

Tribal Interior Budget Council July 22-23, 2014 Draft Minutes

Crowne Plaza Hotel
Billings, Montana

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Call to Order/Roll Call/Opening Prayer

Ron Allen: Chairman Robert Shepherd couldn't be with us. He had a conflict back home, so he won't be here this meeting, but he'll be at the next meeting. So the travel delegation appointed Gary Hayes from the Ute Mountain Ute Tribe to be our interim co-chair with me and Mary as well. And so we'll proceed throughout today and tomorrow with our proposed agenda.

Introductions:

- Kitcki Carroll, Executive Director, United South and Eastern Tribes.
- Brenda Fields from Penobscot Nation, representing eastern region.
- Virginia Sanchez, Chairman for the Duckwater Shoshone Tribe, Western Regional Rep.
- Bryan Bowker, Regional Director, Western Region.

- Amy Dutschke, Regional Director, Pacific Region.
- Buster Attebery, Karuk Tribe, Pacific Region.
- Chairman Robert Smith, Pala Band of Mission Indians, Pacific Region, Southern California.
- Sam Thomas, Tribal Council Member of Craig Tribal Association, representing Alaska Region.
- Bruce Loudermilk, Regional Director, Alaska Region.
- Diane Rosen, Regional Director, Midwest Region
- Tandy Bill Walker, Southwest Region.
- Helen Riggs, Acting Deputy, Bureau of Trust Services.
- Hankie Ortiz, Deputy Bureau Director, Indian Services, BIA.
- Mike Smith, Deputy Bureau Director for Bureau of Indian Affairs, Field Operations.
- Darren Cruzan, Director of Office of Justice Services.
- Mike Black, Director of Bureau of Indian Affairs.
- Gary Hayes from Ute Mountain Ute Tribe representing the Southwest Region.
- Larry Roberts, Principal Deputy Assistant Secretary for Indian Affairs.
- Ron Allen, Chair for the Jamestown S’Klallam Tribe in Washington State, Northwest Portland area delegate.
- Tommy Thompson, Deputy Assistant Secretary for Management for Indian Affairs.
- George Bearpaw, Office of Budget, Indian Affairs.
- Steve Manydeeds representing Jack Stevens, Director of Office of Energy and Economic Development.
- Sharee Freeman, Director of the Office of Self-Governance.
- Stan Speaks, Regional Director, Midwest Northwest Region, and got Ron here but not Michael.
- Chris Redman, the Executive Officer with Chickasaw Nation, representing Eastern Oklahoma.
- Greg Pitcher representing the Shawnee Tribe in Eastern Oklahoma.
- Bob Impson, the Regional Director from Eastern Oklahoma.
- Dan Dearinwater, Regional Director
- Ronnie Thomas, Alabama-Coushatta Tribe in Texas, representing Southern Plains Region.
- CarrieO’Toole, representing the Southern Plains Region.
- Arbin Mitchell representing Ben Shelly, Navajo Mission.
- Sharon Pinto, BIA, Navajo Regional Director, Navajo Region.
- Tim LaPointe, Acting Regional Director, Great Plains.
- Charles Olsen
- Harrison, Vice-Chairman, Chickaloon Native Village, Alaska Region.
- Jimmy Mitchell, Director of Natural Resources, Little River Band of Ottaway Indians.
- Dave Connor with Red Lake Band, and I think it might have been mentioned, but Darrell had a death in his family and he yet again had to miss a second one in a row, and he sent his Executive Administrator Charles Dolson out to the meeting today too.

CARROLL: Chairman Allen, just as an FYI, there’s a joint meeting of the GPTCA, COLT and the Montana Wyoming Tribal Leaders Council convening, and they’re almost done with their agenda, so there’s many tribal leaders over there coming, making their way over here.

Approval of Agenda

- **A motion was made to approve the amended agenda. The motion was seconded and approved.**

Opening Remarks

WASHBURN (via Skype): Thank all of you who traveled. I'm sorry I couldn't be there with you. As I said in an email to the TIBC, I'm sorry that I wasn't able to make it. I'm not there, but Larry Roberts is there in my stead, and he's sort of my alter ego.

We've got the entire BIA leadership there. We also have Tommy Thompson and the management leadership there, and we have, of course, the regional directors who flew in from all over the country. So I want to thank everybody there who traveled to be there.

I would love to be there. But Senator Tester, our chairman of the Senate Indian Affairs Committee, sat in a very important hearing and Larry and I talked about it and decided that I probably needed to take this particular hearing, so here I am sitting in Washington, which is not always pleasant this time of year. So you guys are lucky to be in Montana.

I thought I would do a couple of things. I'll tell you what some of the things that have been keeping us busy around here, just sort of an update. But let me also give you my sense of things for the 2015 budget. You all are on to bigger and better things, hopefully bigger and better things, the 2016 budget and beyond. We still are working with the trying to figure out what's going to happen with the 2015 budget.

The rumors that I'm hearing is that it's very likely that we are going to have a CR, a continuing resolution, of our 2014 budget going into the beginning of 2015, and that's because we've got elections in November, and the new fiscal year would start October 1 with the 2015 budget, but our sense is that Congress will, well, we think the Republican side will want to hold off on actually getting through a complete budget until they know what's going to happen in the Senate. So we think it's very likely that we will get a continuing resolution, it'll probably run into January or something like that.

So as you all know, we go through these important processes of trying to guide Congress and the President on the budget, and sometimes, well, other political implications sort of undermine our efforts I guess is the way to put it. So that's the rumors that we're hearing is that we are likely to get, rather than a 2015 budget that starts on October 1, continuing resolution that will go for three or four months or something like that, until the new Congress is seated in January.

We do have our OMB examiner, Anna Naimark, our new examiner who will be there joining you tomorrow. We've got a fairly new team. You met Melanie Stansbury at a recent meeting, and so we are really happy that we've got a new team at OMB being developed, and we need your help developing them. We very much want them to be allies in budgeting, so this is our kind of first chance to welcome Anna to this process and to make her an ally. So I hope you all will help me do that.

We have been doing consultation. We have done, I think we've got more than two dozen consultations from the beginning to the end of the summer, some of which were completed, we are finished with. But we are consulting on our new right of way regulations. We've consulted on land into trusts in Alaska. Larry Roberts has been traveling around consulting on recognition regs. Hankie has been traveling around consulting on our contract support costs process. We are going to be consulting on the native Hawaiians initiative that the department has. And also we've consulted informally on our oil and gas service center idea.

One of things we've been busiest with is Indian education. The President went to Standing Rock Sioux and he focused on sort of two different things while he was in Standing Rock, and the First Lady joined him, by the way, and the President and First Lady largely focused on issues involving youth and Indian education and also economic development.

The President's interest in Indian Country issues was just renewed and reenergized. And so the

White House has been very, very engaged on these issues because if the President's interested in these issues, he's got a whole large staff around him that also become very interested in these issues.

A couple of other things that I want to draw your attention to, for the next, well, mostly for tomorrow I guess, is Hankie Ortiz will be talking about contract support costs formulation, and the House and Senate appropriators asked us to focus on contract support costs and to look at ways to streamline contract support costs formulations, and we really need to do that. It's complicated, and it needs to be more predictable. It needs to be more predictable for tribes.

Now, another thing that needs to be more predictable is getting money to the tribes. A lot of you are running programs, and you need to be able to count on payments from tribes, sorry, payments from us so that the tribes can run the programs. And so Tommy's going to be talking about that tomorrow.

And I will tell you, with regard to both contract support costs and the payments issues that Tommy is going to be talking about, both of these are inordinately complicated, and much more complicated arguably than they should be. I've been fond of saying that Rube Goldberg is alive and well and he is creating systems in Indian Affairs because some of these systems are so complicated, that they are nearly, they've become very difficult to run. And so we are looking for ways to make them less complicated so that tribes have more predictability, and so tribes get their funding on a quicker basis and a more predictable basis.

CHAIRMAN: During our Tribal Caucus, we raised a number of issues that I think is going to be helpful for us. As you know, in our budget discussions with Pam Hayes and with OMB, we have talked about need for better clarity, with regard to the crosswalk about the \$19 billion relative to what the tribes' needs are. And out of that process we've advocated that what we feel we need is to better engage with both the department and OMB, not just with regard to better clarification of how much of that money is actually reaching Indian Country or what are the impediments to it, but we also want to collaborate with you and the OMB officials to discuss the impediments we have to be able to, for lack of better words, ratchet up the budget to address the countless needs for Indian Country.

And inclusive of that is discussion of a number of topics, but one of them would be in our last process we did two things. We were trying to get the tribes to identify the unmet needs, but yet we didn't provide the kind of criteria that would quantify what those unmet needs are. As you remember, in the last session, the last column was if there was no restrictions on budget, what would we need, and literally we were adding tens of millions of dollars categorically.

So we feel that in order to provide better credibility to making those kinds of requests and identification of needs, there needs to be some sort of pilot initiative to identify two, three, four maybe, I don't know what the number is, programs that we could actually conduct a special analysis on what kind of criteria would you have. And we could certainly pick programs that we already have some pretty good data to show and quantify what is being provided by the federal government to the tribes and what is still the urgent need in those categories to begin that process so that, as we identify that unmet need, both administration from the interior side and OMB side would have a better understanding of that.

So we're advocating that we would have some follow-up meetings where there's somebody from your office, like Tommy or whoever would be appropriate, to engage with us and the OMB officials and Melanie and maybe their direct line superiors in OMB so that we can identify what those problems are and how we can move the agenda forward to make a better case for the tribes. So that's something that's come out of our caucus, and we want to engage with you on that subject. We hope that you'd be supportive of it, and we can identify some dates. We think some face-to-face meetings are important to it, in conjunction with some phone conversations on that topic.

We also identified there's some concerns out there with legislation that's being proposed, and one of them that came to mind is the advanced forward funding for IHS. We're asking the question why not BIA? Should BIA be included in that? And so then the question was being asked, well, if we did advocate for it and if it was legislation that got approved, then the question is does it cause any impediment to implementing the ISDA? In other words, will there be funds available in the second year of the advanced funding for new tribes or expanded programs, etc.?

So does it cause any impediments? So we like the idea conceptually, but we want to make sure it does not become a problem for the tribe. And we want to work with you to find out what the administration's thoughts are about that. We know IHS has stayed on the sidelines on the topic, but we know that there's reasons why we should be supportive of it.

And going to your point about the CR, it is a big problem for us, and that's an issue for us that we want to address and try to move forward.

The related matter is that we want to engage with you as well with regard to the proposal that many tribes were advancing on mandatory funding for contract support. You and Dr. Roubideaux have been doing consultation sessions about what's the best solution to deal with contract support in the long term. We feel that there's, it's a good system, approved and authorized by the federal government, negotiated with the federal government.

So really the issue is how do we cover that between IHS and BIA, the billion dollars that would cover that kind of a cost. And so we want to be able to try to persuade the administration to be supportive of the mandatory funding concept, engage in that conversation. We know you're not in a position to take a position, but we'd like to be able to have confidence that you will engage with us to have that discussion. And we assume OMB needs to be a part of that discussion as well.

We sent a letter on behalf of TIBC to the Department of Justice and to Interior regarding the idea of transferring the DOJ enforcement monies over to the BIA in order to have a one-stop shop for the tribes to access those resources and also to allow for us to be able to get contract support for those kinds of programs and activities. So we need to be able to engage with you on that proposal and that initiative, and we think that there needs to be broader consultation and discussion. Many tribes are here in this forum, but many tribes who access those resources aren't here. So we feel that it needs to be more inclusive to make sure that efficiencies on public safety matters or even court systems is addressed fully with regard to advancing that initiative.

HAYES: The question – well, we're going to go back to contract support costs. And I know Dr. Roubideaux and you have said that, as we move forward, where's the money going to come from because all these settlements that you have to settle, and there's more that needs to be funded. But looking at the FY15 budget, when you look at tribal government, and there was an increase of 12 million, out of that 12 million there was 5 was for self-governance compact, 4 was for contract support.

In the future, if you don't get this funding elsewhere, what impact is this going to have in '16 and '17 for you to meet those other, that the needs that need to be settled with other tribes in your contract support issues out there? Or what're you going to do to settle them? How about in the future?

WASHBURN: We're trying not to incur any future liability because we are now paying full contract support costs. This year is the first year that we're doing that, and so there should not be future liability. So we don't anticipate that there will be future judgments. There might be modest ones because, Sharee Freeman and others will tell you, it's kind of hard to hit the mark perfectly with contract support costs because there's so many moving parts there. But generally any liabilities that are incurred going forward, as long as we're paying full contract support costs, should be very nominal. So those will not be a congressional appropriated line items for us, and they won't come off our backs at this point.

So at least that's my understanding.

HAYES: My other question is on this markup or this report here for FY15, we always talk about settlement, water settlements at times it comes out of BIA. And if you look at historically we've been, BIA has been funding these settlements out of their budget. Right now \$35 million is for one project. It says settlement and miscellaneous payments. What happens to that 35 million that's – is that your baseline budget? But once the payment is done, that goes away? I won't say minimum cost, but there were some, if you look historically, those were the type of payments that BIA was paying. Where did that money go if it's on your baseline budget?

WASHBURN: These water settlements often have several years of payments, five to ten years sometimes, and maybe it's 10 million a year or maybe it's 15 million a year for one settlement, and then it eventually drops off once the settlement's been paid out. There's often a new settlement that comes along that the money is needed for, and it just doesn't come out of our budget. Some of it comes out of the Bureau of Reclamation budget too. There's also sort of a move within the department and being considered by OMB to sort of create a special fund for Indian water rights settlements so that those come out, so that there's sort of a perpetual fund created that takes care of those so it doesn't have to be a line item in our budget.

A lot of tribes have water rights that are not yet adjudicated and not determined, and so they're sort of not secure. So that's a really big economic resource that tribes are not able to tap into if they don't have their rights secured. And so we need to be helping more tribes get their water right secured, and eventually to help them use those water rights or market and lease them make them into an economic resource because water is only going to become more and more valuable out west.

But we need to have a sensible way to fund these water rights settlements, and that's what, again, what lots of people are looking at. Melanie Stansbury at OMB is very interested in this as well, and so we've had lengthy conversations, and they're trying to develop a proposal.

SAM THOMAS: You identified tribal consultation on land in trust in Alaska, and sitting in a budgetary meeting here and I was just kind of curious about how the department is planning on funding applicants as they come forth and getting them in the trust. The fulltime FTE's it's going to take to, all the way into the decision-making process. It's going to cost some money to do it because we haven't been allowed to or the secretary hasn't exercised his authority to put land in trust in Alaska. So it's going to cost a few bucks, so I was just kind of curious on how you envision funding that.

WASHBURN: We have realty officers in Alaska already, and this hasn't been part of their job description obviously because we've been legally prohibited from taking land into trust for tribes in Alaska. But if we go forward with the rule and we enact that rule, and we are currently stayed by a federal court from actually processing those applications through fruition, but assuming we're able to go forward eventually, our thinking that Bruce is there. I think Bruce Loudermilk is there.

Basically, we would ask him to restructure the office in such a way to make that possible to accomplish that function. We don't anticipate moving 15 or 20 new FTE's to Alaska. That's not been part of the plan. We do anticipate some training needs obviously because the people in Alaska, the realty officers have not done this sort of work before. But I'll tell you, Bruce is already ahead of us on that, and Bruce has already had several of his employees go to the Great Plains region to train them up on these kinds of processes.

So we may need to do even more of that training, but we are anticipating this mostly being revenue neutral as far as our budget. The RD's have been working really, really hard, and we've processed more than 720 land into trust applications since the beginning of the Obama administration, and 1,720 applications is a lot of applications, and that's been across the regions, all except Alaska, in

essence.

TINO BATT: Regarding the Cobell. As you know, there's some tribes that don't agree with the education component. It would be best that you mention that bureau will not lack it's trust responsibility in education. There's little tribes that disagree with the way it's involved with the Cobell and education because, again, most tribes say, well, that fund, if we're going to buy our tribal members' land, well, that land should go toward our education and not to other tribes who do not own land. And so to me I think in the future you should reference that this is just another avenue that tribes or tribal members or descendants can go and access, but the bureau still has its responsibility to fund our education, especially with our treaties.

WASHBURN: My thought is I'll take money from the devil himself if it educates more kids, and so that's kind of the view I have of that Cobell scholarship money. Whether you agree with it or not, if it creates more scholarships, I'm all for it.

HAYES: Well, if you guys built government housing for law enforcement officers and they haven't come, that's for a handful of tribes. So just a reminder that it's still a concern for a handful of tribes regarding those housing –

WASHBURN: Fair enough, and you've got Dan Cruzan there who probably agrees with your strongly and the budget folks, and so they're certainly all leaders and we'll continue to try to figure out ways to do that. We had that problem, not just in law enforcement, in other areas as well, including education. So you may hear a little bit more about that tomorrow. But, yeah, we need to find places so we can attract good people into these jobs, and law enforcement especially. So thank you, and I'll take note of that.

CHAIRMAN: Kevin, Ron, another topic that came out of our tribal caucus, stepping off of your comment about Monty giving us an update about what's going on with BIE. Out of our NCAI mid-year up in Anchorage, this topic came up and was a huge issue for many tribal leaders. Their recommendation was that we entertain the idea of TIBC establishing a task force that would collaborate with you, Monty, and the department with respect to I guess the status of BIE within the current system and what may be the best options in terms of better serving the Indian communities with regard to our BIA and Indian schools that are out there as well as the other educational initiatives that are being advanced under the umbrella of BIE, and taking into consideration the role or how we better improve the relationship with the Department of Education.

WASHBURN: Thank you, Ron, we appreciate your leadership on that, and we've got some ideas. Actually, we've been hearing that a bit, and Monty may talk about that. And I mention the Indian education issue has some budgetary implications, and we really would like to strike while the iron's hot. We go through these very extensive processes to develop budgets, but the opportunities sometimes develop, and we feel like with the President's support we've got an opportunity here to make a difference in Indian education. And so we are going to try to grasp that opportunity to some degree, not at the expense of our existing budgetary issues, business to do so if we can. If we can add to the size of our budget, and deal with some Indian education issues, we're going to try to do that. And Monty can talk more about that tomorrow.

And I want to, again, thank you all for the hard work that you devote towards helping guide us through the budgetary process. We're grateful for that, and I know it takes a heck of a lot of time for each of you. I wish you safe travels and I wish – and thanks for accommodating me in this way to let me participate in some small way in this TIBC session. It's a very important process. I don't want to I don't ever want to be left out of it completely. So this is imperfect, but I'm glad you were willing to let me appear this way and to engage with me.

LARRY ROBERTS: In terms of our working through the process, and some of the priorities that we have that Kevin didn't touch upon, I just want to reemphasize that Fee to Trust continues to be a priority for the administration. We have a little over two years left. We want to act on as many applications as possible in terms of Fee to trusts. One of the things that Kevin has decided to do that the next administration may not do is he's decided that if a Fee to trust application is challenged and it's over 200 acres, that he's going to take jurisdiction over that appeal right away so that we can get more timely decisions out on Fee to trust applications.

The other thing I want to emphasize is HEARTH Act implementation. We've had roughly I think over a dozen tribes that have received approval under the HEARTH Act for their regulations for surface leasing. That remains a very high priority for the administration in terms of seeing more tribes take advantage of the HEARTH Act so that restoring control over leasing decisions, surface leasing decisions, two tribes. And then finally, with regard to energy, and Kevin talked about it a little bit and I know Mike's going to touch upon it in his remarks, is just the work that we're doing on the energy service center and trying to speed up that process for tribes. And so with that, Ron, I'll turn it back over to you.

Legislative Update

AMBER EBARB: I thought I would go over some of the action that we took this morning at the tribal caucus as it relates to what we're pushing for in Congress in the next few months. So the first update, or the first agenda item we had under Legislation was reviewing the Interior appropriations bills on the House side, and we had decided that NCI will help draft a letter of support for the certain increases that were included on the house side, and this would give the house appropriators, the subcommittee, some leverage in negotiating if they ever get to putting together a final bill with the Senate after all of the CR's and all of the politics of the election season is over.

A big issue with the markup are the levels that are included on the House side is that, even though there are some good increases for the tribal grant support costs and education construction funding, as we're still suffering from the sequester reductions to travel base funding. And so we'll reference some of that frustration from the tribal concerns raised this morning, but then we'll be on record as supporting the good things that were included in the House version of the Interior bill.

The staff said that having a letter like this or letters from multiple tribes is helpful for them, and this is really what helped them last year when they were negotiating on the omnibus and keeping in the contract support cost increases. So we'll draft that tonight or get it emailed around to the tribal reps for finalization or adopting it and then get it out up to the Hill. But I think it'll also be good for other tribes to send versions of that up to the Hill on their own letterhead.

The other agenda item on the legislative update was the legislation that hasn't been introduced yet by Senator Begich, but he's planning to make contract support cost mandatory. And this is another situation where we decided, or TIBC decided, that they would support this. And this is tied to BIA's budget because it would help open up resources for other urgently needed programs, if we could ever get taken out of, from affecting the BIA's budget.

And then the last thing was IHS advanced appropriations, and a hearing was held I think a week ago, the House natural resources committee, Indian subcommittee, Indian Affairs subcommittee on IHS advanced appropriations, and so we're going to write a resolution that explores having BIA be under that same, explore having advanced funding for BIA. That's already been discussed a little bit this morning.

I think a lot of the legislative update was already covered, and the assistant secretary's update on the expectation for another continuing resolution and how most of these decisions will probably not

be made final until spending bills are considered until after the elections. But it's good to be on record with the appropriators for certain good things that they've done for us in setting the stage for whatever happens in the final omnibus.

CHAIRMAN: A quick question and clarification for Larry Roberts would be some of the conversations that we had this morning on advanced funding legislation or in the case of the concerns that we have over restoring the lost resources from sequestration impact, etc. the positions of the tribes, and we recognize that TIBC is a unique tribal federal advisory forum, so we want to pass that resolution and send a letter basically to the administration but also to Congress as well about our concern.

The question of the day is how the administration is, how your position is going to be identified in that context. I'm just sort of assuming you're neutral at this point or you might want to help us characterize your position.

ROBERTS: So Kevin and I and Mike Black and Tommy Thompson and folks, I mean our views we carry certain views within the administration, but at the end of the day it's not our decision to make. It's the president's budget and it's the president's decision in terms of how to go forward with any sort of legislation like, for example, forward funding. And so I think if TIBC was going to announce want to take some sort of formal action, some sort of resolution, we would just have to be basically neutral or silent on that as the federal family here because whether we're testifying on housing or the budget or whatever, we're always getting our testimony cleared by OMB and for the administration. So I don't think that we would be able to play a formal role on a resolution here if that's what TIBC wanted.

Report from BIA Management/RDs Meeting

MIKE BLACK: We do have a meeting coming up here on Thursday with all of the regional directors and a number of the deputy bureau directors from D.C. that'll be held here in Billings. We'll be going over a number of not only internal issues but issues that come out of here, also issues of national interest. I raised this or I presented yesterday in front of Colt and the Great Plains and Montana-Wyoming tribal leaders yesterday regarding the proposed energy service center that we're proposing to put down in Denver here over the next couple of years. That's largely to address a lot of the issues that pertain to the large oil and gas producing tribes throughout the country and our integration with Bureau of Land Management, the office of Natural Resource Revenue, and OST, but we're also talking largely and a lot of that comes from input from the tribes and others, incorporating other programs such as Fish and Wildlife Service.

So I had a consultation last Thursday in Denver. We had representatives from Colt and a number of the tribes that were there. I thought it was pretty well received. We have a concept paper.

It's really largely an effort on our part to really be able to address not only our resource issues that we all have within the department and our specific bureaus but also a way that we can look at streamlining the activities we have related to energy development out in Indian country.

So it is really an outgrowth of the Indian energy mineral steering committee, and it's something that we've talked about years. It's really going to become not only a working service center that'll be able to become more or less a strike team out there in Indian country, but also a source for the Indian energy mineral steering committee to really kind of funnel through some of these streamlining efforts, consolidation efforts, standardization efforts that we really need to put out there in Indian country to really start to streamline our activities related to that.

One of the other things that's going on, and some of these don't affect tribes all across the

country, but they are very large issues to a number of tribes out there. I met two weeks ago out in Warm Springs, Oregon with the tribal horse coalition, and I know a number of you sitting in this room right here have issue with feral horses. And so that's become a major discussion all the way up to my office and how we can manage that out there, work with the tribes, USDA and others, in order to really try to deal with that issue. It's become fairly rampant. I mean I've gotten numbers anywhere from 60,000 to 100,000 horses in Navajo to 15,000, 20,000 horses at Umatilla. So you get kind of a concept of just how big a problem this really is.

The Tiwahe initiative is another major initiative that we're working towards over the next couple of years here to really deal with the protection of our children out there. So it is an initiative working with our social services programs, law enforcement programs, and tribal court programs, and the tribes, the states, ACF, HHS, and anybody that's got an active interest in child protection out in Indian country.

TEX HALL: Mike two questions. One is on the land and the trust. Those of us river tribes have land transfer issues pending, and Larry's very much aware of that. It's been pending now for a few years, actually over 65 years. But the MOA has been a couple of years, that's about 36,000 acres. We'd like to see that completion. And just talking to our regional director, Tim LaPointe, there was a potential right of way issue on a road to the lake shore but nothing directly tied to the lake shore. So there really should be no strings. And I'd like to get an update when can we see that transfer.

BLACK: Okay, I don't have a date firm for you right now. We do have land transfers, and you're dealing with the Corps of Engineers on that one. There are some other ones around the country with BLM that we're working on.

ROBERTS: In terms of the transfers, the Corps of Engineers, that's a significant number of acreage, and that is something that I think we need – my understanding is that we're making significant movement on that. We don't have a date certain as to when that transfer's going to happen. But those are the type of things that we're focusing on as a department in terms of trying to get those across the finish line and into trust because those are significant parcels and very important to tribes in terms of getting those into trusts as soon as possible.

GARY HAYES: At the last meeting we talked about ICWA, about updating the policy. Is there anything moving forward as far as that and then child protection?

ROBERTS: We had consultations on this, and we heard loud and clear from a number of tribes that they want the guidelines which hadn't been updated since essentially ICWA was passed that tribes would prefer that we do regulations instead of guidelines. So we are in the process right now of looking at those comments and trying to, at a minimum, update our guidelines, but also working with the solicitor's office to see whether we can issue regulations and how that would work.

HANKIE ORTIZ: We have reviewed all of the comments that have been submitted, and we're in the process of having to follow up on some of them. And one thing – a couple of things that have been identified is there really isn't any enforcement authority in ICWA, and so there's none in the guidelines.

SAM THOMAS: Mr. Chairman, I'm not sure if this question's for Larry or for Mr. Black or should wait for OMB, but I'm going to ask it anyways. We had discussion about limitations of indirect rates. I know there's only a few agencies here, and when we go through a solicitation process and are successful in getting grants through various agencies, we're asked to trim down. There's a cap on what tribal governments could identify within that process for indirect rate.

THOMPSON: It really becomes an internal issue to each agency as to how they're managing their pool of resources. It is inherently unfair, I'll just say it that way, because as you go through the process of establishing what your administrative cost is to an indirect cost rate, that's what you're telling

the federal government that's what it costs to do business as a tribal organization.

There's only two agencies required to pay the hundred percent, and that's Indian Health Service and Indian Affairs. All of the other agencies have some other internal policy guidance that they use on their grantees that caps that at a certain percentage or they will double fund the entire thing and make you take it out of that grant award. But there is not a consistent application of that procedure across the entire government.

BLACK: Can I add to that? I think that's an excellent last point that you just made in terms of that OMB Crosswalk. Because to the point that he just made, these are negotiated rates that we are engaging with the feds. So that's the challenge with competitive grant models, especially in scenarios where they are capping that rate. So the alternate to that is those dollars coming through ISDA contracts and, therefore, mandating that full payment on the contract support costs. So that then ties into our concern again because OMB's going to tell us that \$19 billion figure that they told us before, which is why we need that transparency on the Crosswalk. But if we're going after some of these dollars but then they're adding limitations on indirect recovery, that's very problematic because the execution and performance on grants doesn't happen in a vacuum. You need those supports there to execute the program objectives, and if those aren't there adequately, we're not going to perform and then we're going to find ourselves in conversations where program or the department is saying that you're not performing adequately. So that's why we're very anxious for this OMB conversation to proceed along in hopes that they gain a greater appreciation of some of the challenges that come from these grant models.

Indian Education

MONTY ROESSEL: What you have before you right now is a presentation that reflects what we're doing, where we're going, the steps that we've taken in the past month to try to reform and transform the BIE. I think one of the first things that we heard during consultation is a greater emphasis on self-determination and listening to tribes in terms of how that would look like in reference to a curriculum, in reference to native language, history and culture. So one of the things that we changed is we added a greater emphasis on self-determination.

In doing that, in trying to go from where BIE has been in the past, which is an agency that has actually operated schools to an agency that now is trying to assist tribes and be a school improvement agency, what we've done is we've tried to move forward -- if we're going to move forward in that direction, what we need to do is make sure that we have full tribal grant support costs. If we're asking tribes to be full partners in the education and operate these schools, then they too need to have the means to operate these schools. The O & M costs that we have at schools is a big challenge the winter that we had this past year, and we need to try to find that at least greater than at the 47 percent that we currently or 55 percent that we currently fund the operations costs.

The other that we heard in consultation was that the Tribally Controlled School Act was fine as is. We had made reference about trying to change it to beef it up to provide some more accountability. We do not want to, nor do we recommend changing the Tribally Controlled School Act, which is 100-297, which is a majority of our schools. About 129 of our schools actually operate as a grant school, a handful of them as 638, and about 58 schools that we operate directly.

One of the things that we also heard is that we needed greater flexibilities from schools to actually operate their schools. And a perfect example of this is all the requirements that Department of Ed has, that Interior has. And it becomes very crushing for schools. One of the things that we've done is we've been working with the Department of Ed to try to look at waivers to help schools address some of

these certain needs that are very critical and very specific to our Indian schools, our BIE-funded schools.

Along the lines of teacher recruitment, we're also looking at how we can -- we're just now creating a recruiting office within BIE to actually look at a lot of different things. It's being proactive instead of just bemoaning a current situation; this is trying to actually address it in a way that's proactive.

One of the other things, too, is that we have started the process of the transformation, the realignment of BIE. And moving from an organization that directly operates schools to one that now works with tribes to try to provide the support for the tribes to operate those schools. So we've restructured what the field looks like -- and I'll get into that a little bit more.

This is a reflection of, again, the house appropriations. You've all seen it, we've talked about it, but just to give you an idea of what we're talking about with it, it does provide funding to construct the final three schools on the 2004 priority list. At the same time, it provides an under-enhancement. We talked about providing support for tribes in school improvement. It's an increase there. A match for the competitive grants. I just wanted to briefly go over that, but I think more importantly as I talk it's more about these are the things that we're trying to do and how we can try to move forward together in partnership.

Tribal Grant Support: if you were going to ask tribes to be a partner and take over schools and operate schools, then they have to have the tools to be able to do that. Some want to just control, some don't want to control, some say that's the federal government. But all these different levels. We have over 63 schools within BIE that are operating with tribes. And so there are 63 different ideas, 63 different policies. And I think that provides a challenge, that we can't have a one-size-fits-all. And I think as we move forward, what we're looking at with BIE is actually to try to provide a much more customer service response; what is it that the tribes want, what is it that we're looking at. And I think this is something that I think as we move forward, that's been a big focus as we move forward in this process.

Technology, we all know how we're really challenged for infrastructure, technology infrastructure at our schools all across Indian Country. I think one of the issues and challenges that is much more immediate is that we have the Common Core that's coming up, and then they have the testing that's all online. Most of our schools cannot even partake in that, and they will still be using pencil and paper as we make this transition, because our schools do not have the capacity, the technological capacity to administer these assessments. And so we look at trying to move make that turn and shift and focus on technology.

We also are in the process of developing with OFMC a six-year facility plan. We know we have a \$1.3 billion backlog at our schools, plus another almost \$800, \$900 million to upgrade a lot of our schools, so you're looking at almost 2 billion. We know we can't get that right away, but by trying to develop a plan to move forward, how do we try to upgrade these schools in a systematic fashion; you know, I think that's something that would be helpful for all of us.

On the 12 -- the Secretarial Order, and we've been moving very fast with this as we move forward. Some of the changes, the Secretarial Order came out of the blueprint, and it does two things. The first is that it immediately allows BIE to reorganize in a much more agile organization. And that's Phase 1, which we are in right now and we've already started that. Phase 2 allows us to then develop these partnerships to try to build capacity at the tribal level in the administration of the schools.

What does that mean and what have we done right now? Well, right now we have -- within BIE we have three areas. We have BIE, the ADD levels, Associate Deputy Director, levels, we used to have it for East, West and Navajo. East has now become BIE Operated Schools. Now, that means that all of the

BIE-operated schools have gone under one person. So, again, trying to define the roles and responsibilities of people so that we know who's in charge and how we can try to consolidate resources. ADD West is now the ADD for Grant Schools. This is one of the recommendations that came from consultation from the tribes, that why don't we have an ADD that's just for grant schools because their needs are very specific. Navajo has remained the same because they have 66 schools.

So what we've done in terms of providing those services, in the past we had 26 line offices in ADD structures. We've changed that to 15 educational resource centers in ADD. So we've changed the focus, though, of those. In the past it's been a management and it's been a compliance issue. Now it's about technical assistance, a resource center that we can utilize out in the field, closer to the schools. The focus is also trying to develop how do we move forward in a process that allows tribes to take over control, we provide the resources to help them with that transition.

Trying to change the culture of BIE is what we're looking at. And one of the things that we're doing is trying to change and utilize data more. When we did our restructuring and realignment into this structure where we had the ADD Navajo and we have what you see now are -- these are the Educational Resource Centers. So under Navajo we have Winterrock, Shiprock, Chinlee, Tuba City and Crown Point. And then for BIE-operated schools we have Albuquerque, Phoenix and Pine Ridge. And then for the ADD grant schools we have eight places, Minneapolis; Anadarko; Choctaw; Rapid City; Salem, Oregon; Flandru; Bismarck; and Albuquerque.

So what these Resource Centers have done, they weren't just picked out of the -- you know, by just throwing a dart at a map. We looked at our schools, we looked at the distance that schools have to travel to the Resource Centers, we looked at the enrollments, we looked at the budgets, we looked at the staffing, we looked at the kinds of complaints that have been coming into Central Office on special ed or Title 1. We looked at all these and said what kind of resources do we need. And then that's how we decided that these would be the areas that we would have our Educational Resource Centers. So we tried to do something very systematic in our approach, not the way things have been done in the past, where we just pulled things out. We looked at the data, we ran the data, we ran a lot of different things.

And I think one of the things that I think is very different about the approach that we're taking with it is the partnerships that we're taking with the tribal colleges. I think one of the things that we realized as we went down this path is that as we change, it's impossible for BIE to do everything. We need to build partnerships. And the most obvious partnership we have are with tribal colleges. And so we then looked to these tribal colleges and said, okay, which tribal colleges have the resource centers that we need, have the resources, maybe the education programs. And then we linked these tribal colleges under the different ADD levels. So schools that have education programs or early childhood programs, we looked at that and we evaluated them as a resource for our grant. So now what we're doing is we're reaching out to these tribal colleges to see what can they offer as they bring technical assistance to us and to our schools. I think it's a way that we can build partnerships across both BIE tribal colleges and our schools.

What's next? Today we released a Federal Register on the Sovereignty in Indian Education grant, which was in the blueprint. And looking at 11 tribes that have three or more schools, one of the things that we look at as we move forward and in everything that we're trying to initiate -- and I think it comes down to what we talked about here today, too, is that we look at things, then we say, "Let's just do a pilot." But then the pilot's done, and we stop. So one of the things that we said when we're going to look forward and one of the charges we had from the Assistant Secretary is how can we try to provide grants that are self-sustaining, how can we try to provide grants that actually have a life after the grant. And by picking these tribes that have three or more schools, the consolidation and being able to utilize

those funds across all other schools, these schools actually, and these tribes, if they want to -- it's up to them -- they're able to self-sustain after this grant is over. So they've provided the resources to make the decision to do whatever they want to do.

One of the things that became very clear as we were looking at policies and ordinances from different tribes on education, we realized that there is a huge discrepancy. Some of them have not been updated since 1934; they have a paragraph, and that's it. Some of them are very elaborate. So what we looked at is we said, okay, we need to try to do something. If we're asking -- again, the idea is tribes to take over -- we need to do something that can help facilitate that. So we're looking at trying to figure out how we can try to move and work with tribes to help them build a capacity with the first step, and that is to develop, upgrade, update their tribal education codes. And I think that will go a long way in terms of allowing tribes then to begin to ask their own questions, what do we want, what kind of education code do we want, what kind of capacity are we looking at, is it just going to be scholarships, is it going to be JOM, whatever; that's a decision to be made internally. But to try to create that environment to help.

And one of those things that comes down from that is again to focus on native language, history and culture. BIE spends as part of its ISEP funding \$23.3 million right now for education language programs. One of the things that we found during consultation and before is that BIE has put a lot of roadblocks in front of schools to actually implement these programs. We've taken those away. But in taking those away that means all of a sudden we're going to have a real increase in the number of students that actually are counted. So even though that number will rise, unless you build out the ISEP fund, it's just cutting the pie in smaller pieces. So one of the things that we're looking at is if we're going to talk about native language history and culture -- and I know there's a presentation after me about immersion -- that we need to make the pie bigger in this respect, that it can't be done by just making it smaller pieces that are covering more kids. So this is something as we look forward it's going to have to be -- if we're saying native language history and culture is important and we fund BIE native language history and culture out of our ISEP formula, if we do not increase that number, then we will actually be shrinking the pot for what's happening with the kids. And so I think that's something that I think we share together because that makes Indian education Indian education; it's not teaching American history but it's teaching native history. And so we need to try to find a way we can work together to move forward in that respect because that's a big initiative that we have. We had a very constructive meeting yesterday, and I think going along those lines I think how we can try to move forward.

Again, the other thing is teaming with the TCUs. We're working on that now. I have a meeting with AIHEC later this week to talk about in specific how TCUs can help our BIE schools and how we can try to move forward. I showed this earlier. That kind of gives an idea of what our schools look like and what tribal colleges are associated with our schools and close to our schools. We've broken this down. And so we're going to be going to AHEC asking very specifically these are areas that we need help in; what can we do.

You look at our enrollment of BIE-funded schools by grade levels, look at our 12th-graders, about 2,400. The undergrads, first-time undergrads in our tribal colleges, 25. And what we're talking about as we move forward is how can we try to get more of our students in BIE to start going to TCUs, providing that bridge. It helps the TCUs, it helps us.

SAM: I've never really seen a mission from the BIE. In Alaska we used to have these -- I'm not sure if we called them boarding schools but tribally-driven schools. I think because of environmental reasons and other reasons, they were old military sites where the schools were housed, that these eventually got shut down. They never got reintroduced into the system. And as I alluded to earlier about the No Child Left Behind Act and where kids from the villages get going from the hubs into the

hubs into the bigger communities, and they eventually hit the streets or into drugs or other things and never get back into education or never get a high school diploma to make themselves more employable or more involved with society. With that being said, I'm curious about your Education Enhancement Program. Are these just driven for BIE schools, or would you be talking about schools that provided educational opportunities to tribal students?

MONTY ROESSEL: The enhancement funds are just for part of the BIE-funded school system, so they're a part of the enhancements to the ISEP, which is our base funding mechanism. So the answer would be with those funds it wouldn't be possible.

SAM: You mentioned the language. And I just have a suggestion. We have a bunch of foundations that were developed in Alaska, South Central Foundation, Sealaska Heritage Foundation, and I'm sure there's other foundations within our region that probably would be happy to marry up monies to probably rejuvenate the different language barriers and so we continue to keep our language within our communities. That's just a suggestion. Thanks.

HALL: I'd like to make a motion that TBIC in coordination with Monty Roessel, our BIE director, develop a strong policy statement and reaffirm the trust responsibility on any reorg of the BIE, because as Monty said yesterday, the BIE's going to be different, it's going to take a different role.

CHAIRMAN ALLEN: This morning in tribal caucus out of the NCAI midyear came a proposal that we discussed this morning about the idea of establishing a TBIC task force to collaborate with BIE with regard to the review of the programs and how to better administer the programs. We haven't identified a charge, but I'm suggesting that we would establish that task force and that be part of the charge to identify how the trust obligations would be incorporated as a part of their mandate and the responsibilities, as well as reviewing how it is organization itself to improve the services, and in conjunction with the Department of Education.

So we haven't identified that charge, but we thought that task force would be a good idea. We had a couple of people who had stepped up this morning. You got a little one-pager that identified what the objectives are, and we can incorporate that into it.

Well, if it's agreeable, we can convert your motion into establishing that task force and if you could help us by identifying some Great Plains representatives, Navajo, as well, Arbin, without a doubt, and anyone else who wants to sit on it. There's not a restriction on numbers; we just said let's just establish one that everybody who has an interest in this working with Monty on it and the --

HALL: I'll amend my motion to that effect of establishing an Indian Education Task Force.

BIE Education Taskforce Motion

- **Tex Hall and Jimmie Mitchell moved and seconded a motion to convene this TIBC taskforce. Motion: To convene a TIBC Task Force to study funding constraints of the Bureau of Indian Education (BIE). The Taskforce will ensure BIE develops a strong policy statement on any reorganization of the BIE and how the trust obligations would be incorporated as part of their mandate.**
 - **Volunteers: Sam Thomas, Chris Redman, Navajo, Carrie O'Toole, Jimmie Mitchell, AJ Not Afraid, President Mark Azure, Fort Belknap, Richard Lundermann from Rosebud. Motion carries.**

RICHARD LUNDERMANN: When are TCUs going to be brought in, and where's the funding going to be from? Is that going to be just another, we're going to divide the pie up and make it a little smaller? You know, I don't really think that will work. We need some more money to bring TCUs in. And they're

going to be critical. Tribal ed departments, also, we need money to develop them. Like Rosebud; I think Pine Ridge is quite a way, some other places, Navajo, for sure. But \$2 million doesn't go a long way.

The enhancement dollars -- I mean the ISEP dollars, at a minimum, in our region we say at a minimum we need 80 million more in ISEP.

School construction is critical. I mean, how can you expect kids to learn when the walls are patched up and the cold -- you know, I mean, sometimes they don't have heat. You've already mentioned that they're \$1.3 billion behind in that. And realistically, it's probably three times that. We have some really rundown schools on the Rosebud, and our kids are going there every day. Transportation is a big issue. School lunches; our kids are hungry every day. I mean, all due respect, First Lady has more emphasis on exercise and all of this, but at the same time, portions were reduced. Kids burn up more energy and eat less, it's a no-brainer; they're hungry. Our kids are going -- sometimes that the only reason we can get them to school is because they get breakfast and lunch, which is good, but it's still not adequate.

MONTY ROESSEL: Okay. In terms of the TCUs, as I mentioned, I'll be meeting with them this Friday. They're having their board meeting, and so we're going to be talking very specifically what can you offer. In terms of funding for that, with our BIE school system our schools get about combined over \$200 million in professional development. That professional development goes to consultants and people and just -- it's not directed in a direction if you look at 183 schools, it's 183 directions going outwards. So combining schools, like let's take Navajo, for example, they could get together, and those schools at Navajo, you have one Navajo Technical University in Crown Point in the New Mexico side and Diné College on the Arizona side. They could work together with schools and tribes, and that funding comes from the schools because it has to go somewhere. Right now it's not being utilized in a good manner. Those schools that have -- those TCUs that have that capacity to provide that technical assistance with a cultural relevance so we don't have to go through and try to bring people in from the outside.

So our first step is to try to build that foundation and to assist of how do we try to redirect the conversation to say if we're going to start talking about assessments, we need to first talk about policies. Because what ends up happening is a school then says I don't want to listen to you. You know, that's what we find in our schools right now. Tribes and schools, a tribe says you will teach this, and a school says no, I won't. Show me where it says I have to listen to you. You know, we have these conversations. So policies are very important of defining the roles and responsibility and accountability. Once that's declared, then you can start building.

As I mentioned yesterday, Navajo is in the final process of developing their own accountability and alternative definition of AYP. So they would be developing their own standards, their own testing, their own decision. The Miccosukee is in that process also. What we envision is it continues to grow: one tribe, another tribe, another tribe. And then at that point we're not making those decisions, but the tribes are making those decisions. Until we get there, the BIE acts as the SEA, they make the decisions on standards and assessments. But ultimately the hope is that then shifts to the tribes. But it's not just say here it's to be able to build and help build that capacity as we make that transition. And that's what we're really looking at. That's what the Sovereignty in Education grant does, I think Head Start. And looking at ways that we can try to help tribes take a look at their policies to start building that foundation. So that's what we're looking at. So some of it is taking that first step and knowing that it is a long journey as we move forward.

RICHARD LUNDERMANN: Thank you. And then one last question. Is there money available if a tribe wants to develop its own model? An alternative model to what BIE is using now and what public schools are using.

MONTY ROESSEL: Yes. The Sovereignty in Education grant allows whatever model -- whether you call it teacher quality, like Title IIA, it comes back to how are you going to ensure you have good teachers? How are you going to ensure that students are learning? So whether you use testing or some other method, it's about creating then an accountability to show okay, if kids aren't learning, then what do you do about it. So however that model looks, it's just really a practical common-sense approach. We're going to teach this, and then we're going to know that if a child learns this; and if they don't, they're going to do this.

DAVID GIPP: I've been President for the past 37 years of United Tribes College, and now I'm a chancellor, which means -- I'm not sure what that means yet, but we're working on that one. In any case, it's resource development. But I was just appointed Saturday to the Cobell Trust board that will administer the education funds under Cobell under the court-ordered agreement. And so it's a five-member board. I know a bit about the background based on what I've either read or been told, but I'm kind of walking into this very cold and in the sense that I'm not sure exactly where they're at. And as I understand, the Cobell board is very much, that board is very much in the process of creating its process, procedures, and the way that it's going to implement the distribution of education funds. And so I think there are probably a lot of open topics. And I've had the privilege of attending these meetings and others and listening to the various tribes about your concerns. And to that extent I certainly will try to present those to the other four members of that board.

There is an agreement overall that is between the government, the American Indian College Fund and sanctioned by the plaintiffs and the court. And so this agreement basically allows for funds to be distributed for educational scholarships as it turns out. And about 80 percent of those funds under the agreement as I understand it would go to the American Indian College Fund. But the trust, the board I'm talking about, the Cobell Board, would set the standards for how these funds are then distributed. And the college fund would distribute 80 percent of the funds that are available based on the sales, of course, as the assistant secretary outlined in his description to you earlier today. Another 20 percent of that then goes to the American Indian Graduate Center to also distribute funds under their graduate programs. And that's about as much as I have right now other than some documents that I'm beginning to review and I'm receiving literally over the e-mail at this point. So I will keep you posted as best I can.

The only other thing that I have just become aware of -- again, I don't have any details -- is that the Cobell Board, by that I mean the four members, not including myself, have decided or about to decide, I think, whether they will incorporate as a separate corporation and whether they will seek a 501(c)(3) status, which is the non-profit status to receive non-profit monies for distribution, in this case, of education funds. Currently the American Indian College Fund has that status, and it's their umbrella that this board would have used to make such distributions. So I'll find out more about that in a conference call tomorrow with the other four board members.

BRYAN BREWER: You know, the scholarship money, we do have a lot of concerns about how it's going to get out. And I really believe that, speaking from the Great Plains, that the money that's generated that will go for this I believe should stay in our region. And this is -- but we have a lot of questions, and we're hoping you'll be able to -- you'll represent us well, Dave. But thank you for being on that.

DAVID GIPP: On that point, I have just learned that about 3 million -- and I think this was stated by our assistant secretary earlier -- has been released for initial scholarships. And a little bit of that goes for some administration. And I don't have the exact breakdown. But this is where the board, the Cobell Board, will have to decide how that money is going to be distributed or how it's prorated out, as I understand.

Native language immersion initiative, Ryan Wilson

RYAN WILSON: There's the Obama platform from 2008 is one of the papers in there. Underneath that is the Great Plains Tribal Chairmen's Association Resolution, an NCAI Resolution, a United Tribes, a North Dakota Resolution, and an NCAI letter to Chairman Tester. And on the flip side of that packet is Wilson testimony for the House Interior Appropriations Subcommittee. And the issue that I'm talking about is a BIE Immersion Pilot Project and asking the TBAC people to consider trying to promote this in FY '16 and '17 budgets that you'll be looking at and endorsing.

And we've got a situation here with the realignment of the BIE. And those of you that were around back in '04 and '05 when this was happening, we were told at that time this is going to be the best thing since sliced bread, we're going to raise test scores, we're going to consolidate, we're going to really increase our services, we're going to get these schools up and running good. Ever since then, our test scores have gone down, we've never been able to create a methodology to really track what is the in-service, what's the boots on the ground, how are they really impacting these schools. And that whole realignment happened without any congressional oversight, as well. And we were asking at that time for more of that, and it didn't really happen.

And what Dr. Roessel was explaining today is they're moving forward with or without us. They've already done their consultation, they've already received tribal comments, and they're moving forward. And what I'm trying to say is take a look at this and the pilots that they're trying to create. And I want to really have you focus in on the incentive grants that they're proposing in there. And these are very similar to a repackaged version that they had a couple of years ago, which were the school turnaround grants and really using Department of Education models to do that.

When the President rolled out his executive order on Indian education and it promised native learners the opportunity to learn their native languages, we felt that meant acquiring a fluency, not being exposed for 15 percent of the day or 50 minutes of the day.

And so I'm asking you today, if you look at this testimony that's on the right side of your folder, it's a request for \$3 million for Bureau of Indian Education Demonstration Projects. Now, whether you call them demonstration projects or pilots, it's the same thing. And this would be additional to operating support. And I'm asking you guys to consider that.

The house interior appropriations report language on page 45 says, "The committee is supportive of standards and curricula that emphasizes tribal history, language and culture. As alternative proposals are considered, language immersion should be carefully considered as a serious option for improved language development and student outcomes." However, the house interior appropriations didn't put any money behind this.

So we're getting close is what I'm saying, and I think the TBAC tribal leaders can support \$3 million. And I'm asking for you to consider that. And perhaps one of the tribal leaders can put it in a motion that you would include this in the FY '16 request and also the FY '17 request, which I know you guys are working on right around the corner, as well.

\$3 Million Education Motion

- **Chairman Hall and President Brewer moved and seconded a motion in support for \$3 million for Bureau of Indian Education Demonstration Projects.**

Motion carried.

Second Day

Approval of Minutes

CHAIRMAN: Thanks, Sam. Let's give our host tribes a round of applause you guys last night. We do need to approve the minutes. We deferred the minutes to this morning.

- **Sam Thomas and Jimmie Mitchell moved and seconded a motion to adopt the previous meetings minutes. Motion carried.**

OST Update, Jim James and Vince Logan

JIM JAMES: Thank you, Mr. Chairman Allen, members of the committee. My name is Jim James. I'm the deputy special trustee for field operations with the Office of the Special Trustee for American Indians. I'm pleased to be here. I want to thank the Montana-Wyoming Tribal Leaders Council also for putting this on, hosting the event last night and hosting this event and the other meeting with Colt the other day.

I just wanted to bring the committee up to speed from our last report to where we are. As folks know, not a whole lot has changed in terms of the budget with regard to OST. In 2014, we were a total budget of \$139.7 million. The proposed 2015 is a flat \$139 million even. It's been reported out of the House Committee at that level, but there hasn't been any action on the House floor or by the full House. There has been no action in the Senate so far on that. So as far as what's going to happen in September or October 1, I think maybe Mr. Roberts or everyone else has probably said it's pretty likely that we're going to be looking at a CR. And so the continuing resolution at least for us is going to be at the 2014 level. We don't know yet what that allocation will be, but so far all the indications are that that's kind of going to be what we're looking at.

I have the honor of introducing the latest special trustee who was just sworn in a couple of weeks ago. He first reported to duty, his first day of work was July 7, 2014. Vincent Logan, prior to joining the Department of the Interior was president of the Nations Group, an investment consulting firm in New York. The Nations Group works with tribal nations on asset management and investment strategies and is the leader in the financial, education movement in Indian country. Previously, Mr. Logan worked as a private banker at Merrill Lynch; a finance attorney at Schulte, Roth and Zabel in New York; and in the antitrust division of the U.S. Department of Justice.

Mr. Logan was educated at Oklahoma State University, the University of Oklahoma College of Law; Queen's College, Oxford University; and the Columbia University School of International and Public Affairs. He holds Series 7 and Series 66 registrations and is a member of the Investment Management Consultants Association, the American Bar Association, the Federal Bar Association, the Oklahoma Bar Association, and the Global Association of Risk Professionals.

He's originally from Norman, a member of the Osage Nation, and has resided in New York City for more than 20 years.

So it is my pleasure to introduce Vince Logan to provide a few comments to the Interior Budget Committee. This is an important event. Mr. Logan, despite the fact that he's only been on the job a couple of weeks, because of the stature and the importance of this committee, we felt it was important for him to come and at least provide a few words and meet the principals of this committee. Mr. Logan. Welcome, Vince.

VINCENT LOGAN: As I said, I am honored to be here today bearing in mind that I've really been

on the job less than three weeks, as Jim said. But I'm happy today, and I'm happy to be here.

First of all, I'm Vince Logan. I am Wah-zha-zhe, Osage. My name is Hunka-zhe-na-zhe in Osage. My parents both served this country in the military and they are both interred in Arlington National Cemetery not far from the Department of the Interior. Speaking of my parents, the reason why I'm talking about them today is it goes hand in hand with what I would like to accomplish in this position.

When I was young, my father and mother took me to visit the Osage agency. We had a meeting with the superintendent at the agency. Not to give anything away, but this was in the 1960s. So my familiarity with the Bureau of Indian Affairs leading to the Office of the Special Trustee has been since the 1960s. As an Osage, I can tell you we have had plenty of issues that have come along since that time, decades of issues. So I have some familiarity with some of the things that we are discussing here and some of the things that we're discussing in Washington as we speak.

As with my parents, once again, they stressed education. As you heard, I went to OSU, OU Law School, and Columbia in New York. When I went to Columbia, I was really going to stay in New York for just a few years but somehow one thing led to another and I got a job on Wall Street. My first job was in corporate finance. They assigned me to the shipping department. I worked on financing the huge ships, luxury liners, and the big transportation companies in New York.

They also put me in the aviation division. So most of my work as a corporate lawyer and a financial lawyer was in big-ticket items. These are \$400 million to \$500 million lines and aviation lines that are well into the billions of dollars. Being a Native American, however, I did want to work with tribes but this is going back to the late '80s. There really wasn't much in terms of tribal business for the big-ticket items and financing the big projects.

I went to the antitrust division in D.C. While I was down there, I became very involved with the Native American Bar Association in Washington, D.C. I met Wilson Pipestem and Keith Harper and Mary Pavel, the people you all know. I wanted to be more involved with tribal business. I wanted to be a part of the community.

At that point, I decided to transition into investments. But first, I went back to New York and I worked for a hedge fund law firm in New York which is really my background. I spoke to the partners there after a few years, I guess about six or seven years. I decided to move to the asset side of the balance sheet. They put me in the private bank at Merrill Lynch where I started my investment career. This was, I guess, eight years ago. I got trained. I went through all the securities licensing. Then they sent me out to work for clients.

I chose to work for institutional clients. This is the first thing that is most germane to the OST. In case you don't know, institutional clients are college endowments, religious organizations, pension funds. And so my clients were primarily college endowments. We also worked with high net worth families in New York as well. When Merrill was bought by Bank of America, I started my own investment advisory in New York and I focused on tribal clients. I hit the road. I see many people that I knew from the road and I would stop by and I would come to tribal offices around the country and talk to them about advisory services. Some of you opened up accounts with my business.

But one thing that I noticed when I spoke to most tribal leaders - once again, this is going back to the OST and the mandate of the OST - tribal investment committees and tribal investment officers don't feel that they are on the institutional level when in fact they have hundreds of millions of dollars as people know, and sometimes the accounts are not so large, but they are an organization, they are a sovereign nation. They fit and they match all of the institutional characterizations that I knew back in New York. In fact, my value proposition when I went out to Indian country was I would say invest your money like a university endowment. Start boards, get mission statements, do the metrics behind your

investments, and teach your youth the industry of investments. That was my message to tribes. Many of you agreed. No one has a problem with that, don't get me wrong. But it's doing it is the hard part. That's where I am today with respect to the investment side.

I'd like to talk to you a little bit about the bond market. I don't really know how much familiarity you have with the bond market, but it's very specific and it's very different than the stock market. In the stock market, we all know the prices; it's scrolled on TV. You can look up the price of any equity position at any moment in time when the markets open. It's there, we all know it. We could trade. You could buy the shares if you wanted to.

The bond market does not work that way. The bond market dwarfs the equity market. The prices on bonds are not posted. One has to go to the trading desk in New York to purchase bonds and to trade bonds. They say it's not really behind the scenes because it's not really behind the scenes, but it's not easily available, the pricing. Why I bring that up is, of course, the OST, as the investments are limited to the bonds. I can talk more about that at a point if you have questions as to why and the history behind that.

What we have in New York and globally in London, in Hong Kong, in Los Angeles, we have big money and big players trading trillions of dollars in the bond market. It is a club. You have to be a member. What we call it is to play in the market and to execute your trades. So if I told you that there are organizations out there that manage assets, collect royalties, invest money, and distribute revenues, these are called sovereign wealth funds. They are all over the globe and they are all over this country. What does that also sound like - managing assets, collecting royalties, investing money, and distributing revenue?

So my message today is I want us to start thinking about that because if you look at the pure definition of a sovereign wealth fund, the OST fits right in there. There's nothing different. That's what the OST does. I don't have to tell you that. You all know that. The main difference though, and this is the most important difference, is we're going to lay the trust obligations on top of the sovereign wealth fund. So what we have is the OST is it is a sovereign wealth fund. In fact, in my calculations, it's about the 45th largest sovereign wealth fund on the globe. We're a little bit ahead of Vietnam. Their sovereign wealth fund is a little bit smaller than ours, but they don't have the trust level on top of it.

In the trust level, in the fiduciary duties as part of being a trustee, that's the most important thing about this job. I want to tell you briefly how I view that. Quite simply, the fiduciary duties that I have as a special trustee are the following. I am to place the interest of the beneficiaries above all else. That's above all else – my own personal interests. Of course, I am an account holder, I'd like to add. But it's the beneficiaries, their interests are above all else. That's my job. To even boil it down to the most basic point is I am working for the benefit of the beneficiaries. That's kind of easy to remember. It sounds good. But it's very important. I'm working for the benefit of the beneficiaries.

So given the sovereign wealth fund model and the trustee fiduciary, putting all of that aside that's a lot of financial investment terminology, I am here to work for the benefit of the beneficiaries. That is it. Now I've undertaken this journey knowing I have familiarity with the topic and that I have an IIM account, and that being an Osage, I've a long history with the Bureau of Indian Affairs. I am now at this point where I'm on this journey. I ask you to join me on this journey. Each of you has your own stories. It can be part of this. As we move forward in my new position, I want you to join me and help me out. In speaking to the beneficiaries, always know that I'm looking out for your interests.

Now, I've only had three weeks on the job, so we have very limited time because this is a political appointment. Given that I have limited time, I want to talk about one thing. I am going to use the word efficient. I know if I juxtaposed efficient with Indian affairs, a lot of people.

This is an example. I'm meeting staff in Albuquerque next week. I don't really have the time to go out there and meet everyone and talk about what do you do for a living? I need to go. We're starting very early Monday morning because we have very limited time. So it's an efficiency in the OST that I bring. I do not need really to go into the history of the OST, I know that. I remember the Reform Act. I've seen it as an outsider. I know how that operates. So we need to start. We're going to start very early Monday morning. Yet, let's not forget that I have to be very thoughtful about what I do. We're going to be very thoughtful and methodical about my approach here.

Now, I don't as a professional like to go around making promises I can't keep or making promises and forgetting them as we leave the hall. So when I thought about what I'm going to talk to you about this morning, I did write down two things, two promises which will not be difficult to keep but it's going to be hard to execute.

Number one, I promise to listen to the beneficiaries and hear their concerns. I also promise to understand them. I'm not one to sit in a meeting and just have people speak to me and not take it in and be very thoughtful and try to understand where the beneficiaries are coming from. That's what I promise to do.

I'm a New Yorker. I'm going to ask you many times, can you get to the point? I don't mean to be rude but we have very limited time, and there is a point. There always is a point. I want the point. I need to know what it is that you want me to process. What do you want me to understand? I promise I will do that.

The second promise, this is how I want to go forward. I want to talk about financial education. It has been the keystone of my business. It has been what I feel we need most in Indian country is financial education. Well, we need many things. We need engineers and doctors. We need a lot of things. But one thing we need is financial education. I'm talking about financial education for tribal leaders, for individual beneficiaries, but just as important, financial education for our tribal youth. We *have* to do this. We have an obligation to our children to bring them up in a world knowing their culture, their language, their ancestry, and financial education. It might not seem to fit in that same category as culture and language, but I can tell you, it is our obligation. And it is the obligation of the OST to bring forth financial education.

Now, when I was here yesterday, I met a lot of you. I can tell you that some of you expressed concerns back home of which I knew some them and many of the things are very new to me. But every time someone talked to me, I noticed that what was happening is they were missing one component back home and that was internal capacity. Meaning for example, if it was an energy idea, an energy project, the tribe itself did not have the professionals on staff to work that energy project. That's not news. We all know that. In my career, I worked on ag business ideas. We also don't have agriculture economists and scientists. We just don't have them internally. What that points to is we need to build our professional classes.

You're going to hear me talk a lot about that because it is the mandate of the Office of Special Trustee through financial education, the point is to build the professional classes and to stress education. That's what I want to do and that's what I'm going to do. It might not be the message that you've heard in the past. We're going forward; we're moving on. In moving on, we're going to talk about this. We're going to talk about building our professional classes. That will so much help Indian country and is the one thing that I know I *can* bring to the table.

Going back, I promise to work for the benefit of the beneficiaries. I'm going to work as hard as I can. I'm going to bring efficiencies to the table. It is what we need to do. Given the time and what has gone on before us, I can't go back. I always say I threw my rearview mirrors away. I really don't have

that much time to look back. But I'm going to be very thoughtful and methodical. We're not going to rush into anything. We've got to do this the right way.

Once again, I'm very happy to be here today. I feel not only welcome here, but I feel that there are lots and lots of ideas and concerns in this room. I wish I had time to sit down with everyone. I can't promise I will sit down and talk to everyone. But I'm going to be around for a few years, so hopefully I will get that opportunity along the way. I'm going to get out there in the field. I'm eager to do that. Of course, when you're in Washington, you know where I am. I'm on the third floor. Kevin's on one end of the building, I'm on the other. But anyway, I want, again, to thank you for inviting me. Jim, do you have any concluding remarks?

CHAIRMAN: Thank you, Vince. Let's give him a round of applause, you guys. We are always very appreciative and thankful to find talent like you in the private sector who's willing to come in to the federal government and to take on these roles. To say the obvious, the OST legislation mandated certain credentials. People who have the kind of credentials you have, it's hard to recruit. I know that was a challenge for the administration and you were willing to step up. I've seen you in the fall meetings and forums out in the financial world, so we definitely appreciate you stepping into this role. We'll open up to some questions for Vince, any questions from the delegation? Gary?

GARY HAYES: I appreciate your vision for OST because it has been long overdue. I know many times when we go to Albuquerque, they just tell us what we have and that's really about it. The communication dialogue needs to know, what does the tribe really want to do? Because there's so much turnover, there's lack of continuity in tribal governments at times. Many of those individuals who are called to serve as tribal leaders don't have the background that you have or even the basics of financial literacy. I'm just glad to report that that was an issue that I brought up to Albuquerque, down there. They came up and gave us, our new council members, financial literacy, and what the overall mission and responsibility that OST has, as you talked about fiduciary responsibility.

LOGAN: One thing that I've seen in Indian country, and I've been out to visit you guys, that you kind of have two choices. You can leave it to outside managers and outside organizations to manage your assets, or you can develop internally your own capacity. That is what you're talking about. That does cost money. People have to go to school. They have to be licensed and they have to receive accreditation. Hopefully, you draw on your youth.

Here's an idea. Get the best math student in your school. People who have a mind for mathematics love this industry because that's what we do. Start thinking about perhaps recruiting the young people, the young professionals and pull them aside, and say, we need to develop our own investment boards and our own investment committees. Be mindful though that it's going to take education, training, and accreditations. I mean it is a long road. That's of course the path that I recommend, or you just leave it to outside advisers. But someone once said you're a sovereign nation, act like it. I changed that a little bit. You're a sovereign nation with a sovereign wealth fund, act like it. That's the road that I would recommend. You're going down that path. That's wonderful news. And, yes, let's keep going.

CHAIRMAN: Vince, a couple of things I want to raise. We regularly get updates from OST regarding what's going on. More often than not, in recent meetings, it's been more of the update on the budget with regard to the operation. I think it would be helpful at the next meeting, which will be in D.C., to provide us maybe an organizational chart overview so that we kind of know what goes on in your office in D.C., what goes on down in Albuquerque and so forth. So that operationally, we have a handle on what OST, how it's carrying out, as well as the Cobell implementation functions that are out there. David Gipp reported that he is now being appointed to the Cobell Education Fund oversight.

How we're moving forward is a big issue. We have said many times in past meetings that we are looking forward to whenever we hear about a game plan on how OST transitions back in to BIA in the sense that we're one family, not two different organizations. That sometimes is characterized as dysfunctional in terms of their relationships and responsibilities, the functions that the BIA carries out versus what the OST does in that interrelationship. That is an important thing for us to know and understand how we're trying to move that agenda forward.

I know that in the settlement came the commission. Tex was on that commission with Fawn Sharp and Bob Anderson and a few others. They gave a report to the administration. Larry was just telling me that you and the secretary are discussing the responses to their recommendations. I think that we're going to be very anxious to hear what your responses are to those recommendations. They made a number of really solid ones that I think are as important. I can't remember exactly when those responses are due if there was a date on that subject matter as well. So I think it would be helpful for those of us who are kind of sometimes on the outside looking in what's going on with OST, what's going on with the Cobell settlement, how well is it being implemented, on top of the overarching improvement to the trust obligation that you're referencing. Those are just some suggestions and recommendations from my perspective.

JAMES: Yes, those are great recommendations, Chairman Allen. We will certainly do that when the next meeting occurs. I think that's a great idea. We can bring the organizational charts to see where we're at. As Mr. Roberts indicated, everybody including OST is working on those recommendations. There were 20 of them specifically that were kind of identified as high priority, if you will. Many of them I think are really attainable in the short term. They make sense. They help streamline the efficiencies. They're absolutely in line with Chairman Hall's and others' recommendations as commissioners.

One of the things that we're working on right now is developing a customer service survey which was one of the specific recommendations. So we can see whether beneficiaries think there has been an improvement in the delivery of trust services, what we can do to make it better. But it's not just to the individuals. It's also to the tribal leaders because the tribal leaders are the ones that actually spoke out initially and said we need the accountability.

I just wanted to also go back to Chairman Hayes' comments because that's one of the things that we've been trying to advocate and provide financial management information to tribal leadership across Indian country. For new tribal leaders, I've always advocated the possibility of an orientation session or something similar to that so that the new tribal leaders coming in will be aware of not only what OST does but also the Bureau of Indian Affairs. I think the Bureau's been very responsive at the local agency levels and all the way up to management to say we do need to let tribes know, how does this operate? How do you operate within the federal system? What can we do to help you?

THOMAS: Yes, Mr. Chairman. At this point on, I think that we need to possibly have a budget and come back to us to show us the financial capacity of OST. I think it's important for us to see if they're fulfilling their fiduciary responsibility back to the tribal nations that they're representing. So I think it's very important to see that footprint.

CHAIRMAN: We'll put that on our request for the next meeting in November, Vince, if you guys would. Tex.

HALL: I have just a couple of quick questions or comments on the investment side and on the "whereabouts unknown." On the investment side, what's the direction you think OST will go in terms of beneficiaries or tribes that have substantial holdings in OST? I don't know what the current rate is right now. Maybe you know off the top of your head. If tribes or beneficiaries are thinking that the investment return is very low if it's at 2 percent or 3 percent and can't get much larger. With a private

investment firm, it might look like OST might not be managing money like it could be or can be. Because beneficiaries are thinking this is too much of a loss for us to keep managing in OST.

The second thing is on “whereabouts unknown.” I don’t know how many. Do you have an idea of how many are still addresses unknown? What’s the game plan to catch up to that?

LOGAN: With respect to the investments, and then we can address the “whereabouts unknown.” As an investment professional, someone walks into my office and asks about investments. They say they’re getting 2 percent over here and they’re getting 18 percent over here. Of course, the obvious answer would be to follow the 18 percent. The problem with that is risk. There are many, many types of risks out there. As a professional, we run risks of investment risk particularly with the equity market. We don’t face that in the bond market. But it’s a very complex formula as how you balance that risk. You’re also asking about inflation risk. Right now inflation is low. But as the special trustee, I’m looking at the inflation rate every day. I’m looking for movements.

Everyone who either works with tribes or have tribal beneficiaries or IIM account holders, if you’re going to know me, you’re going to know I’m talking about inflation every day. That is what we need to focus on. We’ve got to be mindful of the inflation rate and the changes, the delta in that. That will affect the risk on the investment side. Sometimes, it’s safer to be in bonds, I’ll be honest with you. We are investment professionals. We have people on staff there. We know that. Sometimes you move.

But in our case, we’ve got statutory restrictions. The statutory restrictions, as the special trustee, I’m going to look at those again. It’s fair. It’s fair to look at things. I’m looking at memos that were written decades ago in the file. I’m looking at the original legislation, which I think is from 1938, on how Indian money is to be managed. We’re going to look at all of that because it’s in the interest of the beneficiaries that I look at that.

Now, I cannot promise we’re going to have sweeping changes on the investment side. What I can promise is that anyone who comes to my office or talks to me about investments, we’re going to discuss inflation. That’s going to be like the first thing we need to talk about.

Roads, Leroy Gishi

LEROY GISHI: I want to point out that transportation is constantly changing. It is something that we have in recent years in particular. We might have a continuing resolution. I think we’ve had continuing resolutions since 2001 in the program. Every five or six years, we go without a highway bill for a while, while we kind of regroup in terms of a new Highway Act. But we have one additional thing this year that you will see in the update, is the Highway Trust Fund has run out of money. And so that’s a new element that’s kind of thrown in there that people certainly in the transportation industry are having to deal with and certainly Congress right now is having to work through that process.

Road Maintenance. The general definition of road maintenance is very, very broad. This is very general. It’s important to note that road maintenance and road construction are two very, very different elements. Road maintenance, of course, the purpose is to maintain, not to improve or reconstruct. That’s critical in this process. Its purpose is to ensure the road that has been constructed regardless of whatever standard or improvement is maintained in its as-built condition. In other words, you build a road; you try to keep it as it was built for as long as you can, and that is handled through road maintenance.

Certainly, the road will deteriorate during the life, and those are factors that we have to deal with. Everybody knows that when you get a new home, when you build a home, it doesn’t stay that way forever. Eventually, things start happening - roofs start leaking, central air or heater start going out and

water heaters and so forth. It's typical also certainly with roads.

There are things that eventually road maintenance can address, and that begins a cycle of going back into reconstruction. So it's part of a process of transportation but it is certainly separate and distinct and unique. It starts the minute you have the ribbon cutting. One of the former assistant secretaries, who was very familiar with transportation said, "There's nothing glamorous about road maintenance. There's never a ribbon cutting at a road maintenance activity or project. It's just people do it and you move on." For that reason, sometimes it takes a backseat to construction as a whole and the whole emphasis of having new construction and that's very much a big part of what we have to deal with.

Road construction funding is authorized for the improvement and reconstruction of roads, not primarily for maintenance. It was geared that way. We've seen some changes recently in the law that we'll talk a little bit about that. In the BIA Road Maintenance Program, about three-fourths or 75 percent of the roads are earth roads; in other words, gravel surface or unimproved earth. That's also a big factor because when you have those types of roads, the investment in maintenance of those types of roads is much greater than maintaining roads which are surfaced. And again, the process is very similar, but the amount of effort put into it is certainly reduced initially.

Road sealing is a preventative maintenance activity. It is allowed under the Title 23 Program, which is the larger pot of money that we receive from Congress without any restrictions of course. So that's an added element that not all other institutions have, is that we have the ability to seal our roads as part of our trust-funded activities, and, in recent years, also to maintain our roads using those funds. But it's based on a restriction of 25 percent or 500,000, whichever is greater.

These are factors that kind of are out there and not a lot of people know them. There are 345 locations, reservation lands or whatever, of which we have BIA roads. That means there are a number of places where we don't have any BIA roads. There are approximately over 29,000 miles of existing BIA roads and over 900 bridges that are in the system.

Here's an interesting fact: 85 percent of the BIA roads are in six of the 12 regions. So again, there's an area where we see a heavy concentration of BIA roads. And of course, the funding has varied from as high as 41 million in 1992 to a low of 24.1 million in FY 2013. And then, a little bit of association with the miles during those years are about a little over 20,000 miles in '91 and a little over 29,000 in 2013.

Another interesting fact about BIA roads in general is that 75 percent are earth, gravel, or primitive; in other words, unimproved. That makes a big difference when you're looking at roads that primarily if there's 75 percent of them out there, they're generally being travelled by people on a daily basis and utilization of these roads are important.

The allocation methodology is based on historic percentage. Historic percentage, meaning the breakout happening at the national level, and then going out to the regions primarily because of the fact that through the years, we have not seen any increases, and in fact, as you can see, we're seeing decreases through the years. In recent history - there's a little about just kind of what those amounts are - anywhere from 26.5 million to what we're seeing again in 2013 of 24 million, a little over 24 million.

Bridges. We've seen that in the last 10-15 years that an improvement from 25 percent, the nation's bridges that are deficient, close to a million bridges out there that are public bridges are about 25 percent and it kind of stays right at that area; 25 percent of them are considered deficient. We were right about that number, about that level here, about 10 years back, but because there has been an investment, a dedicated fund for bridge, replacing and rehabilitating deficient bridges, we've seen that

number drop down to this past year at 22 percent. These are the BIA bridges of course. So you can see that from that standpoint, there has been an impact in that area.

And then, first of all, roads which are constructed in the current year, five to seven years down the road, there needs to be a major investment in road maintenance obviously on an annual basis. But at that point, you start taking a look at resealing roads and surfaces and taking a look at what can be done to prolong the life of that road. Again, maintain in the as-built condition, not improving it because we can't really do that. That goes into that other area of construction.

We're in a unique setting because the contracts that we have, the agreements that we have in the Tribal Transportation Program are we signed an agreement and you can draw down the funds immediately. The states on the other hand work off of, again, progress payments, projects that are approved, and a lot of those will be impacted because they may not be able to move some of those projects forward if they don't have a resolution to the solvency of the Highway Trust Fund.

On top of all that of course, we know that MAP-21 is expiring here in September 30 so they have to be able to pass an appropriations act. They have to either extend or renew the highway authorization which is going to expire, and they have to find a solution to how to find money to support that program. Recently, the Congress passed an extension of the Highway Trust Fund solvency problem through May of this year. There's discussion on the Senate side, and eventually it will all come to a head, I'm sure.

But the point being that in a critical time when we're coming off of sequestration in other areas, this is another area that from a transportation standpoint it's going to continue to be with us at least for the foreseeable next two to three years. Ultimately, looking at something to be able to get a long term Highway Bill and to see what its impacts are of course is where the program will have to be able to respond. And there may be some changes in just the way that we do business in tribal transportation. So I wanted to leave that with you. Are there any questions?

THOMAS: If I may Mr. Chairman, I know in the GROW AMERICA Act, there's a proposal to actually give the mechanism for the Bureau to actually place this inventory a little better. I know about between 75 and 80 percent of the existing inventory are roads owned by others. So when you get into the mechanics of actually going out and doing performance measures, one, you got to go back and look at that other agency that actually owns the facility: are they fulfilling their obligation to having that facility to the standard that it's supposed to be?

I don't want to see the burden being back on the inventory process or back on the Bureau, but there has to be some kind of a mechanism out there to police the system because otherwise, it becomes a free for all.

GISHI: The process as you recall of the inventory update, particularly as you mentioned, a tremendous portion of it is in those areas. Two-thirds of the inventory is roads owned by others. They are being asked also, in fact in the current legislation, that they have requirements on what they need to do in order to report and manage their assets. Any data that they have will generally be much more detailed than the data that the Department of Interior is asking for. So the idea is to incorporate that in and to be able to utilize it without having to go beyond and to collect extra data in that area.

But inventory management again, as I said, is going to be a big part of it. Not so much in the pre-SAFETEA-LU concept of adding, but more in terms of reasonableness, adding roads in terms of accuracy because those are the areas that really reflect the prioritization of not only the tribe but the BIA regions as well in doing that.

CHAIRMAN: LeRoy, we really appreciate you continuing to give us updates on where we are on roads, bridges, and our transportation needs, without a doubt. We appreciate you and your staff who

continue to update the inventories so that we have a better handle on what the roads' needs are for our respective communities. Tex is simply underscoring the urgency in his community as one example, and you know that it crisscrosses the tribes up into Alaska.

GARY HAYES: I just want to -- as you were talking about formulas, the state, dealing with the state also. We had an issue. One the state roads that come into Colorado they said that that was not a state road. And after our discussions and they finally admit, yeah, it is a state road. But one of the issues they had was there was never an accident on that road. And it came to a jurisdiction issue that the state wasn't reporting any fatalities and the State Patrol Division, they came and said we can't report accidents or fatal accidents that are native on native. That's a BIA issue. They have jurisdiction in reporting that accident.

So, as far as we know from the last 20 years, you guys never had a fatality on that state road, and that is totally not true. And how this thing has evolved was there was a tourist, there was a group of tourists that were driving on our road, on a state road, on our reservation land that approached an intersection but they ran through this stop light and was hit by a semi-truck. All four of them were, it was a fatal accident, and they did not make it. So what the state turned around and did was now they're putting \$16 million into our road that goes on our reservation.

But the real thing, the reason why I'm bringing that up is that if tribes have that issue about jurisdiction, we need to make sure that BIA is reporting those fatalities on native on native to the state because that bases their formula to make it a priority, maintenance or construction on our roads that go through our reservations.

GISHI: One of the things that if there is an accident, a lot of times, from a law enforcement perspective, there's got to be someone at fault. But as you can see, when 75 percent of your road miles are unimproved earth or gravel and a lot of them not designed to handle the speeds that people are driving with the newer cars, there's a lot of problems out there that can arise as a result of just people driving 10-15 miles over what the road was designed for. And it results in -- and so there's a large percentage of those factors which are attributable to the roads themselves and the way they're designed.

One of the areas that can be addressed is to systematically go through and start improving those. But a lot of that takes of course coordinated effort funding, and at this point, that's one of the areas that's really tough to gauge as to where that's going. So thank you.

THOMAS: LeRoy, it was identified to me that indirect cost can be a flat line, like a certain percentage inside the contracts? Is that something that the Bureau of Indian Affairs and FHWA are trying to implement in their contracted scheme that the maximum cap would be 3 percent to allow under the contracts?

GISHI: The Federal Highway Administration has been working through the contracts that they have with tribes at implementing some guidance along that line. We've looked at it and we have not implemented it simply because we know that there's a lot of varying circumstances. We take our direction from the NBC and, of course, the policies that BIA has. So for the most part, much of that has been negotiated on a local level, on a case-by-case process as it always has been at this point.

CONNOR: Thank you. From a respected tribal leader in the audience, currently we think the distribution of funds under road maintenance is based on a 2004 inventory, 10 years old. When will the BIA be looking at updating that inventory and using more current numbers? Thank you.

GISHI: The inventory that is used by the regions to allocate, as I mentioned, is generally the most updated inventory. In this case, it will be 2013. It's the percentage of funds that are provided to the

regions as a result of the national break of the TPA funds. That's is the historic portion, and I think that's what Chairman Hall was also talking about, is addressing that and how we go about that. With a flat line amount like that, it's difficult to be able to look at a project. The numbers have pretty much proportionally increased, and so what you're seeing is the same amount of money for even a slight increase of roads that are coming on the system is pretty much the same. So to answer to your question, the road inventory has been updated. It's being updated. It's being utilized. The allocation process, that is the amount that is at the historic levels.

CHAIRMAN: So, okay, we will continue this conversation and extend it into our upcoming meeting in November. LeRoy, we appreciate it. We know that some folks will be cornering you with regard to some questions that we have and how we want to keep moving this agenda forward. Without a doubt, transportation and infrastructure is critically important to the welfare of our communities. So thank you.

Contract Support, James Mackay and Hankie Ortiz

JAMES MACKAY: Thank you very much. It's an honor to be here. But let me just go over the workgroup. We're always open to new ideas and suggestions. It's not just the workgroup, it's important that it comes from you. These are our primary tribal representatives. We have a representative of each region. The contact information is there in case you need to get in touch with us.

On the alternate, we're still missing people. We need someone from Eastern Oklahoma, Northwest Rocky Mountain, and Southern Plains. It's been very hard to get representatives from all the regions. So if you know of anybody, please, put the names forward to either myself or Terry Parks, who'll be on the next slide, because we're open for suggestions. On the federal members, Terry Parks is the co-chair.

Recommendations to the BIA workgroup, we've a couple sets of recommendations from some meetings we've had. The biggest issue that I have had as the co-chair is we provided a letter to the Assistant Secretary of Indian Affairs of our recommendations. We did not get any response back that they even received it. I talked to Terry Parks about this. They have not provided any response to these recommendations.

Now, in conversation with Terry Parks, they're working on some responses back to the recommendations. They're waiting on the first, responding to the first, until after they got the second one. Now that they've got the second set of recommendations, they're waiting on the CSC consultations to get done before they provide any responses back.

Shortfall report, we're just working on some issues there on definitions of the columns. Number three, the pilot project, this has been a thing that's been trying to be done for a number of times. What the BIA has done as it's not in the policy is for direct contract support cost. It's 15 percent of the salaries that you attribute to the BIA program or your BIA funds. That's an easy way to calculate it, but the policy allows you to negotiate it. I'll talk about that in just a little bit.

This pilot program, we've asked for two self-governance tribes and two 638 contract tribes, so that we can see if that 15 percent is a good number or not. It might be too low, it might be too high, but we don't know. But the 15 percent is a good ballpark figure. Tribes seem to be okay with operating with that for now. We did a pilot project awhile back when the contract support costs started going about with the reg side of it. We negotiated with Interior or at that timeframe the National Business Center. That just did not work because they're used to the indirect side, and they were very confused on how 638 programs went and everything else. So that went away. But now, we're looking at this pilot

project or program. That's with BIA representative as being on the negotiating side.

The attorneys are working for the contract support cost language in the AFA. That's trying to be finalized. A lot of that is being driven by IHS language. The nice thing is, on the BIA side, the BIA side has always been pretty close to 100 percent of contract support cost funding. IHS side is totally different - big, big difference - the shortfall there from their side as the people with health services programs know.

We're asking the representatives attend the regional meeting so we can talk about contract support costs and what's going on. When this program first came out, the representatives went to each tribe in the regions, discussed the program, what was happening with it, but we have not had any follow-up meeting with that. So we've asked that we attend the annual budget meeting just to have a presentation on what's going on with contract support cost, allow it to be opened to questions.

There's a big issue with Alaska, primarily Alaska tribes, because they don't receive enough BIA funding to manage direct contract support cost, and they don't negotiate an indirect cost rate. Right now we've got 30,000. We're looking to maybe increase it to 65,000 as a maximum amount. We're just working on that internally, see if that would work or not.

On number two, the BIA is not ready to negotiate direct contract support cost if tribes wanted to. It's in the policy that you can negotiate that. There are some people that understand it, primarily the people in the awarding group. I don't know how many regional officers are familiar with direct contract support cost. I know of one, and that's Sharon over here, because she was on the workgroup to begin with. She understands what's going on. But again, I don't know how many regional directors know it, but they've got their staff that's supposed to know it, and they should be feeding that information up to them to help everybody understand it.

I talked about number three, well a little bit a way. But the thing is there are problems in the regions of getting the money out to the tribes. Not just the fact that the process is delayed, but the central office has had to send representative to different regions to help get the money out. Hopefully, the central office was looking at what the issues are and trying to correct that. All tribes should get their money supposed to be, I think, within 90 days of receiving it in central office to the tribes. It's not happening.

For figuring out direct and indirect cost or what's owed to the tribe each year. There are only three things that are needed. They need to know the amount of salaries that are attributed to the BIA programs, so it's 15 percent times that. That's your direct. And they need to know what the tribe's BIA budget expenditures minus capital expenditures and pass-throughs, and your current indirect rate. Once you get that, you can figure out your total contract support cost, your direct and indirect. According to the policy, your indirect should be within two years, no more than two years old. The BIA is allowing four years, and the problem is IHS is only allowing three. It's really important that you get that or the BIA can negotiate basically a lump sum rate of what amount is going there.

In the House Appropriations, we talked about this a little bit yesterday. Again, it provides full funding in 2015, which for the BIA is 246 million. Then they recognized that there are inconsistencies between the Bureau and Indian Health Service and the way that contract support costs are estimated and managed. They encouraged both of those agencies and the tribes to recommend ways that the committee can be helpful in promoting consistency. The Contract Support Cost Workgroup will look at that. I'm hoping the IHS side will also. We have a few representatives on both IHS and BIA Contract Support Cost Workgroup, so we can pass that back and forth. But we need to be consistent on how things are done.

Contract support cost consultation recommendations: we're tentatively scheduled to meet in

September. I'm thinking it's the second week of September

This was talked about yesterday, which from a tribal standpoint I think is very, very important. I appreciate TIBC looking at doing a resolution. I provided the talking points and everything else yesterday from Geoff Strommer on the mandatory funding. What mandatory funding will do is it takes it away from the program dollars, the TPA dollars, so we don't have to worry about that. In the past, as everybody knows, we've been having to use tribal dollars to cover the shortfall, which includes the direct. Until the Ramah case happened, we were the paying the cost ourselves. At least, this opens up more dollars for the tribes to spend on direct program services to our tribal members.

Senator Begich is supposed to introduce a bill at the end of the month. I haven't heard of exactly when. Whatever we can do to have our senators to cosponsor the bill or at least be in support of it, I think it would be very good. It's going to be a tough climate to do. It will always be a tough thing to do, but it frees it up so that our TPA dollars can be spent for the programs and the people that it needs to be done, not have to worry about using those dollars or tribal dollars to cover the difference, or we're not paying a hundred percent.

Discussion - CSC Policy

HANKIE ORTIZ: In the Office of Indian Services, we have the Division of Self-Determination, and we do work very closely with the Contract Support Cost Consultation Workgroup. We have had a couple of meetings, and we have had those recommendations made. We have taken all the recommendations that have been made. We're tracking them along with all the other comments that we've gotten from consultation so far. At the end, after we finish all the consultation sessions, we will have tracked all of the comments. We'll be able to review them all again with the Consultation Workgroup. That's the plan.

What we were asked to do by Congress was to formulate long-term accounting budget and legislative strategies for solutions going forward. Congress also indicated that any solution should consider a standardized approach that streamlines the contract negotiation process, provides consistent and clear cost categories and ensures efficient and timely cost documentation for the agencies and tribes. That's what we're really focusing on. We're trying to identify ways that would simplify the process, that would streamline it, and make it faster and more effective. Those are the kinds of comments that we're really looking at.

We have had three consultation sessions already. The first was at NCAI's winter session, March 11th in Washington, D.C. The second one was held at the Self-Governance Conference on May 7th in Arlington, Virginia, and the third consultation session was held at NCAI's Executive Council Mid-Year Conference in Anchorage, Alaska on June 8th. We have all of those consultation session comments. We did get a transcript from each of the session. From the transcripts, we're pulling the comments out, and we're putting them on a chart so we can track them. We can see how many times a specific comment has been made, who made the comment, when it was made. Then we're going to look at all of that in a comprehensive fashion at the end. We have five more sessions coming up.

I spoke at TIBC last time, and I gave you some dates. We had to change those dates for a number of reasons. Actually, all of the five consultation sessions had been set a specific time, and then they had to be pushed back. So on June 25th - I know this was published in the *Federal Register* that identifies all of those dates, and also a "dear tribal leader" letter went out. Hopefully, you've all seen either the *Federal Register* notice or the "dear tribal leader" letter and you are aware of these session dates and times and locations. But I'll just run through them really quickly so that you do have this information. If you think we need to make copies of these, we can do that and distribute that for your information.

I have been putting together a presentation. I was trying to look for ways where we could solicit some substantive comments on specific issues. I tried to identify some questions to present, maybe do like a brief PowerPoint to overview contract support costs a little bit and then identify some questions. I've ran that by the Contract Support Cost Workgroup, and I'm still getting some comments. I've also ran it by senior staff in Indian Affairs, and I'm still getting comments. The close of the comment period was supposed to be today, this afternoon. So, by the end of the day, I should have all the comments that are going to be submitted, and I'll update that PowerPoint. I don't have that to share with you right now because it is still a work in progress. Once we do finalize it, we'll make that available at the consultation sessions, and we'll try to make that available on the website too.

But what's important to note is that if you cannot make any of the consultation sessions, that we do have an opportunity for you to submit written comments. You can do that by emailing Terry Parks directly. The email address is consultation@bia.gov. That's probably the most efficient way to make your comments in writing. We do appreciate comments in writing because it's helpful for us to clearly see what your intention was. The end of the comment period is the end of August. That's why we're meeting with the consultation workgroup. We're planning to meet the second week of September. The date and location has not actually been set, but we're working on that now. At that time, we're going to review all of the comments. Having them in writing is very helpful. We may need to follow up with you to get clarification. We will be following up on all of those comments to make sure that we understand what they are, that they've been reviewed and considered as we decide to make changes.

BRENDA FIELDS: I guess, I'm just wondering, is there any tribe out there that might not fit the small and needy definition but receive less than the 65 being proposed?

MACKAY: I would probably say no.

FIELDS: I guess the definition, maybe you should get rid of the small and needy, that the minimum would be X. I'm not sure why you put in the small and needy. That there would be a minimum amount to each tribe or consortium would receive.

ORTIZ: I think the biggest issue we would face, I think, with that proposal is the funding issue. Do we have enough money to provide 65,000 to every small and needy tribe? I don't think so. I don't know where that money would come from. So that's one issue that we have to address. Then we'd have to look at that too. Is that fair? Is it fair to the other tribes that don't meet the definition but just might barely miss it? What are they getting?

FIELDS: I guess that would be my suggestion, remove the definition of small and needy and just put the minimum would be X amount of dollars, 30 or 65 or whatever.

ORTIZ: That's a good recommendation. We'll definitely look at that.

FIELDS: I have another question. Is there any firm or legal definition of what is included in the direct contract support cost of 15 percent? We're trying to analyze that ourselves right now. We couldn't find any, quote-unquote, firm definition of what costs are to be included in that 15 percent.

MACKAY: That 15 percent is just a figure that's been determined because direct contract support costs are items that are not included in your fringe that you take on that the Bureau would normally have. Some examples are health insurance, the fringe benefits, 401K and different things like that. I've got a presentation that Vickie Hanvey did at the Self-Governance Conference on Direct Contract Support Costs. What's included in there, the policy has that. I printed one out; I'll be glad to give that to you.

CHAIRMAN: is your intent to once you get that done and you can take this long list of observations, suggestions and recommendations, and engage with the Contract Support Workgroup to discuss, what's the best the course of action on how to deal with CSC?

ORTIZ: Right now, we're just extrapolating the comments from the transcripts because a lot of times, there are other statements made that aren't really comments. We're pulling all those out of the transcripts. We're also taking the comments that we've received in writing that have been sent to us by email, and we're tracking them right now. Right now, we're just pulling them out, and we've got them listed. We haven't started sorting them yet, but that is the plan. As we get more comments to see how were they grouped together and what comments we get on the same issues. I mean, if we get a bunch of comments on a specific issue and they're pretty much all the same, then that's easier. We can say that's a recommendation. But if we get conflicting recommendations on issues, then that's going to be a little bit more difficult. And that's kind of why we wanted to pull on the expertise of the Contract Support Costs Workgroup. Many of the people on the workgroup have been on there for a long time. They do understand contract support costs.

We also have federal representatives on there that are extremely knowledgeable that have been working on Contract Support Costs for many years. We have level two awarding officials that are on the workgroup. So among everybody on the workgroup that we could talk about these issues and hash them out, hopefully, if we have trouble sorting them, maybe they can help us sort them and then help us work through them. That is the game plan. Then we're going to try to put together some recommendations and then kind of identify other comments if those aren't included in the recommendations. Those should still be identified as we move forward.

We have to discuss with the assistant secretary and Mr. Black and Mr. Roberts how we should best package this and move forward from that point. We're really just trying to get the information together, come up with some good, solid recommendations. We have to provide a report back to Congress on what we've done and how we plan to move forward, so we'll have to have internal discussions on exactly how we're going to do that part of it.

CHAIRMAN: Before I call on you, Gary, the report to Congress, is it an individual report from the Department of Interior versus IHS or is that a collaborative report?

ORTIZ: As you know, the first three consultations we had were joint consultation sessions with the Indian Health Service. We are in constant communication with IHS's team. Our policies are very similar. There are not a lot of differences between them, but we're both looking at making changes. It is difficult with the programs that we have under IHS versus the ones that we have in Interior. There are some differences and distinctions. Also in our self-governance arena, we have two different titles. We have Title 4 for Interior, Title 5 for IHS. I mean, we all utilize Title 1 Contract Support Costs, but how it's implemented and how we work with tribes is a little different.

We are working together on the report. We had to submit an initial report to Congress earlier this year. When we submitted that report, we did submit separate reports. We submitted what we were going to do and IHS submitted what they were going to do. We are doing contract support costs consultations a little differently. We're having these five regional consultations where we're just dedicating a block of time to talking about contract support costs. IHS is going to include contract support costs discussions in the regional meetings that the Indian Health Service director holds across the country. They're doing that a little differently, and how we come back together, we still have to figure that out. Because we do want to have consistency with IHS that is important. We're all aware of that. We're all looking at that. Hopefully, when we get our comments, we can see where we can bring things together better.

HALL: I don't know if I heard you correctly on the 15 percent for indirect cost rate proposals?

ORTIZ: There is no limit on indirect cost or indirect cost rates. They have their negotiated rates. Indirect cost is negotiated. With NBC, you get indirect cost rate then you apply that rate. We were

talking about direct contract support costs. Direct contract support costs are not currently negotiated. Under a memo from Jim Cason, the Bureau notified everyone that we would be paying at 15 percent of salaries for direct, not indirect cost. That's what we're talking about.

DAVID CONNOR: Just quickly, and thank you. I support what Tex is saying there, but that 15 percent direct contract support costs rate was established a decade ago as a place marker for what would be a reasonable direct contract support cost, but that's so far out of line with reality. Look at where healthcare has gone. Red Lake and other tribes in 2014, our healthcare cost soared to where the averages employee out of pocket rose by over \$2,000 this year. Then you look at 401(k) and such.

That was established a decade ago and I believe with an intent that it just be temporary. But it's never moved forward to be reexamined and ramped upward and get to that 50, 60 percent. Because that's really where direct contract support costs are out of pocket. It really is when you look at the insurances and all that. Fifteen percent is just woefully inadequate. We are not getting full contract support costs, I truly believe because of the fact that direct contract support costs and the 15 percent is depressed from true need. We need to look at that. Thank you.

MACKAY: That's why we're looking for that pilot project to self-governance tribes, to 638 contract tribes. We're still waiting to move forward to see how that how that 15 percent correlates to an actual negotiated rate.

FIELDS: Are you currently soliciting tribes from the self-governance to do the demonstration of pilot project?

ORTIZ: No, we're not currently soliciting anyone to do the pilot right now. It hasn't been determined that we're going to do that. That's a recommendation from the Contract Support Costs Workgroup. That was under consideration with all the comments.

FIELDS: Under the administrative cost grants for schools, are all of these costs being calculated, like the 15 percent for the workman's comp health insurance in those administrative cost grants, too, to determine shortfalls so there are unmet needs for the schools? Is it a similar cost being considered, other than equal standards, I guess?

VICKI FORREST: Hankie, I can try to answer that question. My name is Vicki Forrest. I'm the Deputy Bureau Director for BIE. Currently, the administrative support costs, the way that's calculated is listed in 297. So, we are taking a look though. That's something that Dr. Roessel talked about a little bit yesterday. I would appreciate any input or feedback that anybody had about that. That's a real issue for us. Yes, to answer your question.

CHAIRMAN: Gary was asking the question with myself and Tommy about this final report and the importance of collaborating with IHS so that the message and the recommendation with regard to CSC is consistent, so that we don't send mixed messages to the Congress regarding this obligation.

HAYES: That's what the IHS Tribal Budget Formulation is recommending because they had their own workgroup too, so you're getting everybody doing different things. Any consultation in Indian country, the different regions that IHS is having and BIA, there should be a separate session to discuss this because there are differences here - what IHS is saying and what BIA is saying. There is that confusion in Indian country regarding that. That needs to be understood out in Indian country in saying were you talking about BIA or you're talking about IHS? That's all I can say, it's different. I think it needs to come together before the final report. If there are any future meetings or consultations that IHS has, again, that BIA or someone from the region or someone needs to be there also to point these differences out.

ORTIZ: It's going to be a report on what we've done. I mean, we did an initial report, so it will

just be a followup to that. The report we submitted just basically said we're going to conduct consultations and this is how we're going to do it. It was very basic and very general. Congress kind of turned everything over to us to try to look at some solutions in a standardized approach and streamlining the whole process. So it would be related to those items.

I don't think we've gotten any clear direction on exactly what kind of report we would need. I don't think there's a deadline identified. I know we were trying to look at something by the end of the fiscal year, but I don't know if we'll be able to do that. We tried to cram all these consultations into this time period, but we're going to need some time for analysis and to develop recommendations. And we're going to need some time to work with IHS. If we're talking about meeting in October, then that's the beginning of the next fiscal year.

THOMAS THOMPSON: The Appropriation Law that suggested that we have consultation did not require a final report to be prepared for Congress. Obviously, we're going through the consultation to see what opportunities there are for us, as well as the tribes, to streamline the process. It would be incumbent upon us to work with IHS to make sure that both of those processes are equally simple, if you will.

The issue really becomes in that even though they both came out basically the same law, each agency took a different approach for the implementation and the process used to distribute indirect cost funds. With that being said, it's incumbent upon us to work with IHS to make sure that we're simplifying it for all the tribes that we have, as close as possible one set of principles that we're all applying for. It is true that everything from fiscal year '13 back is part of the judgment. We have a class action lawsuit against us where Indian Health Services are litigating them one off on their side. It is a budget issue going forward for this committee. Once we get the recommendations, we will come back as we put the subcommittee together during this session to work with that subcommittee to make sure that we're on level footing because if there is legislation that's being required, it takes tribal support to do that.

At the end, we're looking for ways to streamline the process, make sure that we have the capability to fund within what we are allotted for contract support. If there are other avenues to take that obligation of ours offline and take it out of our discretionary budget and move it to some other format, then obviously, that's going to take tribal support to push that to Congress as well. There may be some legislative issues that come out of this, but as far as a specific final report to Congress, it is more of a final report to the tribes. Here's what our set of principles and strategies should look like going forward.

CHAIRMAN: I think it be in order to make a motion to establish a mission or purpose for the BIA CSC Workgroup that would be inclusive of collaboration with the IHS CSC Workgroup.

BIA Contract Support Costs collaboration with IHS CSC workgroup

- **Gary moved and Rick Harrison seconded a motion to ensure that the BIA CSC Workgroup collaborate with the IHS workgroup and continue to have reports from the BIA CSC workgroup.**
 - **Motion carried.**

(luncheon recess)

Electronic Information Gathering Protocols

MR. SAM THOMAS: Thanks, Mr. Chairman. As you recall, to the budgetary process last couple of times,

we went from 17 surveys to 6 surveys this last go-around, this last couple of years, in trying to identify innovative ways to go out to the 229 fairly recognized tribes in our region. We're looking other alternatives, since we have such a geographical isolation, on how we can better compile the data and use it in a way that we need to use it in bringing our unmet needs analysis back to the federal government. I'll turn it over to Bruce, Mr. Bruce Loudermilk who's the Regional Director. Thanks.

MR. BRUCE LOUDERMILK: One of the things we were looking at in the Alaska region, as Regional Directors, we're charged with going out to the tribes and soliciting information to try and get an idea of the priorities and what works best for the tribes. When I was in the Great Plains region, we had 16 tribes and could kinda get everybody together, but that was still a challenge also.

So sitting down with Sam, sitting down with Rick, we started looking at how can we best get out to these remote areas and start gathering some of the information. In the Alaska region we used Survey Monkey, where we've compiled dropdown menus to where the tribes can go in and start listing their priorities by programs and then providing the justifications. And it's something that we're looking at with the department and the IT requirements that we have.

One of the things that, as we looked at this, I did visit with Tommy Thompson, made some of his staff available on the IT side, and everything looks like it's kind of a go. They're still doing some checking. But if we can go through in some of these areas, and not just Alaska, this would work well throughout the rest of the nation, if we can start providing surveys or providing information that will help articulate the individual tribal needs, then we should be able to electronically gather that information and start being able to present it, gather it, pull some statistical analysis on it, and start having a better of what compact the tribes might need, 638 large land-based tribes, and what we may start seeing is different pictures throughout the nation to meet individual needs.

But I think it will be a great tool, and as we said, I've raised it with Mr. Smith and Mr. Black and the folks and we're going to talk about it tomorrow during our senior managers meeting.

CHAIRMAN: I certainly agree that it is an initiative that we should be exploring. One of the questions I have is whether or not we should delegate this task to the data subcommittee. You know, the data subcommittee is putting together a structure to do just that, you know, identifying the fields that we would want to identify categorically, etc. So I'm wondering if we can take a look at what you guys were thinking and does that fit into what the data group is trying to accomplish?

LOUDERMILK: I think one of the things is that this is going to be a living, breathing document. It's not just going to be one size fits all to begin with. It's something that's going to grow. And we've already got a good jump on it in the Alaska region, and we need to move with it. I mean it's in my performance standards to work with the tribes in developing this information, and I know for the department, as we talk about it, senior managers will obviously I would imagine that folks would support the TIBC in getting information to help develop this program.

LOUDERMILK: We would like this body to endorse this going forward, at least pursue the idea and see how it fleshes out. And I think in conjunction I think as it's going forward, it can work with the data subcommittee and see how it could be useful for them as well, and maybe they may have some ideas also for us and see if this'll work for all the regions. So I would move that we endorse this.

BLACK: I got something I just want to kinda add maybe more to your questions, Ron, about how I'm approaching this right now. You know, Bruce presented this to us a few weeks or the concept paper to Mike Smith and I, and I guess I'm looking at this right now. We're going to have further discussions tomorrow in our RD's meeting about how this could work for all of us.

But I think Bruce is approaching this from the standpoint to help address the challenges that they have

to reach all 229 tribes with the remoteness and stuff that they have to deal with up there in Alaska. And I look at it from the aspect that if it can work up in Alaska, it can work just about anywhere.

CHAIRMAN: Other comments with regard to this proposal? I think what Alaska is looking for is support for the concept and to explore it to see if we can design and develop a tool that would work in Alaska that may work elsewhere in Indian country. Am I correct? Any other comments with regard to the proposal? And I think they're looking for endorsement, so we would need a motion endorsing the concept and exploring it to see whether or not something can come from this initiative.

GARY HAYES: I'm just looking at resources. It's nothing, no additional costs, no nothing. It's just something that's already there that you can utilize.

Motion on Information Gathering

- A motion was made by Rick Harrison and seconded by Buster Attebery to endorse the concept of information gathering as put forth by the Alaskan delegation. The motion was seconded and carried.

Funding Allocations/Tribal Payments

Presentation can be downloaded at <http://www.ncai.org/initiatives/tibc/tibc-documents> at [http://www.ncai.org/initiatives/tibc/2014.07 Tribal Funds Distribution and Payments Process TIBC.pptx](http://www.ncai.org/initiatives/tibc/2014.07_Tribal_Funds_Distribution_and_Payments_Process_TIBC.pptx)

THOMAS THOMPSON: Just a couple of issues, somewhat related to budget but not related to this, that some of you probably need to be aware of, there's a provision in the Affordable Care Act for tribes to sign up and receive and pay for the Federal Employee Health Benefit programs. We've got 61 tribes across the country that participate in that program, and they have over 11,000 employees that are covered presently under that program.

There's a new rule coming out the 1st of January that if you have an employee, part-time or seasonal, that works more than 30 hours a week or 90 days or you anticipate him working more than 90 days, then they're supposed to be covered by the health insurance. That's for those tribes that are participating in the Federal Employee Health Group from OPM.

We are diligently trying to get waivers for those tribes that want to forego that because we have a number of seasonal employees during the summer that would be covered by it otherwise. As far as the federal, we're pretty much locked into that if we have an employee come on as a seasonal, and we've had a number of employees that were under the old one-year appointments with no benefits. So all of those employees will be covered now on the federal side.

But on the tribal side, just a heads up to be aware that that is out there, and it could have some financial impact on your January 1, particularly for seasonal workers that you bring in or part-time after the 1st of the year.

Tribal payments, funds distribution, and all of those things that we've talked about, and has been very high on our radar trying to make a pathway forward to see what is causing the time lapse to really figure out how do we get from cradle – I don't want to use the word cradle to grave – from apportionment to ASAP, we'll go that way.

We've done a lot of looking at it, and part of what happens, and I think that's the case here, is we've went through transitions over the past few years with all of the cuts. If you look at the staffing level within the fed system, even look at the staffing level within the tribal systems, the turnover in both

of them, the new systems that we've put in place, a lot of the modernization of how we deal with OMB and Congress for the apportionment and the automated systems there. But when you start looking at it, we're still using a lot of the same procedures that we've used for decades, and we really haven't retooled, if you will, our way of doing funds distribution. We still use the manual paper, we fill out a sheet, we send it out, get it signed, and process it.

So what we're going to talk about is sort of an illustration of how this is working, define the distribution, some of the complexities, how the federal budget process really should work, give you a current status as part of the transparency, what our desired outcome and timeline for how we're going to get there.

One of the things that Mr. Washburn had been chewing me out for, and I meet with him twice a week, and twice a week I would get chewed out for not having tribal payments out. And you think I say that in jest, but that was one of the topics that was on his agenda to discuss every time we met. And so after a while I said, you know, Mr. Washburn, budget really doesn't have a whole lot to do with this process.

So when we start looking at what we were doing, and I think we did this once at self-governance to actually talk about fire checks, and 17 different people had to touch that piece of paper before it could get out the door.

And so when I did this, I started looking at it from where does all the money flow from budget, and that's the green lines. So once we get the appropriation from Congress, we distribute to Central Office Programs to OSG to Regional, recurring bases, IED recruiting, recurring bases. We send some to education. And then each of these offices does further processing and send it further.

So this is really the roadmap that we're trying to straighten out, but in order to straighten that out, we have to take a little bit deeper dive into it because there's issues around each one of those. You know, what are the complexities in it? What are the regulatory requirements? You know, some of this is ad hoc, part of it is when we get new monies in and when I talk about this, it's one of the issues that is very difficult, you know, some of that tough love talk that we have to do occasionally.

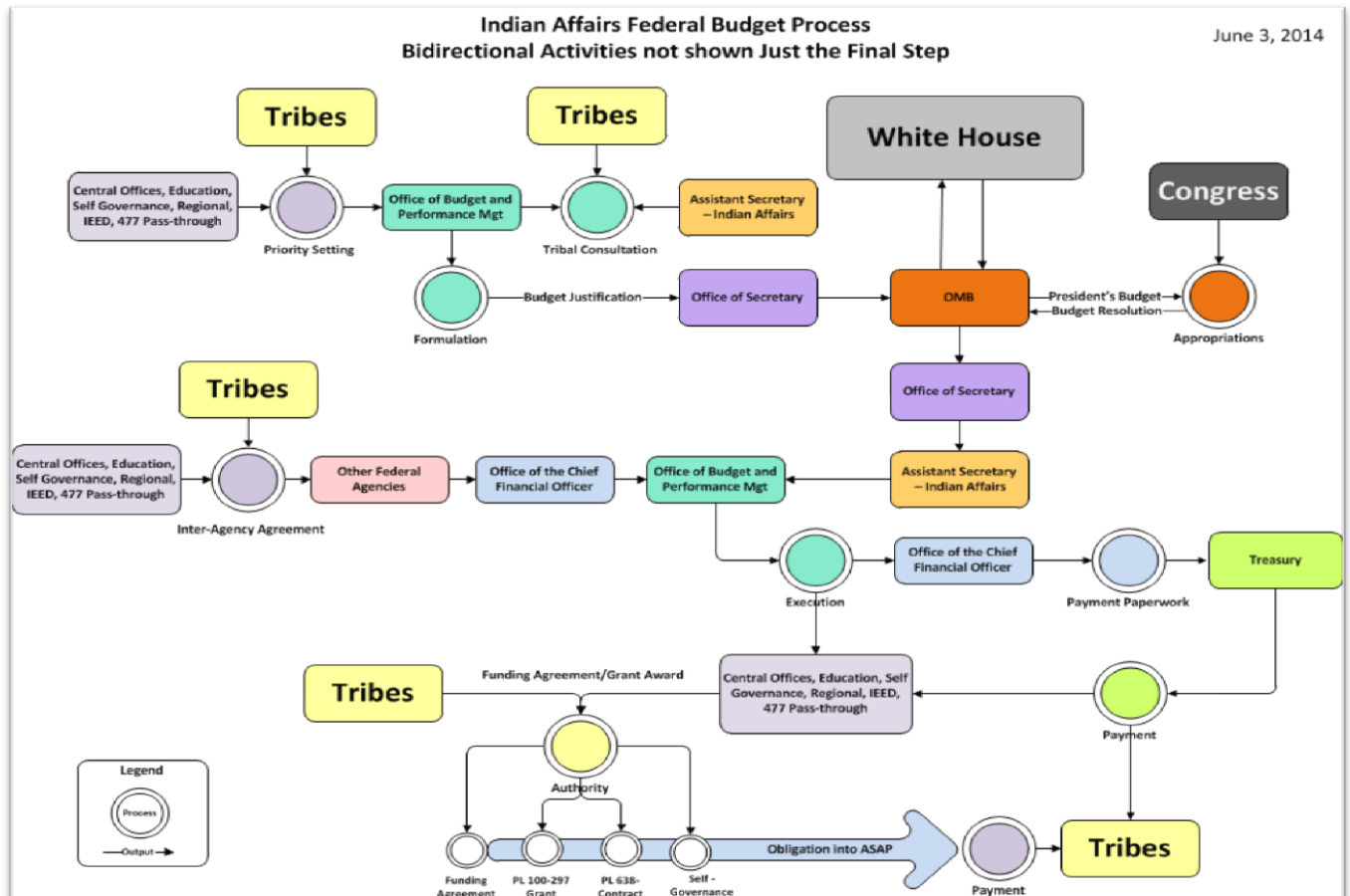
But if you look at some of our programs, we have three or four funding distribution methodologies because we grandfathered into this group of tribes because they were there first. We grandfathered in another group of tribes because they were a part of this initiative and not a part of that initiative. So it's not a matter of we've got 566 tribes, here's the protocol, we issue the money. It's almost like we have to do forensic distribution on every fund that we get. So that's part of the issue that we've got to straighten out.

But one is identifying what those protocols are to make sure that we're being fair and equitable across the board. And the other is, you know, we're still using Excel spreadsheets for this. We haven't increased our technology to look at it from a database prospective or some other program prospective.

So if you could imagine, and we go over here one more slide, we have 131 activities, 566 tribes, and we're trying to make sure that the funding distribution is correct in Excel spreadsheet. And then add on the 66 different appropriation funds that we get. So at the end, it's sort of grown over the years with the complexity of the budget, with the complexity of the contracting with the tribes, and the complexity of our own programs for the direct services as well.

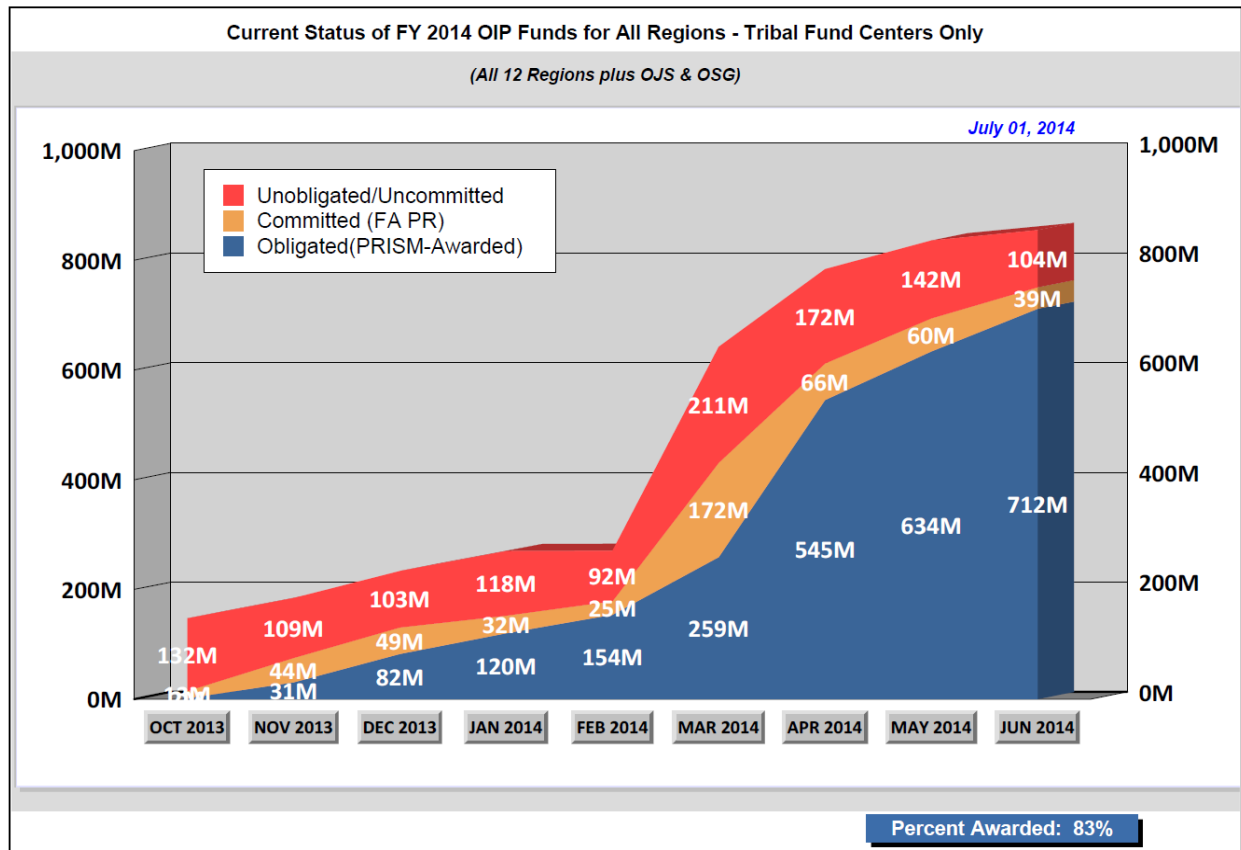
Tribal Funds Flow Allocation Illustration

- Various durations of Appropriations
 - 1 year 18 months
 - 2 year 3 year
 - No year
- 37 Different Funds
- Legal Statutory Limitations



So what we're wanting to do is see where we can find time and what steps are we taking in here that are not statutory, regulatory, or do not add to the transparency to how we can get from this box to this box as quickly as we can or, better yet, from that box to these four boxes here. So that's what the initiative's about.

And from a timeline, as part of the transparency, we've been issuing this report here.



As we can see, in October, when we had the CR, we only got a small portion of money. And then when the omnibus bill passed, here's where budget, if you look at this, this is the budget office, Mr. Bearpaw's operation. This is where he's pushing monies out to the regions or the offices for distribution. The gold is the awarding officials where they're doing work in process, they're working with the tribes to get the annual funding agreement or a modification prepared. These are the work in process that they have. And then the blue number is the actual amount that went to ASAP for the tribes to draw down. And we're monitoring this twice a month, sharing with all the stakeholders internally because this is the baseline that we're trying to approve on.

Obviously, at the end we would like to see all three of these lines go straight up right here within that golden 30 days, if you will, from the apportionment. And that's where the objective is, that's what we will be trying to do is push these back as far as possible to get that process through.

Obviously, as you've seen from the one, we've got a number of curved paths that we go through. The old cliché going around your elbow to get to your mouth, we do a lot of that, it appears. And our desire is how do we straighten that path out and get from the apportionment to ASAP and take all those curves, if you will, out of it.

Here's the desired outcome, simplify and consolidate the funding streams.

Develop a funding process that:

- Simplifies and consolidates the funding streams
- Streamlines the process to expedite distribution of funds
- Makes use of automated processes where able

- Defines and uses established rules, protocols, and historical distribution methodologies for each funding stream, consolidating where possible, and modernizing where appropriate
- Provides process for making changes as funding streams evolve over time

How do we collapse it down to where you have more flexibility to when you get the money rather than 43 different accounts. The other issue is that we need to have a discussion on mature contracts. As you've seen on the one side, we do over 3,000 contracts where we've only got 566 tribes. What are the impediments that the tribes are seeing that they don't want to bundle those contracts into one more contract? So part of us working with the tribes to make that determination.

The other is we have some of the tribes that are partially in self-governance and partially in self-determination. So you're really going to two different arenas to get the funding, talking there as to why we don't move everything the other way. Obviously, these are choices, but these choices take time in the decision process as to where the fundings go.

We are going to have a contractor come in that is a procure to pay specialist to look at the regulatory and all of the FBMS systems requirements to see what we're doing inside the system that would allow us to push the funds quicker. That will be done between now and October 31. Then we will start looking at how we improve or implement the suggestions. And by December 31 we want to have everything buttoned up and new processes and training and everything started on this.

ALVIN NOT AFRAID, JR: Thank you, Chairman. If you recall, I don't mean to go way back, but around the brainstorming sessions that we had with you, Mr. Tommy Thompson, we talked about a needs base analysis would be conducted by the bureau. As to the local tribes what is evident, first of all, we know the lack of funding. We all recognize that. So as I stated in those meetings back in D.C., what are the solutions? And so we all come together for that, yet as the prior to the divvying of tribes or what have you, what is the needs base per agency, per tribe?

CHAIRMAN: I might jump in, Tommy, before you respond. My suggestion, and I hope that TIBC would get behind it, is that the administration and OMB would be supportive of a cross-cutting analysis. In other words, we can't do it for all 566 Indian nations, but we could initiate a cross-section that would give us a better sense of that using maybe three programs, maybe law enforcement because we have good data on law enforcement, as an example or education could be another one, but that we would pick, for lack of better words right now, 75 tribes, a combination of small tribes, large tribes, large land-based tribes, large population tribes, small population tribes, and use that as a cross-walk comparison on that kind of data to see if there is any disparities and using appropriate backdrops. What's mainstream America get? How many cops per thousand, how many dispatchers per thousand do they normally have, as an example using law enforcement?

And just a matter of initiating that kind of an analysis, getting somebody to do it, somebody focused in on it, get it done timely, get it back to us so we could respond to it and to say what can we do with that to have a better analysis on the needs.

Because my point was, as a result of the last discussion, we kind of shot from the hip about what we said our needs were. We didn't really have any way to quantify what was the metrics of how we come up with those numbers. So what are the two numbers? And this morning Tex made a comment about transportation. We said that maintenance, we need 75 million. Tex said, well, we need a hundred and something by our tribe alone. Well, how do we measure that. So that's where w I was getting that, and, Tommy, I don't know if you have any thoughts about that or Larry. And we've been kind of urging OMB to be supportive of it as well. Tommy, go ahead.

THOMPSON: There's a couple of approaches that we're working on, Mr. Chairman, to address

this. One is the needs base data cull that we did last year in conjunction with the budget. Even though those may be somewhat helter skelter in what you submit, it is based documents that tell us what an unmet need or the perception of one is at that particular tribal location. So we can glean from that a basis for us to move forward in certain arenas.

The other is we're still doing the strategic plan, you know, we're still laying the foundation to come out and specifically do the follow-up. Part of it is from those needs based budgets to make sure that we're capturing everything.

The one difficult thing is that all 566 tribes are not organized administratively or operationally the same. So there are certain programs that we can benchmark across such as roads or the number of miles of roads or something that's unique such as the number of acres of timber, the number of trust land, some things like that where we could standards in place.

CHAIRMAN: Well, knowing that we will be in a CR and we don't know how long the first CR is. Hopefully there's only one before they have an omnibus bill. Many of us are expecting the first omnibus bill – excuse me – the CR will probably be well into December or January, that's what we're hearing. We're hearing a three month or so type of a CR. Those two-week, one-month things just drive everybody crazy.

So we'll be meeting in D.C. in November, so I'm assuming that you're going to have a better update on where we are in terms of trying to phase this more expedited process into place?

CRUZAN: Regarding an unmet needs report to Congress, and we went through that exercise, are going through it again now for the second time. What we realize, there's really kind of two things there. One is that the information that we put in that report comes from the tribes or doesn't come from the tribes, and it's sort of all over the map. There's really no consistent way, methodology that anybody uses. We've been trying to streamline that. But it still came back.

So the first one, when we presented it to Congress, it was, I think it was 350 million just CI&P, criminal investigations and police. And we knew that probably wasn't completely accurate just because of the way it was done, but when we presented it to them, we went up to the Hill and said here's what we did, here was our methodology, here's how we're going to do it this time.

What we have just recently then – and this may be too much information – but it's kind of a law enforcement think tank in Washington, D.C. It's called the Police Executive Research Forum, and all they are are these 600-pound brain individuals that think about law enforcement. So I met with them about three weeks ago, the executive director of that, and I said one of the things we would like to have, and to your point, one size doesn't fit all in Indian country, and we know that, because of the size of the, you know, the land base, the population, the crime rate, proximity to urban versus very rural. So we know it's, you know, we can't just say this, this, this equals this.

But we asked them could you come with us to Indian country, put your analytical folks on this, and help us develop some sort of a, you know, we shy away from using the word formula because there really is no formula. To sort of help us develop, if you will, a formula where we can factor in all of these issues, violent crime, population, proximity, all of these other things so that it can sort of spit out what it would take at this location. And that it's specific enough that it would give accurate information for the larger locations, the smaller locations, the more urban, you know, Phoenix type areas, the more rural, Death Valley type locations, those kind of deal.

So to your point, but we are working on that from the law enforcement which would I'm sure plug right in and kind of go alongside what Mr. Thompson is talking about which would paint a law enforcement picture of the true need. So for what it's worth.

Justice Services

CRUZAN: I've got really three things I wanted to bring up. As everybody in here is painfully aware, 2013 we had the sequestration 5 percent across the board cut. And as I traveled around Indian country, one of the conversations that was consistent with me is we're going to not be able to hire police officers, or when they leave, we're not going to be able to refill those positions.

So in our 2014 budget, we received a \$5.5 million increase in our criminal investigations and police. We call it CI&P. \$5.5 million increase. And so we began thinking about how we were going to distribute that money, and it became real clear to me the most fair way to do that would be just to pro rata. It was a departure from our normal methodology where we look at different things. We just said we can take this 5.5 and close that 5 percent sequestration cut, we can reduce that by about 2 ½ percent by just pro rata pushing that back out to the tribes that we have funding through, or funded through us.

So we did that. It met with a pretty, actually a really good reception from the tribes, they appreciated that. And so we're now kind of coming to the end of 2014 where it's looking like we're going to have carryover this year from salary savings that we've got. What we think we're going to do is go ahead, and it's important to keep in mind this will be one-time funding, but to go ahead and push out another amount of funding that will close that entire 5., well, 5 percent reduction that we got through sequestration, with the first 2 ½ percent being back increase to the base funding, the second 2 ½ percent – and I'm roughly talking ballpark – but the second 2 ½ percent that all of the tribes will get pro rata will be one-time funding for this year. So really the best that we can do to help, you know, kind of close that.

The decision wasn't that difficult. We didn't want to open that up to a whole lot of different things. We know that police departments are suffering because of this cut. So that was decision that we did there. So that's basically what I wanted to talk about with our funding.

Another comment that I wanted to bring up, and then I'm going to open it up for questions about anything that you want, was a conversation that really started through TIBC. One of the things that was asked of us was in our Corrections. Can you begin working more closely with DOJ, number one? Number two, can you work more collaboratively with the tribes in order to develop a more sensible strategy when it comes to folks that we're dealing with in Indian country?

I say it everywhere I'm at, and I've said it for the last four years, and I continue to believe it with every ounce in me, is that in Indian country we're not dealing typically with violent offenders, first, in law enforcement. We are the backstop really when things go wrong. We're not dealing with hardened criminals, first. We're dealing with alcohol and substance abusers first who commit these violent crimes. And so the two questions that were asked of us from TIBC was can you work more closely with DOJ and can you work more closely with the tribes to develop a strategy?

So very happy to report, and we did get the letter from TIBC that was addressed to the secretary and Attorney General Holder talking about the DOJ funding specifically for building facilities in Indian country. The good news is, even before – and it was very, very helpful. My understanding is the Attorney General has already reached out to DOJ. My contacts in DOJ at Bureau of Justice Assistance, to say what are we doing, what do we need to do.

Mr. Thompson and I have already met with BJA to talk about how this funding can be best spent and who by can it can be – who it can be best spent by and how those fundings can go out. I'm very, very optimistic that some good things are going to happen. At this point, the conversation is where should that money? Should it be at DOJ, should it be at Bureau of Indian Affairs? Who has the best

ability to ground truth where those needs are at? DOJ is saying we think it's you, and so I'm very optimistic that maybe not by the next TIBC but maybe by the next TIBC we'll have some very good information to report on that.

CHAIRMAN: Since that letter got approved by TIBC and sent out to DOJ and to Interior, there are some additional questions we are expecting you and the Department of Justice to explore in exploring that proposal, and they include, you know, would that initiative undermine DOJ's capacity to continue to champion more resources that could be used for this collective purpose, and then with the understanding that if that money is transferred over from Justice over into Interior, the objective clearly is to get the money transferred to the tribes timely. Would contract support accompany it? Is there an issues there with regard to the contract support line item? There would be a bump in that agenda? Any adjustments in how we would handle that kind of a matter.

So I know that some folks made comments to me was, okay, we need to have those answers before we fully support this idea.

CRUZAN: Well, I'll tell you what, and I know that Mr. Tracy Toulou was here at the last, from DOJ, at the last TIBC. So what I can do is I can ask Elizabeth, Betsy, who is my counterpart that we're working with, to maybe accompany me at the next TIBC, not maybe with the answers that you're looking for, but maybe so we can get a more clear understanding of the questions and then work those out and try to get that to you.

But I'm telling you, the relationships have been really good.

Then kind of the dovetail onto that, the last thing I just wanted to mention, we've talked about this before so I won't go into it in great detail, our HPPG, our crime reduction strategy was such a success, OMB came to us about a year and a half ago and said it's really good, can you do it again. And so we asked them, you know, we said we think we are able to demonstrate what we can do with violent crime, but what we would like to do now is recidivism. It doesn't set with me very well to look at how we do in Indian Country across the board, Corrections. We're simply warehousing folks, and that just isn't, that's just not the right way to do it.

So we're – and I have spoken to you about this before, the pilot program where we're doing recidivism. We've identified about 79 individuals who are habitual offenders at these three locations. Two of the locations are focusing on adults – well, let me back up. One is focusing strictly on adults. One is focusing on adults and juveniles. One of them is focusing on just juveniles. And how do we keep these offenders from repeating?

These habitual offenders, so you'll know, in our baseline, in 2013, you didn't even make this list if you didn't show up in a jail four times or more. And so these are habitual offenders, and most, I say most, and I know that Mr. Roberts has a story about a recent visit to one of our facilities where one of our Corrections officers was asked how many of these people that are in your facility right now were intoxicated when they came in, and the Correction officer goes every single one of them, almost like it was a silly question to ask. Every single one of them. And that is the reality. That is the reality of what we're dealing with.

And so we're got to do better, and based on asking us to do that, we met with these tribes, two of them that are here at TIBC, and we're going to start the measuring period on the recidivism September 1 of this year. And so we're really, really excited about it and appreciative of OMB giving us the opportunity to, again, tell another story of what can be done if the resources are there. I'm sorry, October.

RICK HARRISON: I just wanted to add to what you were saying, Ron, about we need also to

identify any ramifications that it would have with 280 states and make sure that they're held harmless and there's still going to be access funding, have access to funding as well.

ALVIN NOT AFRAID, JR.: Yes, this is – good luck. I'm with the Crow. Why we only have five to seven BIA law enforcements on the Crow reservation? We have 2.2 million acres and why do we have few, why do we only have the lack of, or we only have five to seven of them and we got 2.2 million acres. And my question is why are we not receiving more funding to cover that big area because there's a lot of issues like all over the reservation, you know, crime, drugs, whatever.

CRUZAN: Yeah, I'm not disputing that. You have nine actually police officers, and the tribe actually, and we appreciate it, actually funds I'm not sure how many, so there's nine plus your three, and so twelve. So I'm not disputing the fact – I was chief of police down there. As a matter of fact, I patrolled down there last night. I did the Good Luck cut across (phonetic). We had a call at Fort Smith and the Lodge Grass, and it is a very, very difficult. Like I said, I was chief of police down there for three years, so I understand the challenges of that.

But I think everybody across the country would have that same question for me, and it's not lost on me, the fact that we don't have enough funding. And as you've heard today, we're working on the ability to paint that story and tell it better, more accurately. But there is no extra pot of money that we're holding back for other things. I mean every – and that's very transparent. Every dime that we've got goes out. It's assigned.

So I don't dispute your issue. I don't disagree with you that there's no enough officers, but that's the reality that we're dealing with right this minute. That's what we've got. I know that's not what you want to hear. I know that. I understand that.

CHAIRMAN: And if I might add, you know, the analysis that we'd like to have conducted would help us get a better handle on the disparities, you know, with regard to land-based coverage, number of people coverage, number of cops per population, dispatchers, backup, that kind of stuff, resources.

CRUZAN: And fish and wildlife as well, that needs to be a part of it.

CHAIRMAN: As well as the fish – natural resource enforcement responsibilities, that's right. So that we can get a better handle on, and where the bigger problems are, whether it's Crow or anywhere else. And that is something we need to have done ASAP. We totally agree. This advisory council truly believes in that. A.J. was promoting that earlier.

BREWER: Mr. Cruzan, I'd like to see your needs based budget that you present. I've never seen anything like that. Your budget spending table for law enforcement, I don't see that. Where's the budgets? What are you asking for? And how can I support you if you don't know what you're asking for? We need your help. We need some numbers.

CHAIRMAN: Excuse me, Darren, you can – that can be a request for the next meeting. You can give us a better handle on the budget request and how it breaks out to the benefit of our respective tribes. And if you could, I mean a lot of times we ask this stuff, if we could get it ahead of time for us to be able to peruse and exam before we get to the meeting, that would be helpful as well.

Okay, we need to move on, so thank you, Darren, we appreciate that update with regard to law enforcement and the challenges in that arena. Let's bring Anna Naimark up for OMB.

Office of Management and Budget

ANNA NAIMARK: I'm afraid that I'm going to give you a lot of unsatisfactory answers today because I've been on the job less than two months. And part of what I wanted to do today is to give you a little bit of an idea about my perspective, where I'm coming from, because I really see this as an opportunity for all

of us to be partners. Assistant Secretary Washburn said that he would like me to be an advocate. I think that's outside my job description, but, you know, it is important that we all work together, and that's why I think people from OMB are trying to make more of an effort to be involved in these TIBC meetings.

I'm really thankful that you invited me here today. I feel really honored to be able to listen to all of the different concerns that are here, and I won't take a lot of time to speak because I'm really hear mostly to listen.

My background is actually, this is my first government job. My background is in the non-profit sector. I'm a human rights lawyer by training, and I worked for ACLU and Human Rights First and a number of different organizations, and I wanted to take this job because I wanted to see how budget decisions were made, how budget affects people's lives, and I see Indian Affairs as being sort of filled with human rights concerns. So for me I'm taking a personal interest in that.

I work at OMB with Melanie Stansbury who many of you I think have had the opportunity to meet. She is sort of like a mentor to me since I am very new to the budget world and the Indian Affairs world. But it's not just us working on Indian Affairs. We've heard about the cross-cut a number of times in the past couple of days, and that also includes other examiners.

So my portfolio is BIA, and I share that with Melanie. It's also OST. I'm also responsible for the Office of Insular Affairs which is the territories and freely associated states, if any of you are familiar. But then there are a number of examiners who work on programs at HUD with the Indian block grants and DOJ. I mean I think all in all there's about 12 of us. And part of my role is to coordinate among us to try and figure out a little bit what's going on with this access to this funding.

As a bit of an update – I don't have much of a presentation – but as a bit of an update, we worked with the TIBC subcommittee on the cross-cut to try and think of next steps in terms of how we figure out what these barriers are to accessing these \$19 billion, because it seems that there is some kind of disconnect between what we hear when we received this cross-cut and what's actually happening on the ground. So we're working right now with the subcommittee to, and with NCAI to try and come up with next steps, and part of that is hearing what the barriers are from the tribes, what tribes are accessing, what they're not able to access, where that money is competitive, where it's not competitive, where it's an actual set-aside, and where it's just being told it's a set-aside. So that's a little bit what we're doing.

And what I really gained from my time here is learning from all of you and your leadership and experience which is far vaster and greater than mine, so that when I go back to D.C., I can have my decisions, even though, frankly, I think they're much more miniscule than maybe sometimes it's made out to be, we have a lot of deference for tribal choices and deference for what we receive in terms of the budget. But I think I'll come out of this with more questions than I will answers, especially because I actually have never even gone through a budget season.

So thank you again and thank you to the tribes who have hosted me and Philip. We are going to Fort Belknap tomorrow, and we'll go to Rocky (indiscernible) on Friday, and we're really looking forward to that. So if anyone has questions, I can try my best to address them, but, again, I've been less than two months.

RICH HARRISON: Thank you. I just wanted to comment on one of the big impediments is with pass-through funding in some regions and states, in particular in Alaska region. Alaska requires tribes to sign a waiver of sovereign immunity in order to get pass-through funding, and most tribes aren't willing to do that. And so that money's not getting to the tribes.

NAIMARK: Yeah. I totally understand how that would be a concern. I think we're still figuring out coordination, but what is most helpful for us because we want to know exactly those things because then, you know, what we can do from our position is see who we can talk to about that and changing that access or figuring out. But we need to have it sort of written down in some kind of formal format. If you see in the action items, there's a number of questions that came from our sort of subcommittee meeting that we had, Chairman Allen was there, or at least there over the phone. And I know NCAI was thinking about, or was going to do some of the coordinating around that, and that would be incredibly helpful for us to just have that written.

ALVIN NOT AFRAID, JR: Thank you, Chair. First of all, I would like to go on record to say that law enforcement is doing exceptionally well with the tools and the materials they do have on Crow. The point being was just being brought in general, subject as to the lack of other departments and such. So, again, Officer Cruzan and the regional folks, you know, it's, there's – you have provided the services that we did request, no problem there. So I just wanted to let you know that there is nothing we – just in BIA as a whole, we understand the lack of and where it can be improved, as well as even the tribes, we need improvement in-house on our own. So I just wanted to clarify that.

No way was I hacking on you, Mr. Cruzan. Like I said, exceptionally well with the tools and materials you have, but I know we can seek improvement. So same goes for the tribe.

And as for OMB, thank you for coming, and we do appreciate it. The staff down in Crow appreciate you coming for the visit, and we didn't get to fully demonstrate what we were asking for as to the various frameworks to improve our local economy. We're venturing out in something new to subsidize these federal programs. Without that initial investment, we have a turnaround that eventually the Crow tribe could be self-sufficient without typical federal funding. So that's a venture, maybe I'm a generation ahead of myself, but that's kind of the vision I see. So that was the purpose of the presentation, as you recall.

Last comment I'd like to say, and I've addressed it numerous times, this BIA budget doesn't necessarily deal with just natural resource per se. The natural resource that's being infringed on is the livelihood of tribes, the livelihood of human resource as to oppose USDA, FSA, other interior programs who they do exceptionally well financially by the government for them to regulate gravel pits, timber, those sorts of things for public lands or what have you, yet the bureau has a more distinct responsibility to the safety and welfare of the first tribes. So I just wanted to comment with that, and I didn't want to belabor any more, but thank you again.

NAIMARK: Thank you for letting me learn from you. These issues are so nuanced, I think it's seeing them first hand has really been helpful to me, and I just appreciate all your patience with my lack of knowledge.

Inter-Tribal Timber Council

PHIL RIGDON: I'm a member of the Yakama Nation, also oversee the Department of Natural Resources for the Yakama Nation. And they gave me the delegation, to be the delegate for the Yakama Nation to the Inter-Tribal Timber Council, and they made me the president. So it's a huge honor to be a part of this.

The Inter-Tribal Timber Council is a national organization of tribes and Alaskan corporations that deal with forestry and natural resource issues. It was established in 1976. It's really pushing to promote sound economic goals and provide information concerning what's happening and going on there legislatively, facilitate communications with the Bureau of Indian Affairs, support forest based business enterprises, and do the training and development of tribal members across the country going into

forestry and natural resource science.

Our land is what makes us who we are. Those places that we come from are essential to us, and they provide to us and give us the basic needs and grounds for what makes Indian communities part of the land that they're from.

But the importance of Indian forests are critical for income, over 43 million (indiscernible) in 2011 employment, you know, close to 20,000 jobs, feel, people – a lot of our members burn firewood, and this amounts to \$30 million in avoided costs. Non-timber forest products, those things that our people gather for other purposes. Climate and how much wood, how much carbon is stored in the wood across Indian Country is enormous. Fish, wildlife, foods and medicines, those places that we go, the water, the soil, all those things that add into making our lives, our culture, and our spiritual beings important to us.

So forests are among Indian Country's most valuable asset, 334 forests or reservations in 36 states, about 18 ½ million acres of land. It's one-third of all Indian land. There's 305 reservations in trust and 29 in fee, and 294 of those are outside of Alaska. And to think about this since 1993, close to 3 million acres have been returned back to, or have been bought by tribes, and so these acres are increasing in Indian Country for those lands. And we deal with important issues that are always talked about in Indian Country -- fragmentation, fractionation, and allotment issues across the board.

And so one of the guiding principles and the things that really is important, so what I'm here really talking about today is in 1990 the National Indian Forest Resource Management Act was passed. This Act actually identified and is one of the few laws that actually codifies there's a trust responsibility for Indian forest management and those things, to have annual (indiscernible) harvest and those kind of things.

Existing federal laws are not sufficiently sure that things are happening right on our land, how do we get there and those kind of things. And so, you know, there's a report that Indian Forest Management Assessment Team, and this is the third report in a few years, and I'll hit the next slide, but one of the big thing is after these investigations, and Indian forestry is significantly below the levels of investment in management of forest lands as compared to federal, state, and private ownership, and it's a really important part of our conversation.

So the National Indian Resource Management Act requested an independent assessment of Indian forests and forestry to be completed every ten years and to provide Congress and the administration. This last year, the third one, was completed, the 2013, but we had one from 1993 and 2013. I have Larry Mason, I'll let him introduce himself, he will come up, but the Inter-Tribal Timber Council didn't agree with the Bureau of Indian Affairs. Then there was 13 scientists from across the country came to do this assessment, and the real important part that you think, this is the only land across the country that has a federally mandated, a congressionally mandated study of an independent scientific review to say what is the status of Indian Country, and I think that's a really driving factor into what we're talking about. So right now I'll turn it over to Larry Mason, and he was on the team.

LARRY MASON: I was part of a team of nationally recognized scientists under contract with the Inter-Tribal Timber Council funded through the Bureau of Indian Affairs to complete the third Indian Forest Management Assessment in the nation.

We were asked by the National Indian Forest Resources Management Act to look at a series of questions, each of which has been looked at in the preceding reports as well as ours being the third. So being it's the third, we would be able to see trends by now. And we were looking at funding, survey of conditions, evaluation of staffing. We looked for accountability, and we look at the potential for reducing or eliminating some of the procedural obstacles. We reviewed forest planning. We looked very closely at trust responsibility and how it relates to the management of Indian forests. And then we

form recommendations for reforms.

In addition, the Inter-Tribal Timber Council asked us in our study to look at educational situations, to evaluate the economic contribution of Indian forests to tribal and regional economies, and to evaluate opportunities for Indian forests to become anchors of forest infrastructure. Also, we looked at other problems that threaten Indian forests like climate change, forest health, mismanagement of adjacent federal lands, and fluctuating markets.

We visited 20 reservations scattered around the nation, eight BIA agency offices, probably a half a dozen other federal agencies, 7 colleagues that provide natural resource education to tribal members. We conducted a survey of the professionals within the workforce. We surveyed tribal members to gain insight on their thoughts about the management of their forest resources. Reviewed all the literature. In other words, this was a two-year very comprehensive assessment of Indian forest lands.

One of the main findings, maybe no surprise to this group, what was found is that funding is inadequate, but we also found over the three studies since the early 90's that federal funding for Indian forestry has actually declined by 23 percent even though in 1991 the National Indian Forest Resources Management Act found by Congress that the funding was inadequate at that time.

Today, funding is equivalent to 33 percent of the funding received by the national forests. So what does that mean? It means forestry funding to the BIA is about \$2.82 per acre per annum, whereas for the national forest it's \$8.57 per acre per annum. To look a little closer, the Rocky Mountain Region BIA forestry program receives an equivalent of about \$4.00 per acre, whereas Montana state trust lands receive more than \$11.00 per acre. So we looked at federal, we looked at private, we looked at state lands for comparisons on funding, and Indian lands always fell short.

Fire preparedness we found to be 25 percent of that provided to the national forest; hazardous fuels, 46 percent; road funding, 23 percent.

We also found problems in staffing. Staffing levels have declined 13 percent since 1991, even though, as Phil mentioned, there's been almost 3 million acres added to the Indian forest reserve. Fifty-one percent of foresters are 50 years or older, less than 15 percent are younger than 30. Wages and benefits for tribal forestry positions we found to be 15 to 30 percent below comparable jobs in other federal agencies and state natural resources programs. An erosion of the workforce skills, leadership, and institutional knowledge within BIA and tribal forestry is occurring.

BIA forestry lacks in-house scientific and technical support sufficient for needed inventory updates, client change, environmental assessments, market and economic analyses, topical research and reporting, and very important for forests, long-range planning. The BIA further we found to have no strategic plan to recruit, train, relocate, and retain tribal forestry professionals and technicians.

What does this mean? Well, for one thing when we look at the harvest, and this is sort of a confusing graph, but the dark line here is the volume of harvest over the last hundred years, and what you can see is the harvest lines have been declining for Indian forestry across the nation for the last 80 years. They're now – I mean for the last 50 years. They're now the lowest they've been since the Great Depression. And what's very interesting is the light line is what we call the stumpage returns. So what that tells us is that these declines are not market driven. Irregardless of market opportunities, our volume production are still declining, and we saw that in spades in 2012 and 2013 when the lumber market actually went up considerably but tribal harvests continued downward. And I'll share a little more about how that plays out. You can see the trends since 1991, down more than 50 percent in the last 20 years.

And it's not only the commercial timber harvest, it's also very important for forest health

investments such as hazardous fuel treatments. There's a growing planting and thinning backlog.

Woodlands we looked at, and woodlands are a very important part of Indian forestry. However, they aren't commercial generally, so there is not a lot of revenue generated from woodlands, and in the historic harvest models based on commercial returns, woodlands have been generally neglected. Two hundred and two tribes have woodlands, 109 have only woodlands for forested areas. Two-thirds of Indian forests are woodlands and non-commercial forest lands.

But what's also very important is for those tribes those woodlands provide essential cultural, spiritual, subsistence benefits that while not readily measured in dollars are really important. Woodlands are also the frontlines for environment changes such as climate change, lowering water tables, etc., but there's very, very little investment in woodlands, and as a matter of fact, the last report published by BIA on woodlands was in 1988.

So IFMA recommendations, what we found when we did our comparable analysis and we developed methodologies to develop to understand better what the funding needs would be, the funding needs to increase for BIA forestry by a minimum of \$100 million. That would just make them equal to the funding that's available to the Forest Service which we would suggest is a surrogate for what the federal government thinks is appropriate levels of funding for natural resource stewardship. We also found that professional and technical staff needs to increase by 65 percent to a total of 2,000 from 1,200 individuals.

What does this mean? Well, when we look at it from a perspective of trust responsibility, the preamble of the National Indian Forest Resources Management Act explicitly recognize the U.S. trust responsibility for sustained management of Indian forests. Indian forests are being sustained according to our assessment. So two decades later, after NIFRMA, we find that the federal government continues to inadequately fulfill its trust obligations to Indian forestry.

To be sustainable, Indian forestry programs, in our view, must be assured of predictable, consistent, and adequate funding, have access to up-to-date technical and research support, be guided by each tribe's vision for its forest, and have a capable workforce committed to protecting tribal resource.

Yet, what we also found was, in spite of formidable obstacles, tribal forestry programs are remarkably successful. We've observed dedicated forestry staff, Indian and non-Indian, in both tribal and BIA operations caring for forests under the leadership of the tribal councils. Indian forests we found to be visibly healthier than adjacent federal forests.

So it begs the question, underfunded and understaffed yet applauded for success Indian forest programs appear as an enigma. To aid understanding, we introduced the concept of FIT which characterizes fire investment and transformation. The fact that fire should be important with forestry probably is no surprise. While fire is a growing problem across the nation, what's interesting though is in proactive response tribes are drawing upon traditional knowledge to restore the cultural fire to the landscape. But funding shortfalls are slowing progress.

Investments. When investments in tribal forests support stewardship and recoverable products can be sold, caring for the forests can bring net return instead of reactive cost. Liabilities created by failure to fulfill trust responsibilities can be avoided.

But, most importantly, transformation, the number of contract and compact tribes that are taking control of their forest management programs in spite of funding challenges has doubled. Tribal knowledge and stewardship capabilities are uniquely positioned to help sustain forests within and beyond reservation boundaries particularly on neglected federal lands. And we conclude that if federal

support to Indian forests and forestry programs is increased to recommended levels and fulfillment of trust responsibility is assured, tribal forests stand to become a model of sustainable management for federal and private forests alike.

Accomplishments notwithstanding, the current situation grows dire. Chronic underfunding and staffing shortfalls are placing the health and productivity of the trust corpus in jeopardy. Increasing threats of catastrophic loss from wildfire, insects, disease, drought, and climate change must be addressed proactively through management and stewardship. Economic and employment benefits are being lost and opportunities are not being pursued, for example, the 2012 and 2013 opportunities in the timber market.

Indian forestry appears at a tipping point as decades of begging Peter to pay Paul cannot be sustained. One of the things we found, for example, is that tribes have become very creative at writing grant proposals and securing funding, short-term funding from agencies and NGO's. Well, these funding opportunities come with high transaction costs, they have a hit-and-miss record of aligning with tribal priorities, and they are uncertain funding for the future, in other words, it's a house of cards, that any one card removed could tip the balance.

So I'm going to turn it back over to Phil for his concluding remarks. Thank you very much.

RIGDON: So one of the key elements is the IFMA team has created this report and the Inter-Tribal Timber Council is now developing and it's wanting to do an implementation of what these recommendations are. There's some key elements I think are really important for us. We actually have volume 1 and volume 2, they're pretty longer versions, but we provided the executive summary to everybody which gives an overall idea of what we're talking about. And then also Evergreen Magazine, the stories across Indian Country from the different communities are another part of these things.

But really we've briefed the administration, and to understand, this report is a cooperation effort. This is between the tribes and the Bureau of Indian Affairs in making this report happen, and so there's great appreciation to the Bureau of Indian Affairs for that effort, but now how do we take this to the next step?

I have 200 people from my tribe, my relatives and other folks that work out at Yakama Forest Products. It supports a major part of our economy. The people that work up in the woods, it's who we are. But today we struggle. We struggle. They had 11 retirements last year at our agency; none of those have been replaced. We're sitting here trying to find a path forward to set and deliver and do those things. There's a comprehensive approach that's been developed and how do we go tackle these challenges, looking at education, looking at those plans to help bring the next rounds of foresters, and for many of the tribes and the folks that I see sitting around the table, you have these lands. You are a part of, actually part of our teams that we're talking about.

The other thing is the report itself, like I showed the executive summary, the volume 1, volume 2, you can also download these at the Inter-Tribal Timber Council website. And so I invite you to visit the website, pull these down, and use them and reference in a lot of the things.

And I'm hoping that in some way we can bring this to the forefront because I think that's an essential and critical issue all across Indian Country right now. Thank you, Ron.

SAM THOMAS: Mr. Chairman, thanks. My name is Sam Thomas, Craig Tribal Association, west of Ketchikan, Alaska, kind of central, right in the middle of the Tongass National Forest. Largest temperate rain forest in the United States. Nineteen tribal communities live within the forest. We consider the forest as the management of the forest service, but we're the caretakers of the land and stakeholders.

We try to manage it from a sustainable yield basis within southeast Alaska. Of our mills, we got one mill

I think in the southeast open now. And you come from conservation societies, such as Greenpeace, Southeast Alaska Conservation Society, Nature Conservancy and all these interest groups with high dollars to go and basically shut down the forests which we use for natural resources, employment, extraction of those resources for not only consumption on a traditional customary basis but financially.

It seems like there's a lot of different monies out there, and the Department of Interior has the ability to throw money, because if you look at U.S. Fish & Wildlife Service, they got a lot of money. If you look at the budget compared to the BIA budget, we don't have a very big budget. It's when people, I'm going to use the wolf, there's a petition right now to put the wolves in southeast Alaska on the endangered species list, and it came off of a deal that SEAK and Greenpeace put together with no science behind it.

Pretty soon we're going to be the endangered species on the lands within the forest because the government and these interest groups that, the government gives the interest groups the money, and they go and fight the people trying to extract the resources or manage them in a proper fashion, but there's no science to back it up. So pretty soon the wolf's going to shut down all the Tongass. I just want to throw that out there, thanks.

RIGDON: Many members of the Inter-Tribal Timber Council are part of Alaska, understanding those complex things. One of our things that I think is important is the tribes, we need to showcase our ability but also our practices. We are an industry. The way we practice forestry is about what we leave behind, what we leave for future generations. How we treat those lands is aimed into those things.

And I think we're a lot more effective of taking on the challenges of those environmental groups and those programs, but they will still be a challenge, and it will always be a continuing consultation thing with the Forest Service, with U.S. Fish & Wildlife Service, and all the federal agencies. But the opportunity to showcase the pride that you have for the land and where we're from is an essential part of our mission.

CHAIRMAN: So I think the message is loud and clear. We appreciate this presentation that you guys sent to us electronically as well, and we'll certainly be advocating for more resources so that our respective tribes can do their job in managing these resources and protecting them as well.

LARRY: I just want to make one comment and maybe, Phil, you could touch upon this. We have a number of the tribal leaders here around the table. And my understanding is that there's a wild fire disaster cap legislation that's making its way through Congress that the Inter-Tribal Timber Council has supported. And if that legislation would pass, would actually provide more resources for both fire suppression and fuels management. And I was wondering if you might be able to touch upon that because my sense is that here's an opportunity for legislation to provide more resources, and it's something that Indian Country needs to weigh in on with their members of Congress.

RIGDON: One of the things, especially with the other agencies, is when fires come and they can only spend money that's awarded to them, they're taking that money and they're taking money away from doing forest management activities on lands. And so people that work to do timber sales for the Forest Service or are doing the work to make these things happen, that money's swept and it all goes to pay for these fire suppression activities.

This emergency fund would pretty much fund up to a certain level so that you wouldn't sweep that, and then you would also then have the money to prioritize to do the type of treatments that would reduce the risk for fire, insect and disease that all our national forests are having. That impact will also allow tribes to go and work towards the Anchor Forest concept and some of these other things to treat these lands and national forests or BLM lands in the manner that would be consistent with what we want to see across the landscape.

Budget Formulation Process

BEARPAW: What we'd like to do now is the budget formulation process update.

I'd like to, first of all, thank the TIBC subcommittee for the work that they did, and the 2016 budget, that went really well. Even the presentation to the Assistant Secretary went well, and it was really professionally done. We had a lot of subject matter experts that we walled on during the budget formulation process. It was two-day pretty intensive work that we did. So it went really well, and I think for the 2017 we'd like to even improve on that and get more participation.

And like mentioned in the beginning, we are committed to improving the budget formulation process. We're incorporating all of the comments that we get and suggestions on the 2016 process and to make the '17 as clear and effective as possible. In fact, I think we've already incorporated a lot of the comments and recommendations that were made.

One of them was to eliminate the negative budget planning exercise that was done last year. We took that out this year. Because it really – the tribes really didn't like going backwards in the budget process, of doing any type of negative planning. It just didn't really set well with the tribes, and we understand that. So we took that out. The Assistant Secretary even agreed with that. There was no use doing that. We did also get a recommendation to add some footnotes and some narrative to the worksheets that we are developing every year. We did that this year.

We're also striving for better communication. So one of the things that came up this year we were only sending out information to the subcommittee on the work that was being done, and one of the recommendations that I got was to send it out to all the TIBC so that they can see what the subcommittee's doing, what we're doing, a lot of the information that's coming in from other programs, like roads and BIE. So we're going to do that this year. We're going to disseminate all that information to the total TIBC.

The current status is to draft the formulation guide, and we've sent that out. I think everybody should have a copy of that. It's in draft form. One of the things – and I'm not going page by page because we got to catch up on time here – but it gives you the timeframe again on the budget formulation process. It gives you the budget formulation process, explanation of the Indian programs and how we do the budget formulation process. It kind of goes over the regional instructions to each region on what they need to do and the budget formulation process. And it also gives you the budget funding tables that we need to have in order to get all the information from every region and then to compile all that information into a budget priority for the Indian programs.

We're also continually updating the workgroup contacts. I know there's a lot of changes. With every tribe there's continual changes. Elections are going on from one year to the next, and new people are coming into the system. So we do have a contact for that. That's my secretary. He usually gets all that information together and updates the system continually.

We will be sending out the final instructions by September 1 to all the regions for their regional meetings, and the regional meetings will start in September through December with all the tribes to come up with the budget priorities for each region. And then from January to February of 2015, the tribal regional budget development sessions will be set up so that they can come up with the presentations for the national meeting. In February 2015 we'll come up with a date for the submissions, and then March we'll have the national budget meetings which will include the group here as well as other programmatic people for the national meetings.

But those dates will be set by the time we get the September information out, the guidance, so

you can expect that in the packets that are going to be coming out in September.

Again, I'd like to get comments and any questions that you might have with the draft you see in front of you. Please give us that information between now and September, and we'll try and incorporate any recommendations that you have or answer any questions that you might have regarding the guidance.

And here's my help wanted poster for the subcommittee members. We need more subcommittee members to participate. The participation's been good. I think Ron even mentioned that in the last couple of meetings to have more participation with the subcommittees. There's varying interest on all the 127 line items of the budget. Every region is different. There's 638 tribes, there's self-governance tribes, the self-direct service tribes. So we need more participation so that we can get a full round of suggestions and input from those varying tribes on what their needs are and to have a full rounded subcommittee. So if you're interested, please let us know. And you can contact us directly, and we'll try to put you on a subcommittee.

Tribal Data Exchange

CHAIRMAN: I might remind people that the genesis of this effort was self-governance legislation did not require the tribes to provide reporting requirements. And so there was a gap there, and we were looking for ways to get the tribes to voluntarily show this data so we can quantify it. It actually came from our dialogue with OMB, but then it grew outside of that, so it was not relative to self-governance, it was also relevant to 638 and direct service tribe because we had to do a cross-walk comparison about how well we're performing regardless of how the services are provided to the tribes. Sam.

SAM THOMAS: Mr. Chairman, I think, as George alluded to last couple of meetings, OMB talked about data and so did the White House committee when they came and talked. I think there was a recommendation yesterday for you guys to establish your meeting between OMB, the White House group, and the data so we get some kind of uniformly structured data process and how this all works.

COMMENT: Regarding the TDE, it doesn't work for tribes who have 638 contracts. There is not a place in there to put our data. So what we were requesting to the Great Plain tribal chairmen is to this group are on to get funds for direct reporting for those tribes who have 638 contracting so you can see our tribal specific data.

CHAIRMAN: Yeah, my understanding – I'll turn to Chris – my understanding is that we're designing it so that we can break out whether it's self-governance, 638, or direct service. So we want all to be engaged so that everybody's, no matter how we're getting our services, that we are able to quantify it.

The direct service we have easier information because the bureau provides it, so they have that information. But we just want to make sure we're using the same data so we're doing an apples and apples comparison on how well we're performing on Indian child welfare or timber management activities or whatever it might be. So the answer is yes, and Chris.

COMMENT: As long as it comes from the tribes themselves, that's what I'm talking about direct reporting from the tribe because we 638 contract that program. So it should be our data not who we give it to at the agency level and then it moves up because there's going to be input errors.

CHAIRMAN: And that's why that technical board or committee, that's why we need to help participate on because if we find glitches in how we're gathering that data and/or how it's being reported, they can help us work with the Chickasaw Nation to correct those, I guess the field flaws in

terms of how that data is gathered. Chris, can you add to that?

CHRIS: I think one of the issues, and we probably really can talk offline a little bit, but, first of all, it's structured to handle all this already. One of the issues has to do with how the regions have, they've put in – I think they've inserted certain GPRA measures for, they've assigned them by region or by agency. And so that's something that we have to look at too. But the system itself is designed to be customized for every program and for each one of the tribes.

CHAIRMAN: And we welcome you. Our position is that GPRA doesn't apply to us, that that doesn't work for the tribes. The tribes have different standards, different metrics that we use or measure our performance and how well we're performing. And you can be very helpful for us in terms of if what we're identifying programmatically doesn't work, then we need to make those adjustments, and we would be delighted to have that help.

SHAREE FREEMAN: Let me just clarify. The system when it was built was built with money from this body as a result of resolution, and it was built for both 638 and self-governance. There was training that was done for both self-governance and 638 tribes throughout the regions.

Currently, right now, the GPRA data does not, the data that the department is collecting for BIA only has seven measures, and it doesn't cover all the tribes. So there are some tribes that are totally left out because they're not one of the tribes that has either a road or a timber thing that's being collected. So if you're left out, it's because you don't have one of the measures that's one of the department measures. Okay?

The other thing is that the system is set up so it has an upper level that feeds into the department which is the GPRA data. It has a lower level that allows tribes that do not have major IT systems to collect for their council whatever data you want to track, whatever data you want to trend, whatever you want to do with data it allows you to do that. It was placed at Chickasaw so that we could avoid FOIA, so tribes could have the comfort of tracking whatever data they wanted. That's which it's not a government system handled by our IT shop.

So what needs to really happen next is for training to be to happen with tribes and regional people to understand the two different layers. It was also a scenario where the data management committee pulled all of the data that Interior collects from tribes. So for 638 tribes you have 425 forms that you have to submit for every single program you run. You have other data that's requested from OJS, it's requested from roads, I mean from lots of different sources. We collected what all those sources were, and it was designed to have one place where you could collect all that. The tribes put the information in, spit it out, and send it to that program office.

One last thing, the amount of money that's needed for it, it's not necessarily a 220K every year. It's as it's used. So it's not necessary that you have to pay it every year. It's kind of a Packman, as they need it, they use it. So we can be one year, we can be two years, depending on the training and how they're using it in Chickasaw, that's how it's set up. So that answers your question, Sam.

CHAIRMAN: We would like to engage with you more, get these glitches fixed and addressed so that they have the kind of effectiveness and that they serve the tribes, all the tribes correctly. So you've got a lot of good suggestions I think that would help us move this agenda along. We're in it in the infant stage, and we're realizing that we've got some wrinkles in the system that we have to sort out.

MIKE: I guess I'll make it real quick, but it's kind of a follow-up to the comments that are made by Oglala Sioux down there is, when I heard Sharee say that the system is really for 638 and self-governance data collection. How can we do that to paint the full picture of the budget needs across Indian Country without including the direct service tribes? If a tribe have selected or elected to have

their services provided direct service, that information needs to be in there so that we truly reflect the needs across Indian Country.

So I guess my recommendation would be at the next TIBC that we see, and I guess I've never really seen or maybe I missed it or something at some point along the lines is what are the data elements that are being collected and maybe just kind of a good overview of what the system looks like, what data's being collected, how we're going to use the data, etc. Maybe a little bit more detail would be good.

CHAIRMAN: I think when we get our next TDE meeting, Mike, if we can get you and/or the appropriate persons to engage with us, to talk about how we can do the cross-walk between the 638, self-governance, and direct service criteria metrics so that we're doing the right thing to benefit the tribes and assist administration and address questions that OMB's been asking us. Okay.

Motion on CSC and Advance Appropriations resolutions

- A motion was made passed to approve the support of the advance appropriation and the desire to address the BIA budget issues. The motion was seconded and carried.
- A motion was made to approve mandatory appropriation for CSC, as amended. The motion was seconded and carried.

Old Business/New Business/Agenda Items for November Meeting/Review Dates of Future TIBC Meetings/Site Options for July/Aug 2015 Meeting

Chairman: The new business we need to take care of is the dates for 2015 and the location for the August TIBC meeting. Here is a short summary of which regions the meetings have been held in and the cities that they've been held in or towns for the summer TIBC. We haven't been to Great Plains, Southwest, Navajo, or Southern Plains. Then you can see the previous places – Spokane; San Diego; Bar Harbor, Maine; Tulsa; Anchorage; Polson, Montana; Miccosukee; Pala, California; Minnesota; and Scottsdale.

Target dates

- March 2-6 and May 22/23
- First week of August for 2015 in Rapid City, pending resolving conflicts with Sturgis rally; Albuquerque, NM for 2016
- First week of November 2015

Agenda items:

- Contract support costs
- Sister agencies update from DOI
- Law enforcement
- Tribal Data exchange

Concluding remarks

CHAIRMAN: I deeply appreciate it. Our attendance has stayed strong all the way to the end, so I hold up my hands to all the tribal leaders who hung in here with us these last two days, excepting you, Sam. But anyhow. He's my brother up north, what the heck.

Good solid couple of days of conversation and guidance and recommendations to administration. I know that Larry and Kevin and the rest of the team in administration appreciate it. So from my perspective I deeply appreciate it. So I'll turn it over to Larry for his final comments and remarks.

LARRY ROBERTS: Absolutely. I thought this was a great two days. Thank you all so much for attending here. Thank you to Crow Nation and other tribes here in Montana that helped host this event and hosted us here. Assistant Secretary Washburn was upset that he couldn't be with you all here for the two days but was happy that you were able to accommodate him through Skype and have that interaction, and so I know he has already expressed that to you personally both in emails and when he met with us yesterday. He will be at the next meetings, and safe travels home, everyone.

Closing Prayer

Adjourn