S. HRG. 108–594

NATIVE AMERICAN PROGRAMS ACT

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

ON

S. 2436

TO REAUTHORIZE THE NATIVE AMERICAN PROGRAMS ACT OF 1974

JUNE 8, 2004
WASHINGTON, DC

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NATIVE AMERICAN PROGRAMS ACT

TUESDAY, JUNE 8, 2003

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m. in room 485, Russell Senate Building, Hon. Daniel K. Inouye (vice chairman of the committee) presiding.

Present: Senators Inouye and Akaka.

STATEMENT OF HON. DANIEL K. INOUYE, U.S. SENATOR FROM HAWAII, VICE CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

Senator INOUYE. The committee meets this morning to receive testimony on S. 2436, a bill to reauthorize the Native American Programs Act. The Native American Programs Act was enacted in law in 1974 as part of President Johnson's war on poverty initiative. The act is administered by the Administration for Native Americans within the Department of Health and Human Services.

The Administration for Native Americans provides grants to first, assist Native communities in social and economic development initiatives; second, build the capacity of Native communities to plan and develop environmental programs; and third, provide support to Native communities that are seeking to preserve the Native languages.

For many tribal groups, ANA funding is one of the few sources of support that may be used to develop the necessary genealogical, anthropological and historical data necessary to document their petitions for Federal acknowledgment. There can be no doubt that the Native American Programs Act has enabled some of the most important and critical objectives in Indian country to be achieved.

[Text of S. 2436 follows:]

II

108TH CONGRESS
2D SESSION

S. 2436

To reauthorize the Native American Programs Act of 1974.

IN THE SENATE OF THE UNITED STATES

MAY 18, 2004

Mr. INOUYE introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

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A BILL

To reauthorize the Native American Programs Act of 1974.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATIVE AMERICAN PROGRAMS ACT OF 1974.

(a) IN GENERAL.—Section 816 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended—

(1) by striking subsections (a) through (c) and inserting the following:

"(a) IN GENERAL.—There are authorized to be appropriated—

"(1) to carry out section 803(d), $8,000,000 for each of fiscal years 2005 through 2009; and

"(2) to carry out provisions of this title other than section 803(d) and any other provision having an express authorization of appropriations, such sums as are necessary for each of fiscal years 2005 through 2009.

"(b) LIMITATION.—Not less than 90 percent of the funds made available to carry out this title for a fiscal year (other than funds made available to carry out sections 803(d), 803A, 803C, and 804, and any other provision of this title having an express authorization of appropriations) shall be expended to carry out section 803(a).";

(2) by redesignating subsection (d) as subsection (c); and

(3) by striking subsection (e).

(b) REPORTS.—Section 811A of the Native American Programs Act of 1974 (42 U.S.C. 2992–1) is amended—

(1) by striking the section heading and all that follows through "each year," and inserting the following:

"SEC. 811A. REPORTS.

"Every 5 years, the Secretary shall"; and

(2) by striking "an annual report" and inserting "a report".

○

Senator INOUYE. Many of our witnesses today have submitted written testimony to the committee because they lack the resources to travel to Washington. We are most appreciative of that fact, and their input.

So without further ado, I will call our first witness, Quannah Crossland Stamps, the commissioner for the Administration for Native Americans.

Before we proceed Ms. Stamps, does Senator Akaka have a statement?

STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Senator AKAKA. Thank you very much, Mr. Chairman. I thank you and the committee for holding this hearing today on S. 2436, a bill to reauthorize the Native American Programs Act. I would also like to thank the witnesses who will testify before the committee for their participation today.

The Administration for Native Americans which administers the Native American Programs Act serves all Native Americans, including 562 federally recognized tribes, American Indian and Alaska Native organizations, Native Hawaiian organizations and Native populations throughout the Pacific Basin. ANA has successfully assisted American Indians, Alaska Natives, Native Hawaiians and other Native American Pacific Islanders in promoting social and economic self-sufficiency. ANA has helped these communities in generating their own resources to become self-sufficient.

As we will hear from the witnesses today, Native communities across the Nation, including the Native peoples in Hawaii, have benefitted by these worthy programs. It is imperative that we reauthorize the Native American Programs Act in order to continue improving economic conditions of indigenous people. I want to particularly thank Senator Inouye for introducing this important legislation again, and to continue it after 30 years of its existence. Again, thank you very much, Mr. Chairman, for giving me this opportunity and for this hearing. Thank you.

Senator INOUYE. I thank you, sir.

May I now call upon Commissioner Stamps. Commissioner, welcome.

STATEMENT OF QUANAH CROSSLAND STAMPS, COMMISSIONER, ADMINISTRATION FOR NATIVE AMERICANS, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Ms. STAMPS. Good morning, Mr. Chairman, Senator Akaka. It is certainly an honor to appear before you today to discuss reauthorization of the Native American Programs Act is also known as NAPA. The purpose of NAPA is to promote the social and economic self-sufficiency of American Indians, Native Hawaiians, Alaska Natives and other Native American Pacific Islanders. Each of these culturally diverse populations have their own traditions, languages and social and economic challenges.

NAPA also authorizes the Intradepartmental Council on Native American Affairs, the Department of Health and Human Services' focal point for the policies and programs that impact Native American people and their communities. The Administration for Native

Americans implements and administers NAPA. As Commissioner of ANA, I oversee a $45 million discretionary grant program that provides funding in three areas: Social and economic development, environmental regulatory enhancement; and language preservation and maintenance.

ANA currently administers a portfolio of 250 projects, with 63 percent of these projects as social and economic development projects; 10 percent are environmental projects; and 27 percent are language preservation and maintenance.

ANA receives over 560 applications annually requesting over $100 million in project funding. It is ANA's goal to fund as many quality projects as possible and to work with our grantees and communities to ensure the success of each project.

The ANA SEDS Program promotes self-sufficiency and enhances self-governance by providing seed money for projects that are community-designed and implemented. These projects provide options and opportunities to support and develop stable communities. For example, the ANA has funded the Affiliated Tribes of the Pacific Northwest to develop travel and tourism brochures, videotapes, and marketing material to increase their tourism revenue. The Standing Rock Sioux Tribe in North Dakota is developing business and financial plans that will enable them to purchase and operate their own telephone company. The Native American Sports Council in Colorado has trained over 1,500 Native American young athletes and coaches by using traditional Native American values, combined with athletic excellence and wellness programs. In Alaska, Port Graham is laying the foundation for development of a value-added fish processing operation that will allow them to diversify their commercial business markets.

With the growing awareness of environmental issues, ANA's Environmental Regulatory Enhancement Projects address the responsibility of tribes and villages to formulate the environmental ordinances and laws, and train their community members in the use and control of their natural resources. For example, the Great Lakes Fish and Wildlife Commission based in Wisconsin used ANA funds to leverage over $2 million in an effort to prevent the spread of a new invasive marine species to the Great Lakes. Another example is the Hoopa Valley Indian Reservation in California that made their community members safer and protected their timber industry through the development and implementation of a comprehensive black bear management plan.

Through the language preservation and maintenance programs, ANA has funded projects that address the need to stop the loss of our Native languages. Many tribes and Native communities have language preservation programs. For example, the Cherokee Nation in Oklahoma has developed and successfully implemented school-based language immersion programs and after-school programs to support language fluency. Another successful ANA grantee is the Alu Like in Hawaii. This organization has digitized and translated the original Hawaiian bible and historical documents and newspapers, and made the resources available both on an interactive Web site and on CD ROM.

In all of these projects, ANA funds have been used to build community capacity and to support our people, our traditions, and to develop our community infrastructure.

When I became Commissioner of ANA, I conducted a review of the ANA program. Based on that review, we developed an organizational action plan to make an already-great program more streamlined, more cost-effective and more accessible to our Native communities. ANA has also restructured how it provides technical assistance services to prospective applicants and current grantees.

Mr. Chairman, Senator Akaka, I have already submitted my statement regarding these improvements, so I will not go into it at this time during the hearing.

ANA funds the widest range of community-based projects submitted by tribes and Native organizations, projects that make a difference in the lives of our Native children, elders and families. Together with the support of Congress and the reauthorization of the Native American Programs Act, ANA will continue to provide critical funding and technical assistance for communities to achieve their goals of self-sufficiency.

Thank you, Mr. Chairman and members of the committee. I will take any questions.

[Prepared statement of Ms. Stamps appears in appendix.]

Senator INOUYE. I thank you very much. If the NAPA program did not exist and were not reauthorized, what resources would be available for preserving Native languages?

Ms. STAMPS. I am not aware of any resources other than NAPA for Native languages, except for possibly the Department of Education, but I am not sure if they fund in a discretionary manner Native language programs.

Senator INOUYE. What sources do you think would be available for tribal governments to regulate environmental policy?

Ms. STAMPS. Other than programs that are available from BIA, I do not believe that there is any discretionary funding available to help tribes implement or develop laws and ordinances.

Senator INOUYE. Can you advise this committee as to how many tribes have benefitted from the act before 1998?

Ms. STAMPS. Before 1998? How many tribes have benefitted from NAPA?

Senator INOUYE. Yes.

Ms. STAMPS. I am sorry. I do not have that information. I will be happy to provide it to the committee.

Senator INOUYE. Do you have any information after 1998?

Ms. STAMPS. We know that ANA's portfolio is made up of about 70 percent tribal-funded projects; 30 percent are nonprofit.

Senator INOUYE. Would you consider this program to be a successful one?

Ms. STAMPS. Absolutely.

Senator INOUYE. So you would be in favor of reauthorization?

Ms. STAMPS. I would.

Senator INOUYE. We have been advised that your agency has set a cap for individual grants and reduced that cap from $1 million to $500,000. Can you explain the rationale for this?

Ms. STAMPS. Yes, Senator; one of the things that we looked at when we reviewed the program was to determine how many grants

ANA awards and how many communities the grants affect. We had approximately four or five grantees that encumbered about 20 percent of ANA's new grant award dollars per year. So what we did is we wanted to put more grants in the communities and ensure that we were able to put more money in the communities.

So reducing the cap from $1 million to $500,000 really did not affect current grantees, except what it did do is put more money out in the communities. We did have a program announcement that went out for comment informing the public that we were interested in doing this. We did not receive any comments or complaints at the agency regarding this change.

Senator INOUYE. What is the rationale for imposing a condition that the project must be completed within 3 years?

Ms. STAMPS. That has been a historical policy for ANA, an administrative policy. They actually have three issues that they address when they fund a project; that the project can be complete; that there is a product at the end; or that the project is self-sufficient at the end of a 3-year period.

Senator INOUYE. The Intradepartmental Council on Indian Affairs has been, I suppose, an effective tool to raise awareness of Native American issues. Do you think that this Council should be continued under this reauthorization?

Ms. STAMPS. Absolutely. Secretary Thompson and Deputy Secretary Allen are extremely supportive of this Council. It is comprised of the major heads of all the agencies in HHS.

Senator INOUYE. So you believe that this measure continues to serve its purpose?

Ms. STAMPS. It does serve a purpose.

Senator INOUYE. I thank you very much.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Commissioner, I want to start by thanking you and commending you for the work you have done, and especially for the kind of support ANA gives to the indigenous peoples. There is no question that it has helped these folks in these three primary programs that you have mentioned. So therefore, I want to commend you and wish you well in what you are doing.

I hope that we will continue to see this kind of movement in the indigenous communities. I am so glad that you are putting emphasis on language as you are. It is something that is basic, as you know, to the indigenous peoples. So I hope the preservation and maintenance programs of languages will continue as strong as they have. It certainly helps the culture and the continued education of young people in the culture. I am so glad to hear it all over Hawaii, and I am sure across the Nation.

So thank you very much.

Thank you, Mr. Chairman.

Ms. STAMPS. Thank you.

Senator INOUYE. Thank you very much, Madam Commissioner.

Ms. STAMPS. Thank you, Senator.

Senator INOUYE. Now may I call upon the second panel, John Echohawk, the executive director of the Native American Rights Fund of Boulder, CO; and Leonard J. Smith, Jr., president and CEO, A&S Tribal Industries of Poplar, Montana.

Mr. Echohawk.

STATEMENT OF JOHN ECHOHAWK, EXECUTIVE DIRECTOR, NATIVE AMERICAN RIGHTS FUND

Mr. ECHOHAWK. Good morning, Mr. Chairman. Thank you for inviting me here today to discuss S. 2436, a bill to reauthorize the Native American Programs Act of 1974. The Act is administered by the Administration for Native Americans, ANA, in the Department of Health and Human Services.

Both the Native American Rights Fund and I have a long association with ANA. I went to law school on a scholarship program started in 1967 by ANA's predecessor agency, the Indian Division of the Office of Economic Opportunity. The purpose of that pilot program was to increase the number of Native American attorneys in this country. At that time, there were only a handful and we should have had about 1,000 to be proportionally represented in the legal profession. The pilot program was later picked up by other government agencies and private scholarship providers, and has helped to produce over 2,000 Native American attorneys today.

I think that you and all of the other committee members are aware of the important role that Native American attorneys have played in helping the tribes improve their social and economic conditions substantially during this Indian self-determination period. This is the kind of social and economic development that ANA has done in the past and will continue to do in the future in Indian country.

The Native American Rights Fund, a nonprofit national Native American legal organization, has been receiving funding from ANA and its predecessor agencies almost continuously since 1971 to assist tribes, Native American organizations, and individuals in removing and resolving legal barriers to social and economic development.

In recent years, with ANA support, the Native American Rights Fund assisted the Chippewa-Cree Tribe of the Rocky Boy's Reservation in Montana in negotiating a water rights settlement compact with the State of Montana that was approved by Congress and provided $47 million to the tribe to provide for its present and future water needs.

With ANA support, the Native American Rights Fund assisted the Alabama-Coushatta Tribe of Texas in securing a recommendation from the U.S. Court of Federal Claims that Congress should provide over $270 million in compensation to the tribe for the failure of the United States to protect the tribe's aboriginal lands. In Alaska, the Native American Rights Fund provided assistance to Alaska Natives in protecting their subsistence hunting and fishing rights, which were upheld in court decisions and which provide an annual harvest of 34 to 40 million pounds of game and fish to over 200 Native villages.

These are just a few recent examples of the social and economic development projects that the Native American Rights Fund has done with ANA support.

I am therefore very supportive of this bill to reauthorize the Native American Programs Act of 1974 and keep the ANA program going to provide financial assistance to Native Americans for social

and economic development, environmental protection, and language revitalization. As an executive director of a Native American nonprofit organization, I know how difficult it is to raise funds for Native American social and economic development projects from the public and private sectors. I know that ANA has the largest amount of funds and the greatest flexibility in supporting Native American social and economic development projects anywhere.

Despite ANA's long history of supporting these projects, there is still a significant unmet need for funding for Native American social and economic development projects, as evidenced by the huge volume of grant applications that ANA still receives annually. The Native American Programs Act of 1974 needs to be authorized so that ANA can continue its important role in trying to meet this unmet need and promote Native American social and economic development across the country.

ANA's primary grant program for meeting these social and economic development needs is their Social and Economic Development Strategies, or SEDS, Program. I was pleased to be part of a work group put together by ANA back in the 1970's that helped to formulate this SEDS Program. The key element of the SEDS Program was the self-determination policy, which recognizes the right and the responsibility of each tribe and Native American community to create its own strategy for social and economic development. The flexibility built into the SEDS program to allow consideration of these tribal and community-based strategies for funding has allowed ANA to achieve the success that it has in promoting social and economic development projects in Indian country.

Unfortunately, I believe that this flexibility in the ANA SEDS program was compromised when ANA released its 2004 program announcement late last year, which it finalized earlier this year. I shared my concerns about the new program announcement with ANA Commissioner Quanah Stamps, but unfortunately they were not addressed in the final program announcement. My first concern was that the upper limit on grant awards was reduced from $1 million per year, which is about what the Native American Rights Fund has been receiving in grants in recent years, to $500,000. That is a reduction of $500,000. My other concern was the new restriction against funding any project that had been funded in whole or in part before, which basically means that ANA's funding is now limited to projects that can be completed in 3 years or less. In past years, ANA would fund Native American projects in parts so that a project requiring more than 3 years to complete could be funded and eventually completed.

Now, we are required to propose SEDS projects that take 3 years or less and we do not have very many of those to propose on behalf of the tribes and Native American communities that we serve. These two changes mean that ANA has gone to a SEDS Program that limits the flexibility of tribes and Native American communities and requires smaller grants and smaller projects. These two changes have impacted the Native American Rights Fund severely and I hope that ANA will reconsider these concepts in the future in their new SEDS Program announcements.

Thank you, Mr. Chairman. I would be pleased to answer any questions that you may have.

[Prepared statement of Mr. Echohawk appears in appendix.]

Senator INOUYE. I thank you, sir. I will call upon Mr. Smith before I ask questions.

So, President Smith.

STATEMENT OF LEONARD J. SMITH, JR., PRESIDENT AND CEO, ASSINIBOINE-SIOUX TRIBAL INDUSTRIES

Mr. SMITH. Mr. Chairman and members of the committee, I appreciate the opportunity to testify on behalf of the Native American Programs Act of 1974, referred to in my testimony as NAPA.

My name is Leonard J. Smith and I am an enrolled member of the Assiniboine-Sioux Tribes on the Fort Peck Indian Reservation in Northeastern Montana. I am also Chief Executive Officer of A&S Tribal Industries, a tribal-owned, four-acre industrial complex of 180,000 square-feet of space that provides metal fabrication and machining manufacturing services to the Federal Government and to the private sector.

A&S Tribal Industries, once the largest private sector employer in Northeastern Montana, with 550 employees and approximately $40 million in revenue, is currently diversifying into new market opportunities with the assistance of NAPA. NAPA is the only program in the Federal Government that provides seed-funding for a large and diverse constituency of over 550 Federally recognized tribes, Alaska Natives and Natives of the Pacific Islands. It helps leverage local funds and non-Federal funds to finance business projects at the community level.

The results are increased self-sufficiency, job creation and job retention on American Indian reservations. Programs such as NAPA have a strong impact on the ability of tribal and Native-owned companies to develop laws and regulations that comply with Federal agency standards, as well as with business practices required by private industry. My testimony focuses on project funding and technical assistance provided by the Administration for Native Americans. Investments we have received from ANA have helped A&S Tribal Industries increase private sector contracts for commercial product lines.

As chief executive office of a tribal-owned enterprise, I understand and incorporate the distinct competitive advantages that tribes have for creating jobs on reservations and in Native American communities. But we need the Federal partners like NAPA to help with the successful transition of tribal-owned companies into the global economy. In our case, technology plays an important role in self-sufficiency, profitability and job retention in our American Indian communities.

A&S Tribal Industries uses NAPA programs as tools to meet the technical requirements of prime defense contractors and increased joint ventures on commercial and Federal contracts. This directly creates and retains manufacturing jobs on the Fort Peck Indian Reservation. ANA funding helped us develop a manufacturing training curriculum at Fort Peck Community College that met the supplier standards of a prime defense contractor. The result is that locally-based American Indians are being trained in manufacturing technical skills that are higher paying jobs. This helps A&S Tribal Industries recruit new customers, increase revenues and create

higher paying jobs for Native Americans that live in very small isolated communities.

The reauthorization of NAPA will help other tribally owned manufacturing businesses climb the management and technical capacity ladders that are minimum standards required by private industry. NAPA programs provide resources that help locally based Native American leaders build new partnerships, which increases jobs, and in turn provides paychecks that support local small businesses like grocery stores, clothing stores, service companies, transportation companies, telephone utility companies and all of the services required on the Fort Peck Indian Reservation in Northeastern Montana.

I urge passage of S. 2436, the reauthorization of the Native American Programs Act of 1974.

[Prepared statement of Mr. Smith appears in appendix.]

Senator INOUYE. Mr. Echohawk, the landmark case *Cobell* v. *Norton* affects the lives of how many beneficiaries of the funds that are held in trust for their benefit?

Mr. ECHOHAWK. Mr. Chairman, we believe that there are about 500,000 current and past Individual Indian Money account-holders that are affected by that litigation.

Senator INOUYE. And what is the amount involved?

Mr. ECHOHAWK. We believe that about $13 billion has gone through the Individual Indian Money accounts since they were first created in 1887. I believe that the Government figures support that. We believe that the Government's liability in that case in terms of providing the accounting requires them to come forward with evidence in terms of how much of this $13 billion they paid out, and then the government would have to account for whatever it does not have records for in terms of what it has paid out.

Senator INOUYE. Am I not correct that your organization, the Native American Rights Fund, plays a major role in this case?

Mr. ECHOHAWK. Yes, Mr. Chairman; we are co-counsel in the case on behalf of the class in conjunction with private attorneys.

Senator INOUYE. How many years have you been involved in this?

Mr. ECHOHAWK. We have been involved in that case since it was filed in 1996.

Senator INOUYE. Are there other cases that the Native American Rights Fund is involved in?

Mr. ECHOHAWK. Yes, Mr. Chairman; all together, the Native American Rights Fund is involved in about 50 cases, matters and activities across the country on behalf of Native Americans.

Senator INOUYE. With that workload, they are proposing to cut the grant by one-half?

Mr. ECHOHAWK. As I pointed out in my testimony, we have been funded in recent years at a level of about $1 million. The new limit is $500,000. So if we are able to be funded, the most that we could be funded at would be $500,000. We currently have a proposal pending that requests almost that amount in the first year.

Senator INOUYE. With the circumstances as presented by the Administration and the reality of funding, would any of the major private firms in the United States take this case, with the amount that you receive?

Mr. ECHOHAWK. The *Cobell* case? I do not think that there are any law firms out there that would take on the case with the magnitude of the *Cobell* case. That was basically the experience that we had. We were able to enlist the services of some private attorneys in some firms, but there is no way that they could carry that case completely, so it has had to be done on the private resources of the Native American Rights Fund that have been raised from private sources.

Senator INOUYE. In other words, if it were not for this assistance from the Administration of Native Americans, 500,000 Native Americans would not get what the historical accounting to which are entitled to?

Mr. ECHOHAWK. The specific funding that we have had in recent years from the Administration for Native Americans has not been used for the *Cobell* v. *Norton* case. That money to support that case has come from private resources raised by the Native American Rights Fund. The funding from ANA has been used in our most recent grant for 22 different objectives out of these 50 other cases that I was talking about.

Senator INOUYE. So you support this program?

Mr. ECHOHAWK. Yes, Senator; I certainly do. As I mentioned in my testimony, there are no other large sources of funds for Native American social and economic development like the ANA program. We desperately need it to be reauthorized and continue to be made available to Native Americans across the country.

Senator INOUYE. Do you also feel that this bill should be amended to make certain that caps of that nature are not authorized?

Mr. ECHOHAWK. It has severely impacted the Native American Rights Fund and our constituents. We would hope that the Administration would reconsider the limit or that Congress would ask them to reconsider that limit.

Senator INOUYE. I thank you very much, Mr. Echohawk.

Mr. ECHOHAWK. Thank you, Mr. Chairman.

Senator INOUYE. Mr. Smith, you mentioned that the Native American Programs Act provides project funding for your tribal industries. Can you give us an example of specific projects, just for the record?

Mr. SMITH. Yes, Mr. Chairman; The Assiniboine-Sioux Tribe was able to support our efforts to expand our manufacturing capabilities, although A&S Tribal Industries was a very large manufacturing operation.

Senator INOUYE. What do you manufacture?

Mr. SMITH. It has had to change the way it does business. Basically, changing from a job-creating industry to a profit-making business. The ANA funding has allowed us to expand our markets and then train our tribal members into some technical areas that we need to have for these expansion efforts. The markets have changed. We have to be more competitive. There are short-runs versus large-runs. So we have had to change the way we do business. We have had to become more technology-oriented and it all requires training. It also requires our ability to get the computer-related equipment and the kind of facilities that we would need to help us make these changes for new markets.

Senator INOUYE. Your industries have resulted in employment for Native Americans. What is the scope of this employment? How many people have been hired?

Mr. SMITH. When I came back to my reservation 4 years ago, there were four people working there.

Senator INOUYE. Four?

Mr. SMITH. Four people, yes, Mr. Chairman.

Senator INOUYE. And the rest were unemployed?

Mr. SMITH. Excuse me?

Senator INOUYE. And the remainder were unemployed?

Mr. SMITH. Yes; that came down to four people from 550 people at one time, so it was a very significant change to the community. But we have since, with the help of these kind of resources, like from ANA, we have been able to turn around our company. We now have 120 people. We have just spun off a new business, bootstrapped a new business in another area, using some of the Small Business Administration programs. So we are creating more jobs. We are creating higher-paying jobs. We are creating new businesses.

Senator INOUYE. So I suppose you would say this is a "must" bill.

Mr. SMITH. I would definitely say that, yes, Mr. Chairman.

Senator INOUYE. Well, gentlemen, I thank you very much. We will do our very best to see that this measure becomes law and the funding continues.

Thank you.

Mr. SMITH. Thank you.

Mr. ECHOHAWK. Thank you, Mr. Chairman.

[The prepared statement of Poka Laenui, submitted for the record in support of S. 2436, appears in appendix.]

[Whereupon, at 10:42 a.m. the committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED SHARON CLAHCHISCHILLIAGE, EXECUTIVE DIRECTOR, NAVAJO NATION WASHINGTON OFFICE

Mister Vice Chairman and honorable members of the Senate Committee on Indian Affairs, I appreciate the opportunity to comment on the value of S. 2436 the Reauthorization of the Native American Programs Act of 1974 as administered by the Department of Health and Human Services.

My name is Sharon Clahchischilliage. I am a member of the Navajo Nation and the executive director for the Navajo Nation Washington Office. The Office represents the policies and concerns of the Navajo Nation government to the U.S. Congress and Federal agencies.

The Navajo Nation and the Administration for Native Americans [ANA] have enjoyed a long and productive relationship. The ANA is an essential source for the promotion of funding programs that encourage economic self-determination and the preservation of language and culture for Native Americans. The ANA is unique in that it is the only Federal agency that serves the diverse scope of Federal and State recognized tribes by providing grants, training and other assistance to enhance the ability of Native Americans to exercise self-determination in governmental decision-making, foster tribal economic growth, promote health programs, and enhance the preservation of traditions and culture. The ANA manages to support the approximately 2.2 million individuals served by its grants and assistance with a budget of only $35 million. The success in terms of the fulfillment of the ANA's goals and objectives is more than reason enough to reauthorize the Native American Programs Act.

The Navajo Nation has received five grants from the ANA since 1994 to promote various programs from language preservation to supporting the Navajo Arts and Crafts Cooperative to promoting improved sheep farming self-sufficiency to developing environmental codes and regulations. These projects totaling approximately $1.6 million have helped the Navajo Nation promote and preserve our traditional culture and protect our environment.

For example, the Navajo Nation has received two grants to promote the Navajo Nation Language Project. This project has been developed to promote the instruction of the Navajo language in Navajo high schools. The funds provided by the ANA allow the Navajo Nation to develop and improve Navajo language teaching materials. The ANA grants have been used to create new language curricula, train teachers and improve Navajo language programs to meet the standards of foreign language requirements in Arizona, New Mexico, and Utah. These funds have also been used to develop a social studies course that provides an essential understanding of the Navajo Nation government. Without these grants, the Navajo Nation would not be able to offer Navajo language instruction as a legitimate high school foreign language credit, nor would teachers be able to use updated curricula and instruction materials. Finally, the creation of the Navajo Government instruction provides essential information on how the lives of individual Navajo are governed by their elected officials.

The Navajo Nation has benefited from other ANA grants such as the Sheep is Life Economic Development Project. This project helps to fund Dine' be' iina', Inc., a non-profit organization that is helping to restore the Churro Sheep among Navajo sheep owners. The organization also helps to further economic self-sufficiency that is based on the historic interrelationship between and traditional sheep farming, and wool and fiber crafts. The project has helped to raise interest in traditional sheep rearing, and training students to sheer, sort, card, wash, and spin wool at high schools, and develop an educational curriculum for high school agriculture programs.

These are just two examples of the projects that ANA grants have helped to benefit the Navajo People. These grants provide much needed money to protect traditional ways. The culture and traditions of Native Americans throughout the country are always under pressure from the intrusion of modern influences. The ANA helps to keep these intrusions at bay by creating incentives to adhere to traditional practices and culture.

The reauthorization of the Native American Programs Act will help to protect the traditions of tribes and promote economic self-sufficiency. For that reason the Navajo Nation supports the reauthorization of the Act and the continuation of the ANA grants. I strongly urge the passage of S. 2436.

PREPARED STATEMENT OF JOHN E. ECHOHAWK, EXECUTIVE DIRECTOR, NATIVE AMERICAN RIGHTS FUND

Good morning, Chairman Campbell, Vice Chairman Inouye, members of the committee. Thank you for inviting me here today to discuss S. 2436, a bill to reauthorize the Native American Programs Act of 1974. The act is administered by the Administration for Native Americans [ANA] in the Department of Health and Human Services.

Both the Native American Rights Fund and I have had a long association with ANA. I went to law school on a scholarship program started in 1967 by ANA's predecessor agency, the Indian Division of the Office of Economic Opportunity. The purpose of the pilot program was to increase the number of Native American attorneys in this country—there were only a handful at the time and we should have had 1,000 to be proportionally represented in the legal profession. The pilot program was later picked up by other government agencies and private scholarship providers and has helped to produce over 2000 Native American attorneys today. I think that all of the committee members are aware of the important role that Native American attorneys have played in helping the tribes improve their social and economic conditions substantially during the Indian self-determination era which has occurred during this time. This is the kind of social and economic development that ANA has done and can continue to do in Indian country.

The Native American Rights Fund, a non-profit national Native American legal organization, has been receiving funding from ANA and its predecessor agencies almost continuously since 1971 to assist tribes, Native American organizations and individuals in removing and resolving legal barriers to social and economic development. In recent years with ANA support, the Native American Rights Fund assisted the Chippewa-Cree Tribe of the Rocky Boys Reservation in Montana in negotiating a water rights settlement compact with the State of Montana that was approved by Congress and provided $47 million to the tribe to provide for its present and future water needs. With ANA support, the Native American Rights Fund assisted the Alabama-Coushatta Tribe of Texas in securing a recommendation from the U.S. Court of Federal Claims that Congress should provide over $270 million in compensation to the tribe for the failure of the United States to protect the tribe's aboriginal lands. In Alaska, the Native American Rights Fund provided assistance to Alaskan Natives in protecting their subsistence hunting and fishing rights which were upheld in court decisions and which provide an annual harvest of 34–40 million pounds of game and fish to over 200 Native villages. These are just a few recent examples of the social and economic development projects that the Native American Rights Fund has done with ANA support.

I am therefore very supportive of this bill to reauthorize the Native American Programs Act of 1974 and keep the ANA program going to provide financial assistance to Native Americans for social and economic development, environmental protection and language revitalization. As an executive director of a Native American non-profit organization, I know how difficult it is to raise funds for Native American social and economic development projects from the public and private sectors. I know that ANA has the largest amount of funds and the greatest flexibility in supporting Native American social and economic development projects anywhere. Despite ANA's long history of supporting these projects, there is still a significant unmet need for

funding for Native American social and economic development projects as evidenced by the huge volume of grant applications that ANA still receives annually. The Native American Programs Act of 1974 needs to be reauthorized so that ANA can continue its important role in trying to meet this unmet need and promote Native American social and economic development across the country.

ANA's primary grant program for meeting these social and economic development needs is their Social and Economic Development Strategies [SEDS] program. I was pleased to be part of a work group put together by ANA back in the 1970's that helped to formulate the SEDS program. The key element of SEDS was the self-determination policy which recognizes the right and the responsibility of each tribe and Native American community to create its own strategy for social and economic development. The flexibility built into the SEDS program to allow consideration of these tribal and community based strategies for funding has allowed ANA to achieve the success that it has in promoting social and economic development projects in Indian country.

Unfortunately, I believe that this flexibility in the ANA SEDS program was compromised when ANA released its 2004 program announcement late last year which it finalized earlier this year. I shared my concerns about the new program announcement with ANA Commissioner Quanah Stamps but unfortunately they were not addressed in the final program announcement. My first concern was that the upper limit on grant awards was reduced from $1 million per year, which is about what the Native American Rights Fund has been receiving in grants in recent years, to $500,000, a reduction of $500,000. My other concern was the new restriction against funding any project that had been funded in whole or part before, which basically means that ANA SEDS funding is now limited to projects that can be completed in 3 years or less. In past years, ANA would fund Native American Rights Fund projects inparts, so that a project requiring more than 3 years to complete could be funded and eventually completed. Now we are required to propose SEDS projects that take 3 years or less and we do not have very many of those to propose on behalf of the tribes and Native American communities that we serve. These two changes mean that ANA has gone to a SEDS program that limits the flexibility of tribes and Native American communities and requires smaller grants and smaller projects. These two changes have impacted the Native American Rights Fund severely and I hope that ANA will reconsider them in future SEDS program announcements.

Thank you, Mr. Chairman, for this opportunity to testify and I will be pleased to answer any questions that you or the other committee members may have.

PREPARED STATEMENT OF POKA LAENUI, EXECUTIVE DIRECTOR, WAI'ANAE COAST COMMUNITY ALTERNATIVE DEVELOPMENT CORPORATION

I wish to take this opportunity to speak in favor of S. 2436 to reauthorize the Native American Programs Act of 1974.

Our organization, the Wai'anae Coast Community Alternative Development Corporation, is a small community organization formed in 1987 out of a desperate need to find alternative models of unfolding into our futures—remaining true to our native traditions yet being unafraid of walking in the world of modernity.

Over the years, we have been successful innumerous projects. Our projects' basic theme is that native Hawaiian cultural principles remain the core of our modern interaction with society, whether in the area of economic or social development, health care, or spiritual maturity. Using our backyard aquaculture/agriculture system, we have been able to influence people throughout our Wai'anae community and have taken our programs out to communities throughout the State of Hawai'i, into the prisons, to various school complexes, and public housing programs. We have even had a positive impact in American Samoa and Guam.

We have had the support of a number of funding organizations and individuals over these years. But one particular support stands out specially. It is the support of the Administration for Native Americans. ANA has been such a crucial and timely funder for our earlier programs, without which, our organization would probably have folded in its infancy. Because of its early support, we were able to show that our innovative, untested, native driven program is viable in our complex "modern" world. We were able to show that native traditional principles are still valid, and just as much necessary anchors for our native people today, as they were before Hawai'i's falling under U.S. governance in 1898.

Today, ANA has assisted us in "A Chance to Work," another unique program using traditional values as we partner with the Hale Na'au Pono, our community's mental health center in providing training for our seriously mentally ill residents

become employable or attain self sufficiency. This program is still new in terms of mental health treatment, but it is already catching the eye of many in the mental health treatment as well as vocational rehabilitation fields.

Hopefully, it will become another model from the Wai'anae Coast Community Alternative Development Corporation to be adopted by others beyond our shores and into other native communities.

I write this testimony on behalf of my organization. But I am just as aware of the many other organizations which have been helped by ANA. Some projects have been very successful. Others have failed. But the important point is not the success or failure of projects. The important point is that ANA has given native people a chance to follow our own dreams as we unfold into our futures—the true path of self-determination.

Mahalo a nui loa.

PREPARED STATEMENT OF LEONARD J. SMITH, ENROLLED MEMBER, ASSINIBOINE-SIOUX TRIBES

Mister Chairman and members of the committee, I appreciate the opportunity to testify on behalf of the reauthorization of the Native American Programs Act of 1974. Referred to in my testimony as NAPA.

My name is Leonard J. Smith and I am an enrolled member of the Assiniboine-Sioux Tribes on the Fort Peck Indian Reservation in northeastern Montana. I am also chief executive officer of A&S Tribal Industries, a tribal owned, four-acre industrial complex of 180,000 square feet that provides metal fabrication and machining manufacturing services to the Federal Government and to private industry. A&S Tribal Industries, once the largest private sector employer in northeastern Montana, with 550 employees and approximately $40 million in revenue is currently diversifying into new market opportunities with the assistance of NAPA.

NAPA is the only program in the Federal Government that:

- Provides seed funding for a large and diverse constituency-over 550-federally Recognized Tribes, Alaska Natives and Natives of the Pacific Islands
- Helps leverage local funds and non-Federal Rinds to finance business projects at the community level.

The results are increased self-sufficiency, job creation and job retention on American Indian reservations. Programs such as NAPA have a strong impact on the ability of tribal and Native owned companies to develop laws and regulations that comply with Federal agency standards as well as with business practices required by private industry.

My testimony focuses on project funding and technical assistance provided by the Administration for Native Americans [ANA]. The investments we have received from ANA have helped A&S Tribal Industries increase private sector contracts for commercial product lines. As chief executive officer of a tribal owned enterprise, I understand and incorporate the distinct competitive advantages that tribes have for creating jobs on reservations and in Native American communities. But we need the Federal partners, like NAPA, to help with the successful transition of tribal-owned companies into the global economy.

In our case, technology plays an important role in self-sufficiency, profitability and job retention in our American Indian communities. A&S Tribal Industries uses NAPA programs as tools to meet the technical requirements of prime defense contractors and increase joint ventures on commercial and Federal contracts. This directly creates and retains manufacturing jobs on the Fort Peck Indian Reservation.

ANA funding helped us develop a manufacturing training curriculum at Fort Peck Community College that met the supplier standards of a prime defense contractor. The result is that locally based American Indians are being trained in manufacturing technical skills that are higher paying jobs. This helps A&S Tribal Industries recruit new customers, increase revenues and create higher paying jobs for Native Americans that live in very small isolated communities.

The reauthorization of NAPA will help other tribally owned manufacturing businesses climb the management and technical capacity "ladders" that are minimum standards required by private industry. NAPA programs provide resources that help locally based Native American leaders build new partnerships which increase jobs. And in turn, provides paychecks that support local small businesses like grocery stores, clothing stores, service companies, transportation companies, telephone and utility companies and all of the services required on the Fort Peck Indian Reservation in northeastern Montana. I urge passage of S. 2436, the Reauthorization of the Native American Programs Act of 1974.

Thank you.

QUANAH CROSSLAND STAMPS, ADMINISTRATION FOR NATIVE AMERICANS, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. Chairman and members of the committee, I am honored to appear before you to discuss the reauthorization of the Native American Programs Act [NAPA]. As the Commissioner for the Administration for Native Americans [ANA] located within the Administration for Children and Families at the Department of Health and Human Services, I have responsibility for administering the Native American Programs Act.

The purpose of NAPA is to promote the goal of economic and social self-sufficiency for American Indians, Native Hawaiians, Alaska Natives, and other Native American Pacific Islanders, including American Samoans and the Native people of Guam and the Northern Mariana Islands. Each of these culturally diverse populations has their own traditions, languages, and community social and economic challenges.

The fiscal year 2004 budget of $45 million supports three grant programs. The Social and Economic Development Strategies [SEDS] program uses competitive financial assistance grants in support of locally determined and designed projects to address community needs and goals and supports Native communities in their efforts to reduce dependency on public funds and social services by increasing community and individual productivity through community development. The Environmental Regulatory Enhancement program assists tribes in the planning, development and implementation of projects that were designed to improve their capacity to regulate environmental activities. The Language Preservation and Maintenance program is designed to ensure the preservation and enhancement of Native American languages. The Administration is pleased to support the reauthorization of each of these vital programs.

ANA's funding is targeted to projects that are community-based, community-determined, and community-implemented. For example:

In Hawaii, an organic farm teaches and practices traditional growing methods to at-risk youth.

In Colorado, the Native American Sports Council is combining traditional Native American values with athletic excellence and wellness. This program has touched over 1,500 Native American athletes and coaches.

In Montana, the Fort Peck Reservation has developed a manufacturing business that has created over 200 jobs.

In Oklahoma, the Cherokee Nation has developed school-based language immersion programs and after school programs.

In Arizona, the Inter-Tribal Council of Arizona [ITCA], which represents 20 tribes, developed a plan for the renovation of a historic building. This building now houses the ITCA offices and provides health and human services assistance to community members.

In Washington State, the Affiliated Tribes of the Pacific Northwest have developed travel and tourism brochures, videotapes and marketing materials that have increased their tourism revenue.

In North Dakota, the Standing Rock Sioux Tribe is building business and financial plans that will enable them to purchase and operate their own local telephone company.

In Alaska, Port Graham is laying the foundation for development of a value-added fish processing operation. This will allow Port Graham to diversify their fish processing operations and identify value-added products supported by the marketplace.

In addition to authorizing these key Native American programs, NAPA authorizes the Departmental Council on Native American Affairs [Council]. I serve as the Council chair. In 2002, Secretary Thompson elevated the Council to the Office of the Secretary. This Council is comprised of the principals from all the HHS Operating and Staff Divisions and meets four times a year. Last year, the Council completed an HHS Tribal accessibility study that identified programs from which tribes are eligible to receive funding. This year, the Council is identifying the barriers that tribes face when trying to access these programs.

About 18 months ago, when I became commissioner, I conducted a thorough review of ANA, and based on that review, developed an organizational action plan to make an already great program more streamlined, more cost effective and more accessible to our Native communities. As a result, ANA has restructured how it delivers its program services and automated its panel review process to allow for data collection and project monitoring. I would like to describe some of ANA's major accomplishments.

First, we have updated the ANA program announcement to clarify, streamline and standardize the application submission process. In addition, the new program announcements now require ANA applicants to identify performance indictors to be used to evaluate the success of a funded project. ANA has never consistently collected quantitative data to track the success of grantees. This lack of data hinders ANA's ability to inform the Congress on the effectiveness of ANA programs and their community impact. The new performance indicators will allow ANA to document consistently the number of people trained; the number of jobs created and retained; the number of children, youth and families served; the amount of non-government investment in each project; the transference of language and fluency; the number of businesses retained or expanded; the dollars invested in community infrastructure; and the number and type of new tribal codes and ordinances developed and implemented.

Second, we consolidated program competitions and expanded non-profit organizations' ability to apply for grants. Previously, under each ANA program area, ANA awarded only one grant that impacted a reservation, tribe or Native American community. Beginning in fiscal year 2004, in addition to a tribe, multiple non-profit organizations may compete for funding. The reason for this program modification is to expand and support large rural and urban communities that need a variety of services. In addition to tribes being able to have three simultaneous ANA grants [SEDS, Language and Environmental] at any one time, this clarification allows other community-based organizations to apply for and receive ANA funding, provided the objectives and activities do not duplicate currently funded projects.

In addition, during fiscal year 2004, ANA released three separate program announcements, one each for SEDS, including Alaska SEDS, Language Preservation and Maintenance, and Environmental Regulatory Enhancement. Each announcement had one closing date. Previously, ANA had two to three competitions per fiscal year for SEDS, one for Language, and one for Environmental Regulatory Enhancement. Closing dates were staggered over a 4-week period to allow tribes and Native organizations the opportunity to apply to all program areas. The new application closing process will allow ANA to release all funding to communities earlier in the fiscal year. It also will provide additional time for applicants to receive technical assistance training in project development and application preparation and allow grantees the opportunity to implement projects in a timely manner, recruit personnel necessary to support the grantee's objectives, and decrease the number of requests for grant extensions. The results of this consolidation have allowed ANA to decrease the administrative costs associated with multiple closings, and use the cost savings to award additional grants.

In compliance with the Paperwork Reduction Act of 1995 and in accordance with the Federal Government-wide E-Grants initiative, ANA has automated its application receipt and panel review process. The new automation and document management system has provided significant program and cost efficiencies. It has allowed ANA to collect program data such as the type of project to be funded; track grantee progress and project expenditures; identify non-Federal project investments; provide effective and timely comments to unsuccessful applicants; track the effectiveness of technical assistance providers; and ensure that ANA does not duplicate grant projects that may have been funded in prior years.

While ANA is required by statute to provide training and technical assistance [T/TA] to all potential applicants, we had not previously conducted a full evaluation of the effectiveness of ANA T/TA providers. Therefore, in fiscal year 2003, ANA implemented a T/TA tracking system to monitor which applicants received services and the effectiveness of these services. This change has been positive and successful across the board. Other HHS agencies are now contracting with ANA T/TA providers to serve Native communities participating in their programs.

Beginning in August 2004, ANA T/TA providers will start to teach project development. Training participants will be taught how to lay out the components of a project and an implementation plan, and how to develop quantitative and qualitative performance indicators.

Finally, the NAPA requires that ANA evaluate its grant portfolio not less frequently than every 3 years. We have chosen to fulfill this requirement by dividing our portfolio into thirds and evaluating one-third annually. ANA now is refining an evaluation tool that will assist us assessing the long-term community impact of ANA funded projects. The evaluation tool also will assess how well the ANA program and its services meet the needs of its community. I look forward to reporting the results of these evaluations to this committee in the near future.

Mr. Chairman and members of the committee, the ANA programs provide funding for unique community projects that make a difference in the lives of our Native children, youth and families. ANA also funds the widest range of Native organizations

and communities. It is ANA's goal to fimd as many quality projects as possible and to work with our grantees and communities to ensure the success of each project.

I look forward to working with this committee on the reauthorization of the Native American Programs Act and to continue to improve our ability provide the seed capital and technical assistance tools communities need to achieve their goals of social and economic self-sufficiency.

I am happy to answer any questions you may have for me at this time.

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