

**BIA/Tribal Budget Advisory Council
Notes, November 29, 2005**

Call to Order, 8:14

- Opening Prayer, Pala Band
- Welcome, Chairman Smith, Pala Band

Opening Remarks, Tex Hall, Tribal Co-Chair – 8:19

Mr. Hall thanked BIA for holding this meeting at a tribal business. He went over the possibility of an across the board cut, although the Interior bill passed in August this year. Chairman Hall thanked Mr. Cason for getting the agenda out early and including tribal caucuses.

8:24 – Mr. Cason welcomed Governor Joe Garcia, NCAI President.

Gov. Garcia said the Budget Subcommittee has been doing good work and offered his help.

Replacements:

Bob Signaki,
Russ Bradley, Kickapoo Chairman.
Ron Allen introduced Salish and Kootenai representative, sitting in for Richard Gay.
Harold Frazier
Lee Sprague will replace Ray DePerry
Herb Yazzie, Chief Justice Navajo Nation
Carson Blue, Catawba on behalf of Randy Noka
Dawn Selwin

Roll Call:

Rocky Mountain: 1
Eastern Oklahoma: Tarpie Yargee subbing for John Frohman
A.D. Ellis
Pacific: Leslie Lohse, Hector Garcia, Robert Smith – 2 tribal representatives
Midwest: Darrell Seki, Lee Sprague – 2 tribal representatives
Eastern: Brenda Fields, Carson Blue, Tim Martin, Tiffany Cheuvront – 2 tribal representatives
Southwest: Art Senclair, Joe Garcia, and Chairman of the All Indian Pueblo Council – 2 tribal representatives
Great Plains: Kenneth Davis, Harold Frazier, Tex Hall – 2 tribal representatives
Navajo: Lawrence Morgan, Arbin Mitchell – 2 tribal representatives
Northwest: Carol Langford, Salish Kootenai, and Ron Allen – 2 tribal representatives
Alaska: Ed Thomas, Bob – 2 tribal representatives
Southern Plains: Kickapoo – 1 tribal representative
Western:

20 tribal representatives.

Federal:

Jim Cason

Mike Olsen will arrive

George Skibine

Debbie Clark will not attend

Brian Burns

Gray Payne

Mike Smith

Mary Jane Miller

Ed Parisien

Jacke Reeve

Brent Laroc

Arch Wells

Nedra Darling

Bob Middleton

Micheal Taylor

Ross Swimmer

Donna Irwin

Approval of Agenda

Motion to accept the agenda by Mr. Ed Thomas. Motion seconded by Ms. Leslie Lohse.

Discussion: request to add Data Management update under Old Business on second day.

Request to remove break at 3:30 pm.

Motion carries unanimously.

Jim Cason, Opening Remarks

Mr. Cason noted that Interior is signing a deed for the San Manuel tribe. The FY 2007 passback arrived yesterday: the office of Policy, Management and Budget as well as Debbie Clark will be working on the passback. The FY 2007 budget is embargoed at this point. Overall, Mr. Cason thinks we came out OK. He mentioned and went over the chart for action at each advisory council meeting. FY 2008 is the main focal point at this meeting. How can we articulate our desires and goals for Indian Country. We should try to voice these goals to the Hill and OMB.

Pat Ragsdale Opening Remarks

He welcomed the representatives and thanked the hosts.

Ross Swimmer, Opening Remarks

He said they had fully converted the pilot agencies with all the software for title, leasing, and TFAS, working in combination. They're moving out with CSC for rocky mtn, great plains.

Comment: Action Tracking should be up front.

Status of AS-IA FY 2005 and FY 2006 Funds – 9 a.m.

Powerpoint presentation and hard copy handout.

Comments: a question was raised about how the administration will re-address needs of regions and projects with carry-over. A comment was raised that CSC shortfall was not included in list of shortfall. Mrs. Mary Jane Miller said Congress capped CSC. A comment was made that O&M education should be distributed at the regional level. Mr. Ed Parisian said operation money goes to the schools. Mr. Seki asked if tribes have a say on carryover funds. Mrs. Miller said regions provided priorities, coming in with \$3.6 million in shortfalls. They haven't finished looking at shortfalls. Mr. Ed Thomas asked about TPA carryover: what happens to that? Mrs. Miller said last year we tried to not cross funds. A comment was made that tribes perceive the Central Office shortfall being covered by tribal or regional money. Mrs. Miller said rental shortfall is not Central Office: the majority of shortfalls cross central and regional.

A question was asked: what is sweeping? Does tribal money go back to the treasury? Mrs. Miller said they put money on hold that is not spent. The money is reprogrammed. The money does not go back to the treasury. A comment was made that tribes should have a short worksheet laying out carryover and shortfalls. Mrs. Miller said the only way to deal with shortfalls is through reprogramming. Right now, BIA is in the red. BIA has to tell the Hill where it will reprogram. Shortfalls in FY05 will come from FY05. Mr. Gray Payne said we have GSA leases and direct leases. GSA and OMB aren't always sympathetic when lease rates increase. Mrs. Miller said requests were made to cover lease rate increases.

FY 2006 Action Powerpoint Presentation, Mary Jane Miller.

Powerpoint and hard copy delivered.

Enacted appropriation.

Restored Welfare Assistance, JOM, TMDP, UTTC, CIT

Interior was passed August 2. ACT enacted .476.

Tribal Leader Letter on Oct. 11 addressing 5% for pending rescission. Congress reconvenes Dec. 5. Action expected as late as Dec 17. Balance will be released when known. Comp table provided.

FY 2006 Shortfalls

1.5% non-tribal hold-back. 10.4 mil

Top Shortfalls 29.058 mil

ENAN (4.3 mil) and FTS (.7 mil) 5 mil
Rent 4 mil
Attorney Fees, rolls research , judgments, 1.91 mil
Unemployment Comp. 1.3 mil
Dept. billings 1.2 mil
Nat'l Indian training Ctr O and M 1 mil
Cobell support 1 mil
other shortfalls: 13.648 mil
 including region requests 3.7 mil, tribal services 4.9 mil, PCs 5 mil

Discussion:

A comment was made that the outlay process for law enforcement isn't logical: rationality for outlay process for law enforcement is lacking. Chris Cheney sent a letter to NCAI asking for input. It's difficult to come up with a formula. Law enforcement is working on a template.

Chairman Ron Allen asked for a proposal from the law enforcement division to distribute funds to tribes.

A question was raised on the 5% possible rescission: if the rescission comes down, can tribes have a say in how to take the cut. Mrs. Miller said Congress will instruct how to take the cut. She note that, within TPA, tribes can reprogram funds.

Mr. Cason said the rescission is not a guaranteed event. Talk on the Hill is that an ATB cut will occur. Mr. Cason said he has talked to appropriators asking for an exception for Indian Affairs. He's heard that the appropriations folks weren't too receptive but are warming up.

A comment was raised that Johnson O'Malley is still being funded at about 1995 levels. What can we do to get that funding up? A student count hasn't been done since 1995.

Response: when the committee transferred JOM to TPA, it no longer required a student count. Until the rules are changed, we can't conduct a new student count.

OMB finds that JOM is duplicative of other programs. OMB is looking for overlapping programs. Keeping the program is in danger. Cason suggested that the budget Subcommittee bring up this issue at the OMB meeting. OMB should hear directly from Indian Country that JOM is important. He noted that OMB is scrambling to fund homeland security, war, and Katrina. We should be prepared to find something else to cut in place of JOM. Offsetting is inevitable.

Chairman Ron Allen said our shortfall is somewhere around 10 or 11%. These are uncontrollable shortfalls. We should tell OMB that the budget proposed is disingenuous. OMB should be challenged on this topic. Mr. Cason said this is a pervasive problem in

the federal budget process. He thinks the federal government has overcommitted. Interior has the same problem when Congress votes for pay raises. Rent presents another problem – we don't get the appropriate increases. Nobody wants to cut programs. We have a constant erosion of purchasing power. OMB has the difficult job. Congress sets up demand and OMB has to assign relative priorities.

Mr. Thomas said competing for funds against the war and hurricanes is not fair. For instance, Park Service went up 20%. We didn't get that percent increase. Interior has other sources. Mr. Thomas noted we don't have the access that Interior does.

Mr. Cason said we can put together a cohesive strategy so we can go compete effectively. We can decide on what the message is but we don't have the materials to compete. We're trying to take a slice of the pot, but appropriations committees and OMB have a hard time deciding how to slice it up. We have to develop the message, gather the necessary information, and figure out how to take it up to the Hill. We need to do more. As far as pure raw politics go: we have 100 million visitors to National Parks. We have 2 million Indians. Parks have a bigger cross section of constituents. We need to be more effective with the message. We need more attention on our message.

A question was raised whether we'll follow through with our message. We have to start writing something. We have to follow through with what we already decided to do. A comment was raised that the Budget Subcommittee would be appropriate to take the message up to OMB. We have a small window of opportunity. Mr. Hall thanked Mr. Cason for advocating an exemption for tribes from an across the board cut. Mr. Speaker Lawrence said the excitement occurs with shortfalls. He recommended tribes have a single message to take up to the Hill and OMB.

Ms. Leslie Lohse said we understand the reality that we are competing against other federal commitments and lobbying is the key. We have to collectively come together and fund our selves with lobbyists. We need to have a proactive position, but we continue to cut ourselves back.

Mr. Ken Davis said he'd like to follow up with the Green book re-write. He suggested the budget subcommittee put together a red book.

Mr. Art Senclair went over the tribal leader letter and sec. 405 of the Interior bill. Mrs. Miller said the appropriations committees are aware of the holdback. An explanatory letter to the Hill will cover the details of reprogramming.

Mr. Tim Martin asked about the \$32 million unobligated for TPA. Is there any contract support money in that? Mrs. Miller said CSC would not be taken back. Mr. Martin said tribes should be held harmless with CSC. He asked about FY 2006 shortfalls: these constitute anticipated shortfalls? These are soft shortfalls. The \$13 million under other FY06 shortfalls under consideration. He asked if FY05 money would cover FY06 shortfall. Mrs. Miller said yes.

Mr. Harold Frazier asked how additional \$4 mil will be distributed. Law enforcement representative said it should be based on crime data. Mr. Frazier asked for a timeline. OLES representative said in the next 60 days the distribution will be addressed.

Mr. Ragsdale said when we made data calls on law enforcement, about 40% didn't respond. This hampers our justification in a time of performance based budgeting.

Kathy Kitcheyan brought up forestry and concern over funding for forestry programs.

Presentation on FY 2006 OST Budget, 10:46 am

Powerpoint was presented and hard copies were distributed.

A question was raised whether a study is being conducted on the feasibility of combining the OST and BIA IT systems.

A question was raised on the Indian Land Consolidation program. 18 tribes are using ILCP and its funds have very little carryover. Over 200,000 interests over the last 5 years. We're seeing a reduction in the rate of fractionation. It used to be 3.8 percent fractionation rate. These lands are being turned over to the tribes. Year to date we've acquired over 100,000 acres.

A suggestion was made that it would be helpful to know how far along we are in achieving our goal with OST. Is there a way to measure how far we have to go with probate, land consolidation, etc. It would help if the codes matched up with the pie charts.

Mr. Swimmer responded that through OST's efforts, two pilot agencies' data were scrubbed. Comparing hundreds of thousands of deeds and titles with names took a lot of effort: four months and 120 or so people to scrub, match, and clean up the information. All of these systems have to be matched up. We have 11 more regions and 78 agencies to go. It will require enormous support. That will be a sea change, being automated in all of our processes. We have 30,000 probates that need to be done. We have to do 4000 just to keep up. We're still hitting 3 to 4,000 a year. money from the land goes into probate accounts.

A question was raised on how to address the probate backlog. Swimmer said regional directors have been challenged to make it a priority. He said tribes could approach congress to simplify the probate process. Simplifying the probate process would free up a lot of money that could be used for other programs.

FY 2007 AS-IA Budget Status and Restructure

Powerpoint was presented and hard copies distributed.

Briefed House Staff Oct. 25: they don't want a written report, just a verbal brief.

Briefed Senate Staff Oct. 31: favorable feedback.

Nov. TBAC request for formal resolution to approve restructure.

A question was raised regarding the planning figures for FY07: how did the restoration of FY06 funds affect FY07? Mr. Cason said FY07 is embargoed.

Ms. Brenda Fields asked about the direction from the House Committee on a budget website that would be available for everybody. Mrs. Miller said BIA provided information to the Hill on what could be posted on a website.

Ms. Fields asked who was assigned to take the lead on the report due to the Hill on December 31 outlining the current process for consulting tribes. The report is in progress and a lead is not established.

Mr. Art Senclair asked about the capabilities of Mrs. Miller's access to a computer. He said it would be easy to have access to the advisory council documents if we had a website.

Mr. Ed Thomas moved we recess for lunch and convene at 1:30 for tribal caucus.
Seconded. Motion carries.

3:30 pm: Advisory Council Convened

FY 2008 Priorities Discussion

Mr. Tex Hall updated the full council on the tribal caucus discussion. Law enforcement was mentioned and tribal courts. The representatives will contribute their priorities and the budget subcommittee will work this evening and present the priorities tomorrow. Tiffany Cheuvront and Art Senclair asked what the department priorities were.

Concern was raised at the tribal caucus whether the priorities would be taken into account.

Mr. Cason said both sides were anticipating each other's responses. We have to reconcile 3-5 initiatives to fund some objective. We will find common themes tomorrow. The program directors, Mike Olsen will address the summation from our regional directors, and Ross Swimmer will address OST priorities.

Mr. Bob Middleton said he would prioritize developing energy resources on Indian land. Feasibility studies on Indian lands have been conducted. The Energy Bill includes low interest loans and grants. If we take a look at economic development in Indian Country, energy development is best. We need adequate communications in Indian Country – broadband linkages are critical to economic development. This will allow people to stay on reservations, allow development of a workforce and provide careers.

Mr. Brian Burns emphasized IT community technology: broadband land mobile radio. Second thing is the education network, which is critical for Indian students: internet access, broadband capabilities, and computers. Student statistics and reporting mechanisms. Third is trust: completion of the trust legacy systems. Fourth: support for financial business management system.

Mr. Ed Parisien: first ISEP, the K-12 system. Second, early childhood education – FACE and Baby FACE. Third, increasing senior management.

Mr. Pat Ragsdale listed law enforcement, including detention facilities. Indian Country has 1/3 to 1/2 of what rural America has in law enforcement. Second, he would prioritize those programs that have taken second place in the trust reform years. 638 contracting assistance and single audits. Third, he listed natural resources.

Mr. Jerry Gidner said sufficient funding for awarding officials and 638 funding. We don't have the staff to make sure the 638 process and single audit act issues are dealt with properly. The alcohol and substance abuse program was launched in 06, but Indian Country is still dealing with it.

Mr. Arch Wells said the probate backlog would be his first. Second would be to enhance to LTRO process – this would get people in houses faster.

A comment was made that community development is dependent on safe communities. Law enforcement would list methamphetamine and drug abuse problems. We should focus on drug prevention. Violent crime is rampant. We need an automated crime reporting system – we need a better way to collect data. Detention facilities would follow.

Mr. Pat Ragsdale reported the highest priorities from the regional directors.

- 1) probate/real estate service area
- 2) natural resources
- 3) self-determination services – awarding officials are handling a large number of self-determination contracts
- 4) Road maintenance
- 5) tribal government services – processing organic documents, tribal rolls
- 6) economic development
- 7) water rights
- 8) environmental
- 9) Johnson O'Malley

Regional Directors Priorities

Pacific: listed tribal government services, self-determination services, and road maintenance

Rocky Mountain Region: law enforcement, irrigation reconstruction, natural resource programs

Midwest: probate, self-determination, and executive direction as well as natural resource
Eastern: probate, self-determination, and executive direction
Northwest: natural resources, environmental services, forestry, and self-determination
Alaska: JOM, allotment conveyance, subsistence, economic development – loan guaranty program has done wonders
Southern plains: Economic development, social services and housing
Eastern Oklahoma: probate, tribal gov. services, real estate services. contract support also would be top.
Navajo: self-determination, economic development, road maintenance, natural resources, courts
Great Plains: natural resources (range management), Probate and realty, road maintenance

Ross Swimmer from OST Perspective

By 2008, the programs of OST are the collection of trust funds and the accounting for those trust funds, and that's essentially what OST will be doing. Through the automation and conversion of systems we won't need a whole lot more money. We manage money for the tribes, 14,000 accounts, but the basic program that will be in place.

OHTA is in OST's budget. \$58 million a year goes to OHTA. The secretary will have some latitude about how to complete the accounting based on recent court rulings. The plan OST submitted would be the plan we'll go with. The faster we get the accounting finished, we'll have more money.

ILCA:

Ross mentioned range management and lease compliance, which are consistently mentioned at ITMA listening sessions. We need more range managers. These programs will increase revenue. Social programs don't necessarily. Surveys also always come up, which is sort of implicit with range management. There's a huge backlog in surveys. these are economic development issues.

Mr. Cason summarized his observations.

First, in the category of seeking money for new investments or more investment, he delineated:

- 1) law enforcement: Indian Country has a dire and pervasive need for increased and improved law enforcement
- 2) education: two thirds of our kids are failing; kids are foundation of prosperity
- 3) economic development: 90% unemployment means no hope
- 4) contract support costs: this provides the fuel for tribes to exercise self-governance and self-determination
- 5) cadastral survey: we have a large challenge: lots of the surveys done were completed in the 1800s. We need to know who owns what: leasing, title, rights of way
- 6) capital investments: there's no money for capital investments in Indian Country.

We need to hear back from the tribal folks and then we'll need to prioritize. We won't be effective if we go to the Hill with 20 priorities. We can only have 3-5 initiatives. We need to base things that ought to have been already and figure out how to do them better. We need to do this tomorrow. It needs to have a good sizzle to it. We need to develop a good story for it. There's not sizzle in executive direction. What will really sell with OMB and the Hill?

Secondly, there are two ways to make new money. First, we can go to the Hill and lobby our Congressmen. Second, we can do things more efficiently that consume money. Mr. Cason said ILCA is big. We have a fundamental problem with highly fractionated allotments. We may have an 80 acre allotment worth \$18,000 and we spend \$42,000 dollars tracking it. We need to work collectively to change the environment to not throw good money after bad money. We need to change the fundamental paradigm. Instead of doing things how we do it now, we could arrive at a program that we support – we put the chunk of ground up for sale, we consolidate the interest to one person or entity. It will stay in trust, but we consolidate the ownership. We will save \$42,000 a year. This is a way to create money and cut off wasting money.

We should streamline the probate process. Now it costs \$5,000 on a single probate. This is wasted money. We need to streamline probate for small accounts. We can save this money and use it for something else.

Regulatory process: Mr. Cason mentioned the idea of fees for small accounts that continue to fractionate. Mr. Cason said LTRO told him that the smallest interest in a piece of property is 1/1,000,000,000 of an 80 acre property. Dividing up that interest four ways would be 1/4,000,000,000 of an interest. Introducing fees to address these issues might help.

He asked the Advisory Council, how do we free up scarce resources?

Another issue is “whereabouts unknown.” We spend lots of money spending money tracking down people in “whereabouts unknown” status.

A potential issue is to move towards self-managed trust for tribes that are interested. This would mean government prevents alienation and fractionation. Tribes could avoid NEPA compliance and delays.

Data automation: We could save money if we integrated all the databases from BIA and OST. We could go to one integrated database, but that takes money to do. The way we do it now is manually intensive. To the extent we're more efficient, we'll free up money. Nobody's addressed the problem from that standpoint. Is there a way we can stretch the money at the same time as we go after more money. There are lots of ideas on the table.

We have lots of easy topical areas. We need to have clear what the law enforcement initiative is in detail. We can't just go forward saying law enforcement is our top priority. We should say, for instance, "What we want for cops is parity with rural law enforcement capability. We want to hire 50% of what the rate of cops is for non-Indian rural communities in 2008 which is an investment of ____ dollars. In 2009, we want 60% of parity which costs ____ dollars. We want to properly staff our jails. In 2008, we want to be staffed at 25% of appropriateness which costs ____ dollars." When we talk about law enforcement, economic development, and education, we need to have specific details.

Mr. Tex Hall said we need to figure out what it will cost, what do we need, and what are we going after. This is not a small initiative.

Mr. Cason said he was thinking \$100 million would be something we could pursue. We'll have to reach a consensus tomorrow. If we're going to go through this exercise, let's make it worthwhile: 1) This is what we need to do, 2) it's important for these reasons, and 3) this is what it will cost.

Mr. Ron Allen said we need to flesh out what our theme or message, the "hook," that allows us to convince Congress, the White House, and OMB about why this is what Indian Country needs. Our efforts over the last ten years have not been working. The problem is that we have not made significant progress. We need this theme to be persuasive and we all have to agree that this approach will move us forward. We'll never get our list of priorities. How can we make a pitch for 2-3 items where we can make a difference. We have to figure out what really will resonate. Kevin Gover said a few years ago, "what will resonate?" We need to spend time figuring out what that agenda is: is it public safety? I'm a big proponent of TPA, but we need a message that has traction. What is that "hook"?

Mr. Jim Cason said the point is good. He agrees we haven't come up with what will make a difference. This is not a futile exercise but it is a difficult exercise. Groups before us have come up with an unmet needs budget. Congress knows we need \$1.5 billion dollars for Indian Country. OMB knows Indians have a lot of needs, but that hasn't given us a billion dollars. We're in a position of tough times, and we'll need to compete. We have to find the right buzz to spend an extra \$100 million for tribes. What is the underlying causal thing to make it a compelling story. If we look at education, for example, the pressure point is the NCLB act. The President really wants NCLB to work. Right now 2/3 of the Indian schools are not making the targets. We should play on this. We want the schools to be competent to meet the target. Here are the areas that aren't working, so we need an investment of \$25 million. We should hire contractors that specialize in school turnaround, and we will provide experts to come in to schools to cross the line. This is an example. This is important to the President: we're looking for performance, then we put together the data, and then we put together a budget.

Sizzle with the state in law enforcement also. Mexican cartel drug lords said they're going to Indian Country to set up drug manufacturing capabilities, get the local

population hooked, and then make them carriers to surrounding populations. This is an interesting hook. This isn't only an Indian Country problem, but it's a problem for non-Indian populations as well. You hook in non-Indian Country constituencies. We need to build this kind of story line. We need to hire cops, fund the jails, and address the Mexican drug lords. Is there a way to do what Ron was talking about? We need a compelling story. It can't just be that we're poor or we're needy. We need a good hook.

Mr. Arturo Senclair agreed with Mr. Jim Cason. He read a letter from Ruben Barrales saying President Bush made a commitment to continuing the right of self-determination for tribes, education, and economic development. Mr. Joe Garcia said the commitment is disconnected.

Mr. Joe Garcia said things like what we just talked about don't happen in an assembly like this if we don't have an agenda for it. Strategic planning sessions allow this to happen. We need a facilitated session to lay out logistically what we want. The results will not come out of the BAC unless we set out to do this in the agenda. We need to come up with a hook. We need to intentionally set out to accomplish this task. We need a meeting for this purpose.

Mr. Jim Cason said the purpose of this meeting is to pursue our 3-5 priorities and get ahead of the power curve. It really does take some effort to set out the strategy, collect the data, develop the sizzle, and take the message up to the Hill.

Mr. Ken Davis said he agrees with Mr. Jim Cason. Crises bring dollars. The crises now are Indian suicide – we may see new legislation, more Boys and Girls Clubs. The meth problem is also huge. How can we address this? Mexican encroachment on Indian reservations is also hot. People have infiltrated Indian Country and addicted our people. These compelling stories should be our budget initiatives.

Mr. Ron Allen read a quote from the beginning of the Green Book. We need themes around a future of “hope and promise,” or “healthy and self-reliant,” or “Safe and self-reliant,” for instance. What's the hook? Inside of the framework, what are the target areas? Inside the theme/message, what is the target? Courts, for instance, for a healthy climate, including economic development. We're dealing with homeland security as well. The enforcement is the court, providing security. Without a doubt, education is important. We need a more enlightened and resourceful population. We have to think about the hook in light of what the President wants. Let's fall back on his words. Let's make a difference in these 560 some odd Indian communities. We need to find time to shape out the message and what are those targets? Is it courts and education? Mr. Ron Allen asked about construction: did the funding go down because of carryover and the ire of OMB? No need to go after more dollars for a blemished program.

Chief Justice Yazzie said there's no shortage of compelling stories. His observation is that over the years, we've submitted our unmet needs. But what we don't see is that when OMB comes to visit, the trustee doesn't openly say that this is a responsibility.

Navajo spends a large amount of time and effort saying this contract limits your obligation. We spend so much time arguing that trust responsibility is not limited to land, but is also based on treaty obligations. The hook could be BIA and Interior openly says this is our responsibility. If we did that, then the tribes can make a decision about what needs to be given back to the federal government since they don't have the money. Hook: two elements – open declaration of responsibility and what can the tribes give back.

Mr. Cason said he's made the argument to OMB concerning law enforcement, education, and contract support costs. He provided feedback for everyone that OMB has become de-sensitized to the trust responsibility. They've heard year after year about trust responsibilities, treaty and statutory obligations and give tribes the same amount. The Hill has also become de-sensitized. We need to pick priorities to compete well with others.

Chief Yazzie said a lot of us have tried to limit our priorities.

Mr. Cason said we're competing together, unfortunately. We need to work together to find a compelling story together. If we go in with 20 things and \$.5 billion in requests, they won't listen. We have to get it in the realm of do-able. They can do 3-5 things.

Mr. Tim Martin asked if OMB understands we're at 86% of csc. That's a bump of spendable money. Tribes have to take that money to balance their books. Leveraging Indian Country: take that \$100 million and show how it pumps \$1 billion into Indian Country. How much capital comes into Indian Country from the private sector? The theme would be how we leverage our resources to attract external capital.

Mr. Cason said that's a great idea. To the extent you can demonstrate how a small investment results in large returns, the Hill will listen. We need to show these through data.

Mr. Cason said he's been doing a lot of talking and facilitating. Our role is to help develop strategy. Tribal organizations will have to carry the message. BIA and Indian Affairs cannot lobby, although it can help identify necessary data and convey the environment.

Mr. Ed Thomas thanked Mr. Cason for his list. His concern is that law enforcement funding will not help Alaska. As we develop this list of priorities, we don't want to be opposed to the needs of other tribes, but we want to make sure Alaska tribes are included in this priority list. The division managers' list is very similar to tribes' priorities.

Kathleen Kitcheyan said she was going through speeches from previous tribal chairman from the 60's. The frustrations he raised with BIA are not very different than they are today. There's never enough money for anything. She said she doesn't agree with probate as the number one priority. Her preference is education as number one. If you think about it, everyone sitting here is successful because of a good education. We should

provide that for our children at home. She said not all tribes are the same. We should never forget that the BIA, the federal government, has a trust responsibility. Tribes are sovereign. We all come from our ancestors who were at the forefront.

Mr. Cason assured her that there isn't anyone on the management team who forgets sovereignty. They are frequently reminded. He noted that law enforcement is his number one priority. Probate is really embarrassing, having probates open from the 1800s. We have 6,000 open from before 1990. Probate is on his list, not as an infusion of new cash, but to deal with an unreasonable backlog. It's true that the discussions have been the same over the last 100 years – the same problems.

Leslie Lohse said a self-managed trust would be good for tribes. We want to leverage dollars for the federal government and for ourselves. This is the biggest hook: self-determination. NCAI's theme was "Celebrating 30 Years of the Self-determination Act," and we need to exercise our right to self-determination. Economic development on Indian lands is vital to Indian Country, which makes Indian Country healthy, which helps the rest of the country. As we start to remove our tribal members from welfare and unemployment, we'll have a healthier America. This is why we pursue economic development. If we can lure businesses onto our lands, that will help us build capital, build our infrastructure, and make a healthier nation. We will then free up other dollars.

Darrell Seki read a quote: Best of both worlds. Over the last 500 years, Natives have suffered genocide, sickness, etc. Humility is one of our strongest virtues. One of the things we can do is to exercise the best of both worlds. Maintain the old and the new. This is the best of both worlds.

Mr. Ron Allen noted that BIA comes through the same committee as the Indian Health Service budget. A big initiative over there is to have 100% csc because of the Cherokee case. We may have some traction, but the shortfall of IHS CSC is around \$134 million. The question for us is to see if we can squeeze \$100 million out of that committee. That's Indian money.

Contract Support Cost presentation
Powerpoint presentated and hardcopies distributed.

ISDF – Distribute first come – first served basis
CSC funds

- Indirect costs
- pro rata distribution
- New appropriations, if any
 - added to CSF and distributed pro rata
- 2003: partial settlement of Zuni vs. DOI
- DOJ agreed BIA had not paid direct CSC
- Settlement include 3 provisions
 - payment of 21 mil

new policy
workers comp
unemployment
Life insurance,
disability

2003: joint tribal BIA workgroup to prepare DCSC policy
two tribal reps
Workgroup came up with comprehensive policy for CSC Policy
Policy included 3 pools
Pool I: ISDF
II: csc for existing
III: new appropriations

Implementation delayed until FY07

True DCSC not yet determined
In 07, any DCSC distribution will be based on total tribal salaries and benefits
Full funding would be 15%

Beginning in FY 2007, NBC would begin negotiating DCSC amounts as well as indirect rates
eliminate any duplication of costs
During 06, BIA/NBC would train regional staff and tribes

Oct. 31 2005, Dear Tribal leaders letter
○ Request comment on draft policy
○ Comments due by end of December

January 2006 – BIA will evaluate comments
Final CSC policy asap
○ depends on comments
FY 2007 Implementation

Meeting adjourned for the day.