



The Confederated Tribes of the Colville Reservation



Prepared Statement of the Honorable Michael Finley, Chairman
Confederated Tribes of the Colville Reservation

Subcommittee on Indian and Alaska Native Affairs

Oversight Hearing on Fiscal Year 2013 Budget Request of the Indian Health
Service and of the Office of the Special Trustee for American Indians

March 6, 2012

Good morning Chairman Young, Ranking Member Boren, and members of the Subcommittee. On behalf of the Confederated Tribes of the Colville Reservation (“Colville Tribes” or the “Tribes”), I would like to thank the Subcommittee for convening this hearing on the FY 2013 Budget Request for the Indian Health Service (“IHS”) and the Office of the Special Trustee (“OST”). Today, I am pleased to share the Colville Tribes’ views on the President’s 2013 request for these important programs.

Background on the Colville Tribes

Although now considered a single Indian tribe, the Confederated Tribes of the Colville Reservation is, as the name states, a confederation of 12 aboriginal tribes and bands from all across eastern Washington State. The present-day Colville Reservation is located in north-central Washington State and is slightly larger by area than the state of Delaware. Almost half of the Colville Reservation is commercial forest land and 80 percent of the Reservation is tribal trust land. The Colville Tribes has more than 9,400 enrolled members, making it one of the largest Indian tribes in the Northwest. About half of the Tribes’ members live on or near the Colville Reservation. Between the tribal government and the Tribes’ enterprise division, the Colville Tribes collectively accounts for more than 1,600 jobs.

The FY 2013 Budget Request for OST

OST is charged with managing payments made by third parties for the use of Indian trust property and managing other funds held in trust for tribes or Indian beneficiaries. OST also provides appraisals and other valuations of Indian trust property through its Office of Appraisal Services (“OAS”). As a land-based Indian tribe that receives trust income from its natural resources, the Colville Tribes relies on OST to ensure that its trust fund balances are accurate and that payments are credited to the Tribes in a timely manner.

Because the Colville Tribes has a large number active leases, rights-of-way, and other encumbrances of its trust property, the Tribes relies on OST to generate appraisals to ensure that these transactions can be completed in a timely manner.

The FY 2013 budget request proposes a \$6.1 million decrease to OST's budget from FY 2012 enacted levels. For much of the past decade OST had received steady increases to its budget. Those days appear to be over as the Department of the Interior ("Department") looks for ways to reduce overall spending levels and achieve a 20 percent reduction in administrative spending by 2013.

OST has provided the Colville Tribes with technical and other assistance over the years. This has included sending personnel to the Colville Reservation to input land title data, expediting appraisal requests, and providing assistance in other areas related to trust management. We understand that OST has provided similar assistance to other tribes.

This type of technical assistance will become increasingly important as other cuts to Indian trust programs are implemented. For example, in FY 2012 the Department eliminated the lease compliance program from the Bureau of Indian Affairs ("BIA") budget. For tribes that rely on lease revenue to fund tribal programs, this presents an obvious concern that lease income is not being timely paid by lessees or that the BIA is not imposing late fees or taking other steps to collect past due lease payments.

When the Colville Tribes asked the BIA for a list of active leases of the Tribes' trust land, the BIA treated the request as a public request under the Freedom of Information Act – despite the obvious fact that the Colville Tribes was simply seeking information on its own trust property. OST helped the Colville Tribes obtain this information separately from the BIA. This allowed us to ascertain which overdue leases required immediate attention and to pressure the BIA to enforce them.

The Colville Tribes understands the need for the Department to meet budget targets and reduce costs where necessary. We hope, however, that the reductions proposed in the FY 2013 budget will not affect OST's ability to provide this type of assistance to the Colville Tribes and other tribes in the future.

There is one other issue I would like to mention that has garnered significant concern in the last year. On February 10, 2011, the Department issued an interim final rule that states that, among other things, the Department considers permanent improvements to Indian trust land to be non-trust property and that Tribal or State courts – and not the Department – are responsible for probating these improvements. Not allowing these improvements to be probated by the Department will further contribute to the probate backlog and will presumptively subject Indian homes and other improvements to state

and local jurisdiction and taxation. The National Congress of Americans and the Indian Land Working Group are on record asking that the Department place a moratorium on this rule. The Colville Tribes hopes that the Subcommittee can work with the Department to obtain a favorable resolution of this issue.

The IHS FY 2013 Budget Request

The Colville Tribes, like many other Indian tribes within IHS's Portland Area, relies heavily on Contract Health Services ("CHS") funding. CHS funds are used to purchase services from private health care providers in situations where no IHS direct care facility exists or the required care is unavailable at an existing facility. In the Portland Area, the rural population, lack of inpatient facilities, and the lack of new facility construction options make us especially dependent on this program. The FY 2013 has proposed an increase (+\$53.9 million over FY 2012 enacted levels) for the CHS program, but the rising costs of medical care means that this increase, even if accepted by Congress, will in reality preserve the status quo.

The Portland Area IHS, the Northwest Portland Area Indian Health Board, and the Portland Area Facilities Advisory Committee has proposed a pilot project for three specialty care referral centers that would receive their patients through referrals from the existing IHS and Tribally owned primary care clinics. These facilities would enhance the services already available from existing IHS clinics and would offset the inequity in healthcare facilities funding endured by the Colville Tribes and other tribes in the Portland Area. These regional specialty care centers would ease the burden on the CHS program and make those dollars go further. The Colville Tribes hopes that IHS will implement this proposal as it represents a unique way of addressing the inequities in the facility construction process.

The Colville Tribes appreciates the Subcommittee convening this hearing and is grateful of its consideration of these and other issues. We very much look forward to working with you on these issues this year.
