



UTE INDIAN TRIBE

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Testimony of the Ute Indian Tribe of the Uintah and Ouray Reservation

Before the United States House of Representatives Committee on Natural Resources

Field Hearing on Energy and Education: What's the Connection? August 29, 2018

Introduction

The Ute Indian Tribe welcomes the United States House of Representatives Committee on Natural Resources to our Uintah and Ouray Reservation. We welcome the Chairman, Ranking Member and all the Members of the Committee to our Reservation. We also welcome all the witnesses and the public attending this hearing to our Reservation.

Our Uintah and Ouray Reservation is made up of our Uintah Valley Reservation to the west and our Uncompahgre Reservation to the east. These two reservations make up our 4.5 million-acre Uintah and Ouray Reservation—the second largest reservation in the United States. Our reservation homelands were secured through treaties and agreements with the United States. We welcome you all to our homelands.

The Tribe appreciates that this hearing on energy and education is being held on our Reservation. There are no more important issues to the Tribe than energy development and the education of our youth. In addition, as you know from our work in Washington, D.C., the Ute Indian Tribe is actively seeking productive outcomes for a number of issues before the Congress and the Administration. Overall, we ask that the Federal government uphold its treaty and trust obligations to the Ute Indian Tribe. We look forward to more Natural Resources Committee hearings on our Reservation to address all the issues we face.

The Ute Indian Tribe would also like to thank the Committee for including the Tribe among the witnesses appearing before the Committee today. The United States Congress and the Federal government as whole have a government-to-government relationship with the Ute Indian Tribe. This relationship requires that the Federal government consult with us on issues that may affect the Tribe. Of course, holding a Congressional hearing on our Reservation regarding energy and education significantly affects the Tribe.

Energy and Education are Top Priorities for the Ute Indian Tribe

The Ute Indian Tribe is pleased to testify at this hearing on energy and education. There are no more important issues to the Tribe. The Ute Indian Tribe is a major energy developer generating thousands of jobs and economic development on our Reservation, in the City of Roosevelt, the region, nationally and internationally. Each year the Tribe generates tens of millions of dollars in economic activity in northeastern Utah.

We use the revenues from oil and gas development on our Reservation to fund our government and provide services to our members. Our tribal government provides services and manages our Reservation through 60 tribal departments and agencies including land, fish and wildlife management, housing, education, emergency medical services, public safety, and energy and minerals management. We also provide jobs and opportunities through our tribal businesses including a supermarket, restaurant, bowling alley, gas stations, a feedlot, an information technology company, a manufacturing plant, Ute Oil Field Water Services, and Ute Energy.

The Ute Indian Tribe also prioritizes the education of our tribal youth. Our youth attend Union High School and many other state public schools in the region and across the State. The Ute Indian Tribe also runs its own state charter school—Uintah River High School. Uintah River High School was one of the first charter schools in Utah. Our school provides small classes, one-on-one support, and strong and positive influences from Native American culture.

Overall, there are about 8,000 youth from federally recognized tribes in Utah that attend state public schools. Depending on the school, tribal youth make up about 3% of the student population on average. The Federal government provides funding to the State and local school districts for the education of tribal youth in these state public schools.

Nationally, you may not know that 90% of tribal youth attend state public schools. As a result, the vast majority of federal support for tribal youth is directed to state public school systems. This funding is provided as a part of the Federal government's treaty and trust relationship to provide education resources for Indian tribes, but this funding is provided to state governments for the education of tribal youth. The Tribe is interested in how this funding is spent to educate our youth and is interested in engaging the State to ensure that public school curriculum is designed to meet the needs of our youth.

The Utah Legislature and Local Governments Must Act to Support Public Schools

The Ute Indian Tribe joins with schools, educators, and parents in asking the State of Utah, the Utah Legislature and Local Governments provide more funding for public schools. Utah should not be last in the United States in funding per student. In a State with a strong and a diverse economy, tremendous energy and technology industries, and some of the most valuable tourism and recreational resources in the United States, we need to do better for our youth.

Utah must stop blaming the Federal government and federal lands for an issue that we can solve locally. In addition to having the lowest per student spending, Utah has one of the lowest property tax rates in the United States. Utah property tax is about 0.67 percent. This is the 11th

lowest in the United States. This deficit in property taxes is the primary reason students in Utah and our tribal youth do not have the schools and education resources they deserve.

As was already reported by the Utah Foundation in February of 2018, Utah lags behind other states in the funding it provides public schools at the state and local level.¹ At the state level, there is a 40 percent gap between what Utah provides public schools and what other states provide their public schools.² At the local level, there is a 55 percent gap between Utah local sources of revenue for public schools and what other localities in other states provide their schools.³ At the local level 90 percent of the funding comes from property taxes.

We can solve this problem and provide more for our teachers and students. In Utah, “[t]he local amounts are primarily from property taxes, [but] there are limits for property taxes in place from the Utah Legislature. Therefore, if all the state’s districts levied the maximum allowed by the Utah Legislature, they would still not be able to raise enough revenue to compete with the U.S. average.”⁴ The Utah Legislature must address this issue.

In addition, “most school districts in [Utah] are far from maximizing their board and voter-approved levies. Meanwhile, Utah’s Truth in Taxation law tends to apply downward pressure on tax rates....”⁵ We must act against this downward pressure and take action at the local level to implement the taxes that have been authorized. Our tribal youth and all youth attending Utah public schools deserve better.

Federal Lands Are Not the Cause of Utah’s Public School Funding Shortage

The Federal lands in Utah bring in enormous revenues from energy, tourism and recreation. In addition to energy development, tribal members and all Utahans benefit from being able to hunt and fish on these lands and seek solace and quiet. In addition, these federal lands often encompass tribal cultural resources that must be protected. We must stop making federal lands the scapegoat and we ask that Utah take on the responsibility to provide adequate property taxes to support our public schools. The federal government already provides funding for tribal students, the State, the Utah Legislature and Local governments must do more.

While there are many federal public lands in Utah, energy development on those lands provides significant revues to Utah. The Federal government splits the royalties from this development with the states. In the last 5 years, Utah received between \$170 and \$68 million from energy development on federal public lands within the State.⁶

Utah also collects taxes related to this energy development and the economic activity it generates. However, Utah could substantially raise these taxes on state and private lands. Utah is known as having one of the lowest effective tax rates on oil and gas companies operating on

¹ Utah Foundation, *Simple Arithmetic? K-12 Education Spending in Utah* at 5 (February 2018).

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ U.S. Dept. of the Interior, *Natural Resources Revenue Data* (available at <https://revenue.data.doi.gov/explore/UT/>).

state and private lands. This results in a loss for our teachers and youth. Utah even collects taxes from energy development on our Reservation through a tax agreement with the Tribe.

Utah also earns significant revenues and taxes from its tourism and recreation industries many of which utilize federal public lands. The Utah Governor's Office of Economic Development reports that "The tourism, travel and recreation economy contributed \$8.17 billion to Utah's economy in 2015, generating \$1.15 billion in state and local tax revenue...."⁷ Federal lands help to support this thriving tourism and recreation economy.

Other states have significant federal lands, but manage to provide adequate funding for their schools. Wyoming is often cited as an example. Wyoming spends about \$17,000 per student while Utah spends about \$6,500 per student. Of course, there are differences between Wyoming and Utah, including student population, but much could be done to close this gap and provide our youth with the education they deserve.

Exchanging valuable federal lands to the Utah School and Institutional Trust Lands Administration (SITLA) will not close this gap. In recent years, SITLA has provided only 1 to 2 percent of the overall public school budget. While SITLA funding goes to important classroom resources that benefit our students, this level of funding does not justify the outsized influence SITLA has on the Utah Legislature and driving policy for the State. The Ute Indian Tribe asks that the residents of Utah ask about the value of SITLA and consider the extent to which SITLA drives Utah policy.

Conclusion

Utah needs to close the public school funding gap by addressing how state revenues are allocated and state and local taxes, specifically property taxes. These are all actions that could be taken by the Utah Legislature and Local Governments tomorrow. Our teachers and students do not need a rebellion against federal lands that will surely fail. Utah does not need to assume all the costs and responsibilities that would come with managing federal public lands. And, we do not need SITLA to drive Utah policy seeking energy development at the expense of other values.

It is time for the Utah Legislature and the Utah Congressional Delegation to stop scapegoating federal lands. Closing the gap in property taxes and providing revenue from other sources would better support public schools in Utah. The federal government already contributes most of its Indian education funding to state public schools. Our teachers and students deserve more than losing political arguments. The Ute Indian Tribe supports common sense measures to increase state and local funding for public schools.

⁷ Utah Governor's Office of Economic Development, *Consider this: Utah's Outdoor Recreation Economy is Thriving* (August 8, 2017) (available at: <https://business.utah.gov/consider-utahs-outdoor-recreation-economy-thriving/>).