**FUNDING Matters**

**Framing the Discussion**

With limited funding for workforce development, one tribal nation had to get creative. Relying on a modest HUD grant, it established a “workforce crew” to support its housing construction team. Supervised by a licensed contractor, the workforce crew trainees—nations citizens—receive on-the-job training, helping to construct more than 25 homes to date. This cost-effective arrangement has enabled the nation to build more houses than it otherwise could, and also equipped the trainees with marketable skills that will make them highly employable on/around the reservation.

This story evokes a daunting reality: the challenge of inadequate resources. Federal funding is critical, and the federal government has trust and treaty responsibilities to provide tribal nations with ample funding to enable them to achieve their workforce development priorities, but they rarely receive enough federal dollars to do so. Given the long-term federal budget outlook—not to mention Indian Country’s growing population—the situation isn’t likely to improve anytime soon. Tribal nations must think and work outside the box to marshal the financial resources they need to build their human capacity—and target those resources for maximum impact. Simply put, tribal ingenuity is the name of the game. Below are some proven strategies for tackling this challenge:

- **Strategic vision:** Tribal nations need to have a strategic vision (see pages 8-9) in place, and use it as a lens to assess what funding sources to pursue, and where and how they should fit together.
- **Discretionary revenues:** Tribal nations can’t afford to rely on the federal government alone for funding. While easier said than done, they need to create additional streams of discretionary tribal revenue that don’t come with the restrictive strings often attached to federal dollars.
- **Funding diversity:** Securing dollars from multiple source enhancements tribal nations’ ability to deploy multiple pools of money into a large funding base that can meet their people’s needs.
- **Coordinating funding:** Coordinating sources across tribal programs enhances a nation’s ability to capitalize on cost-saving opportunities and collectively leverage funding sources with in-kind contributions and volunteerism to strengthen service provision.
- **Supplementing funding:** Many tribal nations task tribal dollars to supplement federal grants funding to expand programs that work well, increasing the number of people they can serve.
- **Reducing administrative costs:** This can be accomplished in many ways, notably by consolidating programs and streamlining federal reporting requirements through 477, etc. (see pages 10-11).
- **Casting a wide net:** Tribal nations should leave no stone unturned in their search for flexible funding (federal, state, foundation, etc.) that can enhance their efforts. For instance, there are several DOL grants that they are eligible for, yet few ever apply.

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**Innovation Snapshots**

**Confederated Salish and Kootenai Tribes (CSKT)**

CSKT’s path to workforce development success—led by its Department of Human Resource Development (DHRD)—has been strewn with daunting obstacles, such as generating adequate funding and creating viable job opportunities for all of its clients. For example, building CSKT’s transportation system placed a huge burden on DHRD to gather the dollars it needed to subsidize its growing operation. State grants have helped, but they require CSKT to provide matching dollars, which has been difficult given the Tribes’ limited budget and considerable other needs. Eager to grow something that was working, DHRD went to the CSKT Tribal Council in 2007 with an ingenious proposal: to generate revenue for DHRD Transit to provide matching dollars to its state transit grants, DHRD would become owner and operator of a gas station located next to the Department’s offices. The Council approved the plan, green lighting DHRD to facilitate a land swap with a local landowner to gain ownership of the desired location. In addition to cycling its profits back into DHRD Transit, the gas station also has enabled DHRD to provide Work Experience placements to the “unemployable class” (those with poor work histories, former felons, etc.) on the reservation.

**LEARNING LINK:** http://www.ncai.org/ptg/workforce-development-csk

**CONNECT:** Ariene Temppler, Director, CSKT Department of Human Resource Development, Ariene.temppler@cskt.org

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**Ysleta del Sur Pueblo (YDSP)**

In 2002, the State of Texas won a lawsuit against YDSP, which forced the closure of the Speaking Rock Casino, the Pueblo’s primary engine of jobs for its people and revenue for its governmental programs and services. Hundreds of government and casino employees were let go due to dwindling funds, causing YDSP’s unemployment rate to skyrocket to 30 percent in a few months. Despite the grim outlook, Pueblo leaders and community members didn’t panic. Instead of hastily pursuing new grants and business ventures to offset its sudden losses in jobs and revenue, the Pueblo instead conducted a comprehensive assessment of the entire nation. This led YDSP to (among other things) revamp its tax code. Originally, the Pueblo had simply replicated the state’s tax code, which was incredibly dense, didn’t address YDSP’s particular circumstances and needs, and failed to generate much revenue. So YDSP overhauled and simplified the code to make it useful for Pueblo government, businesses, and citizens. The new code institutes a sales tax and “provides the infrastructure to issue licenses, collect taxes, and conduct audits.” With the code, YDSP’s tax revenue has increased drastically, providing it key discretionary dollars that it strategically invests in its workforce development priorities, such as higher education scholarships and vocational degrees and certifications.

**LEARNING LINK:** http://www.ncai.org/ptg/workforce-development-yd

**CONNECT:** Anna Silvas, Director, Empowerment Department, Ysleta del Sur Pueblo, silvasy@ydsp.nsn.gov

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**Questions to Consider**

- What current program costs could be reduced or eliminated through in-kind contributions or donations of goods, services, time, and effort by your existing or potential partners?
- Where and how could your nation strategically supplement federal- and state-funded programs with a modest investment of tribal dollars to expand/enhance workforce development service provision to your people?
- What portion of the funding that your nation relies on for workforce development comes from external sources? How can your nation generate additional discretionary tribal revenues to make your workforce development approach more self-determined?
- Has your nation done a systematic analysis of the various outside funding sources available for workforce development, and which of them would support what the nation seeks to accomplish?
- How can your nation best leverage the cheap labor that on-the-job trainees and Work Experience program participants provide to reduce the cost of community development projects?

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**Policy Recommendations**

- Strategy should drive the money, not the other way around. To avoid “mission creep,” review your nation’s existing funding sources to determine whether they enhance or restrict your nation’s ability to achieve its strategic priorities in the ways it sees fit. Adjust accordingly.
- Create a “grant alignment” committee to assess new funding opportunities against those priorities.
- Encourage your workforce development programs to innovate and strategically allocate additional dollars to grow what works. Provide programs seed money to design and pilot innovation initiatives.
- Identify cost-savings that can be created across your programs through the targeted use of work experience participants, administrative consolidation and streamlining, in-kind contributions, etc.
- Consider establishing sales, gross receipts, and/or other taxes on reservation-based commercial activity to increase the discretionary revenues your nation can use for workforce development.
- Support the growth of tribal citizen-owned small businesses, as they provide jobs and expand your nation’s taxable commercial activity, which enables it to increase discretionary revenues.