Tribal Self-Governance Demonstration Project

SOVEREIGN NATIONS

February, 1993

Volume 2

Number 2

Inside:
Significance of Council
"On the Pulse of Morning"
Cost Exceptions
Delegation of Authority
Self-Governance Workshops
Spring Conference
Shoshone/Paiute Cooperation
Pass-through Funds

Self-Governance
A Sacred Right
The Significance of the Council

Good communication has been traditionally respected by Tribes throughout the country for thousands of years. In longhouses and tepees, wigwams and igloos, the significance of the council has provided living testimony to the significance of the understanding that can only be gotten through the power of listening, as well as speaking with all who would take part.

It is in this spirit that the participants in the Self-Governance Demonstration Project ask all who will listen to hear the truth about the project and its implications. There has been an unfortunate tendency for some people to say things about the process which are not true. To hear the truth about the Self-Governance Process, we ask you to call on a Self-Governance Tribe, read the pages of Sovereign Nations, or write to us and ask the questions you will. We will reply.

The project is not the answer to all problems. But it is an opportunity for the Tribes that have long been downtrodden by federal bureaucracy to reach out and take more charge of their own governments. And, in providing this example, we believe Tribal members will be able to stand on the ancient rock described in the poem by Maya Angelou on page three, and not hide their faces in its shadow.

The poem was delivered by Ms. Angelou at the Inauguration of President Clinton.

"No right is more sacred to a nation, to a people, than the right to freely determine its social, economic, political and cultural future without external interference. The fullest expression of this right occurs when a nation freely governs itself."

Joe DeLaCruz, President of the Quinault Indian Nation with Gaiashkibos, President of The National Congress of American Indians.
On the Pulse of Morning
by Maya Angelou

A Rock, A River, A Tree
Hosts to species long since departed,
Marked the mastodon,
The dinosaur, who left dry tokens
Of their sojourn here
On our planet floor,
Any broad alarm of their hastening doom
Is lost in the gloom of dust and ages.

But today, the Rock cries out to us,
clearly, forcefully,
Come, you may stand upon my
Back and face your distant destiny,
But seek no haven in my shadow.
I will give you no hiding place down here.

You, created only a little lower than
The angels, have crouched too long in
The bruising darkness,
Have lain too long
Face down in ignorance.
Your mouths spilling words
Armored for slaughter.
The Rock cries out to us today, you may
stand upon me,
But do not hide your face.

Across the wall of the world,
A River sings a beautiful song,
It says, come, rest here by my side.

Each of you a bordered country,
Delicate and strangely made, proud,
Yet thrusting perpetually under siege.
Your armed struggles for profit
Have left collars of waste upon
My shore, currents of debris upon my breast.
Yet, today I call you to my riverside,
If you will study war no more.

Come,
Clad in peace and I will sing the songs
The Creator gave to me when I and the
Tree and the rock were one.
Before cynicism was a bloody tear across your
Brow and when you yet knew you still
Knew nothing.
The River sang and sings on.

There is a true yearning to respond to
The singing River and the wise Rock.
So say the Asian, the Hispanic, the Jew
The African, the Native American, the
Sioux,
The Catholic, the Muslim, the French,
the Greek

The Irish, the Rabbi, the Priest, the Sheikh,
The Gay, the Straight, the Preacher,
The privileged, the homeless, the Teacher.
They all hear
The speaking of the Tree.

They hear the first and last of every Tree
Speaks to humankind today.
Come to me, here beside the River.
Plant yourself beside the River.

Each of you, descendant of some passed
On traveller, who has been paid for.
You, who gave me my first name, you
Pawnee, Apache, Seneca, you
Cherokee Nation, who rested with me, then
Forced on bloody feet, left me to the employment of
Other seekers - desperate for gain,
Starving for gold.
You, the Turk, the Arab, the Swede, the
German, the Eskimo, the Scot...
You the Ashanti, the Yoruba, the Kru,
bought
Sold, stolen, arriving on a nightmare
Praying for a dream.
Here, root yourselves beside me.
I am that Tree planted by the River,
Which will not be moved.

I, the Rock, I the River, I the Tree
I am yours - your Passages have been paid.
Lift up your faces, you have a piercing need
For this bright morning dawning for you.
History, despite its wrenching pain,
Cannot be unlived, and if faced

With courage, need not be lived again.
Lift up your eyes upon
This day breaking for you.
Give birth again
To the dream.

Women, children, men,
Take it into the palms of your hands.
Mold it into the shape of your most
Private need. Sculpt it into
The image of your most public self.
Lift up your hearts
Each new hour holds new chances
For new beginnings.
Do not be wedded forever
To fear, yoked eternally
To brutishness.

The horizon leans forward,
Offering you space to place new steps of change.
Here, on the pulse of this fine day
You may have the courage
To look up and out and upon me, the
Rock, the River, the Tree, your country.
No less to Midas than the mendicant.
No less to you now than the mastodon then.
Here on the pulse of this new day
You may have the grace to look up and out
And into your sister's eyes and into
Your brother's face, your country
And say simply
Very simply
With hope
Good morning.
Status of Self-Governance-Related Cost Exceptions

Two realities are evident in the implementation experience of the Self-Governance Demonstration Project. One, the project has the potential of dramatically modifying the relationship between the federal government and the Tribes. Two, successful implementation of the project will require deviation from "business as usual".

In a letter addressed to the U.S. Office of Management and Budget (OMB) in late 1990, Acting Department of Interior (DOI) Assistant Secretary John E. Schrote said, "Because of the significance of the results of this project, it is vital that it be given the best possible chance to succeed." In so writing, he advised OMB that there were about 10 cost principles, proposed by the Self-Governance Tribes and agreed to by DOI, which "will provide desired flexibility for the Tribes and help achieve the optimum environment for the testing of the operation of the project."

Eight of the 10 principles, all of which represented specific exceptions to standard OMB policy, were approved by OMB and have been included in most Tribal compacts.

The cost exceptions recognize administration and management principles unique to Tribal governments as compared to state and local governments. All 10 cost exceptions were included for all Tribal governments in the Indian Self-Determination Act Technical Amendment legislation passed by the U.S. Senate in the waning days of the last Congress. This bill did not become law, but is expected to be reintroduced in the 103rd Congress. Some Tribal governments have argued that there should be an OMB management circular developed specifically for Tribal governments.

The current status of these cost exceptions are as follows:

**Request: (Applicable cost principles).** Use the cost principles in effect as of October 1, 1990, for compacts (contracts issued under the demonstration project), unless the tribe and the Secretary of the Interior agree to revisions (Section 6 Paragraph (a) (i)).

**Response:** OMB agrees that the cost principles in effect as of October 1, 1990, can remain in effect for the term of the individual compacts entered into under the Demonstration Project authorized by P.L. 100-472. However, all other federally-funded grants/contracts not included as a part of the compact funding under the Demonstration Project will continue to be subject to the then current provisions of OMB Circular A-87.

**Request: (Depreciation and use allowances).** Use a reasonable estimate in valuing acquisition cost of property where actual records are/were not maintained (Section 6, Paragraph (a) (1)).

**Response:** Use of a reasonable estimate in valuing acquisition costs of property where actual records are/were not maintained is currently acceptable under OMB Circular A-87 (Attachment B, Paragraph 11 b). Also, as agreed to at the January 15th meeting, all other provisions of paragraph B. 11 will continue to apply.

**Request: (Publications and printing costs).** Waive the prior approval requirements for publication and printing costs if such costs are charged directly to the Demonstration Project (Section 6 (a) (2)).

**Response:** OMB concurs that prior approval would not be needed if the BIA agrees that these types of activities are allowable as direct costs to the Demonstration Project.

**Request: (Rental/lease costs).** Allow reimbursement of building-related costs, including land, whether or not owned by the tribe to the extent the costs are "reasonable" in light of comparable property, market conditions, etc. (Section 6, Paragraph (a) (3)).

**Response:** This would be a significant departure from the provisions of Circular A-87 which require Federal agencies to reimburse the actual cost incurred by a recipient of Federal funds. As agreed to at the January 15th meeting, BIA will provide additional justification for a waiver to the Circular.

**Request:** (Automatic data processing equipment). Eliminate the prior approval requirement related to the direct charging of automatic data processing equipment as long as the costs are reasonable (Paragraph (a) (ii) 4).

**Response:** OMB does not object to the request, provided BIA agrees that these types of activities are allowable as direct charges to the Demonstration Project.

**Request:** (Supplemental funding). Allow costs of obtaining supplemental funding to the extent that funds generated will be charged to further the contract goals and objectives (Paragraph (a) (ii) 5).

**Response:** OMB does not object to the request, provided BIA agrees that these types of activities are allowable as direct charges to the Demonstration Project.

**Request:** (Investment management). Allow those investment management costs associated with pension plans, self-insurance or other funds which include Federal participation (Section 6, Paragraph (a) (II) 6).

**Response:** Investment management costs associated with pension plans and self-insurance funds are considered to be an allowable cost under the cost principles and are normally handled as a part of the indirect cost or fringe benefit rates that are charged on a consistent basis to all funding sources. These activities, therefore, should continue to be handled as they currently are. OMB does not object to allowing those costs that are related to other funds that include Federal participation, provided BIA agrees that these types of activities are allowable as direct charges to the Demonstration Project.

**Request:** (Idle facilities and idle capacity). Allow costs of idle facilities or idle capacity in those situations where they are necessary to accommodate normal fluctuations in workload or where they were originally necessary but are now idle because of changes in program requirements or other causes which could not have been reasonably foreseen.

**Response:** OMB does not object to the request, provided BIA agrees that these types of activities are allowable as direct charges to the Demonstration Project.

**Request:** (Interest). Allow interest incurred by a tribe for (1) buildings, major building reconstruction and remodeling or acquisition of fabrication of capital equipment, and (2) delays by the Secretary in providing funds under the award in accordance with the advance payment or reimbursement schedule agreed to. (Section 6, Paragraph (a) (ii) 8).

**Response:** Circular A-87 presently provides for the payment of interest to Indian Tribes for new buildings. OMB is presently doing a study to determine if interest expense should be allowable for major building reconstruction and remodeling or fabrication of capital equipment. We expect to have this issue resolved within the next 6 months. With respect to the second part of the request, we have been advised by the Department of the Treasury that the Federal Government has no authority to reimburse Tribal governments for interest under the circumstances described.

**Request:** (Lobbying). Make lobbying costs of contractors (i.e., Tribal governments administering the compacts) unallowable to the extent prohibited by applicable statutory restrictions (Section 6, Paragraph (a) (ii) 9).

**Response:** OMB concurs in this request.

**Request:** (Professional service and litigation costs). Allow professional service and litigation costs related to contract disputes or other matters related to the performance of the contract until a final administrative decision is reached. (Section 6, Paragraph (a) (ii) 10).

**Response:** OMB does not object to the request, provided that any revisions to Circular A-87 are adhered to subsequent to the Demonstration Project.
Delegation of Authority Received by OSG

If the Self-Governance Demonstration Project is to achieve its objective of providing Tribes with the opportunity to govern themselves without constraint and interference from the federal government, it's obvious that the Office of Self-Governance (OSG) must have a clear mandate to help facilitate the process within the federal structure.

A giant step was recently taken in that direction when OSG received specific delegation of authority from the Assistant Secretary of Indian Affairs to carry out its function. The delegation of authority, approved on December 22, was an important breakthrough which will allow OSG to streamline financial transfers and make decisions without surname approval delays from the Bureau of Indian Affairs.

In a memorandum to the Director of the Office of Self-Governance, the Secretary stated the following: “In accordance with Title III of Public Law 93-638 as amended by Public Law 100-472 and Public Law 102-184, you are hereby delegated, as the authorized representative of the Secretary, the authority and responsibility for the purpose of developing and implementing government-to-government relationships with the Tribes participating in the Self-Governance Demonstration Project.”

The responsibilities and authorities in this delegation include:

1. Serve as chief negotiator for the department for Self-Governance compacts and annual funding agreements. You are to:
   A. Coordinate the activities of the federal team in preparing for negotiations with the tribes and establish guidelines for federal program officers in the preparation of their materials which will serve as the basis for the negotiations. These guidelines should include specific instructions on the budgetary and program data to be compiled and the format in which they are to be presented to the negotiating Tribe or Tribes for review in advance of negotiations.
   B. Ensure that each annual funding agreement provides for payment by the Secretary to each Self-Governance Tribe of the funds from the programs, services, functions or activities contracted in an amount equal to that which the Tribe would have been eligible to receive under contract and grants under P.L. 93-648 as amended. To be included are direct program costs and indirect costs and funds which are specifically related to the provision by the Secretary of services and benefits to the Tribe and its members. Further, ensure that nothing shall be construed to limit or reduce in any way the services, contracts or funds that any other Indian Tribe or Tribal organization is eligible to receive under section 102 of P.L. 93-638 or other applicable Federal law.
   C. Make the Interior Department's final negotiation decisions in accordance with ATitle III as amended, other Congressional direction and applicable policy determinations of the Assistant Secretary subject to review by the Assistant Secretary upon request by the BIA or the affected Tribe.
   D. Ensure that all compact and annual funding agreement language is in accordance with Title III of P.L. 93-638 as amended by P.L. 100-472 and P.L. 102-184.
2. Serve as allottee on all self-governance funding. You are to:
   A. Oversee the fund distribution process as it relates to self-governance agreements to ensure prompt payments to Tribes in accordance with the terms of the compacts.
   B. Make necessary arrangements to utilize appropriate funding distribution and disbursement mechanisms.
   C. Maintain accounts for all Tribal agreements showing all increases and adjustments.
   D. Review Tribal audits performed pursuant to the Single Audit Act of 1984 and ensure the performance of all follow-up activities as required.
   E. Approve advices of allotment or changes to advices of allotment affecting Self-Governance agreements.
3. Serve as the line officer on all matters related to the Self-Governance program. You

(Continued on page 6)

Self-Governance Workshops Conducted

Self-Governance workshops were sponsored by the Lummi, Quinault and Hoopa Valley Tribes in February, marking another successful year of implementation of the Self-Governance process on each of their reservations.

The workshops, designed primarily to provide background briefings and updates on the Self-Governance process for Tribal members and others, featured presentations ranging from historic overviews to discussions about the advantages, as well as disadvantages and limitations of the Self-Governance Demonstration Project. Each Tribe covered the expenses of its own workshop.

“The Self-Governance Demonstration Project is not all things to all people,” said Raynette Finkbonner, Self-Governance Coordinator for the Lummi Tribe. “The intent of this program is to help the participating Tribal governments develop more efficient services and more responsibility in their role as governments. The purpose is not to pull the wool over anyone’s eyes or try to make them believe that implementation of the process is the answer to all our problems. But, as became very clear at the workshops, the process is providing substantial benefit to Tribal members and Tribal programs in a variety of areas.”

Reports were provided at the workshops on pertinent new legislation, implementation of the process with the Indian Health Service and other timely topics. To receive proceedings, or more information about specific workshops, please contact the respective Tribes.

A Montana workshop is tentatively scheduled for March 11-12 in Great Falls, Montana, at the Best Western Heritage Inn. This workshop will be co-sponsored by the Self-Governance Communication and Education project and the Chippewa Cree Tribe (Rocky Boys’ Reservation).
Delegation (continued from page 5)

are to:

A. Make all decisions regarding implementation of the Self-Governance Demonstration Project in accordance with Title III as amended and sign all documents related to the Project with the exception of the compacts, annual funding agreements, and waiver of federal regulations. Your signature authority extends to signing routine amendments to annual funding agreements including conforming said agreements to Congressional appropriation action.

B. Act on all programmatic and administrative matters related to the Project.

C. Develop and propose budgets for the operation of the Office of Self-Governance.

D. Approve and certify that funds are available for administrative requests within OSG including requisitions for procurement, requests for personnel actions, and government transportation.

E. Provide recommendations to the Assistant Secretary of Indian Affairs on Project matters where only the Assistant Secretary of Indian Affairs has signature authority (See 3.A. above).

F. On all matters related to the Project, work with the BIA to determine which other offices have an interest and involve them as necessary. This includes the identification of those offices which should review and approve decision documents. The BIA surname functions are to be limited only to essential matters and extraneous surname requirements should be identified and eliminated in coordination with the BIA as part of the demonstration.

G. Prepare reports to the Congress pursuant to the statute.

H. Implement the waiver process as presented in your April 2, 1992, letter to Self-Governance Tribal leaders and BIA area directors with Self-Governance Tribes or such other procedures subsequently adopted and approved by my office.

I. Submit Self-Governance Tribal budget data to the BIA budget office and participate in the BIA/Interior budget development process.

4. Serve as advisor on matters involving the trust assets of Self-Governance Tribes. You are to:

A. Advise the Assistant Secretary – Indian Affairs on matters which involve the implementation of the trust responsibility for Self-Governance Tribes.

B. Coordinate trust matters with the BIA and the Office of American Indian Trust to ensure technical review and overall policy consistency and work with each to resolve any unique and/or unusual trust issues affecting the operation of the Self-Governance Project. If issues cannot be resolved, then they shall be referred to the Assistant Secretary of Indian Affairs for decision.

C. Explore options and make recommendations to the Assistant Secretary of Indian Affairs for a less restrictive implementation of the Secretary’s trust responsibility and for Tribal programmatic management of the demonstration project.

D. Ensure that the annual trust evaluations are completed in accordance with the terms of the compacts and in cooperation with the Office of American Indian Trust.

E. Assist in making determinations concerning whether or not a trust asset is in “imminent jeopardy” or is endangered and advise the Assistant Secretary of Indian Affairs regarding actions as are warranted in accordance with the terms of the compact and in coordination with the Office of American Indian Trust.

As may be necessary, you are authorized to re-delegate these responsibilities.

“Indian Self-Determination is what we have been aiming toward...I don’t think there’s any doubt that if we expect Indian Tribes to be economically viable, we have to give them the ability to govern themselves and the ability to dispense their own funds in the best manner in which they see fit. I see a very bright future for this. I would like to see it expanded, and I would like to see the day when every Indian Tribe in America is able to truly govern itself, which they can only do through dispensation of their own Tribal funds in whatever manner they see as being best for their own people, through the functioning of the Tribal government.”


Don’t miss the
SELF-GOVERNANCE SPRING CONFERENCE
March 28-31, 1993
at the
Bethesda Marriott Hotel
in Washington D.C.

Please mark your calendar now!
For more information, contact
Daphne Berwald,
Office of Self-Governance
(202) 219-0240

A block of rooms has been reserved under Tribal Self-Governance Conference at the government rate of singles $98.20, doubles $110.00, tax inclusive. Please make your reservations by calling (301) 897-9400. Ask for Karen Fowler if you have any trouble.

Please fax the names of those who will be attending by March 15, 1993, to (202) 219-1404
Nevada-Based Shoshones/Paiutes Exhibit Independent Spirit...Through Cooperation

On the sage lands of the Nevada/Idaho desert, among sparse piñon and juniper trees and interspersed between majestic extensions of the rugged mountains of the Great Basin, you'll find numerous Shoshone and Paiute Tribes today that for generations have experienced little interaction with one another. Among these are the Ely Shoshone, the Shoshone Paiute of Duck Valley and the Duckwater Shoshone...three Tribes that, due to Self-Governance, are now coordinating with one another in their relationship with the United States government.

Maybe these Tribes would have been content living with such seclusion forever. But the all too typical story of federal challenge to Indian rights to treaty-guaranteed reservation land put an end to that. The Treaty of Ruby Valley of 1869 designated more than 50 million acres as Shoshone Territory, ownership that was reclaimed in the late 1970's in a decision by the U.S. District Court. The U.S. government subsequently offered to buy the land...at 1869 prices...but the 12 member Tribes of the Western Shoshone Nation voted to take the land. Through several court maneuvers in the 1980's, the United States Judiciary has ruled that the money put up by the U.S. constitutes payment, and the Shoshones are now divided between the "money people and the "land" people.

Out of such confusion, the Ely, Duck Valley and Duckwater Tribes decided to build a bond that would lead them into Self-Governance and thus into a coordinated effort to provide human service programs to their members, education to their children, and economic development opportunities to their prospective business communities.

"It's the best thing that has ever happened to our Tribe," said Edith Manning, Self-Governance Coordinator for the Shoshone/Paiute Tribe, which is situated on a 300,000 acre reservation, half in Idaho and half in Nevada. Here, 1,500 reservation residents live 100 miles from the nearest grocery store.

"We're the most isolated reservation in the lower United States," said Ms. Manning. "But with Self-Governance, we are finding that it is possible to continue some things, such as health programs, which would have otherwise shut down. Enforcement, tribal courts, water protection, and so on. Self-Governance is now a big part of many of our important operations...and when the Tribal Council sits down, as a government body, to really consider the proposals of program managers...it is exciting to see."

Jerry Millet, Manager and former Chairman of the Duckwater Shoshone Tribe, agrees. "Self-Governance allows the Tribe to make its own decisions. Once funding levels have been determined, the Tribe is able to move money around within programs, to accommodate changing needs. Before we couldn't do that."

The Duckwater Tribe, located in east central Nevada, consists of about 300 members on a reservation of about 4,000 acres.

"Self-Governance is a positive step forward," said Millet. "We make our own decisions, and our available annual budget has been increased by about $80,000...due to Self-Governance. We just negotiated our second year, and it looks like our available income increase so far will amount to $150,000. It's benefiting our law enforcement program, our judicial services, road maintenance, social services and housing improvements. We're also working to bring our education programs under Self-Governance."

"It's clear that the cooperation we have had with the other Tribes has led to better decisions," said Millet. "Because we have been able to draw together to move into Self-Governance, we have been able to develop better agreements and make better decisions. I hope it becomes a permanent program for our Tribe. Once the demonstration phase is over, it won't be the end. For our Tribe, the Self-Governance process really works."

Peter Ford, Tribal Planner and Self-Governance Coordinator for the Ely Shoshone Tribe, said he has been highly impressed with the cooperation of the three Tribes. "Just think of it. All three of these small Tribes did everything together...we even shared the costs of lawyers and consultants. In many ways, we used Self-Governance to weld our interests together to the mutual benefit of us all."

Unlike the isolated Duckwater and Duck Valley Reservations, the 271 member Ely Tribe is located near a town, the town of Ely, which consists of about 7,000 people. The Tribe, located 75 miles from Duckwater and 300 miles from Duck Valley, contributes in a big way to the entire area's economy through its multiple enterprises - a sewing manufacturing company, smokeshop, laundry and the only state-licensed daycare center in the region.

"Self-Governance, and the intertribal cooperation that helped bring to us, are really good things for our entire community," said Ford. "Where once we were basically indifferent to one another, now we are mutually supportive...and that's bound to have a long-lasting major positive impact," he said.
NWIFC Pioneers Pass-through Funds

Having gone through the experience of dealing with Self-Governance-related "pass through funds", what advice does the Northwest Indian Fisheries Commission (NWIFC) have for other multi-tribal organizations?

"In a word, communicate," said Bill Frank, Jr., NWIFC Chairman. "The Commission has been in business for about 18 years now, and the experience of adapting to Self-Governance pass through funds is one of our most challenging financial experiences."

Simply stated, pass through funds are funds normally appropriated to multi-tribal entities to serve member Tribes, but which instead are directed to the member Tribes to revert back to the multi-tribal agency.

"If it sounds confusing, it's because it is," said NWIFC Controller Bob Ellsworth. "And to add to the confusion, the Office of Self-Governance operates on a calendar year, and most organizations like ours operate on a fiscal year. This creates a lag time in funding, especially when appropriations processes occasionally take place two years prior to the resulting distribution of funds."

If these circumstances don't muddy the waters enough, add to them the facts that the federal budget process is historically inflexible and does not deal with peculiarities well through a few growing pains. The Northwest Indian Fisheries Commission was the pioneer in the process.

"We hope other multi-tribal agencies can learn from our experience. There have been improvements over the past year," said Frank. "The funding process has definitely improved."

What advice does the Commission have for similar entities also destined to deal with the Self-Governance process?

"Assure that there is adequate and abundant communication between all parties involved," said Frank. "That includes the Self-Governance Tribes, the Bureau, the Office of Self-Governance and the entity itself. Try to be certain that the entity is not left out of the loop. It is important that everyone involved agree to the same principles and formulas from the outset. If the entity is on a fiscal year, there should be a fifth quarter rollover. Involve as little bureaucracy as possible. Try not to have any extra reporting requirements for the multi-Tribal entity...and keep the faith," he said.

"As the Self-Governance process plays out, participating Tribes should have increased opportunities for growth and better operation. Hopefully, it will also increase the participating Tribes' opportunities to set their own priorities and determine their own fate, rather than being dictated to by budgets and program ceiling caps. Only time will tell," he said.

---

Tribal Self-Governance Demonstration Project
SOVEREIGN NATIONS
Lummi Indian Business Council
2616 Kwina Road
Bellingham, WA 98226