seized and the increasing numbers of arrests by criminal task forces, tribal governments are prohibited from any direct access funds to develop their own CSE program. Furthermore, while the CSE program has just been awarded the Vice Presidential Award for increased child support collections, inequity within the CSE program exists. Tribal governments are not permitted to receive direct federal funding to operate child support enforcement programs and collect child support payments to assist low-income families. These options are afforded to them under PRWORA.

Again, the ACF Federal Administration line-item subsumes funds for tribal child support enforcement. Not only has OCSE not allowed tribal governments to directly access programmatic funding, but their budget is not distinct from the general federal administration budget. Tribal governments cannot even advocate specifically on behalf of appropriations for this critical program that would funnel resources back into communities and reduce welfare dependency. As previously stated, the ACF Federal Administration line-item of \$165 million, which includes funding for the Division of Tribal Services, also includes funding for tribal child support enforcement. Without line-item funding

authorization for the tribal child support enforcement, the ever-increasing needs of Indian tribes surrounding these social support programs will not be met.

c. Child Care Bureau

While the FY2001 budget requests \$2 billion for the discretionary Child Care Development Block Grant (CCDBG), an increase of \$817 million dollars over the FY2000 enacted level, tribal governments, who receive a 2 percent set aside of the CCDBG, will still fall far short of meeting child care needs on their reservations. National studies indicate that combined mandatory and discretionary child care funds still only allow about 10 percent of eligible families to receive child care subsidies. There is a critical need for safe, healthy, nurturing child care environments, particularly on Indian reservations, where parents have a higher median number of children than the national average. Per NCAI Resolution #PSC-99-102, an increase in tribal child care funding from its current level of 2 percent of the total appropriation is needed.

d. Head Start

The FY2001 budget boosts funding for Head Start by \$1 billion in FY2001, the largest funding increase ever. The budget also provides a total of \$175 million, including a \$30 million increase over FY2000, for Indian Head Start. As per NCAI Resolution #PSC-99-083, NCAI strongly supports this much-needed increase to Indian Head Start programs, many of whom are stretched to capacity.

e. Foster Care and Adoption Assistance, Tribal Child Welfare Initiative

The President proposes to increase Foster Care and Adoption Assistance by \$5 million in FY2001. This initiative allows for a two-tiered approach in which DHHS will conduct a comprehensive assessment of Indian child welfare programs and make a limited number of grants available to tribes to enable them to strengthen the capacity of their child welfare program. This will allow them to address issues such as staff training and retention, licensing of foster care homes, conducting criminal background checks of prospective foster and adoptive parents, operating case review systems, and developing automated data collection systems. NCAI supports the increase to the Foster Care and Adoption Assistance Program and the Tribal Child Welfare Initiative specifically. We believe that these efforts will develop models for strengthening tribal child welfare programs on a larger scale.

NCAI also encourages this Committee to work with DHHS and the Foster Care and Adoption Assistance Program to locate funding to help offset S. 1478, a bill introduced by Senator Daschle that would allow tribes to receive direct federal funding to operate Title

IV-E foster care programs. The Congressional Budget Office scored the bill at \$250 million over 5 years. If DHHS could find an offset, even for one year, it would be of great assistance to tribal governments, who cannot currently access Title IV-E funds without a tribal-state agreement. Although there are 48 tribes who receive IV-E funds through their state, most tribal governments have been unable to tap these funds. Foster care funding is urgently needed for the 4,600 Indian children currently in the foster care system, and directly funding tribal governments to administer the foster care and adoption assistance program under Title IV-E is the best way to provide appropriate foster care and adoption services for Indian children.

3. Administration on Aging

Three provisions under the purview of the Administration on Aging, authorized in the Older Americans Act (Pub. L. 89-73, as amended), are of special importance to American Indian and Alaska Native elders. The first is Aging Grants for Native Americans authorized in Title VI. The purpose of this program is to promote the delivery of supportive services, including nutrition services, to older American Indians, Alaska Natives, and Native Hawaiians. The President's FY2001 budget requests \$24 million, an increase of \$5 million over the FY2000 enacted level, for Title VI grants to tribes and tribal organizations. Current grantees report a 20 percent increase in the number of elders eligible for the service between 1996 and 1999. Because of this growing population of Native elders, NCAI requests that the full \$30 million authorized for Title VI be appropriated in FY2001. Funding of this program provides key "front-line" services for 229 programs serving reservation elders, including congregate and home-delivered meals, transportation, and a wide variety of other services.

The second provision is Aging Research and Training, also authorized in Title VI. Activities supported under this program have helped organizations such as the National Indian Council on Aging (NICOA) gather information about the problems and needs of Indian elders, and design and test innovative approaches to meet the needs of this rapidly-increasing population in Indian Country. Additionally, funds from this program have historically provided training funds for Title VI program directors. For FY2001, NCAI requests an appropriation of \$630,000 with at least \$130,000 earmarked for a continuing grant to NICOA to gather information on Indian elders and to quantify their needs. The remainder should be directed to grants for training Title VI service providers to better serve Indian elders.

The third provision is ombudsman/elder abuse prevention authorized in Title VII: Allotments for Vulnerable Elder Rights Protection Activities, Subtitle B: Native American Organization Provisions. Subtitle B was intended to assist in prioritizing elder rights issues and carrying out elder rights protection activities in Indian Country. With deteriorating economic and social conditions in many Indian communities, elder abuse is on the rise. Prevention programs for tribes are desperately needed—yet no funds

have ever been provided for Subtitle B, despite an authorization level of \$5 million. State programs currently receive \$4.5 million for ombudsman services and \$4.7 million for prevention of elder abuse programs. However, these programs seldom, if ever, reach Indian Country. We request that this Committee seek the full authorization of \$5 million in FY2001, specifically for tribal programs as authorized in Subtitle B of Title VII.

During the coming year, Congress is expected to take action on a number of policy issues that will greatly impact Indian elders. Three of the more critical issues to be debated include reauthorization of the Older Americans Act and the Indian Health Care Improvement Act, as well as the Administration's proposal to establish a National Family Caregiving Support Program.

As Congress continues or begins its review of these statutes, NCAI request the following support from this Committee: first, the Older Americans Act (OAA) was last reauthorized in 1992. Reauthorization is long overdue. While appropriations for OAA programs do occur without reauthorization, programs serving Indian elders are at risk as the supply of discretionary funds dwindle. For this reason, reauthorization without major changes to existing targeting language is critical; second, numerous provisions in the Indian Health Care Improvement Act (IHCIA) will require significant modifications to better serve Indian elders. When hearings are scheduled for this purpose, the NCAI would like to voice its suggestions for amendments; and, third, the Administration's proposal for assistance to family care givers directs a large majority of the resources directly to states through the OAA. Unfortunately, as proposed, the OAA does not direct any portion of these funds to Indian Country through the existing OAA mechanism--the Title VI program--or directly to tribes. When these issues are heard, NCAI would welcome the opportunity to suggest ways to ensure that Indian care givers can also receive adequate support.

Without exception, our tribal cultures teach us to honor and respect Indian elders so that our elders--the living expression of our heritage and highest values--can be teachers to us and to our children. We urge Congress to honor this mandate by providing adequate funding for those programs that impact Indian elders, particularly in the reauthorization of both the Older Americans Act and the Indian Health Care Improvement Act, and to ensure that Indian care givers are adequately recognized in any care giving assistance legislation.

4. Health Care Financing Administration

The President's FY2001 budget request does not include any Health Care Financing Administration (HCFA) funding specifically for tribal governments because existing legislation does not authorize direct funding of tribal Medicaid, Medicare, and Children's Health Insurance Program (CHIP) programs. Indian Country has become increasingly aware of the positive impacts that these major entitlement programs have on their communities. Because of this, NCAI request the support of this Committee in establishing direct tribal programs under the HCFA, improving tribal access to existing HCFA programs, and mandating a significant increase in consultation between tribes and the

HCFA over such program and service entitlements.

As highlighted above in our discussion on the IHS budget, a growing disparity exists between Indian and non-Indian citizens in per capita expenditures for Medicaid patients. We believe similar funding disparities exist for Medicare and are starting to emerge for the new CHIP program. Our concerns on this matter were conveyed in great detail to this Committee in our FY2000 budget testimony. Since then, NCAI continues to advocate for the direct funding of tribal programs under HCFA and looks forward to working with the Committee to this end. A significant step in this direction is provided in S. 406, which allows tribal governments to direct bill and collect reimbursements from Medicaid and Medicare programs. But as NCAI testified before this Committee on August 4, 1999, although NCAI supports S. 406, tribal governments should be authorized to develop and administer HCFA programs, and not limited solely to direct bill and collect reimbursements. NCAI urges this Committee to expand the government-to-government relationship beyond BIA and IHS. We encourage the Committee to ultimately introduce and support legislation that would allow for tribal governments to administer Medicaid, Medicare, and CHIP programs. This is the only way that tribal members will ever be able to fully access Medicaid, Medicare, and CHIP program funding and services.

5. Centers for Disease Control & Prevention

In FY2001, there is a need of \$600,000 for special HIV surveillance studies to be undertaken in order to better understand the extent of the HIV epidemic in the Native American population, and to supplement the existing AIDS case and HIV infection data presently available. Additionally, \$200,000 is needed to contract out a series of meetings between states, CDC, IHS, tribal representatives, and epidemiologist to make recommendations on improving the disease surveillance system in Native America. NCAI seeks the support of this Committee in this request.

6. Health Resources & Services Administration

NCAI is concerned that the Ryan White CARE Act, which is soon to be up for reauthorization, does not presently contain adequate language to address the need to develop services for HIV infected Native Americans, nor does it contain a set aside under the AIDS Drug Assistance Program for the Indian Health Care system. As Congress begins to review the Ryan White CARE Act, NCAI seeks the support of this Committee to meet the needs of those infected with HIV/AIDS in Indian Country. We also request the Committees to direct the Health Resources and Services Administration to begin taking a more active position with regard to insuring that capacity-building assistance is provided to American Indian/Alaska Native tribes and organizations to enable them to more successfully compete for Ryan White CARE Act funding under Titles I, II, III & IV.

7. Substance Abuse and Mental Health Services Administration

The President's FY2001 budget request for the Centers for Substance Abuse Prevention is \$48.8 million. NCAI seeks the support of this Committee in securing a targeted funding program whose purpose is to involve Native American substance abuse prevention treatment programs more actively in the effort to slow the spread of HIV.

8. National Institutes of Health

The President's FY2001 budget request for the National Institute of Health (NIH) is \$3 million. Unfortunately, there is a shortage of funding for research related to HIV in Native America within NIH. NCAI seeks the support of this Committee in seeking critical funding for behavioral research in particular, to help better understand the underlying components of risk behavior leading to HIV infection in the Native American population.

F. DEPARTMENT OF AGRICULTURE

Being the most rural of any minority group, American Indians residing on reservations are for the most part, geographically isolated, resource-limited, and the least likely of any farm group to receive loans from the United States. Of the some 55 million acres of Indian lands, 47 million acres are used for the production of crops, livestock, or both. Those individual operators and farming tribes who produce these resources are in need of capital, more efficient administration of existing federal programs, and technical assistance. This need extends over all farming tribes even those who may have an abundance of natural resources

1. Programs Assisting Native Americans

While the President's proposed FY2001 budget request for the Department of Agriculture is decreased overall by eight percent from FY2000, the President's funding request for Native American programs is increased by ninety million dollars from FY2000, for a total of \$784 million. NCAI greatly supports this request for increased funding, as it would: further the success of the numerous American Indian tribes engaged in cultivation of agricultural and community development; assure economic stability on Indian lands; and, facilitate the development of agri-business to help overcome economic, infrastructure, resource and geographic challenges, characteristic of Indian reservations. The commitment of the USDA to adequately fund both line item programs that apply specifically to tribes as well as programs that benefit tribes indirectly is essential in order to enhance economic self-sufficiency through rural development and rural based economies, and is further strengthened and safeguarded by the specific education initiatives of tribal colleges.

2. Native American Specific Programs

a. Extension Indian Reservations Program

Since 1990, the Extension Indian Reservation Program, authorized under the Food, Agriculture, Conservation and Trade Act, has been providing many services to Indian Country on issues ranging from crop and animal production practices to farm business management. It also has furnished extension agents, employees of the State Cooperative Extension System, who work with tribal advisory committees to develop educational programs in agriculture or agriculture-related youth programs that respond to tribal priorities. Unfortunately, since funding began in 1990, it has remained at \$1.7 million, supporting about 26 projects in 15 states. For FY2001, the President has requested \$5 million, an increase of \$3.3 million from the FY2000 level. NCAI strongly supports this increase for FY2001 in order for the program to hire additional extension agents on large Indian reservations to help Indian Country promote productive and efficient land use.

b. Rural Development Native American Programs

The Department of Agriculture's FY2001 proposed budget specifically earmarked for the Rural Development Native American programs for: Water and Waste Disposal Direct Loans and Grants; Community Facility Loans and Grants; Rural Business Enterprise Grants; Rural Business Opportunity Grants; and, Intermediary Relending Program Loans. For FY2001, the President has requested \$48.7 million, an increase of \$36.7 million from the FY2000 enacted level for the Rural Development Native American Programs.

NCAI supports the funding request to the Rural Development Native American programs which would allow more loans and grants to tribal governments to construct and improve their water and wastewater systems, construct community facilities such as health clinics and child care centers, and diversify and expand economic opportunities within their communities. These funds would provide an appropriate step in advancing tribal economic development and the achievement of stable and self-sustaining reservation economies.

NCAI supports the President's FY2001 requests for the Rural Development Native American programs as specified:

- ▶ Water and Waste Disposal Direct Loans and Grants - the FY2001 budget request is \$29.7 million, an increase of \$17.7 million from FY2000. These loans and grants will assist tribes in meeting the substantial need of improve the quality of drinking water systems and waste water disposal facilities on their reservations.
- ▶ Community Facility Loans and Grants - for FY2001, the President has requested

\$8 million for this new initiative.

- ▶ Rural Business Enterprise Grants - for FY2001, the President has requested \$6 million that would provide grants for reservation small business.
- ▶ Rural Business Opportunity Grants - for FY2001, the President has requested \$1 million for Rural Business Enterprise Grants, as seed monies for start-up businesses on reservations.
- ▶ Intermediary Relending Program Loans - for FY2001, the President has requested \$4 million for this new program which will provide loans for small business start up and expansion at considerably lower interest rates than market rate.

c. Food Distribution Program on Indian Reservations

The Food Distribution Program on Indian Reservations (FDPIR) is one particular remaining USDA program that benefits Native Americans, administered at the Federal level by the Food & Nutrition Service (FNS), an agency of the U.S. Department of Agriculture, in cooperation with 98 Indian Tribal Organizations and six State agencies. The FY2001 budget for the FDPIR is \$76.5 million, an increase of \$1.5 million over the FY2000 enacted level. Although insignificant, this increase is crucial in order to provide commodity foods to low-income households, including the elderly Native American, living on reservations, and to Native American families residing in designated areas near reservations. Many Native Americans actually participate in the FDPIR, rather than the Food Stamp Program because of rural isolation and the lack of easy access to food stores. NCAI supports the appropriate funding increases to the FNS budget.

d. Proposed Expansion of Empowerment Zones

The proposed expansion of Empowerment Zones will expand the wage of credits and tax incentives, as well as facilitate a new round of urban EZs. These EZs will extend and improve economic growth in the thirty-one existing urban and rural Empowerment Zones, administered by HUD and USDA, and support the proposed third round of ten new empowerment zones to be designated in 2001. The total cost of these proposals will be \$4.4 billion over ten years. NCAI supports the much needed expansion of EZs which will provide economically depressed rural areas and communities with real opportunities to create jobs, develop and enhance the economies of rural communities, and diversify markets.

G. DEPARTMENT OF COMMERCE

1. Minority Business Development Agency

For nearly thirty years, the Department of Commerce Minority Business Development Agency's (MBDA) has been assisting Indian tribes to create sustainable economic development through its Native American Programs (NAP) by establishing Native American Business Development Centers (NABDC) throughout Indian Country.

Since a majority of tribal communities are located in rural and remote areas of this nation, which often accounts for the significant lack of economic opportunities available to them, NABDC's are one of the few entities that have direct contact with tribes and tribal communities. The MBDA has established nine MBDCs on tribal lands, focusing primarily on providing technical assistance for the growth of Indian-owned and operated business enterprises.

In FY2000, NCAI encouraged the Department of Commerce through the MBDA to establish additional tribal business centers to serve and improve resources and services to American Indian and Alaska Native communities. Although additional funds were requested, the creation of new business centers were not included in the FY2000 budget.

Instead of creating additional NABDCs, the MBDA expanded its digitally-based business development services. As such, it introduced four electronic tools that are available to minority businesses to increase their access to domestic markets. The first is the Phoenix Opportunity System which electronically matches businesses with contracting and other business opportunities and automatically e-mails the business when a match is found. The second is the Resource Locator. The Resource Locator is an Internet-based tool to locate business development resources. The third is the Market Analyst which provides sophisticated market research to small businesses. Finally, the fourth is the Virtual Business Centers which allows entrepreneurs to find information on the Internet about different growth markets.

For FY2001, the President's proposed budget includes an increase of \$500,000 over the FY2000 budget of \$27.2 million for the expansion of the Phoenix Database. Unfortunately, Business Development Center funding was not requested in the FY2001 budget. Providing technology to minority business is essential, however Indian Country still faces the major disadvantage of the digital divide. Many of the businesses located on reservations are still in infant stages and need assistance with business plans and start up capital. Until, the digital divide is bridged in Indian Country, existing Indian businesses and future start ups will not benefit from the Internet based programs and services the MBDA offers.

If the MBDA continues to increase its digitally-based business development services without providing the basic technical assistance that Native American businesses require, Native American businesses will continually be left behind. Therefore, NCAI continues to request additional funding for the MBDA to create additional NABDC

which have operated at the same level of funding since 1987, despite an increase and growing need for tribal business assistance. In the last four fiscal years, congressional appropriations for the MBDA have been significantly reduced and threatened with total defunding.

Congress must not forget the unique relationship Indian tribes and Indian people have with the United States government and, by descent, with every federal agency. By its own commitment through treaties with various sovereign Indian nations, the federal government is in a "trust" position in regard to resources and the economic future of Indian people. This relationship is different from the government's relationship with other minority groups, thus, business technical assistance to the tribes and Indian business-owners must not to be approached or reviewed with the same framework as other minority programs. Due to the fact that when Native Americans are just beginning to gain the opportunity to participate in a substantive way in the U.S. economy, there is a need to continue to support and encourage self-sufficiency and self-determination in Indian Country. Therefore, NCAI requests Congress increase funding for the NABDC, a program that has proven its importance in helping scores of under served tribal communities in this country.

2. Small Business Administration

Several years ago, the Small Business Administration (SBA) with funding from the Bureau of Indian Affairs, established the Tribal Business Information Centers (TBIC) to provide technical assistance and information to exiting and new Indian businesses. The initial funds established 17 TBIC centers. These centers are concentrated in 5 states, servicing only a small portion of the 558 federally recognized tribes and Alaskan Native villages throughout Indian Country. Throughout the TBIC's existence, no new monies have not been appropriated for continued operations of the TBIC or for expansion of the 17 centers. In FY2000, NCAI requested funding for additional TBICs but none were appropriated. This year in the President's proposed budget, \$1.5 million is requested to fund operations of the existing 17 TBIC's over the zeroed out budget for FY2000. NCAI supports the Administrations request to continue operations of the existing TBIC's, but again requests funds for the establishment of additional TBICs.

Historically, the Small Business Development Centers (SBDC), which provides education, training, and consulting to existing and prospective small businesses, was not established to serve the needs of Indian owned businesses. To amend this situation, the President has the first time proposed in the FY2001 budget a request for \$3 million out of the proposed \$85 million SBDC budget to establish a Native American Small Business Development Center (NASBDC) network. This network will focus on providing assistance to Indian reservations. The establishment of a NASBDC would provide needed training, counseling, and technical assistance that the SBDC has historically failed to provide to Indian Country. NCAI supports this request and believes that it would provide the assistance that many Indian small businesses need to develop

self-sufficiency.

Within the SBA, in FY2000, \$1.5 million was appropriated to establish a mentor-protégé program entitled BusinessLINC. This program matches small businesses with established businesses to encourage learning, information sharing, networking, and collaboration. Within the President's FY2001 request of \$6.6 million, \$1.25 million has been specifically earmarked to serve Indian Country. NCAI supports this earmark and firmly believes that this type of program will continue to create interest from non-Indian business to invest and support new business in Indian Country.

Out of the 31 designated Empowerment Zones (EZ), two are located on Indian reservations: the Oglala Sioux Tribe Empowerment Zone and the Desert Community Empowerment Zone that services the Torres-Martinez Desert Cahuilla Indians, the Cabazon Band of Mission Indians, and the Augustine Band of Mission Indians. Within these EZs, the SBA has established the One-Stop Capital Shop (OSCS) to provide credit assistance and a range of small business counseling, training, and technical assistance services. In FY2000, \$3.1 million was appropriated to open four OSCS. Currently there are 18 OSCS in operation. In FY2001, the President is requesting an additional \$10 million to open 17 more locations which will provide coverage of all 31 EZ locations. The President's proposed budget also requests the establishment of 10 new EZ locations. NCAI supports this request and advocates for additional tribes to obtain the EZ status.

In 1992, the SBA introduced the Microloan program that provides loans of up to \$750,000 to intermediaries who in turn make small loans up to \$25,000 to entrepreneurs. These entrepreneurs are often deemed unable to obtain loans due to inexperience, credit, lack of assets, or the need for technical assistance. The program was formalized in 1997 under P.L. 105-135. In FY2001 the President's proposed budget requests \$60 million which is \$30 million over the Administration's FY2000 request. In addition to the microloan program, this program is accompanied by a technical assistance grant program. NCAI supports the requested amount and believes that both programs are complementary to the existing and new SBA programs.

In FY2000, the New Markets Venture Capital program was introduced. This program would require interested investment groups have a minimum of \$5 million of investment capital and \$1.5 million in technical assistance funding available for a five year period to participate in the program. The participants would generate \$150 million of leverage at a 14.44 subsidy rate to fund 10 to 20 New Market Capital organizations. These New Market Capital organizations are intended to provide growth capital and technical assistance in order to transfer small businesses into thriving companies. In FY2000, \$40 million was appropriated to fund this program, but it was not authorized by Congress. This year, the President's FY2001 proposed budget requests \$51.7 million to match equity investments and technical assistance funds to finance the 10-20 New Market Capital organizations. NCAI supports this program and proposed funding level

and strongly urges language to be inserted for the specific assistance of Native American businesses.

In 1994, under the Riegle Community Development and Regulatory Improvement Act, the Community Development Financial Institutions Fund (CDFI) was established. The CDFI Fund provides capital to institutions that serve distressed communities and low-income individuals. The President's proposed budget requests \$125 million, an increase of \$30 million over FY2000 funding. For the first time, the President has requested a \$5 million set aside to establish a training and technical assistance program that is focused on eliminating barriers to capital access for Native Americans. NCAI supports this set aside and hopes that more financial institutions will become incubators to serve and develop Native American banking institutions.

3. National Telecommunications and Information Administration

In order to bridge the digital divide, the National Telecommunications and Information Administration (NTIA) has requested an increase of \$29.5 million for its Technology Opportunities Program (TOP), formerly known as the Telecommunications and Information Infrastructure Assistance Program (TIIAP). This program promotes the widespread use of advanced telecommunication and information technologies in both the public and non-profit sectors. TOP provides competitive matching grants to state, local, and tribal governments and non-profit entities to help them develop information infrastructures and services for under served communities. As the development of economic opportunities in Indian Country moves forward, NTIA and TOP are playing a significant role in the establishment of the information superhighway in tribal communities. Since the programs inception over 20 tribes or tribal organizations have received funding. In 1999, the Leech Lake Tribal Council received funding to create a tele-wellness infrastructure on the reservation to provide health information and education to clinic staff. Similarly, the University of South Dakota received funding to create a distance learning project to provide culturally sensitive training for Native American nursing students. NCAI supports the proposed increased funding level and believes that through the TOP program, tribes themselves can participate actively in bridging the digital divide.

Also under the NTIA, is the Public Telecommunications Facilities Program (PTFP). This program supports the expansion and improvement of public telecommunications services by providing matching grants for equipment and the dissemination of noncommercial educational and cultural programs. In FY2000, \$24.7 million was allocated to the program. This year, the President is requesting in the proposed budget an increase of \$81.3 million bringing the total request to \$106 million. PTFP has assisted in the delivery of public radio and television to Indian Country. Thus far, 40 tribes have received funding from this program. To help ensure that this important work continues, NCAI supports the President's FY2001 request to promote tribal telecommunications and economic development opportunities throughout this nation's

rural and disadvantaged tribal communities.

4. Economic Development Administration

Since the current Indian poverty rate is two to three times the national average and the Indian unemployment rate is up to eight times the national average, the need for capacity building within Indian Country is critical. Even though the Economic Development Administration (EDA) has been providing support for capacity building for over the last 30 years, there still remains a great unmet need. Due to limited funding, EDA's impact in Indian Country has been limited. However, the President's FY2001 proposed budget is encouraging to tribes, due to a requested increase of \$49.2 million over FY2000 zero budget. This increased funding level will be allocated as follows: 1) \$1.2 million for technical assistance to solve specific economic development problems, respond to development opportunities, and build and expand local organizational capacity; 2) \$4 million for planning to support the formulation and implementation of economic development programs that are designed to retain full-time permanent jobs and increase income for unemployed and underemployed; 3) \$30 million for public works to help attract new industry, encourage business expansion, diversify local economies and generate long-term jobs; and \$14 million for capital access. NCAI greatly supports this funding request and believes that it will provide the assistance needed to remove barriers for the development of sustainable economic development.

The President's budget also includes an increase of \$23 million over FY2000 zero budget for the deployment of broadband within technologically under-served areas. With Indian reservations having a telephone penetration level of 20-70 percent, compared to the national average of 98 percent, the digital divide continues to be a very acute problem. The requested increased funding will also provide high speed Internet access to under served communities to help bridge the technological gap both in infrastructure and knowledge. NCAI also supports this desperately needed funding to bring Indian Country into the 21st century.

H. DEPARTMENT OF TRANSPORTATION

During the ISTEA reauthorization process which became TEA-21, NCAI and tribal governments fought hard to convince Congress to increase funding for Indian roads and bridges. In the end, tribes received far less than what was needed to address the dreadful conditions on Indian reservations. However, NCAI is grateful for what some in Congress were able to do to increase funding to the Indian Reservation Roads (IRR) program from approximately \$191 million a year to \$275 million. While Indian Country did receive this important increase under TEA-21, a new cut was imposed on IRR funding that was never seen before. TEA-21 for the first time extended the "obligation limitation" to the Indian roads allocation, resulting in a loss of about \$25 million of the \$225 million authorized for FY1998, and about \$32 million of the \$275 million for FY1999. Tribes expected to lose even more in FY2000 if it were not for the last minute

efforts of some in the Senate, led by Senator Domenici, to make adjustments to the FY2000 Appropriations bill.

While the President's FY2001 proposed budget calls for a \$75 million increase for IRR, under the obligation limitation, the Federal Highway Administration (FHWA) is required by TEA-21 to withhold a certain percentage of the total IRR obligation authority amount at the beginning of each fiscal year to be redistributed near the end of that fiscal year to recipients with projects that are immediately ready for funding. However, in expanding the obligation authority withholding provision to the Indian roads allocation, TEA-21 failed to expand the redistribution authority to include Indian tribes. As a result, tribes are barred from sharing in the year end redistribution; thus money authorized and appropriated for tribal roads is diverted to states. Obviously, our member tribes view this as unfair treatment. Logically, NCAI feels that if any funds are withheld from the IRR allocation, they should be redistributed back to the IRR program.

In years past, IRR funds were exempt from the obligation limitation, making 100 percent of the authorized contract authority amount available at the beginning of each year. Clearly, in passing TEA-21, Congress has contradicted its proclaimed support for IRR through the application of the obligation limitation to the IRR program. Since the obligation limitation provision now withholds funds from tribes and states, but redistributes the withheld funds only to the states, a legislative change is necessary to exempt IRR program funds from the obligation limitation withholding. NCAI is working so that this obligation limitation is permanently removed and IRR funding restored to the 100 percent level through amendments to TEA-21 pursuant to NCAI Resolution #VAN-99-070 and #PSC-99-078 .

NCAI is also concerned with how Congress and the Administration distributes the overall national highway trust funds. When TEA-21 was being debated, it was recognized that Indian reservation roads make up 2.63 percent of all existing roads eligible for TEA-21 funding. However, Indian tribes receive less than 1 percent of TEA-21 funding for these roads. If tribes were to receive their full pro-rata share of the billions included in TEA-21, the IRR program would have received \$4.7 billion instead of the \$1.6 billion over the six-year period covered under TEA-21.

Also, the 1 percent set aside that amounted to about \$13 million in additional funding for Indian bridge rehabilitation and replacement in ISTEA was removed from TEA-21. Indian bridge funding now must come out of the IRR funding. The loss of this extra \$13 million in highway bridges results in a net loss to the IRR program of \$39 million. While NCAI appreciates the increases in funding under TEA-21, the obligation limitation, the loss of the bridge set aside funding, and other net losses has resulted in a mere \$12.4 million increase to the IRR construction program. According to our member tribes, such a small increase is unacceptable in light of the current need in Indian Country. Many tribal leaders are also expressing increased concern over the BIA's current "relative need" distribution formula for IRR program funding.

Efficient roads are vital to most aspects of life on Indian lands including activities such as economic development, attending school, obtaining health care, and transporting people from welfare to work. During recent deliberations over the FY2000 transportation spending bill, Senator Domenici served as a strong advocate in calling for the full \$289.5 million in funding for the IRR program despite the obligation limitations imposed under TEA-21. However, while the Senator's efforts were applauded by Indian Country, NCAI feels that TEA-21 should be amended to ensure that the IRR program is fully funded every year. Per NCAI Resolution #PSC-99-077, NCAI also recommends the a study of the current conditions of Indian roads be implemented in order to document the critical needs in Indian Country with regard to transportation infrastructure.

Mr. Chairman, Congress should fund the IRR program at an absolute minimum of \$300 million annually, as has been recommended by both the tribes and the BIA. This would begin the process of addressing the backlog of road construction projects. NCAI also urges Congress to provide \$15 to \$20 million annually for Indian reservation bridge construction and repair programs. These funds should come from the national bridge repair program and not from the IRR allocation. Finally, as a matter of policy, tribes should be provided direct access to the various federal discretionary programs, such as scenic by-way funding, highway safety, mass transit, and other programs. Mr. Chairman, NCAI is aware of efforts by the Committee to address some of these issues, and we are prepared to assist in any way possible.

I. DEPARTMENT OF LABOR

The proposed FY2001 Department of Labor budget of \$39.8 billion is intended to help Americans who are not benefitting from today's strong economy. The request for discretionary programs is \$12.4 billion in budget authority, a \$1.2 billion increase from the FY2000 level. The application of discretionary programs and initiatives to American Indian/Alaska Native governments should be of utmost priority, considering that half of the work force in Indian Country remains unemployed - 50 percent in 1997, as compared to 49 percent in 1995. Of the 378,853 adult American Indians who were employed in 1997, 30 percent (113,904) were still living below the poverty line.

1. Workforce Investment Act

The Workforce Investment Act (WIA) was signed into law in August 1998, replacing the former Job Training Partnership Act (JTPA). WIA provides at least \$55 million for the Indian comprehensive services program, which funds tribes and off-reservation organizations to provide services to Native American youth and adults. The Administration disregarded this earmark in FY2000 when it sought a depreciated amount of only \$53.8 million. Following the deficient funding in FY2000, the Administration has recognized that the law requires a minimum of \$55 million, which it is requesting for FY2001. NCAI regards WIA as an opportunity to more effectively

provide job training services and urges Congress to consider the federal priority and obligation to tribes.

WIA National Programs are funded at \$242.8 million in FY2001, a net decrease of \$57.6 million below FY2000. These national programs include the provision of employment and training assistance to Native Americans, and migrant and seasonal farm workers, as well as pilot and demonstration projects, research and evaluation, and technical assistance and incentive grants. Increases in FY2001 include \$4.6 million, reflecting completion of a one-time project for Native Americans. NCAI urges this Committee to increase funding to WIA National Programs and to support the specific increase for Native Americans.

2. Welfare-to-Work

Administered by the Department of Labor, the “Welfare to Work” (WtW) program was enacted as part of the Balanced Budget Act of 1997 to provide employment-related services to assist the hardest-to-employ welfare recipients and non-custodial parents of children on welfare, and to obtain and retain unsubsidized employment. The WtW program provided a one percent set aside for tribes which equated to \$15 million for FY1998 and another \$15 million for FY1999. The WtW program was authorized for only two years, and allowed grantees three years to expend the funds. Despite the fact that employment-related service needs remain unmet, WtW was not reauthorized. Congress did, however, approve a series of amendments to the WtW program, broadening the eligibility requirements. The President’s FY2001 budget proposal also provides an additional two years for states and tribes to spend the WtW funds already made available to them, thus ensuring that roughly \$2 billion in existing resources continues to help those most in need. NCAI supports the application of the new eligibility criteria which will allow tribes to spend less time on documenting numerous eligibility characteristics and more time serving clients.

3. Fathers Work/Families Win

The FY2001 budget proposal includes \$255 million for the first year of a new “Fathers Work/ Families Win” initiative, \$10 million of which is set aside to provide grants to help Native American low-income families. These proposed funds are aimed at addressing the working poor and fathers, in the aftermath of no new WtW funding. The New Responsible Fatherhood Initiative promotes work and boosts child support payments. These competitive grants will enable States and local communities to complement welfare reform efforts by focusing on work connections, work support activities, and skills training. NCAI supports the \$10 million set aside for applicants from the Native American workforce agencies.

4. Youth Opportunity Grants

The FY2001 budget request also provides \$15 million for the tribal supplemental youth employment services program that replaces the former JTPA Summer Youth Program, and supports year-round activities. In addition, the President proposes to increase the Youth Opportunity Grant (YOG) program from its current \$250 million funding level to \$375 million in FY2001. Native American grantees serving reservation areas and Alaska Natives are eligible to apply for this competitive program funding, competing with applications from non-Indian state and local agencies. NCAI urges sufficient funding to provide reliable and consistent opportunities for youth.

5. Disabilities Initiative

NCAI supports adequate funding of other programs within DOL that benefit American Indians, including the Administrations's Disabilities Services request for \$43 million in the FY2001 budget. The Disability Employment and Initiatives Unit funding to expand programs has the capability to greatly impact Indian Country. NCAI urges these work incentive grants and services be extend to tribes.

6. Tribal Liaison

Due to the numerous department/agencies/programs within the Department of Labor, it is difficult to determine which activities are available to tribal governments. Therefore, NCAI proposes that DOL create a position for a Tribal Liaison whose primary duty would be to relay information, concerns, and activity within Labor between tribal leaders and program staff, DOL staff, White House staff, and Congressional staff. The Division of Indian and Native American Programs (DINAP) does not currently have the resources to support a position to function in this capacity.

J. DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman, as an Indian veteran, you know that adequate funding for Veterans programs is another critical concern of Indian Country. You know first hand that Native American veterans have served the United States with honor and distinction since this nation was founded. Indian people have the highest percentage of veterans of any population within the United States. According to the Veterans Administration, over 160,000 American Indians have served in the Armed Forces. Native people also carry the proud distinction of being the most decorated group in this country's history. Today, Native veterans have many pressing needs such as housing, health care, benefits, and other concerns that include issues unique to Indian Country.

NCAI is very pleased by the Administration's continued support for the Native American Veterans Housing Loan Program. For FY2001, the Administration has provided a

\$12,000 increase, resulting in a total request of \$532,000. While only a small program, the Native American Veterans Housing Loan Program is vital since it provides direct loans to veterans living on trust land. Many times these veterans are unable to secure such loans through local banks or credit unions. These loans are available to purchase, construct or improve homes. The principle amount of loans under this authority is generally limited to \$80,000, except in areas where housing costs are significantly higher than costs nationwide. This pilot program began in 1993 and is authorized through December 31, 2001. Mr. Chairman, to date, this program has been very successful and critical in providing home ownership opportunities to our nation's Native veterans. NCAI calls on Congress to support the President's budget and consider the establishment of a permanent and expanded program in order to continually serve the important needs of Native veterans.

K. DEPARTMENT OF DEFENSE

The Department of Defense (DOD) is requesting funding for programs which will result in meaningful implementation of its recently adopted American Indian and Alaska Native Policy. We respectfully ask this Committee for support of the NCAI's FY2001 recommendations which are fair and equitable and are in line with tribal governance self-determination efforts of Indian nations.

NCAI strongly urges inclusion of funds annually appropriated by Congress of not less than \$8 million under the DOD Operation & Maintenance budget to work with tribal governments for mitigation of environmental impacts, including training and technical assistance; related administrative support; gathering of information; documenting of environmental damage; and development of a system for prioritization of mitigation and cost to complete estimates for mitigation on Indian lands resulting from DOD activities.

In regard to Environmental Restoration and Formerly Used Defense Sites (FUDS), the President is requesting \$186.4 million for remedial activities, a reduction from the FY2000 level of \$239.2 million. A significant portion of these funds address environmental impacts on Indian lands and are used for environmental restoration, reduction and recycling of hazardous waste, and removal of unsafe buildings and debris. With the growing awareness of such sites and the dire need for remedial activities funding, a realistic request should be at least \$225 million, which is the amount NCAI recommends. In addition, we strongly urge the Congress to set aside 12 percent of these funds for remedial activities on Indian lands. Furthermore, to ensure tribal lands are given equitable remediation attention, we believe the DOD should be directed to provide this Committee with an annual accounting for the funds which directly address Indian Country impacts.

We support the \$8 million that in the past has been annually appropriated by Congress for the DOD Office of Small and Disadvantaged Business Utilization for its "5 percent Indian Incentive for Prime Contractors" Program. The program provides up to \$8

million to prime contractors who utilize Indian-owned companies. This funding will further the efforts of the Office of Small and Disadvantage Business Utilization to reach out to Indian Country and work with tribal and individual Indian entrepreneurs seeking to work with DOD contractors.

The DOD has come from an historical point regarding Indian nations as adversaries. With adoption and implementation of its American Indian and Alaska Native Policy, the DOD has an opportunity to change the way it has done business with tribes. Indian Country has enjoyed this Committee's unwavering support for tribal self-determination and equitable fiscal treatment and appreciate support for NCAI's recommendations regarding the DOD FY2001 budget.

L. DEPARTMENT OF ENERGY

The Department of Energy (DOE) adopted its American Indian Policy in 1991, however implementation has been inconsistent resulting in a fragmented consultation tribal policy and ineffective tribal participation in many areas under the Department's jurisdiction. Last Year DOE Secretary Bill Richardson requested the NCAI to coordinate revision of the DOE Indian Policy into an American Indian and Alaska Native Tribal Government Policy. We anticipate the policy process to be completed by late spring. NCAI appreciates Secretary Richardson's initiatives for tribal inclusion in DOE mainstream and innovative programmatic areas. The NCAI respectfully requests this Committee to support the following appropriations request to ensure positive tribal government policy implementation.

1. Environmental Management

The DOE Office of Environmental Management Office of Public Accountability (OPA) (EM-22), FY2001 proposed budget for tribal programs is \$5 million and increase from the FY2000 enacted level of \$4.5 million. The EM-22 funds cooperative agreements for ten tribes in the development and operation of tribal environmental programs, maintaining transportation emergency response capabilities, environmental education, and natural-cultural resource enhancement programs. Inadequate funding for tribal program has always been a problem which has been compounded by the fact that many federal sites slated for cleanup are former tribal lands or ceded territory and contain significant cultural sites. DOE-EM officials have stated that they are working to avoid negative impacts on tribal budgets, however the FY2001 budget request does not reflect that position. NCAI calls upon Congress to provide \$6 million for tribal funding for the cooperative agreements so as not to undermine tribal cleanup programs, continue funding for Indian outreach to tribal governments, liaison, and communication assistance support by tribal organizations including the NCAI. We request the Committee's assistance in this endeavor.

The Waste Isolation Pilot Plant (WIPP) near Carlsbad, New Mexico opened this year

and is receiving a limited amount of transuranic waste shipments from selected sites. However, a national transportation campaign is soon to begin. The FY2001 proposed budget for DOE has requested \$5.13 million for Institutional Programs like WIPP, an increase of 2.7 percent from the FY2000 enacted level of \$5 million. Some of the tribes on current WIPP routes do not have basic emergency response capability in the event of a radioactive waste transportation accident. The Institutional Programs section of the DOE Carlsbad Area Office assists tribes in developing emergency preparedness capability. However, tribes have received an inequitable 11 percent of available FY2000 funds. The NCAI requests that the overall budget of Institutional Programs be given \$6.5 million and that the tribal portion be increased to at least 33 percent from the current 11 percent until such time as the tribes are able to protect lives and property within their communities in the same manner as their state government counterparts. We ask the Committee for its help on this urgent matter.

The DOE-EM National Transportation Program was created to address DOE transportation planning and preparedness issues. Approximately \$250,000 of the Transportation Program budget provides tribal support. As stated above, most tribes are ill-prepared to cope with radioactive waste shipment accidents which may come from WIPP, or other DOE radioactive waste and spent nuclear fuel shipping campaigns. The NCAI recommends that tribal allocation for the DOE-EM National Transportation Program be increased to \$1 million since many tribal populations are at risk due to the lack of viable emergency preparedness infrastructure. NCAI requests the Committee's support for fiscal parity to better serve Indian Country in the event of a radioactive waste shipment accident.

2. Office of Civilian Radio Active Waste Management

The DOE Office of Civilian Radioactive Waste Management (OCRWM) has performed scientific and technical studies at Yucca Mountain on the Nevada Test Site for a proposed high-level spent nuclear fuel and radioactive waste permanent repository. The Nevada Test Site is within the traditional homelands of the Shoshone and Paiute peoples whose culture, environment, and health has already been impacted by federal government-sponsored atomic testing which released unknown amounts of radioactive fallout to the area. The Draft Environmental Impact Statement on the Nevada Test Site was issued and comments are due by February 29, 2000. Indian nations indigenous to the area lack the technical staff to analyze the massive accumulation of data, monitor the Yucca Mountain siting activities, and attend related technical and policy meetings. Never in the history of this multi-year feasibility study program have tribal governments indigenous to the area been funded for oversight activities. However, in FY2000 \$5.43 million was allocated to nine Nevada counties and one California county (designated local units of government under the Nuclear Waste Policy Act of 1987, as amended) for oversight activities at Yucca Mountain. In FY2001, DOE is requesting \$5.88 million for non-Indian governments. To end the disparate treatment of tribal governments, we ask that this Committee support the earmark of \$2 million for impacted tribal governments in the Yucca Mountain area. By funding the impacted tribes, Congress will assist the

tribes who remain on their homelands but are left out of the oversight process at Yucca Mountain and transform the DOE-OCRWM's arbitrary Indian policy.

The NCAI Nuclear Waste Program, funded through a DOE-OCRWM cooperative agreement, received \$50,000 for FY2000. We ask the Committees support in our request for \$150,000 for FY2001. The NCAI Nuclear Waste Program is a national information dissemination effort to provide tribal governments with updates on the implementation of the Nuclear Waste Policy Act of 1982, as amended. The long-range issues and impacts to Indian Country are significant and national in scope, but tribes do not have adequate staff or resources to track this program. Many tribes do not have the ability to attend the myriad of meetings to interact with the DOE-Yucca Mountain program officials on issues and developments, which includes the current Yucca Mountain Draft Environmental Impact Statement. The NCAI Nuclear Waste Program is currently in its third year of its five-year cooperative agreement period. NCAI request the Committees support for the \$150,000 request for the continuation of interactive forums for tribal leaders and tribal program managers and assist in providing relevant and current information regarding the implementation of the Nuclear Waste Policy Act, as amended.

3. Energy Efficiency and Renewable Energy

The DOE is requesting \$5 million in FY2001, an increase of \$1.2 million for the Office of Energy Efficiency and Renewable Energy under the DOE Energy Resources budget. The Renewable Indian Energy Resource/Tribal Energy Program will be funded under this budget request to provide tribal governments the same supportive program framework already established for the states, and to undertake activities to insure that tribal energy planning and installations are technically, economically, and environmentally sound. The NCAI supports the \$5 million Energy Resources budget and asks this Committee also to support this request.

The DOE Office of Nuclear Energy, Science and Technology was allocated \$27.4 million in FY2000 for two programs the Nuclear Energy Plant Optimization program, and the Nuclear Energy Research Initiative. Even though Indian Country did not benefit from either program they could be potential impacts. In the FY2001 proposed budget, the DOE requests \$35 million for the Nuclear Energy Research Initiative and \$.5 million for Nuclear Energy Plant Optimization. Both programs will conduct research and development to advance nuclear energy and to refurbish and upgrade those nuclear utilities whose licenses will soon expire and will have to apply to the Nuclear Regulatory Commission for relicensing. Several tribal communities are located within the 10-mile Emergency Planning Zone and the 50-mile Ingestion Pathway which are part of emergency preparedness plans for nuclear utilities. A community's readiness to respond to a radiological emergency event should be a critical component of the overall evaluation criteria for a nuclear plant's license renewal. Many tribes are currently left unprotected and at risk in nuclear reactor accident scenarios. To better protect tribal

communities in these critical geographical areas, we request that the DOE direct a 20 percent tribal set aside of the \$35 million to be shared with tribes within the 10-mile Emergency Planning Zone and the 50-mile Ingestion Pathway Zone around commercial nuclear reactors to allow for the development and enhancement of emergency response infrastructures in the event of an off-site emergency at a nearby nuclear reactor.

The proposed FY2001 budget is requesting \$6.5 million for Solar Program Support under the Energy Efficiency and Renewable Energy budget. This amount is an increase of \$1.5 million over the FY2000 enacted level. Funding for this program provides electricity restructuring, technical assistance, and analysis to state, federal, and tribal decision-makers to achieve their renewable and energy efficiency goals. It also provides for competitive solicitation for cost-shared awards for renewable and hybrid field feasibility studies and validation projects with a tribal set aside. The NCAI asks this Committee to join us in supporting the Solar Program Support budget increase for FY2001.

4. Environmental Safety and Health

Until this year, the DOE Federal Preservation Officer (FPO) was funded through the DOE Office of Environment, Safety and Health (ES&H), and was overseer of the National Historic Preservation Act activities. The FPO successfully worked with tribal environmental program managers and the NCAI on cultural resources protection and management issues. Ironically, we believe the FPO had the least recognition of importance within the DOE ES&H, and perhaps the smallest program budget. As part of enlightened Indian policy implementation, this office should expand its capacity to work with tribes instead of diminishing its capacity. We strongly urge this Committee's support for an FY2001 appropriations request in the amount of \$500,000 to the ES&H for environmental guidance and tribal outreach activities. Additionally, the NCAI believes the DOE Office of ES&H should report to this Committee on its tribal consultative and interactive processes and the status of policy and programmatic measures designed to protect natural and cultural resources in Indian Country, specifically, prehistoric, ethnohistoric, and traditional cultural properties.

M. ENVIRONMENTAL PROTECTION AGENCY

Tribes are sovereign entities with the ability to set environmental quality standards, make environmental policy decisions, and manage programs consistent with Environmental Protection Agency (EPA) standards and regulations. In order to preserve and enhance the environmental quality of Indian Country for present and future generations and sustain tribal cultures, tribes deserve equitable funding for their environmental regulatory programs. We respectfully ask this Committee to support the following recommendations for the FY2001 EPA budget:

The EPA FY2001 request for the Indian General Assistance Program (GAP) under the Multimedia section of State and Tribal Assistance Grants is \$52 million, an increase from the FY2000 level of \$42 million. Tribal environmental program managers view GAP activities as the highest priority. The NCAI supports a \$10 million increase over the current EPA request for a total of \$62 million. This full funding effort will provide tribes with the resources to build capacity for EPA-delegated environmental programs. This increase is not a relatively large amount and reflects an minimal average of \$110 thousand per tribe for GAP program.

The EPA is proposing to permanently eliminate the statutory 1/3 of 1 percent cap on Clean Water Act Section 319 Non-point Source Pollution grants that may be awarded to tribal governments. For FY2001, the agency is requesting \$250 million for Section 319 grants. Most of the water pollution in Indian Country emanates from non-point sources. The NCAI recommends that a minimum of \$4 million be set aside for Section 319 tribal programs.

Under the proposed FY2001 EPA budget, the Clean Water Act State Revolving Fund program cap will be raised to 1½ percent for tribal governments which amounts to approximately \$12 million. However, NCAI urges this Committee to provide an additional \$5 million set aside for tribal governments in addition to the 1½ percent cap. The State Revolving Fund program assists tribes in wastewater treatment capacity building. Even though the additional request is still a significant shortfall, it will help address the estimated \$650 million wastewater treatment unmet needs in Indian Country. Within the State Revolving Fund program, the FY2000 budget provided \$15 million specifically for Alaska Native Villages. We urge this Committee to increase this amount to \$20 million for wastewater treatment facilities for the Alaska Native populations.

The EPA has requested for FY2001 \$12.3 million for section 1452 (i) of the Safe Drinking Water Act State Revolving Fund. This fund provides a tribal government set aside for public water system expenditures to facilitate compliance with the national primary drinking water regulations. The NCAI urges that this Committee include an additional \$5 million for tribal drinking water programs.

The EPA is proposing authorization for cooperative agreements with tribal governments and tribal consortia to assist the agency in implementing federal environmental programs. This initiative will facilitate a cost-effective approach in protecting environmental quality throughout Indian Country. EPA plans to utilize discretionary dollars to implement the cooperative agreements program. The NCAI strongly urges this Committee to fund the Tribal/EPA Cooperative Agreements Program to implement federal environmental programs in the amount of \$2 million in the first year of this important project.

More tribes have begun to develop environmental protection programs. Unfortunately, federal technical assistance funding has been severely reduced. The NCAI asks for an earmark from the EPA Office of Water budget in the amount of \$1 million to go towards funding tribal technical assistance needs. We respectfully request that the EPA provide the congress with an accounting of the technical assistance which this money will provide in order to assess future needs.

Tribal governments are responsible for protecting the health and welfare of their citizenry. Emergency preparedness and planning are requisites for ensuring protection of tribal communities. The Superfund Amendments and Reauthorization Act of 1986 (SARA Title III), burdens tribes with an unfunded mandate of compliance for emergency planning, and ability to respond to chemical emergencies. The NCAI urges Congress to provide \$13.7 million to establish Tribal Emergency Response Commissions (TERC) and Local Emergency Planning Committees (LEPC), as required under SARA Title III. SARA Title III restricts tribal emergency management program development, however, we will work with this Committee in the future to make the necessary changes to this law for the greater protection of Indian Country.

The challenges of environmental quality regulation can be met by tribal governments through the efforts of this Committee in supporting our recommendations for funding EPA tribal programs funding. We appreciate past efforts of this Committee and thank you for your assistance regarding tribal environmental quality protection for FY2001.

N. FEDERAL EMERGENCY MANAGEMENT AGENCY

Indian Country is waiting for the Federal Emergency Management Agency (FEMA) to formulate a coordinated implementation plan for its American Indian and Alaska Native Policy. Many barriers prevent establishment of disaster mitigation tribal programs, access to emergency management program funding, and technical assistance on a government to government level. This Committee has broken barriers in many program areas and has provided impetus for equitable treatment and funding to tribal governments. We again call upon this Committee to assist NCAI in its recommendations to FEMA for FY2001 funding of tribal programs which will enable tribal governments to assume their role as protectorates and overseers of the health and safety of tribal citizens.

For FY2001 SARA Title III Training Grants, FEMA is requesting \$179,500, the same level of funding as FY2000. The tribal allocation of training grants are divided among several FEMA regional offices and in one region the tribal allocation was only \$5,000 to be divided among 35 tribes. Support for emergency responder training is expensive and training and support requires a much greater investment than the amount FEMA allows. The current budget request will not cover staff support or reporting and administrative work costs in the grant application and administration process for a SARA Title III grant. States used to receive money for SARA Title III Grants, but that

funding is now consolidated into the Emergency Management Performance Grants which combines funding for FEMA's preparedness, mitigation, and other non-disaster programs for state emergency management activities. For FY2001 for states FEMA has requested \$137.4 million for Emergency Management Performance Grants. The NCAI requests at least \$2 million for tribal SARA Title III Training Grants which will alleviate part of the inequity in funding and allow a greater pro rata share for tribes.

In 1997, Project Impact was implemented to assist in making communities more disaster resistant. Project Impact developed and implemented a national framework promoting and fostering individual responsibility and partnerships for building communities that could withstand floods, hurricanes, earthquakes, and other costly natural hazards. Since its inception, FEMA has given out \$60.9 million in pre-disaster mitigation grant funds to states and non-Indian local governments. In the current year, \$300,000 is available to tribal communities for Project Impact. However, even at this minuscule level of funding, no tribal community has received any funding. In FY2001, FEMA proposes the establishment of a separate and distinct fund for pre-disaster mitigation activities in support of Project Impact. The NCAI requests that this Committee direct FEMA to step up its Project Impact outreach to tribal communities, and report to the Committee the financial outlay and assistance activities by the end of FY2001.

Under the FEMA Policy and Regional Operations activity, \$300,000 was allocated for tribal pilot programs in FY2000 to develop and enhance tribal emergency response program planning, training, and infrastructure development. In FY2001 the same amount has been requested. Although tribes are in dire need of pilot program assistance, FEMA has not spent the FY2000 allocation. The NCAI believes the amount currently available and the funding requested will not allow tribal governments to effectively improve emergency management in tribal communities within a one year time frame. We urge the Congress to direct FEMA to spend the current funding on tribal pilot projects. We also ask the Congress to increase the Policy and Regional Operations activity budget for FY2001 to \$900,000 and direct FEMA to operate three additional tribal pilot projects for two years and at the same funding level each year.

Without adequate emergency preparedness and response mechanisms in place Indian Country remains at risk. In the absence of FEMA oversight, state pass through funds generally do not reach tribal programs. Even if funds were provided to tribes through state agencies, such a procedure is counter to a government-to-government relationship with tribes. The best way for tribes to achieve parity from the inequitable state pass through funding and to participate in a meaningful way is to implement set aside programs. When disaster declarations are made, tribal decision-makers are left out of the loop. Indian Country has always been at an economic disadvantage to repair community infrastructure following natural and manmade disasters. We will look to this Committee for assistance in resolving inequitable treatment and access to emergency management services in Indian Country. For these reasons, the NCAI requests a

tribal set aside from discretionary funds or program specific funds of not less than \$5 million overall for emergency prevention and preparedness for tribal governments.

Again, we thank this Committee for accepting its responsibility and serving as an advocate for Indian Country. And we thank Committee members for support of the NCAI's FY2001 budget recommendations for FEMA towards achieving fiscal program funding equity for tribal governments, the right and fair thing to do.

IV. Conclusion

Mr. Chairman, we urge the Congress to fulfill its fiduciary duty to American Indians and Alaska Native people and to uphold the trust responsibility as well as preserve the Government-to-Government relationship, which includes the fulfillment of health, education and welfare needs of all Indian tribes in the United States. This responsibility should never be compromised or diminished because of any Congressional agenda or party platform. Tribes throughout the nation relinquished their lands as well as their rights to liberty and property in exchange for this trust responsibility. The President's FY2001 budget request acknowledges the fiduciary duty owed to tribes. We ask that the Congress to maintain the federal trust responsibility to Indian Country and continue to aid tribes on our journey toward self-sufficiency. This concludes my statement. Thank you for allowing me to present for the record the National Congress of American Indians' initial comments regarding the President's FY2001 Budget.
