

Congresswoman Laura Richardson (CA-37)

Statement for the Record

Subcommittee on Interior, Environment, and Related Agencies

Wednesday, May 4, 2011

9:30 A.M.

B- 308 Rayburn

Chairman Simpson, Ranking Member Moran, and Members of the Subcommittee:
Thank you for this opportunity to share with you my priorities in support of Native Americans and Alaska Natives.

I am a member of the Native American Caucus and I represent the 37th Congressional District in California. California is home to over 100 federally recognized tribes so the well-being of the Native American community is one of my highest priorities.

Although the needs of Indian Country are great, I will limit my remarks this morning to the following subjects of vital importance: Health, Education, Transportation, and Economic Development and Job Training.

I. Health

In the 111th Congress, we permanently reauthorized the Indian Health Care Improvement Act. While this was step in the right direction, we must now continue our responsibility to Native Americans by adequately funding the Indian Health Service.

I want to highlight some statistics from the U.S. Indian Health Service (IHS) that illustrate how we still lag behind in providing health services to Native Americans.

- American Indians and Alaska Natives have the lowest life expectancy across all races in the United States. 2005 U.S. Indian Health Service data put the average life expectancy for Native Americans and Alaska Natives at 72.6 years, which is 5.2 years less (77.8 years) than the general U.S. population.
- Native Americans and Alaska Natives are 500% more likely to die from tuberculosis than the general U.S. population.
- Native Americans and Alaska Natives have a 514% higher rate of alcoholism compared to the general U.S. population.
- Diabetes rates for Native Americans and Alaska Natives are 177% higher than the general U.S. population.
- Suicide rates among Native Americans and Alaska Natives are 82% higher than the general U.S. population.

These statistics show that there is a lot of room for improvement on how we administer healthcare in our native communities. For many Native Americans, Indian Health Service facilities are their only source of health care. No alternative sources of medical care exist, especially in isolated areas.

Years of underfunding Indian Health Care has led to overcrowded facilities, outdated facilities and equipment, and delayed maintenance of facilities that are on average over 30 years old. The Indian Health Service reports that many Indian health care facilities use equipment that is over twice its useful lifespan. Many of the existing Indian medical facilities are unable to maintain basic maintenance, which lead to higher costs later on. Also, several facilities are unable to expand services or add medical personnel due to lack of space in existing facilities.

For the reasons that I just stated, I support President Obama's FY 2012 Budget request, which increases funding for the Indian Health Service by 14.1 percent or \$571 million over FY 2010 enacted levels. While Indian Health is still underfunded, this increase will help decrease the gap in health care that our native populations face. This funding increase is a responsible, small step towards achieving parity in health care services that Native Americans and Alaska Natives deserve.

II. Education

Education in our Native American communities is another critical area that needs investment. There are approximately 620,000 Native American students attending K-12 schools. A February 2010 study by the Civil Rights Project of the UCLA Graduate School of Education and Informal Studies looked at graduation rates for American Indians and Alaska Native students across 12 states. The study found that less than 50 percent of American Indians and Alaska Native students graduated from high school. The graduation rate among Native American and Alaska Native students lags behind the national high school graduation rate of approximately 69 percent.

While there are many Native American and Alaskan Native educational priorities I would like to focus on, I will limit my discussion to the areas of jurisdiction of this subcommittee.

The Indian School Equalization Formula (ISEF) is the primary funding source for the Bureau of Indian Education's elementary and secondary schools. The Indian School Equalization Formula allocation for each school is determined by a statutorily mandated formula. These funds are used to pay teachers and other personnel, purchase instructional materials, acquire computers, and supplement other expenses. The Indian School Equalization Formula received some funding increases in FY 2009 and FY 2010, but it is still severely unfunded. The graduation rate for our Native American students will not improve unless we continue to invest in the resources needed in our native communities.

Another program that is important to our native populations is the Johnson O'Malley Act. This Act was enacted in 1934 and provides supplemental funding to address the unique educational and cultural needs of Native American children attending public schools.

The Johnson O'Malley Act addresses the unique needs of native children by setting up an Indian Education Committee made up of parents of Indian children. This committee develops, evaluates, and recommends educational approaches to help raise achievement standards of Native American students. Funding for the Johnson O'Malley Act should be restored to FY 1994 levels of \$24 million. This funding level is supported by both the National Congress of American Indians and the National Indian Education Association.

III. Transportation

I would further advocate for fully funding student transportation for our Bureau of Indian Education schools. I serve on the U.S. House Committee on Transportation and Infrastructure so I understand the need for adequate student transportation.

Bureau of Indian Schools often incur significant costs in transporting students. On many reservations, buses travel long, daily routes often on unpaved roads. These conditions take a tremendous toll on the vehicles, which result in greater maintenance and repair costs. Increasing fuel prices are also having a significant impact on Bureau of Indian Schools' budgets. The President's FY 2012 Budget slightly reduces funding for this program over FY 2010 levels. I support increased funding for student transportation. We need to ensure that the funding meets the transportation needs for our Native American schools.

IV. Economic Development and Job Training

We must also invest in economic opportunities for our native populations. Unemployment rates for Native Americans and Alaska Natives are unacceptably high. Unemployment rates are as high as 80 percent on some reservations. We need to equip our native people with the job skills that employers are looking for.

The U.S. Department of the Interior's Office of Indian Energy and Economic Development (OIEED) works to bring jobs to reservations, foster sustainable economies, and empowers Indian nations to determine their economic futures. This is achieved through business development and training, job training, and leveraging federal funds to access capital.

The Division of Capital Investment within the Office of Indian Energy and Economic Development oversees the Indian Loan Guarantee Program. This program enables eligible borrowers to develop viable Indian businesses through conventional lender financing that might otherwise be unavailable. It further reduces excess risks to lenders by providing loan guarantees. Unfortunately, the President's FY 2012 Budget cuts funding for this program by \$5.1 million over FY 2010 levels. I support increased funding for this program so that Indian entrepreneurs will be able to leverage capital to start businesses and get more natives working.

Finally, economic conditions on reservations will not improve unless people are given the job skills needed to succeed in the workforce. That is why I fully support job training programs for Native Americans and Alaska Natives. Business owners will not invest on reservations if they don't have access to a skilled labor force. Job training programs also help people become self sufficient and contributing members of society.

One such job training program is the National Iron Workers Training Program for American Indians. This program has been funded and supported by the Department of Interior Bureau of Indian Affairs since 1972. Unemployed Native Americans enter the training program and receive a stipend during the 11 week program. Upon completion, they are placed in an apprenticeship program with above average wages and access to health insurance. They are then able to bring their skills to a career in the construction industry. Unfortunately, this program is not funded in the proposed FY 2011 and FY 2012 Budget Requests. I support restoring \$750,000 in funding for this program.

Job training programs are essential for decreasing unemployment and giving Native Americans diverse job opportunities on the reservations. Access to skilled workers will make Indian reservations more attractive for business development, which will benefit the Indian community as a whole. Investing in job training programs yields a high return on the investment.

As you are aware, one of top priorities for our native tribes is passing a clean *Caricieri* fix. A fix is needed to correct the actions created by a 2009 Supreme Court ruling in *Caricieri v. Salazar* that prohibited the U.S. Interior Department Secretary from taking land into trust for tribes that were federally recognized after 1934 when the Indian Reorganization Act (IRA) was passed. This decision reversed 75 years of allowing the federal government to take land into trust for tribes that were recognized after 1934.

I thank you Chairman Simpson and the other distinguished members of this subcommittee for allowing me to speak today in support of our Native American and Alaska Native communities. I know we are all looking for areas to trim the budget, but we should not be doing it on the backs of our native populations. We owe it to our native communities to adequately fund programs that lead to self sufficiency and to a stronger future.

Again, I appreciate the opportunity to appear before you today. Thank you for your time.

**THE SHOSHONE-PAIUTE TRIBES
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**HEARING BEFORE THE HOUSE SUBCOMMITTEE ON INTERIOR,
ENVIRONMENT, AND RELATED AGENCIES ON THE FY 2012 BUDGET
May 3-4, 2011**

Testimony of the Honorable Robert Bear
Chairman, Shoshone-Paiute Tribes

My name is Robert Bear. I am the Chairman of the Shoshone-Paiute Tribes of the Duck Valley Indian Reservation. Our 290,000-acre Duck Valley Reservation straddles Idaho and Nevada. I, together with a six-member Business Council, oversee tribal government operations for our over 2,500 enrolled members. I am testifying to respectfully urge the Committee to fully fund tribal contract support cost requirements in FY 2012 (\$615 million for the Indian Health Service and \$225 million for the Bureau of Indian Affairs), and to support the Administration's request for \$6 million to fund our water settlement in FY 2012.

The Shoshone-Paiute Tribes face challenging conditions in an extremely remote area. While farming and ranching continue to be our primary businesses, our members struggle to make ends meet. The 2005 BIA Labor Force Statistics show that our members who reside in the Idaho portion of the Reservation suffer an unemployment rate of 79%, while those who reside on the Nevada portion suffer an unemployment rate of 64%. For those Tribal members fortunate enough to be working, 51% still live below the poverty level. From our Owyhee Community Health Facility, to our housing program, to the other programs the Tribes operate under our Title IV and Title V self-governance compacts, conditions remain tough for our members.

Without the requested contract support cost increase, the Shoshone-Paiute Tribes will continue to suffer contract underpayments from the Government of \$450,078 under our IHS compact and \$145,026 under our BIA contract, together equivalent to 11 positions in health care, public safety, roads safety, housing, and other essential governmental services. Given not only our precarious local economy, but also the Government's legal obligations to our Tribes, this is not acceptable.

Every dollar that BIA and IHS withhold in owed CSC funding means a dollar less in direct program services that we can spend on our members. It means staff vacancies for health care and social programs that our members so desperately need and deserve, and which they would receive were the Government still running these programs. From FY 2007 through FY 2010 these two agencies will have shorted us by over \$2 million—monies that the agencies were required to pay us, but did not pay us, under our self-governance contracts.

That CSC shortfalls cost jobs is shown by what happened last year when the shortfall was partially reduced, thanks to this Committee's and the President's commitment. When IHS reduced our shortfall by \$224,225, we added four jobs, including two medical coders and a clerk/voucher examiner (all to strengthen our third-party collections from Medicare, Medicaid and other third-party payers), plus a security guard. These are all good paying and vitally needed jobs that will now be permanent.

Our experience last year proves that reducing the CSC shortfall really does restore jobs that were lost on account of the historic shortfall.

The CSC shortfall amount may be just another number to BIA and IHS officials who have long neglected their contractual obligations to Tribes. But I know it means more to this Committee and this Congress. For us, these shortfalls mean not only lost jobs but a youth lost in the criminal justice system, or a diabetic elder who is turned away from needed counseling or denied prescriptions, or billings that go uncollected because we haven't the staff to pursue valid claims.

It also means a stop in forward progress toward greater self-determination, and instead continued dependence on the BIA.

For instance, in 2008, we entered into an agreement with the Federal Highway Administration (FHWA) to assume the Indian Reservation Roads Program serving the Duck Valley Reservation. We also notified the BIA of our intent to assume the BIA Road Maintenance Program. Our plan was to consolidate transportation planning, design, construction and maintenance under tribal administration. The only problem was that the prior Administration would not provide required contract support costs. If we took over the BIA Road Maintenance Program in 2008, the BIA told us we'd have to divert program funds to pay for our insurance, audit and other contract support costs.

Had we been able to go forward, we would decide which roads to repair. We would coordinate with the Elko County School District to ensure that bus routes remain open during bad weather. We would be in charge of improving road safety on our Reservation for our own people and our neighbors. We would employ our own members who need the work and can do the work.

Mr. Chairman, the Shoshone-Paiute Tribes cannot subsidize BIA- and IHS-funded programs. We simply haven't the means to do so. Besides, it is both wrong and illegal under the Indian Self-Determination Act to shortchange the tribal governments that offer to administer the Government's programs and that take those programs off of the Government's hands. We even secured a Supreme Court victory that says so in Cherokee Nation and Shoshone-Paiute Tribes v. Leavitt (2005). But until this Committee provides the necessary funds to meet those obligations, we will continue to see our contracts breached year in and year out.

As for the remainder of the President's Budget, we want to salute the President for honoring the Government's commitment in our water settlement by allocating \$6 million in the Budget for this purpose in FY 2012. While we appreciate the need to slim down government expenditures wherever possible, a settlement is a legally binding obligation which must be honored and paid. We thank the President for recognizing this, and the Committee for its support as well.

Thank you for the honor of presenting testimony to this Committee on behalf of the Shoshone-Paiute Tribes of Idaho and Nevada.

**Nathan Small, Chairman, Fort Hall Business Council, Shoshone-Bannock Tribes
House Interior Appropriations and Related Agencies Subcommittee (05/04/2011)**

Chairman Simpson, I want to personally thank you for your statement to work to hold programs and services within the BIA and IHS harmless as Congress attempts to control the federal deficit. My name is Nathan Small, and I serve as the Chairman of the Fort Hall Business Council, the governing body of the Shoshone-Bannock Tribes. My testimony focuses on four areas of priority, all of which are funded or administered by the Bureau of Indian Affairs (BIA) or Bureau of Indian Education (BIE): Administrative designation and support of our Juvenile Correction Center as a regional correction center; funding for education and mental health care services to youth in custody at our Juvenile Center; and funding to start and sixth grade program and to construct a dormitory for homeless children attending the Shoshone-Bannock High School.

Regional Juvenile Detention Center

The Treaty of Fort Bridger, federal laws such as the Major Crimes Act, and dozens of Supreme Court decisions, such as *United States v. Kagama*, all acknowledge the significant legal responsibility of the U.S. to provide for public safety on Indian lands. Sadly, the U.S. has largely fallen short in keeping these solemn promises. Indian country has suffered a public safety crisis for decades. One in three Native women will be raped in their lifetimes, and 2 in 5 will face domestic abuse. Reservations nationwide suffer violence at more than 2.5 times the national rate.

The Fort Hall Reservation faces many of the public safety challenges common to Indian country. Public Law 83-280 adds to the challenges facing our tribal justice officials. The State of Idaho has neglected the responsibilities for juvenile delinquency matters that it assumed, without tribal consent, under Public Law 280, leaving the needs of troubled youth on our Reservation unaddressed for far too long.

With the State ignoring its responsibility, and without any significant federal help, the Shoshone-Bannock Tribes sought to improve our local justice system. Faced with a condemned police and jail building and a 110-year old courthouse, we took the initiative to construct a facility to improve public safety and justice services at Fort Hall. Through grants, a \$14.4 million loan, and the Tribes' own funds, we built a state-of-the-art Tribal Justice Center. Operational for nearly a year now, the following provides a snapshot of the Tribes' justice programs in the new facility:

Our police department moved into the facility in April 2010. Through December of 2010, tribal police responded to 5,600 calls for service, charging a total of 6,282 criminal offenses. The Tribal Court has processed an enormous caseload of over 2100 cases (1134 criminal, 339 civil, 137 juvenile, 512 traffic, and 11 fish and game). Of these, almost 1000 have been fully adjudicated (456 criminal, 61 civil, 105 juvenile, 338 traffic, and 8 fish and game). The Corrections facility has 80 adult and 20 juvenile beds. The adult Corrections program has seen higher-than-expected use of bed space, with adult bed space use at capacity much of the time.

Conversely, the juvenile facility has operated at substantially less than capacity since its opening in August of 2010. We have held a total of 67 juveniles in custody at our Center since it opened. Their average age is between 15-17. The length of their disposition order ranges from 3 to 30 days, but the average stay is 7-14 days. The juveniles come from the Shoshone-Bannock Jr./Sr. High School, Blackfoot High, Hawthorne Jr. High, and Pocatello schools. Corrections staff

attribute the low juvenile inmate population to the facility serving as a deterrent to juvenile crime. However, tribal judges have been reluctant to sentence juveniles to the facility due to limited education and mental health care services offered.

We designed the Tribal Justice Center with the intention to have our juvenile corrections program serve as a leading model for a regional center concept. The Juvenile Center has sufficient bed space, and we have the support from nearby tribes – including the Goshute and Blackfoot Tribes – to house juvenile offenders adjudicated in their court systems.

The concept for a regional approach was supported in the Interior Department's June 2008 study titled "Master Plan for Justice Services in Indian Country." This Report detailed the deplorable state of 34 specific BIA and tribally-operated jails. (The now condemned Fort Hall Detention Center was reviewed in this Report.) The authors of the Master Plan concluded that a regional corrections approach should be part of a comprehensive plan to address Indian country detention.

Congress, through enactment of the TLOA, approved of the regional detention concept. The Act broadened the authorization for the Department of Justice (DOJ) Tribal Jails program to specifically include funding for regional detention centers. P.L. 111-211, Section 244(b). *We ask the Subcommittee to direct the Administration to designate and foster the development of the Shoshone-Bannock Juvenile Center as a regional juvenile corrections facility.*

Juvenile Detention Education, Mental Health, and Rehabilitation Services

As noted above, while our Justice Center is operating successfully, we continue face critical funding needs for juvenile education, and mental health and substance abuse services in order to make our regional juvenile detention concept a reality. Juvenile corrections must include education and substance abuse and mental health services programs to provide juveniles an opportunity to become productive members of our community. A juvenile's placement in a detention center is often his or her last opportunity at rehabilitation to prevent youth from falling through the cracks and becoming career criminals. As a result, they deserve our best efforts to clear their minds, educate them, and open doors for a brighter future. Our Corrections Center incorporates space for treatment and education components. However, funding for these essential services has lagged.

From 2008-2010, Congress has held a number of hearings to examine the mental health needs of Indian country. Current funding levels account for one-third of tribal mental health needs. The rates of alcohol and substance abuse, depression and other mental health issues among tribes are grave. At 3.5 times the national rate, Indian youth have the highest rates of suicide among any population in the U.S.

Congress, again through enactment of the TLOA, acknowledged the need to provide education and mental health services to Indian juveniles in custody. Section 241 of the Act directs the Departments of Interior and Justice, in consultation with tribes, to develop a long-term plan for detention and alternatives to detention. As part of this plan, the BIE and the Indian Health Service (IHS) must coordinate with tribal and BIA juvenile detention centers to provide educational and health care services to those centers. The deadline for development of this plan is July 29, 2011. The young people in our corrections program face significant educational and

mental health needs. However, to date, no federal officials have contacted the Tribes regarding the provision of education or health services to juveniles in custody at our Center.

In October, the tribes were fortunate to receive a DOJ Tribal Youth Program grant for Tribal Transformations, a program to provide assessment, treatment, evidence-based and community-based services to juveniles. With the funds, we have been able to employ a juvenile justice social worker and we will soon be advertising for a youth drug/alcohol counselor to work in conjunction with our treatment center to provide services to youth. We also need to hire a full-time juvenile programming coordinator to further develop educational and rehabilitation programs to serve the needs of juveniles in our custody, regardless of tribal affiliation.

On the educational side, we have hired a part-time teacher through a one-year arrangement with the tribal school. Under the arrangement, when a juvenile is admitted to the facility, the teacher can get the homework assignments to students in custody and/or she has starter packets for them to learn English, math, literature and history at their grade level. She is also able to help them obtain their GEDs in the facility if they are not enrolled in any school. This arrangement with the tribal school terminates at the end of the 2010-2011 school year. The cost for this part-time position is \$40,000, which does not include benefits. Corrections staff have also highlighted the need to provide classes in Native culture and life skills for juveniles in our custody.

In past years, the BIA has denied requests from the Tribes to use BIA corrections funding to provide education, health, and mental health services to our juvenile population. There is no statutory barrier to using corrections funds for this reasonable purpose. Instead, the BIA is making an administrative decision that we believe is now overruled by Congress through enactment of the TLOA. ***We ask the Subcommittee to provide report language acknowledging Tribes can use BIA corrections funding for education, health, and mental health services to inmates and youth in custody at tribally operated detention centers. We also ask that the Subcommittee direct the BIA, BIE and IHS to meet their statutory obligation to work with the Shoshone-Bannock Tribes to provide these essential services to juveniles at our Center.***

In addition, the President's budget seeks to eliminate educational services to youth in custody. The BIA's Juvenile Detention Education program provides educational resources for juveniles in 24 BIA funded detention facilities. In FY10, this program was funded at \$620,000. ***We ask the Subcommittee to reject the President's proposal to eliminate this critical program for at-risk Native youth, and increase funding for this program above FY 2010 levels.***

Finally, tribal justice systems, like all American justice systems rely on an equal four-legged approach: prevention, enforcement, courts, and corrections. If any one of these legs is weakened, the system falls. ***To properly implement the TLOA, we urge this Subcommittee, in partnership with the Commerce, Justice, Science Subcommittee, to provide funding at the requested levels for tribal justice programs in the FY12 Interior and Justice Department budgets.***

Funding for the Shoshone-Bannock High School

The Shoshone-Bannock Jr./Sr. High School began as an alternate school in 1975 for Native youth struggling to succeed in area public schools. The School operated for more than 30 years in various buildings on the tribal campus before a school was built in 1995 just west of the site of

the Fort Hall Boarding School, which operated on the reservation from 1880 to 1936. The mission of the High School is to educate Native American students in their culture, and to prepare them for a lifetime of learning and achievement. The current student enrollment stands at 120 students, an estimated 95 percent of whom are Shoshone-Bannock tribal members. The school employs 15 Idaho certified teachers, 7 paraprofessionals and 1 counselor and maintains an active parent committee with 35 parents actively involved on a regular basis at the school.

Among its recent achievements, the Sho-Ban School acquired full accreditation status in 2009 through the Northwest Association of Accredited Schools. The school is actively involved with the BIE's positive behavior support program Native Stand (Students Together Against Negative Behaviors). Recent grant awards include a \$160,000 BIE Reads award and \$210,000 in Stimulus (ARRA) for math and reading intervention programs. This is the school's second year of involvement in the BIE Reads Program. This program has resulted in a 10 percent increase in the Idaho State Standards (ISAT) reading scores among students.

These gains have been made despite the severe underfunding faced by the School. The funding provided by the BIE under its Tribal Grant Support Costs (TGSC) program provides \$3,000 per full time student. This amounts to a funding level of less than \$1 million per year for the School, an inadequate amount to provide for a quality education. The TGSC provides critical funding to cover administrative and indirect costs of exercising local authority and exercising tribal self-determination in assuming the operation of a school. The FY 2012 budget requests flat funding for TGSC, despite the fact that between 2 and 5 additional tribal schools will have to be supported by the same \$46.3 million requested. This funding level would meet only 65% of need. ***We ask that TGSC be funded at \$72.3 million to meet 100% of need.***

The Tribes added a sixth grade program to the School this year to enhance the academic success of our students. The sixth grade program was needed because the on-reservation elementary school only goes to fifth grade, which forces students to attend sixth grade at schools off the Reservation. This lack of consistency results in widespread variation in student education levels. Offering a sixth grade program will prevent these students from having to play catch up in their first semester as seventh graders, and will increase our graduation rates. The BIE cites FY95 and 96 riders that established a moratorium on expanding grades at BIA schools. ***The Tribes believe that these riders did not establish a permanent moratorium, and ask for report language to acknowledge that TGSC funding can be used for the School's first-year costs to expand to the sixth grade, as well as language directing the BIA/BIE to include sixth grade students in the Shoshone-Bannock Jr./Sr. High School's annual funding formula.***

The School also needs a student dormitory to address the high number of homeless students that the school serves. Based on our current data, the number of students who are homeless any given night is estimated to be between at least 8-10 children. Without a stable place to live, children have no hope at achieving a proper education, and many children in this position drop out of our High School. The dorm would serve 50 students, and 25 teachers / resident assistants. The dorm will afford homeless children attending the Shoshone-Bannock High School stable housing and meals on campus, which will decrease our drop-out rate and encourage improved study habits. ***To address this significant need, we request \$11.3 million in funding to construct a 40,000 square foot student dormitory on the High School campus.***

Testimony of Andrew Joseph, Jr.
The Northwest Portland Area Indian Health Board

Before:

House Subcommittee on Interior, Environment, and Related Agencies
Public Witness Hearing

May 4, 2011

Good morning Chairman Simpson, Ranking Member Moran, and members of the Subcommittee. On behalf of the 43 Federally-recognized Tribes that the Northwest Portland Area Indian Health Board represents, we thank you for this opportunity to provide testimony on the Indian Health Service (IHS) budget to the subcommittee.

Established in 1972, NPAIHB is a P.L. 93-638 tribal organization that represents 43 federally recognized Tribes in the states of Idaho, Oregon, and Washington on health care issues. Over the past twenty-one years, our Board has conducted a detailed analysis of the Indian Health Service (IHS) budget. Our Annual IHS Budget Analysis and Recommendations report has become the authoritative document on the IHS budget. It is used by the Congress, the Administration, and national Indian health advocates to develop recommendations on the IHS budget. It is indeed an honor to present you with our recommendations.

Indian Health Disparities

The Indian Health Care Improvement Act (IHCIA) declares our Nation's policy is to elevate the health status of the AI/AN people to a level at parity with the general U.S. population. Over the last thirty years the IHS and Tribes have made great strides to improve the health status of Indian people through the development of preventative, primary-care, and community-based public health services. Examples are seen in the reductions of certain health problems between 1972-74 and 2000-2002: gastrointestinal disease mortality reduced 91 percent, tuberculosis mortality reduced 80 percent, cervical cancer reduced 76 percent, and maternal mortality reduced 64 percent; with the average death rate from all causes dropping 29 percent.¹

While Tribes have been successful at reducing the burden of certain health problems, there is strong evidence that other types of diseases are on the rise for Indian people. For example, national data for Indian people compared to the U.S. all races rates indicate they are 638 percent more likely to die from alcoholism, 400 percent greater to die from tuberculosis, 291 percent greater to die from diabetes complications, 91 percent greater to die from suicide, and 67 percent more likely to die from pneumonia and influenza.² In the Northwest, stagnation in the data indicates a growing gap between the AI/AN death rate and that for the general population might be widening in recent years. These data document the fact that despite the considerable gains

¹ FY 2000-2001 Regional Differences Report, Indian Health Service, available: www.ih.gov.

² Ibid.

that Tribes have made at addressing health disparities, that in some instances these gains are reversing themselves that the health of Indian people could be getting worse.³

Recommendation: Maintain Current Services

The fundamental budget principle for Northwest Tribes is that the basic health care program must be preserved by the President's budget request and Congress. Preserving the IHS base program by funding the current level of health services should be a basic budget principle by Congress. Otherwise, how can unmet needs ever be addressed if the existing program is not maintained?

Current services estimates' calculate mandatory costs increases necessary to maintain the current level of care. These "mandatories" are unavoidable and include medical and general inflation, federal and tribal pay act increases, population growth, and contract support costs.

Our analysis of the IHS budget indicated that it would have taken at least \$474 million to maintain current services in this current fiscal year. The President's request in FY 2011 (an increase of \$354 million) would come close to funding the mandatory costs of current services. Unfortunately, IHS and Tribal health programs will now suffer the consequences of the current budget debate despite the duty and obligation of the United States to provide health services. The current budget debate to curtail discretionary spending will have a severe effect on IHS and Tribal programs if they are not adequately funded. Respectfully we request that the Subcommittee recommend that IHS and Tribal health programs be exempt from any reductions in discretionary spending. This request should be honored in recognition of the duty and obligation that the United States has to provide health care to Indian people. It is further compelling when one considers the severe health disparities that AI/AN people suffer.

Per Capita Spending Comparisons

The most significant trend in the financing of Indian health over the past ten years has been the stagnation of the IHS budget. With exception of a notable increase of 9.2% in FY 2001 and last year's 14% increase, the IHS budget has not received adequate increases to maintain the costs of current services (inflation, population growth; and pay-act increases). The consequence of this is that the IHS budget is diminished and its purchasing power has continually been eroded over the years. As an example, in FY 2009, we estimated that it would take at least \$513 million to maintain current services⁴. The final appropriation for the IHS was a \$235 million increase, falling short by \$278 million. This means that Tribes must absorb unfunded inflation and population growth by cutting health services.

The IHS Federal Disparity Index (FDI) is often used to cite the level of funding for the Indian health system relative to its total need. The FDI compares actual health care costs for an IHS

³ Please note findings in, *The Health of Washington State: A Statewide Assessment of Health Status, Health Risks, and Health Care Services*, December 2007. Available: <http://www.doh.wa.gov/hws/HWS2007.htm>.

⁴ FY 2009 IHS Budget Analysis & Recommendations, Northwest Portland Area Indian Health Board, March 17, 2008; available: www.npaihb.org.

beneficiary to those costs of a beneficiary served in mainstream America. The FDI uses actuarial methods that control for age, sex, and health status to price health benefits for Indian people using the Federal Employee Health Benefits (FEHB) plan, which is then used to make per capita health expenditure comparisons. It is estimated by the FDI, that the IHS system is funded at less than 60 percent of its total need.⁵

FY 2012 IHS Budget Recommendations

The NPAIHB supports the level of funding requested in the President's FY 2012 budget request. The President's request is \$571 million over the FY 2010 enacted level. While this might seem like a sizable increase, it is only \$217 million over the President's FY 2011 request. These increases in FY 2011 and FY 2012 taken together are still less than adequate to cover the costs of maintaining current services. We urge the Subcommittee to fund the levels in the President's request.

We also recommend that the Subcommittee provide additional funding to cover the IHS Contract Support Cost (CSC) now estimated to be at least \$153 million. CSCs cover the administrative cost of Tribes carrying out IHS federal trust responsibilities. The benefits of Tribes operating IHS programs are well documented. For years the Administration failed to request adequate funding for CSC obligations, and the resulting shortfalls grew. In 2010, with the assistance of this subcommittee, the Congress and the President supported a \$116 million increase to reduce the IHS contract support cost shortfall by about one-half. It is estimated that CSC increase will restore an estimated 2,000 to 3,000 jobs in Indian Country. We recommend that the Subcommittee provide additional funding to cover the CSC obligations owed to Tribes.

Additional Recommendations:

1. NPAIHB recommends that the Subcommittee restore funding eliminated in the President's request for Tribal pay costs. We estimate this funding to be \$13.4 million based on the FY 2011 IHS Congressional Justification. These costs were eliminated in the President's FY 2012 request due to the Administration's policy to freeze federal pay increases. Employees in the Tribal health system are not federal personnel and should not be subjected to this Administrative policy. In most instances tribal employees are not compensated at the same level as IHS federal personnel and rely on pay cost increases for their economic well-being. If the Tribal health system does not maintain pay cost requirements it will be difficult to remain competitive to recruit and retain health care professionals.
2. NPAIHB recommends that at least an additional \$50 million be provided for the IHS Contract Service Program (CHS). The CHS program is extremely important for Northwest Tribes since the Portland Area does not have any hospitals and must rely on the CHS program for all specialty and inpatient care. Other parts of the IHS system have access to hospitals for specialty and inpatient care. Because of this, the CHS program makes up 34% of the Portland Area budget and when less than adequate inflation and population growth increases are provided, Portland Area tribes are forced to cut health services to absorb these

⁵ Level of Need Workgroup Report, Indian Health Service, available: www.ihs.gov.

mandatory costs. Those IHS areas that have inpatient care can absorb CHS funding shortfalls more easily the CHS dependent areas with their larger size staffing packages and infrastructure. The Senate Committee on Indian Affairs' 2011 Views and Estimates letter highlights the fact that the unmet need in the CHS program is at least \$1 billion and certainly an additional \$80.2 million is justified.

3. We recommend that the Subcommittee provide an additional \$53 million to fund past year's CSC shortfalls that are owed to Tribes under P.L. 93-638. The well-documented achievements of the Indian self-determination policies have consistently improved service delivery, increased service levels, and strengthened Tribal governments, institutions, and services for Indian people. Every Administration since 1975 has embraced this policy and Congress has repeatedly affirmed it through extensive amendments to strengthen the Self-Determination Act in 1988 and 1994.

We understand that our recommendations may seem unreasonable in current fiscal environment, however when you consider the significant health needs of Indian Country they are realistic. We hope that you will be able to fund our recommendations and look forward to working with the Subcommittee on our request.

Thank you for this opportunity to provide our recommendations on the FY 2012 IHS budget. I am happy to respond to any questions from the Subcommittee.