Testimony of Cynthia Petersen, President, Yakutat Tlingit Tribe
"House of Representatives American Indian and Alaska Native Public Witness Hearings"
House Appropriations Subcommittee on Interior, Environment, and Related Agencies
March 17-18, 2026

Recommendations:

1. Protect the BIA and IHS from cuts, rescissions, sequestrations, and freezes.
2. Continue advance appropriations for the IHS.
3. Ensure mandatory funding for contract support costs and section 105(*l*) lease payments.
4. Remove the no-cost lease requirement for joint venture projects.
5. Promote co-stewardship agreements with the Forest Service and the National Park Service.
6. Create a dedicated funding stream for long-term care in Indian Country.
7. Appropriate additional funds to support PRC travel, CHAP, and staffing shortages in Alaska.
8. Reduce dependence on competitive grants for Indian Country.
9. Restore critical infrastructure investments for the Indian health system.
10. Permanently reauthorize and extend self-governance to the Special Diabetes Program for Indians.
11. Increase funding for behavioral and mental health programs.

Introduction: Thank you, Chairman Simpson, Ranking Member Pingree, and Members of the Subcommittee for the opportunity to share our funding priorities for the FY 2027 federal budget. My name is Cynthia Petersen, and I serve as the President of the Yakutat Tlingit Tribe in southeast Alaska. For over thirty-four years, the Yakutat Tlingit Tribe has successfully provided services to our Tribal citizens by remaining true to our purpose, continuously uplifting the cultural, social, and economic aspects of our community. We strive to advance the welfare of our 820 enrolled members, and remain committed to preserving the health of our whole traditional territory extending to the Yakutat Borough boundaries and encompassing 9,460 square miles.

We would like to thank this Subcommittee for being a strong partner to Tribal Nations. We are also grateful for your bipartisan effort to protect the Indian Health Service (IHS) and Bureau of Indian Affairs (BIA) from cuts during the most recent fiscal years. To build off these victories, we urge you to remember that the trust and treaty responsibility to Tribal Nations exists irrespective of Congress's separate goal to balance the budget. This Subcommittee must appropriate the amounts necessary to fulfill its obligations. To that end, I offer the following recommendations regarding FY 2027 appropriations for the IHS, BIA, and U.S. Forest Service.

Permanently Exempt the IHS and BIA from Cuts, Sequestrations, Rescissions, and Funding Freezes: The IHS, BIA, and its Tribal partners under the Indian Self-Determination and Education Assistance Act (ISDEAA) strive to provide for the well-being of Tribal Nations through the provision of high-quality services such as social services, housing assistance, child care, education, and healthcare, in line with the federal government's trust and treaty obligation. However, year after year, we experience large shortfalls across all BIA programs, causing government services in our community to be inefficient, inadequate, and inconsistent. In addition, chronic underfunding of the IHS means our people are disproportionately affected by obesity, diabetes, heart disease, cancer, substance use disorder, and other preventable conditions. Despite these longstanding issues, the IHS and BIA continue to be at risk of additional budget cuts, sequestrations, rescissions, and funding freezes. In fact, the IHS is the only federally funded service providing direct patient care that is not exempt from sequestration. Also, last year, the President's Budget Request proposed steep cuts to essential BIA programs, and while we are extremely grateful that Congress instead protected these accounts, the continued uncertainty surrounding our funding makes long-term planning difficult and places unnecessary strain on Tribal Nations.

We respect the efforts of Congress and the Administration to balance the federal budget. However, as you craft next year's budget, we ask you to remember that your trust obligation exists irrespective of these goals. In fact, the IHS and BIA budgets remain so small in comparison to overall spending that cuts, rescissions, sequestrations, and freezes do not result in any meaningful savings in the national debt, but they do harm Tribal Nations and our citizens. We urge Congress to continue to ensure that any cuts hold us harmless.

Continued Support for Advance Appropriations for IHS: We thank this Subcommittee for its commitment to advance appropriations for the IHS and for proposing to expand it to Health Care Facilities Construction and Sanitation Facilities Construction for FY 2028. We strongly support this proposal and urge the Subcommittee to also extend advance appropriations to Electronic Health Records Modernization.

Mandatory Funding for Contract Support Costs (CSC) and 105(*l*) lease payments: We appreciate the Subcommittee's commitment to fully funding CSC and section 105(*l*) leases, but we continue to advocate that these accounts be moved to mandatory spending. Despite their obligatory nature, CSC and section 105(*l*) leases remain on the discretionary side of the budget, where they continue to take up a larger and larger percentage of overall IHS funding. In FY 2020, the Subcommittee found that "[o]bligations of this nature are typically addressed through mandatory spending, but in this case, since they fall under discretionary spending, they are impacting all other programs funded under the Interior and Environment Appropriations bill, including other equally important Tribal programs."

We are concerned that this issue will only worsen given the recent Supreme Court ruling in *Becerra v. San Carlos Apache Tribe*, which ruled the IHS is required to pay CSC on third-party revenues. This will cause a drastic escalation in the CSC budget, and we are very worried that Congress will cut into other essential Tribal programs to pay for these increases. To permanently protect the rest of the IHS and BIA budget, we ask you to advocate with your colleagues on authorizing committees to enact mandatory appropriations for CSC and 105(*l*) lease costs.

Remove the No-Cost Lease Requirement for Joint Venture Projects: The Indian Health Care Improvement Act (IHCIA) authorizes joint ventures between Tribal Nations and the IHS. Through this agreement, the Tribe builds or acquires the facility with non-IHS funds, and IHS commits to fund the additional staffing and operations costs associated with the new or expanded facility. The program has been a major success, with close to 40 facilities built, acquired, or renovated since 1992, including our own clinic.

Unfortunately, a significant flaw in the program leaves Tribal facilities without necessary maintenance and replacement funds. Current law requires that the Tribe lease the joint venture facility to IHS for 20 years at no cost. This means our clinic is not eligible for a section 105(*l*) lease; it is instead relegated to rely on the perennially insufficient Maintenance and Improvement (M&I) funding. As you know, section 105(*l*) requires IHS to fully fund the reasonable, non-duplicative costs associated with the lease. This leads to the anomaly that non-joint-venture facilities can be fully funded under section 105(*l*), while joint-venture facilities are stuck with nothing but M&I.

This outcome makes no sense from a policy standpoint. Our facility should not be denied full funding simply because it was selected for the joint venture program. A successful application means the Tribe has demonstrated a need for additional staffing and other support, as well as the ability to fund and manage the project. This provision punishes us by denying us the right to a section 105(*l*) lease to maintain and eventually replace the facility. We ask that you enable section 105(*l*) leasing for joint venture projects, which would protect the Tribe's and IHS's investment over many decades to come.

Promote Co-Stewardship Agreements with the U.S. Forest Service and National Park Service (NPS): Much of our traditional territory in southwest Alaska is currently managed by the

Forest Service or the NPS. These lands are critically important to our subsistence and cultural practices. In particular, many of our subsistence trails run through Forest Service or NPS land, and it is essential to our people that they are properly managed and maintained. We welcome any opportunity to have these lands returned to us, as we should have the right of first return. In the meantime, however, the Tribe has a strong relationship with the local Forest Service district, and we know both agencies need more support. Tribal co-stewardship with the Forest Service and NPS ensures that the lands can be best protected because it allows for the integration of our traditional ecological knowledge. As you consider funding for the Forest Service and NPS, we ask that you appropriate enough to support both existing and new Tribal co-stewardship agreements.

Long-Term Care. Despite having authorization to, the IHS still receives no funding dedicated to long-term care. This presents a huge challenge in rural Alaska, including in our Tribe, because existing facilities are extremely limited and far from home. Our elders deserve to age in place, and we are ready to step up to the plate if only we have the proper funding. We are extremely grateful that the IHS opened a special joint venture application specifically dedicated to long-term care, but this one-time, limited opportunity is not enough to fill the vast need in Indian Country or even in Alaska. We are asking you to dedicate a permanent funding stream for long-term care.

Purchased/Referred Care and Travel: In Alaska, our rural communities are not located on a road system. This requires our patients to travel far distances, often by plane, to access health care services. In recent years, the cost of travel through commercial airlines, chartered flights, and medevac transport has skyrocketed to unsustainable levels, straining our already limited resources. In FY 2023, the Alaska Tribal Health System overspent the Purchased/Referred Care (PRC) budget by $44 million to cover the high costs of patient travel. We urge this Subcommittee to allocate at least an additional $50 million to the Alaska Area for PRC to address the high costs of patient travel.

Community Health Aide Program (CHAP) Funding: Over the last 60 years, the CHAP program has provided critical healthcare services to rural communities in Alaska. The IHS provides limited funding to the Alaska Area to operate the CHAP, including for training and certifying health aides. Recently, the IHS provided the Alaska Area with one-time funding to support CHAP nationalization efforts. We ask this Subcommittee to dedicate recurring funds to support CHAP in the Alaska Area.

Address Staffing Shortages: The Alaska Tribal Health System is chronically understaffed due to challenges like underfunding and rural location. We face difficulties recruiting and retaining critical staff because our facilities are located in remote areas in Alaska. We thank this Subcommittee for securing increases to the Hospitals and Health Clinics line item, as well as a $13 million dedicated set aside for provider housing. This will help Tribal health programs offer competitive salaries and benefits. We urge this Subcommittee to continue providing increases in FY 2027.

Reduce Dependence on Federal Grants: We also support ending the use of competitive grants to provide Tribes with federal funds. Grants unfairly pit Tribes against each other for resources we are all deserving of. The federal trust responsibility does not require that we jump through a myriad of hoops and onerous applications to see that services are provided to our citizens. Too often, Tribes are too under-resourced to apply for federal grants and comply with their reporting requirements. Our staff must divert time to apply and report, thereby diluting the usefulness of the resources. Instead, we request widespread, formula-based funding across all programs that are distributed through our ISDEAA contracts and compacts. This will give us the flexibility to respond to the specific needs of our own communities, not those prescribed by federal grants. This also means appropriating enough resources so that funds are provided in meaningful amounts across all Tribes. We join other Tribal leaders in calling for broad-based funding for Tribes and Tribal Organizations.

Adequately fund critical infrastructure investments: We were excited to see that this Subcommittee proposed advance appropriations for infrastructure accounts for FY 2027. We also

appreciate Congress's investment in IHS sanitation facilities through the Bipartisan Infrastructure Law. This program has funded over 200 projects across Indian Country to provide clean water and safe sanitation systems for many communities for the first time. We are also very thankful to Secretary Kennedy for committing $1 billion to address the ongoing Health Care Facilities Construction backlog in Indian Country. These investments are so critical, but they do not, unfortunately, fully address the multi-billion-dollar backlog. Therefore, we recommend additional increases for Health Care Facilities Construction and Sanitation Facilities Construction in FY 2027.

Extend Self-Governance Funding Options to the Special Diabetes Program for Indians (SDPI) and increase funding to $200 million/year: Communities like ours across Indian Country rely on SDPI to address the alarming rates of diabetes among Tribal communities. SDPI's success rests on the flexibility of its program structure, which allows for the incorporation of culture and local needs into its services. We were very excited to see that Congress most recently reauthorized SDPI at $200 million annually. This is the first major increase to the program in decades, and we are very grateful. While we understand that SDPI is not under the jurisdiction of the Subcommittee, we ask you to support permanent reauthorization at a minimum base of $200 million per year with annual adjustments for inflation. Congress should also authorize SDPI participants the option of receiving their federal funds through either a grant or self-governance funding mechanisms under ISDEAA.

Behavioral Health: Our communities, like all of Indian Country, have been devastated by the ongoing fentanyl and opioid epidemic. Nevertheless, funds for these services are extremely limited. For example, since FY 2024, Congress has only appropriated $2 million to fund essential detoxification-related services. That's less than $1 per IHS patient. We urge the Subcommittee to dedicate resources to detoxification and reemphasize the importance of protecting funding for the following accounts: Health Care Facilities Construction, Alcohol & Substance Use, and Mental Health.

DocuSigned by:
Cynthia Petersen
563FB9BFDC684BD...