

**I. Budget Highlights – please refer to Monthly Financial Report**

**II. Program Highlights for January:**

<u>District 1</u> 412 North	<u>District 2</u> 412 South
Information Report (1)	Information Report (9)
Warrants (12)	Warrants (23)
Other Agency Assists (33)	Other agency assists (115)
Warnings (20)	Warnings (37)
Citations (4)	Citations (26)
Alcohol/Drug Arrests (15)	Burglary/Theft/Larceny (3)
A&B/DV (2)	Alcohol/Drug Arrests (2)
MVC (4)	A&B/DV (5) Violent Threats (1)
Hit and Run MVC (1)	Vandalism (2) Trespassing (2)
Motor Vehicle Theft (2)	Hit and Run MVC (1) MVC (1)
Burglary /Theft/Larceny (7)	Motor Vehicle Theft (2)
Trespassing (2)	Child Neglect (1)
Fail to Carry Security Verification (1)	Fail To Register Sex Offender (1)

**III. Special Operations**

Dive (0)  
 SWAT (2) HRT  
 Task Force Arrest (36)

**IV. Accomplishments**

Mike Roach OACP Meeting  
 Shannon Buhl, Danny Tanner, Jess Anderson SHOT Show  
 Franky Dreadfulwater, John Timothy Tribal Meth Training  
 Shannon Buhl OAG Meeting

**V. Security**

Security Violations (25)  
 Vehicle Assists (17)  
 Incident Reports (1)

**VI. Federal Facilities**

Claremore (0)  
 Hastings (0)

**NAHASDA PATROLS:**

Dist I: 574  
 Dist II: 1020  
 Total: 1594

**I. Budget Highlights – please refer to Monthly Financial Report**

Description of Budget exceptions: No budget exceptions to report.

During the period of May 2012 to January 2014, the Director of Evaluation & Compliance position was vacant and the staff reported to Vickie Hanvey. In January 2014, the Director position has been filled by Scott Otten.

**II. Program Highlights**

**1. NEGOTIATIONS:**

• **Department of Interior Multi-Year Funding Agreement Negotiations:**

The FY2014-2018 Multi-year Funding Agreement (MFA) has been executed and initial payment in excess of \$4million has been received.

• **IHS Contract Health Services (CHS) or Purchased and Referred Care (PRC):**

We have submitted proposed language for expansion of CHS, or what is now termed Purchased and Referred Care. The Nation proposed to keep the rest of the funding agreement “as is”, however IHS rejected that offer. The amendment for CHS (or PRC) will not move forward until the Contract Support Costs language is resolved. Our office is working with the Sonosky firm to move forward with negotiations.

• **Veterans Administration:**

A draft agreement has been submitted to the VA by the Health department.

• **DOI, OST Negotiations:**

Negotiations to update the Office of Special Trustee (OST) Appraisal MOU and the Beneficiary Processes Program will commence in the near term.

**2. FY2014 Omnibus:**

Please refer to the attached Legislative Bulletin issued by the Sonosky law firm.

**3. Contract Disputes Act Litigation:**

Vickie Hanvey and staff are continuing to assist the Cherokee Nation Office of the Attorney General with litigation against the United States Department of Health and Human Services for underpayment of contract support costs claims.

October 8, 2013: Cherokee Nation filed complaints for underpayment of contract support costs for FY 2011 and FY 2012 in the United States District Court for the District of Columbia. The case, along with several other Tribes’ CSC claims, was assigned to District Judge Rudolph Contreras. Judge Contreras then assigned the cases to Magistrate Judge John Facciola for mediation.

October 30, 2013: An initial mediation conference occurred before Magistrate Facciola. Vickie and Clint attended the mediation conference where the Magistrate combined the Nation’s CBCA claims (2006-2010) with the 2011, 2012 claims before the court. Therefore, all of our claims get considered together and we jump ahead of other tribes on the CBCA list.

November 14, 2013: The Nation and the Government sent discovery request as part of the mediation process per the court’s order of November 4, 2013. As this mediation will cover all pending claims, the document discovery request seeks documents from FY 2005 through FY 2012. The Nation has 30 days to respond, however CN OSG has already previously provided to the Sonosky firm many, if not all, of the documents that the Government has requested.

February 10, 2014: Received a settlement offer from the government.

**4. FY 2014 Appropriations/Contract Support Costs:**

In January, Congress passed, and President Obama signed into law, Appropriations for the remainder of FY2014. The FY 2014 Consolidated Appropriations Act bill contains an

important new approach to funding contract support costs (CSC). This bill is different because it does not cap CSC spending in the aggregate or on a tribe-by-tribe basis. Congress gave the Bureau of Indian Affairs and Indian Health Service “lump sum” appropriations with limited instructions in an attached explanatory statement. Unlike prior appropriations, Congress did not set line-by-line funding levels for most tribal programs. Instead, Congress gave BIA and IHS a single “pot” of money with instructions to fully fund CSCs. The good news is that BIA and IHS received overall funding levels at, or above, their pre-sequester amounts. The bad news is that these increases will not make up the total amounts needed to fully fund CSC. The result is that BIA and IHS will likely be forced to take funding away from services in order to pay for the full funding of CSC.

Moving forward, BIA and IHS must submit operating plans to Congress within 30 days of enactment. The operating plans will display funding allocations in greater detail and provide insight on how the agencies intend to fund CSCs. Within 120 days of enactment of the Consolidated Appropriations Act, the agencies must formulate work plans and consult with Tribes on how to “formulate long-term accounting, budget, and legislative strategies” to address CSC funding. Cherokee Nation Self-Governance staff has been active participants in consultation with BIA and IHS officials on how to best address CSC moving forward. Vickie Hanvey is the Eastern Oklahoma representative on the BIA CSC Workgroup and is working to ensure that the best interests of Cherokee Nation and the BIA Eastern Oklahoma Region are represented in all CSC discussions.

#### **5. DOI/IHS Tribal Self-Governance Advisory Committee:**

The Department of Interior Self-Governance Advisory Committee quarterly meeting occurred on January 21-22. Immediately following the SGAC meeting, the Indian Health Service Tribal Self-Governance Advisory Committee quarterly meeting occurred on January 22-23. The DOI Advisory Committee held in depth discussions with Assistant Secretary-Indian Affairs Kevin Washburn, DOI Office of Self Governance Director Sharee Freeman, and BIA Director of Budget Management Tommy Thompson. Contract Support Costs, DOI’s new financial system, tribal transportation, the 2013 DOI American Indian Population and Labor Force Report, budget parity between Self-Governance and Direct Service Tribes, and amendments to existing Self-Governance laws were among the topics discussed. Representatives of the Office of Management and Budget also participated in the meeting. OMB officials discussed future funding of contract support costs, how OMB and Department officials formulate the President’s annual budget requests, and various other budget issues in Indian Country.

IHS Tribal Self-Governance Advisory Committee engaged with OTSG Director Ben Smith, IHS Director Yvette Roubideaux, Internal Revenue Service staff, Department of Treasury officials, and other federal officials. Once again, Contract Support Costs were a focal point of the discussions. Director Roubideaux stated that IHS has dedicated additional resources to calculating and processing settlement offers to tribes currently involved in litigation for underpayment of CSCs. Director Roubideaux also updated the group on the initial meeting of the recently reconvened CSC Tribal/Federal Workgroup. One of the primary tasks of the workgroup is to seek solutions for the calculation of CSCs at the time of initial negotiations between tribes and the federal government. TSGAC also discussed the Affordable Care Act/Indian Health Care Improvement Act, expansion of Self-Governance to additional areas of HHS, and Tribal/Veterans Administrations Agreements.

#### **6. Public Law 102-477 Administrative Flexibility Workgroup:**

On January 24<sup>th</sup>, Vickie Hanvey participated in the final meeting of the initial phase of the PL 102-477 Administrative Flexibility Workgroup. In addition to tribal representatives, Assistant Secretary-Indian Affairs Kevin Washburn, White House Senior Policy Advisor for Native American Affairs Jodi Gillette, HHS Acting Assistant Secretary for ACF Mark

Greenburg, and other top level federal appointees participated in the workgroup. After several years of back and forth discussion, tribal and federal officials were able to come to final resolution of several issues that the group was tasked with solving. The workgroup finalized new financial reporting forms, guidelines for streamlining the 477 Plan application process, the continued use of transferring 477 funds through Self-Governance compacts, and finalization of other federal forms related to PL 102-477. The purpose of the work done by the workgroup is to bring additional transparency and predictability to the process of including federal programs in a 477 Plan.

**7. 2013 Department of Interior American Indian Population and Labor Force Report:**

In late January, the Department of Interior released the 2013 American Indian Population and Labor Force Report. The labor force report has been important in the past because its data was used in various formulas to fund federal programs administered by tribal governments. The source of population and labor force data in the 2013 report is the 2010 census. Prior versions of the report relied on data submitted by individual tribes in response to surveys from the federal government. Cherokee Nation Self-Governance staff is currently working to analyze the full impact of the new labor force report.

**8. Affordable Care Act Training:**

The Tribal Self-Governance Advisory Committee sponsored a training session on the Affordable Care Act at the end of its most recent quarterly meeting. The three broad categories explored during the training were American Indian/Alaska Native exemptions from ACA tax penalties, tribal premium sponsorship, and tribes as employers under the ACA.

**9. IHS Oklahoma City Area Consultation Session:**

On February 6<sup>th</sup>, Self-Governance staff participated in the IHS OKC Area Consultation session via webinar. Tribal funding formulas for the Special Diabetes Program for Indians, Meth Suicide Prevention Initiative, and Domestic Violence Prevention Initiative were all discussed at the meeting. Tribal representatives in the OKC Area generally agreed that the funding formulas should be kept the same for the time being. IHS Director Roubideaux also asked for input on how to fully fund CSC. Director Roubideaux floated the idea of taking all IHS tribal shares off of the table and reducing budgets for budget items such as competitive grants.

**Other SG Participation:**

- TIBC EORO Representative
- National DOI Tribal Data Management pilot project.
- National Title VI workgroup to further SG within HHS.
- National HHS ACF Tribal Advisory Council
- National Title IV workgroup with DOI SGAC.
- National DOI CSC workgroup.
- National DOI Funding Formula Matrix workgroup for SGAC.
- National DOI Self-Governance 2.0 Workgroup
- Oklahoma SG Coalition representation of SG issues specific to Oklahoma.



# Cherokee Nation Self Governance Office

Vickie Hanvey, CPA, MBA

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## **FY 2014 Consolidated Appropriations Act and Contract Support Costs** **Prepared by: Clint Hastings** **Date: 2/13/2014**

On January 17, 2014, President Obama signed the 2014 Consolidated Appropriations Act (also referred to as the “Omnibus”) into law. The law provides appropriations for the federal government through the remainder of FY 2014. Overall, the act is a positive step forward for the federal Indian budget, but there are many details surrounding the law that are still unclear. In the coming weeks, many of these details will be filled in by the Bureau of Indian Affairs and Indian Health Service as they submit their FY 2014 operating plans and formulate long term plans to resolve outstanding contract support cost (CSC) issues.

Within the Omnibus, Congress rejected the Administration’s recent request to cap CSC funding levels on a tribe-by-tribe basis and also removed CSC earmarks included in prior appropriations. This is a positive step as it affirms the right of Tribes that contract or compact BIA and IHS programs, services, functions, and activities (PSFAs) to receive full CSC funding. This change in the law requires the agencies to come up with a short term solution to fully fund CSCs in FY 2014 while developing a long term solution to prevent future funding shortfalls.

The BIA and IHS received \$142 and \$303 million overall funding increases in FY 2014 as compared to post-sequester FY 2013 levels. Unlike prior appropriations, Congress did not set line-by-line funding levels for most tribal programs. Instead, Congress opted to give the BIA and IHS “lump sum” appropriations with limited instructions in an attached explanatory statement. This means that Congress only identified specific funding levels for a few programs and gave the agencies discretion to fill in the details in their operating plans.

Unfortunately, the significant funding increase provided to BIA and IHS is not enough to fully fund CSCs and restore all tribal program budgets to their pre-sequestration levels. For example, the IHS service budget received a \$270 million increase in FY 2014 with Congressional instructions to: increase Contract Health Services funding by \$77 million, provide funding for staffing at newly constructed health facilities, and fully fund CSCs. IHS anticipates that the funding level for new staffing will be approximately \$65-70 million. IHS is currently estimating a need for approximately \$130 million to fully fund CSCs for currently contracted and compacted tribal programs, services, functions, and activities (PSFAs). Additionally, IHS must budget between \$5-20 million to cover CSCs for tribes that decide to enter into or expand their contracted/compacted PSFAs. These numbers add up to a total that is greater than the \$270 million increase IHS received over post-sequester FY 2013 funding levels. The BIA is facing a similar situation.

The agencies are now in a position where they must make a decision on what areas of the budget to not restore to pre-sequestration levels in order to fully fund CSCs in FY 2014. By mid-February, the BIA and IHS must provide Congress with operating plans that include line item funding levels. Over the first week of February, DOI Assistant Secretary – Indian Affairs Kevin Washburn and IHS Director Yvette Roubideaux engaged in a series of conference calls to consult with Tribal officials on their visions for the operating plans. While BIA officials were not forthcoming with many particular ideas on how they planned to fully fund CSCs, IHS Director Roubideaux provided insight as to how her agency may fund CSCs. Dr. Roubideaux suggested that IHS is likely to reduce funding for competitive grants, cooperative agreements, and remaining unobligated funds. According to the Director, this would allow tribal shares for PSFAs used to provide services to tribal citizens to be held harmless.

In the immediate future, lawmakers provided the BIA and IHS with 120 days to consult with Tribes and develop a plan to create “a standardized approach that streamlines the contract negotiation process, provides consistent and clear cost categories, and ensures efficient and timely cost documentation for the Departments and the Tribes.” Agency officials have indicated that this consultation process will likely begin at the upcoming NCAI Winter Session on March 11-13. It is likely that any plan developed by the agencies will rely heavily on the expertise of Tribal officials that possess an in depth knowledge of the historical and technical aspects of CSCs and Tribal Self-Governance. Fortunately, Cherokee Nation Self-Governance staff is active on many of the advisory committees and workgroups that will likely be consulted as a part of the long term solution to CSC funding.

The Cherokee Nation Self-Governance Office will continue to monitor and provide updates to Administration on the continually developing budget and contract support costs issues.

**LAW OFFICES**  
**SONOSKY, CHAMBERS, SACHSE,**  
**ENDRESON & PERRY, LLP**  
1425 K STREET, N.W., SUITE 600  
WASHINGTON, D.C. 20005  
TEL (202) 682-0240 | FAX (202) 682-0249  
[WWW.SONOSKY.COM](http://WWW.SONOSKY.COM)

MARVIN J. SONOSKY (1909-1997)  
HARRY R. SACHSE  
REID PEYTON CHAMBERS  
WILLIAM R. PERRY  
LLOYD BENTON MILLER  
DOUGLAS B. L. ENDRESON  
DONALD J. SIMON  
MYRA M. MUNSON (AK)\*  
ANNE D. NOTO  
DAVID C. MIELKE  
JAMES E. GLAZE  
GARY F. BROWNELL (NM)\*  
COLIN C. HAMPSON  
RICHARD D. MONKMAN (AK)\*  
MARISSA K. FLANNERY (AK)\*  
MATTHEW S. JAFFE  
WILLIAM F. STEPHENS  
PENG WU  
SAMUEL E. ENNIS (CA)\*  
NICOLE A. BORROMEO (AK)\*  
LIA C. CARPENETI (AK)\*  
FRANK S. HOLLEMAN  
CHRISTOPHER J. IRONROAD  
REBECCA A. SHERMAN (AK)\*  
MATTHEW L. MURDOCK (NM)\*  
KENDRI M. M. CESAR (AK)\*

OF COUNSEL  
ARTHUR LAZARUS, JR  
ROGER W. DUBROCK (AK)\*  
KAY E. MAASSEN GOUWENS (AK)\*  
JOAN M. WILSON (AK)\*

\*NOT ADMITTED IN D.C.

ANCHORAGE, AK OFFICE  
900 WEST FIFTH AVENUE,  
SUITE 700  
ANCHORAGE, AK 99501  
(907) 258-6377  
FAX (907) 272-8332

JUNEAU, AK OFFICE  
302 GOLD STREET  
SUITE 201  
JUNEAU, AK 99801  
(907) 586-5880  
FAX (907) 586-5883

SAN DIEGO, CA OFFICE  
750 B STREET  
SUITE 2520  
SAN DIEGO, CA 92101  
(619) 546-5585  
FAX (619) 546-5584

ALBUQUERQUE, NM OFFICE  
500 MARQUETTE AVE., N.W.  
SUITE 660  
ALBUQUERQUE, NM 87102  
(505) 247-0147  
FAX (505) 843-6912

**LEGISLATIVE BULLETIN**  
**JANUARY 2014, PART I**

January 17, 2014

**HOUSE AND SENATE PASS \$1.012 TRILLION**  
**APPROPRIATIONS BILL FOR FY 2014**

**I. INTRODUCTION**

The House and Senate this week passed the \$1.012 trillion omnibus appropriations bill (H.R. 3547) to fund the federal government through September 30, 2014. This measure, which includes funding normally contained in 12 separate appropriations bills, passed by a wide margin in both houses. The President will sign the measure by Saturday, January 18, 2014 when current appropriations expire. The bill provides compromise funding levels – generally more than last year’s sequester levels but less than the levels proposed by the Administration.

For Indian country, the appropriation measure adopted for FY 2014 increases funding for BIA by \$142.2 million above post-sequester FY 2013 levels and for the IHS \$304 million above the post-sequester levels for FY 2013. These overall increases above last year’s harmful spending levels mean that funding will continue to fall short of meeting key needs in Indian country. The bill does contain some important victories for Indian country, including with respect to contract support costs. The bill rejects a harmful OMB proposal to cap these costs, and requires the agencies to consult with the tribes to address the issue for the future.

To put overall funding levels in context, the omnibus bill for FY 2014 is well below the \$1.176 trillion appropriations act that Congress passed for FY 2008, the last full year of the Bush Administration. After inflation is taken into account, President Obama will have roughly \$53

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billion less - about 10% - than President Bush had in FY 2008 to fund non-defense agencies and programs.

In some sense, the omnibus bill is a victory for House Republicans who were determined to reduce the size of the Federal government. Democrats may also claim victory in lifting the across-the-board sequestration cuts that would have otherwise continued this year as well as increasing funding in FY 2014 for Head Start and pre-kindergarten programs, and continued funding to implement the Affordable Care Act. The measure reflects a determination by both sides that the government must be funded – and that fundamental disagreements over the role of the Federal government should not result in a government shutdown and need to be addressed elsewhere.

With the omnibus bill awaiting the President's signature, the debate will soon begin over FY 2015 spending priorities. With the budget ceiling already in place for FY 2015 as part of the Ryan-Murray budget deal Congress approved last month, FY 2015 appropriation bills are likely to contain only modest gains over FY 2014 spending levels and, for some programs, may see erosion in their funding levels. Indian tribes will have to compete for their share of funding within the appropriations bill funding the Interior, Environment and Related Agencies with other interest groups and agencies seeking to increase their funding levels. We encourage our tribal clients to be active participants this year in the FY 2015 appropriations debate.

The details of H.R. 3547 as currently available are set out below.

### II. BUREAU OF INDIAN AFFAIRS

The appropriations bill funds BIA programs at \$2.531 billion, the same as the FY 2012 enacted level (without factoring inflation), \$31 million below the President's FY 2014 budget request, but \$142 million above the post-sequester FY 2013 level.

A. Office of Indian Programs (OIP). H.R. 3547 provides \$2.378 billion for the Bureau of Indian Affairs' Operation of Indian Programs (OIP), which includes an increase over the President's budget request of approximately \$195 million.

In its report accompanying the omnibus bill, the House directs the Department of the Interior to submit an "operating plan" to the House Committees within 30 days of enactment displaying funding allocations to the "activity level" and taking into account the ability of programs overseen by the Assistant Secretary-Indian Affairs to accommodate the streamlining reduction proposed in the Administration's FY 2014 budget. If the Secretary submits a timely operating plan to Congress, it would be due on or about February 17, 2014.

Within the OIP funded amount for FY 2014, the Welfare Assistance Program is funded at \$74.8 million, funding for the Housing and Improvement Program (HIP) is \$8 million, a partial restoration of funding to that program, and the BIA's Road Maintenance Program, land-records



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improvement, attorney fees, litigation support and Navajo-Hopi Settlement Office will share \$33.8 million.

In its report accompanying the bill, Congressional appropriators noted that for the purpose of addressing the needs of tribal youth in custody at tribal detention centers operated or administered by the BIA, the appropriators consider educational services to juveniles in custody to be “allowable costs for detention/corrections program funding” within the BIA’s Public Safety and Justice account.

As concerns energy development, the report urges the BIA’s Office of Indian Energy and Economic Development to consult with tribes about improving and increasing the use of the one-stop-shop model to expedite energy development on tribal lands and to use Pub. L. 93-638 and similar authorizations where possible.

B. Construction. H.R. 3547 funds BIA construction at \$110.124 million, which is \$3 million above the President’s request and roughly \$14 million below the FY 2012 enacted amount. This includes \$55.285 million for education construction, \$11.3 million for public safety construction, \$32.75 million for resource management and \$10.77 million for general administration, including \$2.5 million for the operation, maintenance and replacement costs of the Assiniboine and Sioux Rural Water System.

C. Education. Forwarded-funded Bureau of Indian Education is funded at \$591.234 million, nearly \$70 million above the FY 2012 enacted level, but \$5 million below the President’s FY 2014 request. Congress chose not to fund the proposed turnaround schools pilot project in the omnibus bill. The bill and conference report state that the bill retains language preventing BIE from funding new schools, including charter schools, and preventing tribes from expanding grades being served except when approved by the Secretary of the Interior.

The bill also supports the Johnson O’Malley program at \$13.1 million as requested in the President’s FY 2014 budget request. The report directs the BIE to conduct an “accurate student count in fiscal year 2014 and publish the results before the end of the fiscal year.”

D. Contract Support Costs. H.R. 3547 represents a victory for Indian tribes which rallied to oppose the Administration’s ill-conceived and unilateral proposal that would have capped Contract Support Costs (CSC) awards for each tribe and attempted to prevent tribes from recovering when the government failed to pay full CSCs. After hearing repeatedly from Indian country and following a Senate Committee on Indian Affairs hearing in November, Congress rejected the Administration’s proposal and expressly noted that the proposal was developed without tribal consultation. In the omnibus bill, Congress rejected the OMB’s tribe-specific caps, and went further by removing the old CSC earmark included in prior year appropriations bills. This means the legal regime is returned to what it was before 1999. Under the Supreme Court’s Cherokee Nation case tribes clearly enjoy a right to be paid in full, or to file claims and recover for any underpayment and that will apply to this year’s contract support costs. In other

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words, the omnibus bill protects the tribes' contract support cost rights. The provision in the omnibus bill is an excellent outcome and one that we and our tribal clients worked hard to achieve in the face of OMB's contrary position.

The Committee also directs the Administration to consult with tribes and formulate a new plan for addressing contract support costs in the coming year. The agencies have 120 days to develop a plan for consulting with Tribes in the development of "a standardized approach that streamlines the contract negotiation process, provides consistent and clear cost categories, and ensures efficient and timely cost documentation for the Departments and the Tribes." The Administration is also directed to work with Congress "to formulate long-term accounting, budget, and legislative strategies to address the situation." So, there is work to be done by the tribes to make sure this issue is properly resolved for the future. In addition, the bill does not address the settlement of past contract support cost claims, and we will continue our efforts to have that addressed by Congress this year.

In his budget to Congress, President Obama requested \$230 million for CSCs and \$1 million for the Indian Self-Determination Fund.

E. Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians. The bill provides the President's requested funding level of \$35.6 million for settlements and payments for land, water and other settlement claims, a \$2.85 million increase above the FY 2012 enacted level.

F. Indian Guaranteed Loan Program Account. The Senate bill would fund the Indian Guaranteed Loan Program Account at \$6.7 million, an increase of \$1.7 million above the President's request, and \$400,000 below the FY 2012 enacted amount. Funding under the loan program may be used to guarantee or insure loans not to exceed \$99.761 million.

G. Office of Special Trustee. H.R. 3547 appropriates \$139.6 million for the Office of Special Trustee, a reduction of \$10 million from the FY 2012 enacted level. This amount includes \$23 million for "historical accounting."

H. Pub. L. 102-477 Program. Appropriators also expressed concern over the Administration's management of the 477 Program. Congressional appropriators directed the BIA, within two months of enactment of the appropriations bill, to submit a report to Congress regarding the status of negotiations with the 477 Working Group, identifying impasse issues and an outline of how the Department intends to resolve them.

I. Administrative Provisions. The bill retains various administrative provisions, including that tribes may return appropriated funds to the BIA without diminishing the federal trust responsibility, the government-to-government relationship between the federal government and tribes, or the ability of a tribe to access future appropriations; and includes authorization to

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use BIA, BIE and Office of Special Trustee funds and any unobligated balances from prior appropriations for expenditure or transfer for Indian trust management and reform activities.

Tribes are also given statutory authority to use tribal priority allocations (TPA) for “unmet welfare assistance costs.” H.R. 3547 also includes prior appropriations language that in the event of “designated Federal disasters,” the Secretary of Interior may exceed BIA spending caps to provide disaster relief to Indian communities affected by the disaster. The bill also allows the Secretary of the Interior to authorize the expenditure or transfer of “no year” appropriations for the suppression or emergency prevention of wildland wildfires on or threatening lands under the Department’s jurisdiction.

### III. INDIAN HEALTH SERVICE

The omnibus bill appropriates \$4.43 billion for the Indian Health Service. This amount is \$3.8 million above the President’s FY 2014 budget request, \$304 million above the post-sequestration level for FY 2013, and \$128 million above the FY 2012 enacted level. Within the funded amounts are \$878.5 million for purchased/referred care (formerly Contract Health Services) and \$451.6 million for IHS Facilities funding. The bill increases the IHS Services budget \$477 million above the President’s request of \$3.505 billion from which the IHS is expected to fund Contract Support Costs (CSCs), the amount requested in the President’s FY 2014 budget.

The bill includes funding for staffing costs for new and expanded health care facilities, including six in Alaska, funded through the Health Care Facilities Construction Priority System or the Joint Venture Construction Program that were newly opened in FY 2013 or will open in FY 2014.

A. Indian Health Service. With spending levels in H.R. 3547 mostly tracking the President’s FY 2014 budget request to Congress for the IHS (with the exception of Congress rejecting the Administration’s request to include CSC funding in a separate account), we anticipate that IHS’s detailed Services budget for FY 2014 and the operating plan the Service must submit to Congress in February, may be close to the President’s FY 2014 budget request for these programs (which we highlight below):

➤ Hospitals & Health Clinics	\$1.865 bil.
➤ Dental	\$ 168.2 mil.
➤ Mental Health	\$ 79.8 mil.
➤ Alcohol & Substance Abuse	\$ 196.4 mil.
➤ Purchased/Referred Care	<u>\$ 898.5 mil.</u> (including \$51.5 ICHEF)
<b>Subtotal Clinical Services</b>	<b>\$3.188 bil.</b>
➤ Preventive Health	\$152.46 mil.
➤ Other Services (include. Urban)	<u>\$164.12 mil.</u>
<b>Subtotal</b>	<b>\$3.505 bil.</b>

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In its report, Congress encouraged the IHS to work with the BIE and consult with tribes about increasing preventive dental care for children by “bringing dentists and hygienists into BIE schools,” consider a pilot program for the credentialing of dentists and make strides toward completion of electronic dental records.

As it did regarding the BIA, Congress likewise rejected the Administration’s proposal to cap future year contract support cost payments awarded tribes and tribal organizations by the IHS. The \$477 million requested by the Administration for CSCs for FY 2014 is now within the IHS Services funding level of \$3.982 billion. The IHS must also consult with tribes and work with Congress and OMB to develop a long term strategy to resolve the CSC funding issue. As noted above, the IHS must submit an operating plan to Congressional appropriators within 30 days of enactment of the appropriations bill “displaying funding allocations to the activity level.” The plan will be due on or about February 17, 2014.

B. Indian Health Facilities. The bill includes \$451.67 million for IHS Facilities costs, an increase of \$3.5 million above the President’s request, an \$11.3 million increase above the FY 2012 enacted level. Within the funded amount for FY 2014 is \$53.61 million for Maintenance and Improvement, \$79.4 million for Sanitation Facilities Construction, \$85 million for Health Care Facilities Construction, \$211 million for Facilities and Environmental Health Support and \$22.5 million for Equipment.

H.R. 3547 also authorizes the use of Indian Health Care Improvement Fund dollars to carry out activities “typically funded under the Indian Health Facilities account.”

While significant unmet needs remain, in many respects funding for Indian health did relatively well in the omnibus bill.

#### IV. ENVIRONMENTAL PROTECTION AGENCY

The appropriations bill funds the Environmental Protection Agency (EPA) at \$8.2 billion, \$47 million above the President’s budget request, \$250 million below the FY 2012 enacted level and \$500 million below FY 2011 enacted level.

A. Science and Technology.

Science and Technology programs are funded for FY 2014 at \$759.1 million, a \$24.7 million reduction from the President’s FY 2014 budget request and \$35 million below the FY 2012 enacted level. This amount includes \$120.4 million for Clean Air and Climate programs (-\$5.5 million below the President’s request); \$94.9 million for air, climate and energy research (-\$10.7 million); and \$111 million for safe and sustainable water resources (-\$6.8 million).

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**B. Environmental Programs and Management.**

The bill provides \$2.624 billion for Environmental Programs and Management, \$188.6 million below the President's budget request and \$54 million below FY 2012 enacted levels. Within this funding level is \$26 million for brownfields which is at the President's FY 2014 funding request; \$277.4 million for clean air and climate programs (-\$30.7 million below the President's request); and \$244.4 million for enforcement (-\$23.3 million).

In addition, the bill would fund Geographic Programs at \$415.73 million, a \$4.8 million increase above the President's request. This includes:

- Great Lakes Restoration Initiative \$300 mil.(at the President's requested level)
- Puget Sound \$25 mil. (+\$7.8 mil.)

In report language accompanying the bill, appropriators noted that EPA is directed to continue funding the Great Lakes mass marketing program, at or above current levels of \$1.5 million per year, as part of the Initiative, and encourages EPA and the BIA to "explore ways to improve efficient distribution and use of Great Lakes Restoration Initiative funds by eligible tribes and tribal organizations, such as through the use of mechanisms authorized by Pub. L. 93-638.

**C. Hazardous Substance Superfund.**

The appropriations bill funds the Hazardous Substance Superfund at \$1.088 billion, \$91.6 million below the President's budget request and \$126 million below the FY 2012 enacted level. Superfund Cleanup (emergency response) is funded at \$177.8 million (-\$10 million below the President's request); enforcement at \$175.5 million (-\$9.7 million); and \$9.9 million for audits, evaluations and investigations (-\$1.1 million).

**D. State and Tribal Assistance Grants.**

The omnibus bill funds State and Tribal Assistance Grants (STAG) at \$3.535 billion, including \$2.48 billion for infrastructure assistance (+\$462.7 million above the President's budget request), \$1.448 billion for the Clean Water State Revolving Fund (SRF) (+\$353 million above the President's request), \$906.9 million for the Drinking Water State Revolving Fund (+\$89.9 million above the President's request), and \$1.054 billion for Categorical Grants, a reduction of \$81.5 million below the President's budget request).

FY 2014 funding for STAG includes \$10 million for Alaska Native Villages, and \$90 million for brownfields projects (+\$5 million above the President's request). The Tribal air quality management program is funded at \$12.82 million, \$423,000 below the President's request and the Tribal general assistance program is funded at \$65.476 million, \$7.15 million below the President's budget request.

**LEGISLATIVE BULLETIN, JANUARY 2014, PART I**

January 17, 2014

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**V. OTHER AGENCIES**

A. Housing and Urban Development.

The omnibus bill appropriates \$650 million for the Indian Housing Block Grant (IHBG) program carried out by Indian tribes and their designated housing entities under the Native American Housing Assistance and Self-Determination Act (NAHASDA). The appropriated amount also provides \$2 million for NAHASDA's Title VI loan program. This is the same funding level as appropriated in FY 2012. The appropriations bill also provides \$6 million for the Indian Housing Loan Guarantee Program, and \$70 million for the Indian Community Development Block Grant Program, of which \$10 million will be available for mold remediation and prevention.

B. Department of Transportation.

The omnibus bill appropriates \$40.256 billion for the Federal-aid highways and highway safety construction programs which adopts the President's budget request. The Federal Transit Administration is funded at \$8.595 billion, the level authorized under MAP-21. Total FY 2014 funding is \$2.2 billion, or 4.5% above FY 2013's sequestration funding level. The bill provides \$500 million for the popular TIGER grant program, \$134 million to the National Highway Traffic Safety Administration (NHTSA), and \$1.943 billion for the "New Starts" transit program. Based on the above information, we believe that the Tribal Transportation Program will receive the MAP-21 authorized funding level of \$450 million for FY 2014 operations.

**VI. CONCLUSION**

The President's 2015 Budget, which may be delayed until March, is likely to include funding levels much like his 2014 budget. And with overall spending levels for 2015 already capped by Congress at \$1.014 trillion, only \$2 billion above the FY 2014 enacted level for defense and non-defense agencies, appropriators are likely to make only modest adjustments. This coming year is likely to continue to be a challenging one to fund Indian programs at more appropriate levels. As a result, continued Tribal participation in the appropriations process will be particularly important. We urge our clients to be actively engaged.

Please let us know if we may be of further assistance regarding appropriations and related matters.

Respectfully submitted,

SONOSKY, CHAMBERS, SACHSE,  
ENDRESON & PERRY, LLP

By: Matthew S. Jaffe



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 CHEROKEE NATION GAMING COMMISSION  
 DIRECTOR'S REPORT  
 5 FEBRUARY 2014

2013 COMPACT FEE PAYMENTS

	State	Fair Meadows	OHRC	Sub-Total	YTD
Jan	\$ 871,790.13	\$ 56,504.52	\$ 183,955.27	\$ 1,112,249.92	\$ 1,112,249.92
Feb	\$ 1,200,965.36	\$ 56,254.50	\$ 205,997.05	\$ 1,463,216.91	\$ 2,575,466.83
Mar	\$ 1,414,216.26	\$ 56,454.52	\$ 238,240.88	\$ 1,708,911.66	\$ 4,284,378.49
Apr	\$ 1,187,018.86	\$ 56,537.86	\$ 201,316.59	\$ 1,444,873.31	\$ 5,729,251.80
May	\$ 1,214,004.08	\$ 55,571.11	\$ 205,566.37	\$ 1,475,141.56	\$ 7,204,393.36
June	\$ 1,087,512.96	\$ 56,737.87	\$ 188,787.98	\$ 1,333,038.81	\$ 8,537,432.17
July	\$ 1,170,413.62	\$ 53,704.30	\$ 210,819.32	\$ 1,434,937.24	\$ 9,972,369.41
Aug	\$ 1,072,959.21	\$ 55,587.78	\$ 214,466.87	\$ 1,343,013.86	\$ 11,315,383.27
Sept	\$ 1,145,478.65	\$ 55,904.47	\$ 192,863.88	\$ 1,394,247.00	\$ 12,709,630.27
Oct	\$ 1,170,224.58	\$ 56,037.82	\$ 208,127.23	\$ 1,434,389.63	\$ 14,144,019.90
Nov	\$ 1,167,314.21	\$ 56,037.82	\$ 205,219.86	\$ 1,428,571.89	\$ 15,572,591.79
Dec	\$ 1,073,191.74	\$ 56,171.16	\$ 199,085.53	\$ 1,328,448.43	\$ 16,901,040.22
YTD Adj.	\$ -	\$ -	\$ -	\$ -	\$ 16,901,040.22
	\$ 13,775,089.66	\$ 671,503.73	\$ 2,454,446.83	\$ 16,901,040.22	

\$35,000 Annual Oversight Fee Paid in June

NIGC Fee Payments	
March	\$ 73,629.60
June	\$ 64,451.09
September	\$ 69,040.34
December	\$ 75,522.12
<b>TOTAL</b>	<b>\$ 282,643.15</b>

<b>Total Compact &amp; NIGC Fee Payments</b>	<b>\$ 17,183,683.37</b>
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COMPACT FEE PAYMENT SUMMARY

	State	Fair Meadows	OHRC	Sub-Total	LTD
2005	\$ 2,948,594.00	\$ 500,040.00	\$ 1,478,858.36	\$ 4,927,492.36	\$ 4,927,492.36
2006	\$ 7,629,889.06	\$ 1,788,222.63	\$ 7,238,117.75	\$ 16,656,229.44	\$ 21,583,721.80
2007	\$ 11,472,065.73	\$ 962,047.93	\$ 4,573,604.66	\$ 17,007,718.32	\$ 38,591,440.12
2008	\$ 11,656,274.15	\$ 765,407.17	\$ 3,457,394.08	\$ 15,879,075.40	\$ 54,470,515.52
2009	\$ 12,258,076.70	\$ 749,466.52	\$ 2,393,709.96	\$ 15,401,253.18	\$ 69,871,768.70
2010	\$ 12,530,548.89	\$ 654,902.38	\$ 2,245,073.51	\$ 15,430,524.78	\$ 85,302,293.48
2011	\$ 12,842,971.99	\$ 624,666.63	\$ 2,263,371.18	\$ 15,731,009.80	\$ 101,033,303.28
2012	\$ 13,191,133.21	\$ 635,500.83	\$ 2,429,283.07	\$ 16,255,917.11	\$ 117,289,220.39
2013	\$ 13,775,089.66	\$ 671,503.73	\$ 2,454,446.83	\$ 16,901,040.22	\$ 134,190,260.61
	\$ 98,304,643.39	\$ 7,351,757.82	\$ 28,533,859.40	\$ 134,190,260.61	

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LICENSING SUMMARY

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Location	Key Employee	PMO	Operational	Total
Roland	154	90	55	299
Ramona	99	37	39	175
Catoosa	917	331	542	1,790
Catoosa - SS	6	2	-	8
WSS	391	163	230	784
Tahlequah	143	64	46	253
Sallisaw	66	34	26	126
Ft. Gibson	90	32	34	156
WRD	73	30	32	135
Corporate	103	132	2	237
CNGC	-	55	-	55
Toby Keith	-	-	92	92
CN Day Worker	-	-	70	70
<b>TOTALS</b>	<b>2,042</b>	<b>970</b>	<b>1,168</b>	<b>4,180</b>

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VENDOR LICENSES

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Entity	Class A	Class B	Class C	Exempt	Total
Companies	86	103	-	37	226
Individuals	677	301	-	-	978



GAMING MACHINES

Vendor	Catoosa	Cat SS	Ft. Gibson	Roland	Sallisaw	WSS	Ramona	Tahl.	WRD	Totals
<b>CLASS II</b>										
AGS	-	-	-	-	-	-	-	20	-	20
Eclipse	22	-	-	-	-	-	-	21	-	43
GTAG/WMS	35	-	-	25	-	70	-	20	-	150
VGT	944	52	271	252	104	594	266	156	-	2,639
<b>Sub-Total</b>	<b>1,001</b>	<b>52</b>	<b>271</b>	<b>277</b>	<b>104</b>	<b>664</b>	<b>266</b>	<b>217</b>	<b>-</b>	<b>2,852</b>
<b>COMPACT</b>										
AGS	16	-	4	-	-	-	10	-	-	30
Ainsworth	8	-	6	6	-	12	8	8	-	48
Aristocrat	76	10	8	11	6	50	12	4	-	177
Aruze	12	-	12	-	-	6	6	-	-	36
Bally	296	6	32	73	27	149	61	17	38	699
IGT	569	5	75	151	88	391	52	114	84	1,529
Konami	75	-	16	22	12	72	32	11	-	240
Multimedia	52	-	18	10	-	41	10	16	-	147
Nova	12	-	-	-	-	-	-	8	-	20
Speilo	15	-	5	-	-	12	8	8	-	48
VGT	-	-	-	-	-	-	-	-	100	100
WMS	233	9	52	38	29	120	26	8	28	543
<b>Sub-Total</b>	<b>1,364</b>	<b>30</b>	<b>228</b>	<b>311</b>	<b>162</b>	<b>853</b>	<b>225</b>	<b>194</b>	<b>250</b>	<b>3,617</b>
<b>Grand Total</b>	<b>2,365</b>	<b>82</b>	<b>499</b>	<b>588</b>	<b>266</b>	<b>1,517</b>	<b>491</b>	<b>411</b>	<b>250</b>	<b>6,469</b>
<b>Class II</b>	<b>1,001</b>	<b>52</b>	<b>271</b>	<b>277</b>	<b>104</b>	<b>664</b>	<b>266</b>	<b>217</b>	<b>-</b>	<b>2,852</b>
% of floor	42.33%	63.41%	54.31%	47.11%	39.10%	43.77%	54.18%	52.80%	0.00%	44.09%
<b>Compact</b>	<b>1,364</b>	<b>30</b>	<b>228</b>	<b>311</b>	<b>162</b>	<b>853</b>	<b>225</b>	<b>194</b>	<b>250</b>	<b>3,367</b>
% of floor	57.67%	36.59%	45.69%	52.89%	60.90%	56.23%	45.82%	47.20%	100.00%	55.91%
<b>TOTAL</b>	<b>2,365</b>	<b>82</b>	<b>499</b>	<b>588</b>	<b>266</b>	<b>1,517</b>	<b>491</b>	<b>411</b>	<b>250</b>	<b>6,469</b>

CARD / TABLE GAMES

<b>Table Games</b>				
Game	Catoosa	Roland	WSS	Total
Poker	12	7	8	27
3-Card Poker	-	-	-	-
Progressive 3-Card Pok	2	1	1	4
Ult. Texas Hold'em	3	-	-	3
Progressive UTH	2	1	2	5
Blackjack	18	2	10	30
21 +3	3	2	3	8
Roulette	3	-	2	5
House Money	-	-	2	2
Craps	1	-	-	1
<b>Total</b>	<b>44</b>	<b>13</b>	<b>28</b>	<b>85</b>