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House Committee on Natural Resources Subcommittee on Indian and Insular Affairs Oversight Hearing Titled

"Advancing Tribal Self-Determination: Examining the opportunities and challenges of the 477 Program"

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Statement of Chief Billy Friend of the Wyandotte Nation

Good afternoon, honorable members of the Subcommittee. I thank you for inviting me here today to talk about the important 477 Program—a program whose principles could revolutionize the way the United States delivers on its trust and treaty obligations to Tribal Nations.¹

Benefits of 477 Program

The bedrock principle of the 477 Program is to enable Tribal Nations to exercise our inherent sovereignty in our use of federal funds. The 477 Program accomplishes this by streamlining and doing away with administrative roadblocks and putting more decision making in the hands of Tribal Nations.

Under the 477 Program, a Tribal Nation may combine federal funding from programs operated across 12 federal agencies into one 477 plan. The 477 plan is designed by the Tribal Nation to weave together the services associated with the integrated programs to best support Tribal community members in their efforts to achieve self-sufficiency.

The 477 Program strips away all other reporting requirements tied to integrated programs, instead requiring one comprehensive annual report on implementation of the 477 plan.² It also allows Tribal Nations to pool and reallocate federal funding integrated into a 477 plan across the services provided through the 477 plan.³ Integrated funds that are not obligated or expended remain available without fiscal year limitation.⁴ These are only a few of the 477 Program's functions, all of which are designed to put more decision-making power in the hands of Tribal Nations so that we can better respond to the needs of our communities.

¹ The 477 Program was authorized under the Indian Employment, Training, and Related Services Demonstration Act of 1992, Public Law 102-477, which was amended in 2000, Public Law 106-568, and again in 2017, Public Law 115-93. The 477 Program is codified at 25 U.S.C. §§ 3401–3417.

² 25 U.S.C. § 3410(a)(2)(A), (b).

³ 25 U.S.C. §§ 3413(a)(1)(A), (a)(2), 3410(b)(3).

^{4 25} U.S.C. § 3413(b)(1).

The 477 statute sets forth three criteria that a program must satisfy to be eligible for integration into a 477 plan. First, the program must be operated by one of 12 covered federal agencies. Second, the program must be implemented for one of the enumerated and broad covered purposes—one of which is "encouraging self-sufficiency." Third, in order for a program to be eligible for integration into a 477 plan, it must receive a covered type of funding. When a program meets these three eligibility criteria, as determined by the Department of the Interior (DOI), it is eligible for integration into a 477 plan.

Previous Implementation Issues and Steps Toward Resolution

Despite these statutory mandates, some federal agency partners have taken steps to maintain control over the decision-making processes within the 477 Program as well as monitoring of approved 477 plans. For this reason, and to expand the 477 Program, Tribal Nations sought and secured an amendment to the 477 statute in 2017. Among other clarifications, Congress clarified that DOI is the decision-maker regarding program eligibility and that the covered program purposes are broad.

Yet, the next year, the federal agencies released a Memorandum of Agreement (MOA) that undid much of this work and contradicted the 477 statute. After Tribal Nations and Congress called for this MOA to be fixed, and Vice President Harris committed to addressing the issue, DOI in 2022 issued a new MOA signed by the federal partner agencies.

Since then, DOI has applied the 477 program eligibility criteria as directed by the 477 statute and approved many new programs for integration.

Remaining Issues

Despite these important steps, issues remain.

For example, one federal partner took the position that some funding associated with a program recently approved for integration into our 477 plan could not be integrated. They claimed that, although we still have this funding and only recently received it from the federal agency, it was not eligible because it was tied to Fiscal Year 2023.

In another example, a federal partner took so long to approve our request for a no-cost extension that we were required to halt spending on that money and transfer costs to a different funding stream. Further, we are aware that one federal partner is still requiring quarterly reports on its integrated program despite the 477 Program's mandate that all underlying reporting requirements fall away. And some federal partners still require us to seek approval from them for specific expenditures.

⁵ See 25 U.S.C. § 3404(b).

⁶ 25 U.S.C. § 3404(a)(1)(A).

⁷ 25 U.S.C. § 3404(a)(1)(B), (a)(2).

^{8 25} U.S.C. § 3407(a).

⁹ Letter from Tara Sweeney, Assistant Secretary – Indian Affairs, Dep't of Interior, to Tribal Leaders (Dec. 20, 2018) (transmitting Indian Employment, Training and Related Services Consolidation Act of 2017 Interagency Memorandum of Agreement).

We believe these issues tie back to federal agency concerns about losing control over the programs they operate. Many are not accustomed to deferring to Tribal sovereignty and relying on Tribal Nations to do what is best for our people.

DOJ Statements Regarding Program Eligibility and Transfer of Funds

Recently, we submitted a 477 plan amendment to integrate new programs, including two programs operated by the Department of Justice (DOJ): the Office for Victims of Crime Tribal Victim Services Set-Aside Program; and the Office on Violence Against Women Tribal Governments Program. On February 26, 2024, DOI approved these programs' integration into our 477 plan through a written record of decision.

Prior to DOI's approval, during a virtual meeting that included many officials from DOJ and DOI, DOJ representatives told us they believed the programs were not eligible. Their position appeared to be based on the faulty and restrictive position that only programs authorized specifically for employment or training are eligible for inclusion in a 477 plan. The DOJ representatives also told us they believed they had separate legal authority that would allow them to refuse to transfer program funding from DOJ to DOI for integration into a 477 plan. They did not share the source of the legal authority they referenced.

DOJ's narrow interpretation of covered 477 purposes was not new. Congress set out to make clear that supportive services are covered when it amended the statute in 2017, and this restrictive interpretation was an important problem fixed in the MOA. The lived reality is that achieving stability and self-sufficiency often requires wraparound supportive services to get community members up on their feet first.

But the even bigger problem was DOJ's position that it had independent legal authority to refuse to transfer funding. This could lead to other federal partner agencies making this claim when they want to maintain control over a program. Again, Congress made clear that DOI has the exclusive authority to apply the 477 program eligibility criteria to approve or deny integration of a program. And protecting DOI's authority to do this was an important issue addressed in the MOA.

The 477 statute also makes clear that, once a program is approved for integration, a federal partner agency is required to transfer program funds to DOI for integration into the 477 plan within a set deadline. A federal partner not later than 30 days after the date of apportionment must transfer the funding to DOI. And DOI must distribute funds to the Tribal Nation through its 477 plan by not later than 45 days after the date of receipt of the funds from the federal partner. 11

Conclusion

We believe there is significant momentum towards a new way of thinking about expenditure of federal funds by Tribal Nations. We see evidence of this in Executive Order 14112, designed to

^{10 25} U.S.C. § 3412(a).

^{11 25} U.S.C. § 3410(a)(2)(D)(ii).

reform federal funding and promote the next era of Tribal self-determination. ¹² We believe the foundational principles of the 477 Program can serve as a blueprint for this reform.

¹² Exec. Order 14112, Reforming Federal Funding and Support for Tribal Nations To Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination (Jan. 22, 2024).