

**Indian Affairs Committee**



**Pueblo of Santa Clara  
Governor J. Michael Chavarria**

**September 8, 2017  
Las Cruces, New Mexico**

**J. Michael Chavarria, Governor  
Santa Clara Pueblo**

Good morning Chairman and Members of the Committee. My name is J. Michael Chavarria, I serve as the Governor for Santa Clara Pueblo, serving my seventh one-year term as Governor for my Pueblo.

Thank you for the invitation and opportunity to come before you today to present my issues related to Tribal Infrastructure Fund (TIF).

It is important to address the challenges, provide solutions and discuss the various relationships that have been created with the various State Agencies.

As Governor Martinez mentioned in her opening statement at the State/Tribal Leaders Summit, it is important to be respectful, be fair and honest with one another to create a healthy environment for all living in the State of New Mexico.

We must work together to build upon the foundations that have been created and at times must compromise on issues for the benefit of building strong partnerships through collaborative efforts.

There is need to strategize and create action plans to share all resources related to health. If we don't build upon the relationships how do we adequately address the challenges impacting our communities? Are we just going to talk the talk or are we going to team up together and walk the walk?

Yes there are many challenges at all levels of governments. At the Federal level over the years through sequestration and budget cuts has had a detrimental impact on the direct services and opportunities to fully fund programs of need. As Governor I have lobbied Congress and have stressed the financial impacts/burdens the sequestration, budget cuts, limited or no appropriations have had on our people. I have also lobbied Congress for future exemptions from future budget cuts/sequestrations as this is their fiduciary and trust responsibility/obligations for Native Americans.

Regarding TIF, Santa Clara Pueblo presents this testimony focused on two areas: 1. Updates to TIF guidelines; and 2. Legislative impacts to TIF funds.

While we are thankful for the capital outlay and TIF funding thru the most recent legislative session, the final capital outlay bill ended up taking \$2 million from the Tribal Infrastructure Fund (TIF) for the Taos Water Rights Settlement. Overall, the State's share of any Indian water rights settlement is to pay for the share of non-Indian water users and funds through TIF should not have been utilized to cover such obligations on behalf of the State. By taking away these critical funds from the TIF, the State is further diminishing its investment in tribal communities where there is still a tremendous need to upgrade existing infrastructure.

Santa Clara Pueblo would be remiss if we did not mention to the Legislative IAC that the status of TIF has been more significantly impacted by the legislative process rather than by the TIF

policy and guidelines. In short, funding for TIF has been “held hostage” by the legislative process and used in negotiation for capital outlay bills and funding for water rights settlements.

TIF has been a prime financial resource for many tribes as we seek to improve our existing infrastructure from planning to project implementation. The funds through TIF give the Pueblo the opportunity to leverage these funds with federal grants and private resources through the philanthropic community.

**Was the move to take money from TIF a one-time situation or should tribes expect further attempts to use these set aside for other statewide projects?**

With the recent disagreements over capital outlay and how to fund projects, there was a great deal of discussion about reforming how the state allocates capital outlay.

1. Will there be efforts to make reforms in the next session?
2. If so, how will the state guard against spending more money in urban and built up areas versus rural areas?

Now regarding the recent updates to the TIF guidelines and application process. In 2016 Cabinet Secretary Zuni, at the behest of several Tribes, established a workgroup to provide feedback to update the TIF guidelines. Because of the importance of TIF, Santa Clara Pueblo played an active role in the TIF workgroup. As a result of this collaborative effort the TIF Guidelines and TIF application had significant changes. The changes included: update to definitions, eliminate categories to enable modern project delivery methods, update eligibility, update terms and conditions, update the application scoring metric, update the IGA process, update deadlines, include STB requirements, and to ensure reporting compliance. These changes are being implemented in the current application cycle in-process now. On behalf of Santa Clara Pueblo I presented yesterday to the TIF Board for a water systems improvements project. The impacts of the recent changes to the guidelines and the application will not be fully realized and evaluated until after this current funding cycle. But the intent of the changes, as we at Santa Clara Pueblo understand, is to enable and ensure completion of projects and that funds are actively spent. Santa Clara Pueblo respectfully request that the Legislative Indian Affairs Committee (IAC) seek an update on TIF after this current cycle of funds is complete and these recent changes can be evaluated.

It is very important to address these issues with legislators and the Governor to express our concerns over the erosion of these funds, which help to leverage additional federal and private funds, as well as help meet ongoing needs of tribal and other communities throughout New Mexico.

Additionally, the state is requiring more information from tribes to access capital outlay, TIF, and WTB awards. This includes completing a planning document, Infrastructure Capital Improvement Plan (ICIP), and providing answers to questionnaires provided by the Department

of Finance Administration, along with the long process to authorize the use of funds from TIF and to close out the WTB grant funding. Both the IGA (Inter-governmental Grant Agreement) and the WTB closing processes has led to delays often in getting funding to the Pueblos as well negatively impacting the performance periods for the TIF and WTB

**TIF IGAs** – The time to process an IGA (inter-governmental agreement) has negatively impacted the performance period. In other words it has taken far too long to fully execute the IGAs and this has resulted in Pueblos needing to require extensions unnecessarily. There is a variance and discrepancy in the requirements in the bond sale requirements for performance in spending the funds versus the TIF (and IGA) performance periods. **We request that the performance period not start until the IGA is fully executed by both parties.**

**There may be a need to find a way to streamline to funding process? Funds should be obligated in full and not having the Pueblo to utilize tribal funds upfront then seeking reimbursements for such expenditures. Puts a strain on the tribal coffers.**