



# NATIONAL CONGRESS OF AMERICAN INDIANS

## Testimony of the National Congress of American Indians on FY 2003 VA-HUD-Independent Agencies 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 the FY 2003 VA-HUD-Independent Agencies appropriations bill.

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.

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

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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 the VA-HUD-Independent Agencies appropriations bill 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.

### **Department of Veterans Affairs**

Native American veterans have served the United States with honor and distinction since this nation was founded, and Indian people have the highest percentage of veterans of any population within the United States. Native people also carry the proud distinction of being the most decorated group in this country's history. Today, Native veterans have many pressing needs such as housing, health care, benefits, and other concerns that include issues unique to Indian Country.

We urge continued support for the Native American Veterans Housing Loan Program. While small, it serves an important function, providing direct loans to veterans living on trust land. Many times, these veterans are unable to secure such loans through local banks or credit unions. In these instances, the Native American Veterans Housing Loan Program provides the resources to help purchase, construct, or improve their homes. A VA direct loan can be used to purchase, construct, or improve a home on Native American trust land. These loans may also be used to simultaneously purchase and improve a home or to refinance another VA direct loan made under this program in order to lower the interest rate. The principal amount of loans under this authority is generally limited to \$80,000 or the cost of the home, whichever is less.

### **Department of Housing and Urban Development**

According to statistics provided by the National American Indian Housing Council, 40 percent of the homes in tribal communities are overcrowded and have serious physical deficiencies. The comparable national average is 5.9 percent, almost six times lower. These types of conditions have a very real and detrimental impact. Respiratory illness, skin conditions, head lice, sleep deprivation that affects schooling, and a lack of privacy that sometimes leads to child physical and sexual abuse can all be traced back to the housing crisis that plagues some of our reservations.

The FY 2003 request for programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) block grant actually cuts funding for training and technical assistance and for loans and loan guarantees, and it fails to provide adequate base funding for the NAHASDA block grant program. Per NCAI Resolution #SPO-01-094, NCAI supports the NAIHC proposed request and urges Congress to address the real housing need in Indian Country by appropriating \$1.1 billion in FY 2003 for the NAHASDA block grant.

## **Environmental Protection Agency**

Tribes are sovereign entities with the ability to set environmental quality standards, make environmental policy decisions, and manage programs consistent with EPA standards and regulations. In order to preserve and enhance the environmental quality of Indian Country for present and future generations and sustain tribal cultures, tribes deserve equitable funding for their environmental regulatory programs. Therefore we urge support for the following funding levels:

General Assistance Program – Tribal environmental program managers view GAP activities, funded under the multimedia section of State and Tribal Assistance Grants, as their highest priority. We request that the program receive \$75 million, a \$25 million increase, which would provide the minimum coverage needed for all federally recognized tribes to build capacity for EPA-delegated environmental programs.

Clean Water Act State Revolving Fund – We request that Congress raise the program cap from 1.5 percent to 2 percent for tribal governments to help address the estimated \$650 million in wastewater treatment unmet needs in Indian Country. Within the State Revolving Fund program, we urge continued funding for wastewater treatment facilities for Alaska Natives.

Safe Drinking Water Act State Revolving Fund – Section 1452(i) provides a tribal government allocation for public water system expenditures to facilitate compliance with the national primary drinking water regulations. NCAI urges Congress to provide an additional \$5 million for tribal drinking water programs under this program and raise the program cap from 1.5 percent to 2 percent.

Cooperative Agreements – Congress in FY 2001 and FY 2002 authorized EPA to enter into cooperative agreements with tribal governments and tribal consortia to assist the agency in implementing federal environmental programs. NCAI strongly recommends the permanent continuation of this authority and that \$2 million be appropriated for tribal-EPA cooperative agreements.

## **Conclusion**

Thank you for this opportunity to present written testimony regarding VA-HUD-Independent Agencies programs that benefit Indian Country. 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: VA-HUD-Independent Agencies Appropriations Benefiting Tribes

### Department of Veterans Affairs

The President's budget increases the VA's discretionary budget authority from \$24.7 billion to \$26.4 billion, with much of the increase going toward health care for veterans.

VA (\$ in millions)	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request
Native American Veterans Housing Loan Program	.54	.54	.56

### Department of Housing and Urban Development

The President has requested \$31.4 billion for HUD, a \$2 billion increase in budget authority, including \$204 million for 34,000 new housing vouchers to subsidize rental housing for the poor and a \$238 million increase to the HOME investment partnerships program for housing rehabilitation and to encourage home ownership among low- and moderate-income households. The budget cuts several NAHASDA programs, but provides a \$3 million increase for the Indian Community Development Block Grant.

HUD (\$ in millions)	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request
Indian Housing Block Grant	650.0	648.6	647.0
Title VI Loans	6.0	6.0	2.0
Section 194 Indian Housing Loan Guarantee Program <sup>1</sup>	6.0	6.0	5.0
Indian Community Development Block Grant <sup>2</sup>	71.0	70.0	73.0
Rural Housing and Economic Development (small amt to tribes)	25.0	25.0	0
Empowerment Zones Round II	200.0	45.0	0

NCAI Resolution #SPO-01-094 – Supports \$1.075 billion for the Indian Housing Block Grant.

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<sup>1</sup> FY 2002 funding for the Section 184 Loan Guarantee Program will subsidize a loan principal of not more than \$234.3 million. The FY 2003 request will support a loan principal of not more than \$197 million.

<sup>2</sup> The \$4.3 billion appropriated for the Community Block Grant Development program in FY 2002 includes the following additional set-asides for Indian programs: \$4 million for Alaska Native and Native Hawaiian-Serving Institutions; \$2.6 million for the National American Indian Housing Council; and \$3 million for competitive facilities grants for tribal colleges and universities. The FY 2003 request of \$4.4 billion for CDBG includes level funding for tribal colleges, \$2 million for Alaska Native and Native Hawaiian-Serving Institutions, and \$2 million for the NAIHC.

## Environmental Protection Agency

The President's budget would cut EPA spending from \$7.9 billion in FY 2002 to \$7.6 billion in FY 2003, primarily by eliminating \$300 million in Congressional earmarks and projects that were not requested in the Administration's FY 2002 budget. The budget includes \$4.1 billion for general operations, the highest funding level ever for regulatory, enforcement and state grants, but would freeze hiring to fill vacancies in the enforcement division while shifting \$15 million to the states for increased enforcement activities.

EPA (\$ in millions)	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request
Environmental Programs and Management	2,083	2,055	2,048
Water and Wastewater Grants for Alaska Natives and Rural Areas	35	40	40
Clean Water State Revolving Fund – Tribal	20.2	20.2	18.2
Safe Drinking Water State Revolving Fund	823	850	850
Superfund	1,267	1,270	1,000
Leaking Underground Storage Tank Facilities	71	73	72
State and Tribal Assistance Grants	3,621	3,733	3,464
Tribal General Assistance Grants	52.5	52.5	52.5
American Indian Tribal Environmental Office	n/a	9.9	10.2

NCAI recommends that the 2003 appropriation for EPA include permanent authorization for tribal cooperative agreements; a \$25 million increase for the tribal General Assistance Program (GAP) to provide minimum coverage to all federally recognized tribes; \$10 million for Section 106 Clean Water Act grants; a \$20 million earmark for tribes under the new watershed management grants to states; increased funding for tribal air quality programs; and, a permanent increase in the tribal set-aside from 1.5% to 2% for both the Clean Water Act State Revolving Fund and the Safe Drinking Water Act program.