



# NATIONAL CONGRESS OF AMERICAN INDIANS

## Testimony of the National Congress of American Indians on FY 2003 Department of Agriculture Appropriations

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On behalf of the National Congress of American Indians (NCAI) and its more than 200 member tribal nations, we are pleased to have the opportunity to present written testimony on FY 2003 appropriations for the Department of Agriculture.

The tragic events of September 11 brought forth the strength and the determination of our nation to survive in the face of adversity. It is this same spirit that has carried Indian Country through years of annihilation and termination. It is this same spirit that has propelled Indian Nations forward into an era of self-determination. And it is in this same spirit of resolve that Indian Nations come before Congress to talk about honoring the federal government's treaty obligations and trust responsibilities throughout the FY 2003 budget process.

On February 4, President Bush proposed a \$74.4 billion budget for the Agriculture Department that freezes funding for most Indian-specific programs within USDA, continuing the trend of consistent declines in federal per capita spending for Indians compared to per capita expenditures for the population at large. This trend demonstrates the abject failure of the federal government to commit the serious resources needed to fully honor its trust commitment to Indian tribes.

The federal trust responsibility represents the legal obligation made by the U.S. government to Indian tribes when their lands were ceded to the United States. This obligation is codified in numerous treaties, statutes, Presidential directives, judicial opinions, and international doctrines. It can be divided into three general areas – protection of Indian trust lands; protection of tribal self-governance; and provision of basic social, medical, and educational services for tribal members.

NCAI realizes that Congress must make difficult budget choices this year. As elected officials, tribal leaders certainly understand the competing priorities that members of Congress must weigh over the coming months. However, the fact that the federal government has a solemn responsibility to address the serious needs facing Indian Country remains unchanged, whatever the economic or political climate may be. We at NCAI urge you to make a strong commitment to meeting the federal trust obligation by fully funding those programs that are vital to the creation of vibrant Indian Nations. Such a commitment, coupled with continued efforts to strengthen tribal governments and to uphold the

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government-to-government relationship, will truly make a difference in helping us to create stable, diversified, and healthy economies in Indian Country.

NCAI's statement focuses on our key areas of concern surrounding the President's budget request. Of course, there are numerous other programs and initiatives within USDA that are important to American Indians and Alaska Natives. Attached to this testimony is a breakdown of key programs for which we urge your support at the highest possible funding level as the appropriations process moves forward.

### **Rural Economic Development Programs**

The Census Bureau's *Poverty in the United States* for 2000 showed that American Indians and Alaska Natives remain at the bottom of the economic ladder – with 25.9 percent of our population falling below the poverty line. This compares to an 11.9 percent poverty rate for all races combined.

Congress has authorized USDA's rural development programs to assist in building economic growth in the rural areas of the nation with the highest percentage of low-income residents. The tribal program allocation within the budget request is only a very small percentage of the total funding available for Rural Community Advancement Programs, but it will go a long way toward helping to address the needs of some of America's poorest communities.

The President has requested level funding of \$24 million for the Rural Community Advancement Program Indian Set-Aside. Within both the FY 2002 appropriation and the FY 2003 request, \$4 million of this amount is earmarked for community facilities grants to tribal colleges and \$250,000 is for a grant to provide technical assistance on rural transportation. The remainder of the funds may be used for water and waste disposal grants and loans to tribes, as well as for rural business opportunity grants and rural business enterprise grants to tribes.

NCAI urges that the Subcommittee adopt language to specify further how this tribal funding should be allocated among the various rural development programs, as follows: \$1 million for rural business opportunity grants; \$5 million for community facilities grants for tribal colleges; \$15 million for grants for drinking water and waste disposal systems; and, \$3 million for rural business enterprise grants.

Water and Wastewater Grants – We urge Congress to authorize USDA to provide 100 percent of project costs for the most economically disadvantaged tribes that otherwise would not qualify for a loan.

Tribal Colleges – Many of the nation's tribally controlled community colleges (TCCCs) are housed in substandard facilities, where common hazards include leaking roofs, asbestos insulation, exposed and below-code wiring, and crumbling foundations.

TCCC's are located on federal trust land, and the upkeep of their physical plants is a federal responsibility.

Rural Business Enterprise and Opportunity Grants -- Today, unemployment rates in Indian Country are the highest in the nation, sometimes topping 50 percent. The development of new and diverse businesses in Indian Country is one cornerstone of self-sufficiency. NCAI supports a \$3 million amendment in rural business enterprise grants to support the development of small and emerging tribal business enterprises. These funds can be used to develop land, construct buildings and factories, purchase equipment, provide road access and parking areas, extend basic utilities, or provide technical assistance, startup and operating costs, or working capital for new business. We also urge \$1 million for tribal rural business opportunity grants to help tribes to analyze business ventures that will make use of existing economic and human resources. Funding can also be used to train tribal entrepreneurs and to establish business support centers.

### **Extension Services**

Since FY 2001, funding for extension agents on Indian reservations has been frozen at \$2 million. The Extension Indian Reservation Program, authorized under the Food, Agriculture, Conservation and Trade Act, has provided services to Indian Country since 1991 on issues ranging from crop and animal production practices to farm business management. It also has furnished extension agents, employees of the State Cooperative Extension System, who work with tribal advisory committees to develop educational programs in agriculture or agriculture-related youth programs that respond to tribal priorities. NCAI strongly supports an increase to \$5 million for FY2003 so that the program can hire additional extension agents on large Indian reservations to help promote productive and efficient land use.

### **Food Distribution Program on Indian Reservations**

The Food Distribution Program on Indian Reservations (FDPIR) is administered at the federal level by the Food and Nutrition Service (FNS) in cooperation with 98 tribal organizations and six state agencies. Many Native Americans actually participate in the FDPIR rather than the Food Stamp Program because of rural isolation and the lack of easy access to food stores.

The \$26.25 billion request for the Food Stamp program would provide full funding to FDPIR, which is critical to providing nutrition assistance to low-income households on reservations and to Native American families residing in designated areas near reservations.

In FY 2001 and FY 2002, up to \$3 million in FDPIR funds were reserved to purchase bison from Native American producers and cooperatives. Bison meat is a healthy meat product, low in cholesterol, fat, and calories, and it is a culturally preferable food choice for many Native Americans. NCAI strongly supports the inclusion of a similar provision in the FY 2003 Agriculture appropriations bill.

#### Tribally Controlled Community Colleges

The FY 2003 budget request once again freezes funding for tribally controlled community colleges. Although tribal colleges are relatively new to the Land Grant community, they are making impressive strides with limited resources. More support is needed, however, for them to achieve full participation in the Land Grant system and to realize their full potential.

Executive Order No. 13021 on Tribal Colleges and Universities, issued on October 19, 1996, reaffirms the important role tribal colleges play in reservation development by directing all federal departments and agencies to increase their support to the colleges. According to recent testimony before the Senate Committee on Indian Affairs by Tom Corwin, the Deputy Assistant Secretary of the Office of Elementary and Secondary Education, President Bush intends to reaffirm the Executive Order in the near future.

In the meantime, we urge Congress to show its support for TCCCs by increasing funding for 1994 Institutions Equity Grants (currently funded at \$1.5 million) and the Agriculture Research Initiative (currently funded at \$1.0 million).

#### **Conclusion**

Thank you for this opportunity to present written testimony regarding the FY 2003 appropriations for the Department of Agriculture. The National Congress of American Indians calls upon Congress to fulfill the federal government's fiduciary duty to American Indians and Alaska Native people. This responsibility should never be compromised or diminished because of any political agenda or budget cut scenario. Tribes throughout the nation relinquished their lands and in return received a trust obligation, and we ask that Congress maintain this solemn obligation to Indian Country and continue to assist tribal governments as we build strong, diverse, and healthy nations for our people.

**Attachment A:**  
**The FY 2003 Budget Request for Agriculture Programs Benefiting Tribes**

The FY 2003 USDA budget request is \$74.4 billion, \$2.2 billion less than the current estimate of FY 2002 expenditures, including \$146 million for food safety-related homeland security and an increase in nutrition program spending. Among the decreases is funding for telecommunications access grants. In most instances, funding for Indian-specific programs remains frozen at current levels.

USDA (\$ in millions)	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request
Rural and Economic Development			
Rural Community Advancement Program Indian Set-Aside <sup>1</sup>	24.0	24.0	24.0
Water/Sewer Grants for Alaska Rural and Native Villages	20.0	24.0	20.0
Enterprise Zone/Empowerment Community Grants	15.0	11.7	7.1
Circuit Rider Program	9.5	11.0	9.5
Distance Learning and Telemedicine Grants and Loans <sup>2</sup>	26.9	49.4	31.1
Rural Development Loan Fund Indian Set-Aside	2.0	1.7	1.7
Indian Tribal Land Acquisition Loans	2.0	2.0	2.0
Extension Services			
Tribal Colleges Extension Services	3.3	3.3	3.3
Indian Reservation Agents	2.0	2.0	2.0
Food Programs			
Food Stamps (incl. Food Distribution Program on Indian Reservations) <sup>3</sup>	20,100.0	22,922.0	26,250.0
WIC	4,000.0	4,348.0	4,751.0
Tribal Colleges			
Endowment Fund	7.1	7.1	7.1
1994 Institutions Equity Grants	1.5	1.5	1.5
Agriculture Research Initiative	1.0	1.0	1.0
Alaska Native and Native Hawaiian-Serving Institutions	3.0	3.0	3.0

<sup>1</sup> Within the FY 2002 set-aside and FY 2003 request for the Rural Community Advancement Program, \$4 million is provided for community facilities grants to tribal colleges. This funding may be used for water and waste disposal grants and loans to tribes, as well as for rural business opportunity grants and rural business enterprise grants to tribes.

<sup>2</sup> In FY 2002, \$22 million was set aside for broadband transmission and local dial-up Internet service in rural areas, including \$12.5 million in grants. The FY 2003 request cuts this level to \$6.1 million. The remainder of the Distance Learning and Telemedicine funds in both FY 2002 and the FY 2003 request will finance an estimated loan program level of \$80 million for broadband and Internet access and \$300 million for distance learning and telemedicine.

<sup>3</sup> In FY 2002, up to \$3 million is reserved to purchase bison for the Food Distribution Program on Indian Reservations from Native American producers and cooperatives.