

UNITED STATES HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON INDIAN, INSULAR,
AND ALASKA NATIVE AFFAIRS

APRIL 14, 2015

TESTIMONY – Margaret Zientek

H.R. 329 The Indian Employment, Training, and Related Services Demonstration Act of 2015

My name is Margaret Zientek, and I appear today as Co-Chair of the P.L. 102-477 Tribal Work Group. I am also a tribal representative who served on the P.L. 102-477 Administrative Flexibility Work Group (AFWG). And, I serve as the Assistant Director for the Citizen Potawatomi Nation Employment & Training Program, of which I am an enrolled citizen. Thank you for this opportunity to present written and oral testimony in support of H.R. 329. I cannot state strongly enough, tribal appreciation of the Committee's attention to this important and long over-due bill. The positive impact in terms of tribal services, increased capacity for tribes to achieve maximum efficiency, and promote job creation in Indian Country is greatly needed.

As Co-Chair for the P.L. 102-477 Tribal Work Group, I speak today to give voice for the 65 '477' programs that represent and serve over 250 Tribes across the United States. The Citizen Potawatomi Nation has operated a 477 program for almost two decades. And, I have served as Co-Chair for the P.L. 102-477 Tribal Work Group for 15 years.

H.R. 329 takes crucial steps to make the very successful demonstration project permanent, provides more detailed processes that build on the experience of the past decades of implementation, and opens up the opportunity to add other programs.

The 477 Initiative has been essential for the development of effective and efficient tribal services to increase employment, training, and related social services in Indian Country. With the consolidation of funding streams, Tribes have been using this initiative to reduce administrative burden and increase services to the most needy. This initiative has provided flexibility for tribes to tailor activities into a single program to meet the unique needs of their respective communities while still strictly adhering to the Government Performance Results Acts accountability standards. The 477 Initiative has to date received the highest OMB PART rating of any program in Indian Country.

In FY2012, DOI-OIEED reported a total participant base of 43,991 people served through the 477 Initiative. Over 99% of those adults and youth achieved a positive outcome in employment or education. And, those participants earned an average of \$7 increase in hourly wages. Over 1/3 of the adults had been on a Cash Assistance Program such as TANF or BIA General Assistance at the time they entered their tribal 477 program.

IN FY 2013, DOI-OIEED reported 43,702 people served through the 477 Initiative. For those adults for whom employment was an objective, 43% entered unsubsidized employment. For the adults and youth who attempted to earn a degree or certificate, 58% reached their goal. Of all adults who received services, 78% were categorized as a Cash Assistance Recipient having received TANF or BIA General Assistance within six months of entering the program or while being served.

The increase Adult earnings was \$7.84/hour. The increase in Cash Assistance Recipient earnings was \$11.08. With unemployment rates ranging from 20% to 80% across our tribal programs, these numbers demonstrate a phenomenal success!

The Citizen Potawatomi Nation's 477 Program has been in place since 1996. Over the past four years, CPN has served over 6,000 participants through the 477 program. Of those who had employment as their goal, 47% achieved unsubsidized employment. Average gain per hour was in excess of \$4.29.

The Citizen Potawatomi Nation is just one example where tribes utilize the 477 Initiative to serve the hard-to-serve population in high unemployment areas with great success. The 477 Tribes are able to move tribal members from cash assistance programs to unsubsidized employment and self-sufficiency. These successes are achieved in accordance with their approved 477 Plan and accounted for in their annual reports.

In FY2012, at the instruction of House and Senate appropriations language and in combination with the President's Administrative Efficiency Executive Order, federal agencies and 477 Tribal Work Group members formed the P.L. 102-47 Administrative Flexibility Work Group.

After two years of meetings, a consensus was reached on a number of issues, however, disagreements over fund transfer and reporting due to fundamental differences in interpretation of the current 477 statute remain. In May 2014, meetings were temporarily suspended although items remained to be addressed. Those items included waivers, expansion, and request to honor the tribes negotiated Indirect Cost Rate rather than an arbitrary administrative cap. No additional meeting of the Administrative Flexibility Work Group has been held or scheduled since then. H.R. 329 addresses and provides resolution to the majority of the remaining issues.

The Employment, Training, and Related Services Consolidation Act of 2015 builds upon past successes. It lays a framework for expansion. This Act does not require new funding while lessening the administrative burden and resulting in increased services. Section by section, the proposed law makes it clear the intent of Congress to allow tribes true consolidation of programs, no separate reporting by program source, and reaffirmation that these funds can directly support Economic Development and Job creation. Each section addresses issues that have arisen in the interpretation of the current law.

Additionally, H.R. 329, provides dispute resolution not previously present in the Act. Section 9 elaborates the power of the Secretary and the rights of the parties to seek judicial remedy.

Section 14, clearly addresses authorized use of funds, 100% recovery of Indirect Cost Rate, Matching, and interest income. These provisions make it clear the intent of Congress for tribes to be able to maximize the ability to leverage funds and to provide the most efficient services to those in need.

On behalf of P.L. 102-477 Tribes, I thank you for hearing and responding to our needs with this proposed law. We urge the expeditious review and mark-up of H.R. 329, which resolves these issues and permits long term workforce development goals for which the Tribes and tribal organizations have been working.

Thank you for your time today.