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REPORT
OF THE
INDIAN AFFAIRS COUNCIL

November 15, 1983

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1983

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Pursuant to MS 3.9222



State of Minnesota

INDIAN AFFAIRS INTERTRIBAL BOARD

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November 15, 1983

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Bemidji, Minnesota
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To the Governor and the Legislature
of the State of Minnesota

It is my pleasure to submit to you the 1983 annual report of the Indian Affairs Council.

This report is due on November 15 of each year in compliance with M.S. 3.922, Subdivision 9, and copies are available to state agencies, tribal governments, institutions of higher learning and other interested parties.

Respectfully submitted,

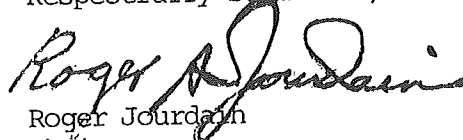

Roger Jourdain
Chairman

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1983 MINNESOTA INDIAN AFFAIRS COUNCIL

COUNCIL MEMBERS

Roger A. Jourdain, Red Lake Reservation	Chair
James Hendrickson, Grand Portage Reservation	Vice-Chair
Norman M. Crooks, Shakopee-Mdewakanton Reservation	Secretary
Allene E. Burnette, Brooklyn Park, At-Large	Treasurer
Gary Donald, Bois Forte (Nett Lake) Reservation	
William Houle, Fond du Lac Reservation	
Hartley White, Leech Lake Reservation	
Arthur Gahbow, Mille Lacs Reservation	
Darrell "Chip" Wadena, White Earth Reservation	
Michael Prescott, Lower Sioux Reservation	
Irene Howell, Upper Sioux Reservation	
Albert White, Prairie Island Reservation	
Roderick High Elk, White Earth, At-Large	

URBAN INDIAN ADVISORY COUNCIL

Michael Himango, Duluth	Chair
Bonnie Wallace, Minneapolis	Vice-Chair
Nancy Stanaway, St. Paul	Secretary
Sharon Romano, Minneapolis	
Elsie Fairbanks, St. Paul	

EX-OFFICIO MEMBERS OF THE MINNESOTA INDIAN AFFAIRS COUNCIL

LEGISLATORS

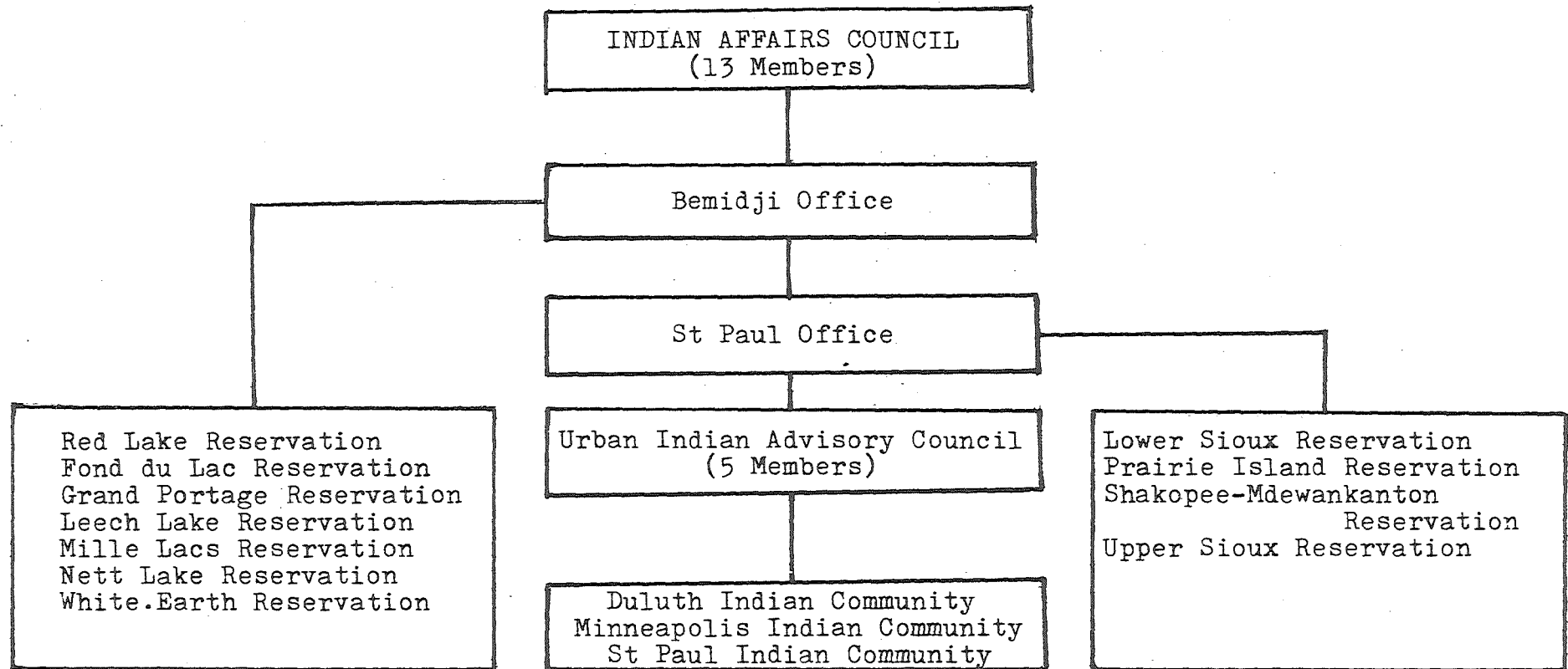
State Senator Florian Chmielewski, Sturgeon Lake
State Senator Robert J. Schmitz, Jordan
State Senator Donald A. Storm, Edina
State Representative Charles H. Dimler, Chanhassen
State Representative Robert Neuenschwander, International Falls
State Representative Paul Anders Ogren, Aitkin

STATE DEPARTMENTS & AGENCIES

DESIGNATE

Office of the Governor Rudy Perpich, Governor	
Department of Corrections Orville B. Pung, Commissioner	Lurline Baker-Kent
Department of Education Ruth E. Randall, Commissioner	
Department of Energy, Planning & Development Mark Dayton, Commissioner	
Department of Health Sister Mary Madonna Ashton, Commissioner	Stella Lundquist
Housing Finance Agency James J. Solem, Executive Director	Donna Folstad
Department of Human Rights Irene Gomez-Bethke, Commissioner	
Iron Range Resources & Rehabilitation Gary A. Lamppa, Commissioner	Mike Gentile
Department of Natural Resources Joseph A. Alexander, Commissioner	Steve Thorne
Department of Public Welfare Leonard W. Levine, Commissioner	Francis Moriarty

Organization Chart



Council Staff

Executive Director
 Staff Assistant
 Loan & Contract Officer
 Indian Affairs Representative
 Economic Opportunity Program Specialist
 Secretary
 Secretary
 Administrative Assistant

Roger Head
 Robert G. Dodor
 Charlotte M. Rice
 Earl F. Sargent
 Katherine J. Pemberton
 Lucretia E. Klenk
 Eljean M. Sargent
 George Baptiste

STATE OF MINNESOTA
Indian Affairs Council

Financial Report

1982 - 1983

Original Appropriation	
Per Laws 1981, Chap. 356, Sec. 37	189,700.00
Less: Appropriation Reduction January 1982	
Per Laws 1981, Special Session III	
Chap. 2, Sec. 2, Subd. 1 (ff)	(13,000.00)
Less: Supplies and Expense Reduction	
Per Laws 1982, Chap. 641, Art I,	
Sec. 2, Subd. 1 (j)	(1,028.00)
TOTAL APPROPRIATION PER AUTHORIZING	
LEGISLATION	<u>175,672.00</u>
Less: Employer Retirement Contributions	
Reductions, Per Laws 1982, Special	
Session III, Chapter 1	(2,763.00)
TOTAL ADJUSTED APPROPRIATIONS	<u>172,909.00</u>
Transfers In - Salary Supplement	23,742.34
TOTAL - ALL RECEIPTS	<u>196,651.34</u>
EXPENDITURES:	
Salaries	153,777.92
Supplies & Expense	29,174.13
Board Members Expense	4,980.76
Indian Burial Grounds	886.39
TOTAL EXPENDITURES	<u>188,819.20</u>
CANCELLATIONS	7,832.14

HISTORY OF THE COUNCIL

The 1963 Legislature made Minnesota the first state in the nation to have a state agency established to deal exclusively with Indian governments. The current Indian Affairs Council has evolved over the past nineteen years and provides a national precedent for providing tribal input into state government.

In its original form, M.S. 3.922, the law creating the old Indian Affairs Commission, provided that it be composed of two senators, appointed by the Committee on Committees; two house members, appointed by the Speaker and three Indian people - all appointed by the Governor - one to represent the Red Lake Band of Chippewa Indians, another the Minnesota Tribe (the confederation of the White Earth, Leech Lake, Mille Lacs, Fond du Lac, Grand Portage and Bois Forte Reservations), and the third to represent the four Sioux Reservations.

In 1965, the Indian Affairs law was amended to transfer the power to appoint the Indian members from the Governor to the tribal councils of the three tribal entities. Membership was expanded when the amendment provided that the Governor name three at-large members.

Two years later, the law was changed again and the Governor lost his power to appoint members. The change increased the Indian membership. This was accomplished by providing two additional seats for the Minnesota Chippewa Tribe and by acknowledging urban Indians through the creation of seats for Indians living in St. Paul, Minneapolis and Duluth.

For the next nine years the law remained unchanged except for an amendment which designated the agency as a "Board" instead of a "Commission".

But in 1976, the statute was again amended creating significant changes in the structure of the Council and spelling out and simplifying the duties of the Agency.

The 1983 Legislature again amended M.S. 3.922 and changed the name of the agency.

It also removed sunset legislation and extended the life of the Agency and the third name change in the history of the Indian Affairs led the revisions adopted by the 1983 Legislature. The "Indian Affairs Intertribal Board" became the "Indian Affairs Council." The 1976 Legislature set June 30, 1983 as the date the Agency would expire. The sunset date was removed and a new sunset date of June 30, 1988 was added.

Currently the voting Council consists of the duly-elected Chairman from each of the eleven reservation governments in the State, in addition to two at-large members elected from their own ranks by Minnesota Indians enrolled in federally-recognized tribes outside the borders of the state. There also is included in the Council composition five non-voting Urban Advisory Council members appointed by the Board. Additional non-voting members are the ex-officio members which include the Governor, Lieutenant Governor, and Commissioners of various departments which administer Indian programs and three members of the Senate and three members of the House of Representatives.

The agency employs the staff that accomplishes the liaison responsibilities between the Council and the Legislature and various federal, state and private agencies. The Council has offices in Bemidji and St. Paul. The staff consists of an Executive Director, an Administrative Assistant, Indian Loan Specialist, two Indian Affairs Representatives and two Clerk

Typists. The staff also uses a student internship program from time to time which has proved mutually useful.

Creation of this Agency was a forward-looking effort to introduce the Indian voice into state government. It recognized the unique status of American Indians not as a racial group but rather as a political entity which has functioning governments traceable to tribal councils which governed before Minnesota existed.

In this relationship between Indian people (through their tribal governments) and the state government which is the key to the existence of a State Indian Affairs Office. While this Agency undoubtedly benefits Minnesota's Indian people, it also helps improve the understanding of Indians by their non-Indian neighbors, and is devoted to the development of goodwill and equality between the two groups.

Other state governments with significant Indian populations have marveled at the ease with which Minnesota state officials are able to sit down and meet with tribal officials on topics involving mutual concerns. This is not the case all over Indian country, and as a result, the Minnesota model in Indian Affairs today has been studied by other state governments.

THE YEAR IN REVIEW

Nineteen-eighty-three marked the twentieth year of operation for the Agency and there was deep concern that the Agency was in its final year of existence.

The concern was focused on the sunset legislation passed by the 1976 Legislature which mandated that the Agency expire on June 30, 1983. The issue was further complicated by the fact that the Agency's budget was omitted from the Governor's budget message to the 1983 Legislature. The Governor left the disposition of the nearly one-hundred Boards, Commissions and Councils to the discretion of the Legislature which had to decide which agencies would continue. The matter wasn't settled until the last days of the legislative session when the sunset legislation was extended another five years and funding was granted.

The year also brought another name change, the third change in twenty years. The Minnesota Indian Affairs Intertribal Board name was dropped and the Indian Affairs Council was added. The Agency became the Indian Affairs Intertribal Board in 1976 after thirteen years as the Indian Affairs Commission.

The year also saw the return of a past Chairman to lead the Council. Roger Jourdain, Chairman of the Red Lake Band of Chippewa Indians, and past Chairman was elected Chairman at the annual election of officers in July. Other officers elected were James Hendrickson, Chairman at Grand Portage, Vice-Chairman; Norman Crooks, Chairman at Shakopee-Mdewakanton Sioux, Secretary; and Allene Burnette, At-large member, Treasurer.

The Urban Advisory Council had two membership changes during the year and a change in officers. The two new members are Bonnie Wallace from Minneapolis and Nancy Stanaway from St. Paul. They replace Donna Folstad and Sharon Day-Garcia who both resigned to accept state employment. The officers are: Mike Himango, Duluth, Chairman; Bonnie Wallace, Minneapolis, Vice-Chairperson; and Nancy Stanaway, St. Paul, Secretary. The other members are Elsie Fairbanks, St. Paul and Sharon Romano, Minneapolis.

The Agency also gained a new position during the year. Governor Perpich signed Reorganization Order No. 129 on August 18, 1983 which transferred the Indian Business Loan Program from the Department of Energy and Economic Development to the Indian Affairs Council. The transfer was sought by the Council to increase the effectiveness of the program by providing financial support and assistance to emerging Indian-owned business ventures. The transfer will encourage a closer working relationship between the lending authority and the recipients of the loans.

URBAN ADVISORY COUNCIL

The budget freeze seriously curtailed the activities of the Urban Advisory Council (UAC). Plans to hold community hearings on various concerns were scuttled when funds for the activities became unavailable. However, members of the Council met at their own expense with their constituents and managed to relay information to the agency staff so that there was urban input into decisions.

Under the Urban Indian Housing Law, the Urban Advisory Council has the responsibility to advise the Housing Finance Agency on Urban Indian Housing Programs. As a result of a number of complaints received by Council members about the Minneapolis Indian Housing Program, the Council in January voted to ask the State Auditor to audit the program which is administered by the Minneapolis Community Development Agency (formerly the Housing and Redevelopment Authority). The Executive Director of the Council relayed the UAC request to the Auditor and his office began an audit of the program during the year. A final report, we understand, is being developed as this report is being submitted.

The UAC hopes to hold monthly meetings during the current biennium and also is again planning to hold community hearings in Minneapolis, St. Paul and Duluth to provide the Council with greater access to the needs of its constituents and to help formulate legislative proposals.

A new chair was elected at a UAC meeting in Duluth in September. Duluth representative Mike Himango was elected chair to succeed Sharon Romano who resigned as chair because of personal considerations. Himango had been vice-chair and that post was filled by Bonnie Wallace. Nancy Stanaway was named to fill a vacancy which existed in one of the two St. Paul seats. She was appointed by the Indian Affairs Council at its July meeting. She became secretary in September.

THE CENSUS AND INDIAN REVENUE SHARING

The agency, under its statutory authority to protect Indian interests joined the Office of the State Demographer in an effort to correct a situation which created severe cutbacks of federal revenue-sharing allocations to the state's reservations.

We learned in 1981 that allocations to reservations for the allotment year beginning October 1, 1981, would be substantially less than the amounts the tribal governments had anticipated.

For example, the federal Office of Revenue Sharing -- using census data provided by the Bureau of Indian Affairs (BIA) -- estimated that Mille Lacs would receive \$23,747 for Entitlement Period thirteen (the year beginning October 1, 1981). But when the final allocations were made, the reservation government was informed that not only would it not get the amount anticipated, but that it owed the federal government \$13,189. There were other examples of reservations dropping into negative balances with ORS. Fond du Lac learned that it owed \$9,677. That reservation had been informed by ORS that its revenue-sharing amount was estimated at \$28,717. Prairie Island not only didn't get the \$3,083 it had been told it would receive, but the tribe learned that it owed \$2,526. Lower Sioux and the Shakopee-Mdewakanton reservations were notified they would get nothing from ORS. Other reservations, with the exception of Grand Portage, all received substantially less than they anticipated.

We learned that the problems were caused by four factors:

- 1) Possible over-estimates of populations by BIA.

2) A change in ORS policy which held that Indians who lived in cities within the boundaries of the reservation could not be counted as part of the reservation population. (All of the Prairie Island reservation is within the city of Red Wing; and all of the Shakopee-Mdewakanton reservation is within Prior Lake).

3) The fact that the U.S. Census Bureau in 1980 did not count as reservation population those Indians living on individually owned or leased trust land within reservations.

4) The Indian Affairs Council believes that the 1980 census reflected a continuing undercount of the Indian population within the state.

The impact of the above factors showed some ludicrous figures. Mille Lacs population dipped to thirty-six from a BIA-estimated eight hundred seventeen. Prairie Island and Shakopee population counts showed as zero.

We notified the reservations of the situation and urged them to fight the action by ORS, and we encouraged and supported the office of the State Demographer in its protest of the ORS distribution of funds.

As a result of these efforts we recently learned that the reservation populations for some reservations were adjusted upward and that the reservations would be receiving additional revenue-sharing dollars. For ~~example~~, Fond du Lac will get \$10,937 instead of showing a negative balance of \$9,677; Mille Lacs is to receive \$11,410 instead of owing the federal government \$13,189.

Minnesota was the only state government to protest the action by the Office of Revenue Sharing.

The protest by the state Demographer's Office was the only one received by the Office of Revenue Sharing. Minnesota was the only state government to support tribes in the effort to secure justice in the distribution of revenue-sharing money.

The following table shows the impact of the effort:

<u>Reservation</u>	<u>Amount Paid for Year Beginning 10/1/83</u>	<u>Adjustment (as notified in Fall, 1983</u>
Fond du Lac	\$-9,677	\$10,937
Grand Portage	5,004	None *
Leech Lake	40,946	21,329
Mille Lacs	-13,189	11,410 *
Bois Forte	2,770	None *
White Earth	38,988	11,474
Red Lake	46,925	None *
Lower Sioux	-0-	None *
Prairie Island	-2,526	2,543
Shakopee-Mdewakanton	-0-	2,380
Upper Sioux	72	None *

(* Note: Efforts continue to further increase the reservation population counts).

INDIAN INVOLVEMENT IN THE POLITICAL PROCESS

The Indian Affairs Council strengthened its relationship with the Urban Concerns Workshops, a non-partisan political education organization, by expanding participation through involvement with Project 120.

Project 120 is a one-week program offered to high school juniors and seniors to acquaint the students with the three branches of State Government and an orientation to the political process.

The Indian Affairs Council staff participated by assisting in the recruitment of Indian students and by addressing each Project 120 class.

The Council was assured of continued involvement when the Executive Director was nominated and selected to serve on the Board of Directors of the Urban Concerns Workshops.

Because 1984 is a major election year, the Council will again assist in sponsoring workshops and seminars aimed at increasing Indian participation in the political process.

Candidate forums, mock precinct caucuses and voter registration drives are being planned in Indian communities to acquaint the residents with candidates, issues and the process in general.

Since our involvement with the Urban Concerns Workshops began, a record number of Indian people have registered to vote, became delegates and even became candidates.

INDIAN BURIAL PROTECTION

The Indian Affairs Council is currently involved in an effort to acquire land in Red Wing which contains a significant number of Indian burials. Under M.S. 307.08, the state is to make efforts to purchase and protect large Indian burial grounds which are threatened by development.

The City of Red Wing has been negotiating to buy a parcel of land for development of an Energy Park. Operating under terms of the state law, the City learned that a portion of the proposed energy park contains Indian burial grounds. The Prairie Island Reservation and the Indian Affairs Council became involved in the situation when it was determined that Indian burials were involved.

The Tribal Council at Prairie Island rejected proposals by the City to avoid disturbing the burials by making the area containing them into a commons or green area. At that point, the City contacted the Indian Affairs Council and invoked the provision of the state law requiring efforts to buy the land involving the burials.

The Red Wing situation was only one of several sites investigated by the staff of the Indian Affairs Council in 1983. Other sites and the reasons for the agency's interest were:

Bloomington, Cty. Rd. 18, Bridge and Highway Construction
(prehistoric)

Eden Prairie, Home and Road Construction, Permit (prehistoric)

Winona, Garbage Disposal and Site (prehistoric)

Red Wing, three sites, City, Minnesota Department of Transportation,
University of Minnesota Department (prehistoric)

Minneapolis, Construction (prehistoric)

Maple Grove, Construction , Gravel Pit
Dundee, Permit, Excavate Gravel Pit, Construction
Elbow Lake, White Earth Reservation, Excavate (prehistoric)
Willmar, Permit (prehistoric)
Green Lake, Permit, sewage treatment (prehistoric)
Cass Lake area, Bridge Construction, Lake Erosion, Corps. of
Engineers
Benedict, Bridge Construction, Minnesota Department of Transportation
Red Lake Reservation, Bridge Construction, Minnesota Department of
Transportation
Roseau River, Ross, Dam Construction, Corps of Engineers
Baudette, Zipped Bay, Dam, Corps of Engineers
Sandy Lake, Mille Lacs Reservation, Three sites, Corps of Engineers,
Bureau of Indian Affairs
Kullhem, Sullivan, Permits, Bureau of Indian Affairs, Corps of
Engineers, Mille Lacs
Prior Lake, Construction, undocumented
Tulaby Lake, White Earth Reservation, Historic and Document Map
Ponsford Landing, White Earth Reservation, Historic and Document
Map
Mille Lacs Reservation, Prehistoric, Historic and Current
International Falls, Grand Mound, Animal Disturbance, Prehistoric
Rice Lake, Minneapolis, Construction, D.N.R., Prehistoric
Twin Valley, Gravel Pit Construction, Prehistoric
Bemidji, Sewage Plant Construction and Museum
Elbow Lake, Museum
Alexandria, Museum
Lake Itasca, Construction, D.N.R.

Gull Lake, Crow Wing, Historic
Ada, Minnesota, Prehistoric

In 1980, the Minnesota Legislature revised the language in Minnesota Statute 307.08 to protect Indian burial grounds and to assure respect for human dignity for such burials.

But there were many instances where Indian burial grounds were disturbed and sometimes destroyed even after the 1980 action. The Minnesota Indian Affairs Council staff along with the cooperation of the State Archaeologist and Minnesota Historical Society Archaeologists and staff were able to protect several burial grounds documented by former archaeological surveys. The State Archaeologist and assistant and staff of the Minnesota Indian Affairs Council are in the process of documenting additional burial grounds throughout the State that will also include sites within the boundaries of Indian Reservations that are not on existing maps, these maps will be made available to the Indian Reservations of Minnesota and documented in the Historical Society records.

The 1983 Legislature enacted another change in M.S. 307.08 in reaction to requests from our agency and the State Archaeologist. It increases the penalty for molestation of Indian burials and requires state and political subdivisions to obtain archaeological services in identifying potential Indian burial grounds.

Council staff recommends that the following actions would further assure Indian burial protection:

1. Department of Natural Resources hire a full-time archaeologist to conduct surveys of D.N.R. construction

areas and coordinate efforts with the State Archaeologist and Indian Affairs Council on all areas which may contain Indian burials.

2. The State of Minnesota purchase or assign small burial areas in at least 6 geographic areas of the State to rebury remains that were removed in those geographic vicinities.
3. Remains of Indians removed from museums around the State and reburied in areas from which they were removed.

INDIAN CHILD WELFARE ACT

The Indian Child Welfare Act of 1978 was passed by Congress with the goal of involving Indian tribes more directly in the court and welfare processes which were affecting Indian families. Historically, the trend in the courts and in the welfare systems has been to take Indian children away from their families and tribes on the basis of culturally-biased decisions that the Indian parents were not adequately taking care of the children. The Act sought to correct this problem by: 1) providing that the welfare departments had to give notice to the tribes of court proceedings by which the children were to be taken away; 2) by opportunity for the tribes to participate in the hearings; 3) by recognition of the special place the "extended family" had in the rearing of children in traditional and contemporary Indian cultures; 4) by requiring that expert witnesses knowledgeable of Indian ways give testimony in the courts about Indian families; and 5) by other procedural and substantive changes in the manner in which family and juvenile courts have traditionally dealt with Indian families.

The collective wisdom of the group which met September 14 was that while the Act had been somewhat effective in changing the court system in Minnesota, more had to be done. The convocation selected a Legislative Committee to create a package to be presented to the Indian Affairs Council for endorsement and then to the 1984 Legislature. The convocation also passed a number of resolutions which seek to strengthen the Act as it exists in Minnesota.

On October 7, 1983, the Ad Hoc Legislative Committee had its first meeting at the Indian Affairs Council office in St. Paul. At that meeting, the Committee selected Jerod Peterson, an attorney at the Legal Rights Center, to draft legislation based upon the existing Indian Child Welfare

Act which also included the resolutions passed by the September 14 convocation. Karen Clark attended the meeting and agreed to be listed as an author of the bill. At a subsequent meeting Sen. Linda Berglin agreed to be listed as the author for the Senate side.

On November 1, 1983, the Committee met in Brainerd to discuss further the legislative proposal. This meeting, attended by Indian representatives from every tribe in Minnesota as well as from urban areas of the state, adjourned following a day of debate and has rescheduled meetings in the Twin Cities on November 8-9 to complete the first draft of the legislative package.

At its November 1983 meeting, the Indian Affairs Council endorsed the work of an Ad Hoc Committee which has been working to develop proposed state legislation which would enhance the Indian Child Welfare Act enacted by Congress. The resolution directed the staff to work with the Ad Hoc Committee and submit the concept to the Council by the end of the year. Indications are that the Council will approve the proposed legislation, and that the Indian Child Welfare measure will be the main thrust of the Council's proposals to the 1984 session of the Legislature.

The Executive Director of the agency called for a meeting on September 14 of all persons in Minnesota who were working to preserve the Indian family through implementation of the federal Child Welfare Act. The purpose of that initial meeting was to pool experiences of the workers in order to determine what improvements could be made in the federal law.

ECONOMIC OPPORTUNITY

The program designed to provide economic opportunity technical assistance began its second year of operation in September, 1983. It is established through an agreement between the Indian Affairs Council and the Department of Economic Security. Under the program, DES funds an Economic Opportunity Coordinator who works out of the Council's main office in Bemidji under the direction of the Executive Director.

The Coordinator assists the 11 reservation governments by providing technical assistance in planning, developing and administering various grants. These include Community Services Block Grants (CSBG), Minnesota Economic Opportunity Grants (MEOG), energy crisis intervention, emergency food and shelter and CSBG special supplements.

Since the inception of the program in September, 1982, the Coordinator has been actively involved in making the various programs work for the reservations. For example, the Coordinator has:

1. Been trained on Community Services Block Grant, Minnesota Economic Opportunity Grant, Energy Crisis Intervention Program and Emergency Food and Shelter Program by staff of Minnesota Department of Economic Security.
2. Became involved with planning and coordinating meeting with Reservation Representatives and Planners from northern and southern part of Minnesota that are directly involved with Community Service Block Grants in providing assistance, training and general information for pre-grant applications for all eligible grantees. These meetings were set up in Cass Lake and Prior Lake in November 1982.

3. Met with Representatives from Mille Lacs Reservation in October 1982, to provide technical assistance for submission of documents to close out Minnesota Economic Opportunity Grant for 1981. This assistance was needed before 1982 allocations would be awarded. Also attended meeting in November 1982, for pre-grant application for Community Service Block Grant for projected needs on reservation areas.
4. Coordinated activities between Indian Affairs Council and Minnesota Department of Economic Security.
5. Met with Representative from Grand Portage in December 1981, to provide technical assistance for Emergency Crisis Intervention Program in planning and developing pre-grant application. Also assisted with Minnesota Economic Opportunity Grant and Community Service Block Grant for 1982.
6. Attended meeting at Lower Sioux Community Center in January 1983, with Representatives and officials involved with pre-application grants.
7. Met with Lower Sioux Community Council to provide technical assistance for pre-grant application.
8. Met with Representatives on Red Lake Reservation in February 1983, to pursue pre-grant applications.
9. Attended meeting in St. Paul for fiscal year 1984 on Community Service Block Grant guidelines.
10. Met with Representatives of Mille Lacs Reservation in February 1983, regarding Emergency Food and Shelter Program pre-grant application procedures. Provided technical assistance on

11. Attended meeting for Task Force on Surplus Commodities distribution.
12. Traveled to White Earth Reservation in March 1983, with a staff member of Office of Economic Security for an on-site review of operations.
13. Attended staff meeting at Office of Economic Opportunity which was essential for information on Block Grants for fiscal year 1984.
14. Attended meeting with Representatives from Leech Lake Reservation concerning related problems with surplus food giveaway.
15. Contacted eleven reservations for planned progress and client reports which are required periodically for state office.
16. Attended meeting at Prior Lake to modify allocations on CSBG, MEOG, ECIP, and EFASP.

INDIAN BUSINESS LOAN PROGRAM

It has long been the contention of the Tribal Councils, that the Indian Business Loan Program should be housed at the Indian Affairs Council so that a closer working relationship between the state and the constituents of Minnesota-based reservations could be affected. It was felt that such a move would increase the effectiveness of the program and encourage those reservations that have not initiated a business loan program to begin to utilize this program. The transfer of the IBL Program and one staff was initiated on August 24, 1983, via Reorganization Order No. 129. Notices to this effect have been sent to all Tribal Councils and other interested organizations. It is the intent of the Indian Affairs Council to expedite this program with those reservations that have no business loan plans in operation. We will contact and personally work with all reservations to insure that the intent of M.S. 116J.64 will be carried out and that Indians in the state, who are eligible to apply for loans, will be able to utilize these funds to make an economic impact on their lives and communities.

Legislation establishing the Indian Business Loan Program was enacted in 1973. It provides Minnesota-based Indians with the opportunity to establish or expand a business enterprise in Minnesota and provides the resources for management or technical assistance.

Funds for the program come from the \$.25 an acre taxation of severed mineral interests held by individuals, corporations or organizations in Minnesota. Twenty percent of that amount, or \$.05 per acre, is deposited with the State Treasurer's Office by December 15 of each year and goes into a special revolving loan fund designated as the "Indian Business Loan Account". The funds are administered by the Indian Affairs Council, and the Tribal Councils

of each reservation approve or reject all loan applications.

Until August, the IBL Program was administered by the Department of Economic Development, now known as the Department of Energy and Economic Development. In 1973 there were two accounts set up, per the law, a Reservation Loan Account and a Non-Reservation Loan Account; the monies allocated to each account were on a population percentage, which meant 38% went into the Reservation Account and 62% went into the Non-Reservation Account. According to the law, the Tribal Councils of each reservation had the responsibility of reviewing and making recommendations to the Department on approving or rejecting reservation applications and the Department had the authority to approve or reject non-reservation loan applications which meant the Department had the authority of approving or rejecting all loan applications. Tribal Councils were not satisfied with the law; they felt that they were capable of making decisions on whether to approve or reject loan applications.

Through the efforts of the Indian Affairs Board and the Tribal Councils, new legislation was enacted in August 1981, which combined all the monies into one account called the "Indian Business Loan Account" and gave final authority for approving or rejecting all loan applications to the appropriate Tribal Councils. Administration of the program stayed at the Department of Economic Development. The new law specifically states that before any loans can be made, each Reservation (Tribal Council) must submit a business loan plan to the Department for approval.

During FY 83, four reservations submitted business loan plans to the Department; the plans were in conformity with M.S. 116J.64 and were approved.

Those reservations with approved loan programs are:

1. Fond du Lac

2. Grand Portage
3. Leech Lake
4. White Earth

Six loans have been approved by three of the reservations for a total of \$64,745; 19 jobs were created; \$92,000 of other funds were leveraged and the total Equity (owner) investment was \$39,912. Three of the loans were made to individuals establishing their businesses off the reservation. The smallest loan made through the IBL Program was \$3,327; the largest loan was for \$25,000. Terms of the loans range from 5 years to 20 years at an interest rate of 2% (the interest rate is set by law). The participation rate for the IBL Program ranges from 25% to 90% (these percentages are set by the individual Tribal Councils); the equity requirement is from 5% to 20% of the total project cost and the maximum loan limits range from \$20,000 to 25% of the total package.

1983 LEGISLATION AFFECTING INDIANS

HF 346 (Authors: Murphy, Ogren)

SF 66 (Ulland)

A bill for an act relating to game and fish; authorizing non-tribal member residents of the Fond du Lac Indian reservation to hunt within the reservation.

The bill died in the Natural Resources Committee of both houses.

HF 488 (Authors: Knuth, Clawson,
Neuenschwander)

SF 428 (Pogemiller, Stumpf)

A bill for an act relating to state government; removing the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees and task forces.

This bill included the Indian Affairs Board because the law creating the Board had an expiration date of June 30, 1983. The bill was enacted on May 21. It changes the name of this agency to "State Indian Affairs Council" and has an expiration date of June 30, 1988.

HF 606 (Clawson)

SF 732 (Spear)

A bill for an act relating to civil commitment, etc. It also provides for commitment by the Tribal Court of the Red Lake Band of Chippewa Indians.

Signed into law.

HF 659 (Gustafson)

SF 601 (Ulland, Solon)

A bill for an act relating to housing; eliminating requirements that housing programs for urban Indians in Duluth combine appropriated money with funds from other sources whenever possible.

Signed into law by Governor.

HF 664 (Swanson, Riveness, Greenfield,
Kostohryz, Gruenes)

SF 914 (Bertram, Lessard,
Schmitz, Storm, Berg)

A bill for act relating to commerce; removing the statutory dollar limits on bingo prizes.

This bill died in committee, but the Gaming Subcommittee of the House General Legislation Committee has decided to conduct an interim study on bingo operations in the state.

HF 868 (K. Nelson, Sieben, Jennings,
Evans, Graba)

SF 962 (Waldorf, Ulland,
DeCramer, Pehler)

A bill relating to education; provides for need-based scholarships and tuition aid to students of Indian ancestry.

The so-called "free tuition for Indians" bill passed and is law.

HF 1014 (K. Clark, St. Onge, Rodosovich)

SF 994 (Chmielewski, Ulland,
Samuelson, Berglin,
Solon)

A bill for act relating to public welfare; appropriating money for chemical dependency programs for Indians.

This bill which called for appropriation of an additional \$2.7 million for Indian CD programs passed the Senate Health and Human Services Committee and the House Health and Welfare Committee and was referred to the House Appropriations and Senate Finance Committees where it died.

HF 1037 (K. Ogren, Neuenschwander, Dempsey,
Dimler)

SF1015 (Fronebusch,
Chmielewski, Storm,
Frederickson, Spear)

A bill for an act relating to cemeteries; increasing the penalty for illegal molestation of human remains, requiring the state or political subdivisions to obtain archaeological services and to pay for removal of Indian burial grounds under certain circumstances.

This bill which was intended to make the current Indian burial grounds protection law more forceful passed on May 21 and is now law.

HF 1150 (Sherman)

SF 808 (Fronebusch, Moe, D.,
Moe, R. Merriam, Ulland)

A bill for an act relating to the state seal; providing a description of the official state seal.

This bill was signed by the Governor on May 10. The original bill was amended after consultation with our office to provide in the statutes language intended to eliminate any suggestion of confrontation or decline of Indian influence in the interpretation of the scene depicted on the state seal.

HF 1195 (Eken, Evans, Valan)

SF 1071 (Peterson, Longseth,
Moe, R.)

A bill for an act relating to loan guarantees for persons obtaining loans of farm lands within the White Earth reservation.

Died in committee in both houses.

Indian Housing

The State Departments Appropriations Bill included the appropriation of \$3 million for the biennium to the Housing Finance Agency for Tribal Housing Programs.

Chemical Dependency

The Health, Welfare and Corrections Omnibus Spending bill included \$2.5 million for the biennium for Indian CD programs.

Economic Opportunity and Community Services Block Grants

An effort to secure base funding for reservations did not succeed. Base funding would have provided each reservation with minimum funding of \$5,000 plus an additional amount based on poverty population figures. (This would allow the smaller reservations to have enough money to have an impact on the causes of poverty. Under the current dispersal of funds, one reservation received only \$396 in Fiscal Year 1983, hardly enough to launch a program).

Although legislation to provide base funding aid did not get to a vote this session, the Department of Economic Security is going to attempt to develop a state plan which will contain base level funding for reservations.

Indian Business Development Loan Program

The Governor's Office, at the urging of this office, submitted legislation to transfer the Indian Business Development Loan Program from the Department of Energy, Planning and Development to the Indian Affairs Office. The idea did not become part of the governmental reorganization enacted this session. However, the Governor has the authority to transfer the operation through an Executive Order and we have been advised that he intends to do so in the near future.

Fishing License Increase

The Sportsfishing Bill passed by the Legislature Monday includes a provision for a \$2.50 increase in the cost of fishing licenses. As a result of the old agreement between DNR and Leech Lake, that reservation will realize an estimated \$87,5000 per year in new revenue from the higher license fees.

1982-83 MEETINGS OF THE BOARD

<u>DATE</u>	<u>LOCATION</u>
JUNE 2, 1982	ST. PAUL, MINNESOTA
AUGUST 26, 1982	MILLE LACS RESERVATION
DECEMBER 15, 1982	PRIOR LAKE RESERVATION
JULY 14, 1983	RED LAKE RESERVATION
AUGUST 26, 1983	MILLE LACS RESERVATION
NOVEMBER 7, 1983	ST. PAUL, MINNESOTA