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**REPORT
OF THE
INDIAN AFFAIRS COUNCIL**

November 15, 1985

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ANNUAL REPORT OF THE MINNESOTA INDIAN AFFAIRS COUNCIL

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State of 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 1985 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,

A handwritten signature in cursive script, appearing to read "Roger Head".

Roger Head
Executive Director

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Executive Summary

Section I. Background Information

The Minnesota Indian Affairs Council was established by state legislation in 1963. Initially the Council was named the Indian Affairs Commission, and it was also known in later years as the Inter-Tribal Board. Recent legislation provided its current identification as well as extending its sunset date.

In spite of several changes in the renaming of the Agency, the Council continues to fulfill its initial mission. The Council's original and current enabling legislation requires it to represent to state government issues and concerns of the statewide American Indian population. Although M.S. 3.922 identifies other responsibilities the Council must carry out, it's widely accepted that the Council's fundamental mission is primarily representative of American Indians.

The Council's membership includes Chairmen of reservation governments, at-large and ex-officio members. In addition, legislation enacted in 1976 requires the creation of an Urban Indian Advisory Council. Finally, the work of the full Indian Affairs Council (IAC) is further enhanced by a complete roster of departmental liaison persons. Voting membership, however, is restricted to each Chairman of reservations and the two at-large members.

The Council maintains staff and offices in the cities of Bemidji and St. Paul, Minnesota. The Bemidji office has been designated as the main headquarters because of its close proximity to the larger and more populated Indian reservations of northern Minnesota. The St. Paul office, then, is the focal point for services utilized by the four Sioux Communities in nearby Prior Lake, Prairie Island, Morton and Granite Falls, Minnesota. The St. Paul office also provides its resources for the use of American Indian Communities in the Twin City metro area.

The IAC employs an Executive Director who has responsibilities necessary for the ongoing financial, personnel, and legislative management of the Agency's activities. The Executive Director divides his time between the two offices, and is in the Unclassified service. The Executive Director also provides strategic planning for the Agency as well as making recommendations for policy development relative to State and American Indian diplomatic relations. Finally, the Executive Director supervises the Agency's research, program, and support staff.

Because the Indian Affairs Council is the State's official liaison between the three branches of state government and the numerous American Indian Tribes of Minnesota, it is often called upon to comment or respond to many legislative initiatives and new developments in state programs and services. Indeed, members of the IAC actively participate in the workings of state government.

During legislative sessions, staff and members make themselves available to the Senate and House of Representatives. Oftentimes the IAC is called upon to provide testimony for pending legislation, and staff and members accept committee assignments at the departmental level where many legislative bills originate or program implementation begins.

The Agency has been quite active in programming as well. As a result of important legislation, the Offices of the Indian Affairs Council carries out several meaningful and productive economic development initiatives.

Section I

Background Information and Year in Review

Membership of the Minnesota Indian Affairs Council

Voting Members

Hartley White, Leech Lake Reservation
Dean Blue, Upper Sioux Reservation
Donald Hackey, Bois Forte (Nett Lake) Reservation
Michael Prescott, Lower Sioux Reservation

Chairman
Vice-Chairman
Secretary
Treasurer

William Houle, Fond du Lac Reservation
James Hendrickson, Grand Portage Reservation
Darrell "Chip" Wadena, White Earth Reservation
Vine Wells, Prairie Island Reservation
Susan Totenhagen, Shakopee-Mdewakanton Reservation
Donald Gurnoe Jr., Prior Lake, At-Large
Mary Jo Brooks, St. Paul, At-Large

Ex-Officio Members

Senator Florian Chmielewski, Sturgeon Lake
Senator Robert J. Schmitz, Jordan
Senator Donald A. Storm, Edina
Representative Paul A. Ogren, Aitkin
Representative Dennis Poppenhagen, Detroit Lakes
Representative Tom Rees, Lakeville

Designee

Rudy Perpich, Governor
Orville B. Pung, Commissioner
Department of Corrections
Ruth E. Randall, Commissioner
Department of Education
Mary Dayton, Commissioner
Department of Energy and Economic Development
Sister Mary Madonna Ashton, Commissioner
Department of Health
Leonard W. Levine, Commissioner
Department of Human Services
James J. Solem, Executive Director
Housing Finance Agency
Joseph A. Alexander, Commissioner
Department of Natural Resources
Gary A. Lamppa, Commissioner
Iron Range Resources and Rehabilitation
Dr. Linda C. Johnson, Commissioner
Department of Human Rights

David Cook
Lurline Baker-Kent
David Beaulieu
Katherine Johnson
Judith Ball
Francis Moriarty
Donna Folstad
Joseph Day
Brian Hiti

Membership of the Advisory Council on Urban Indians

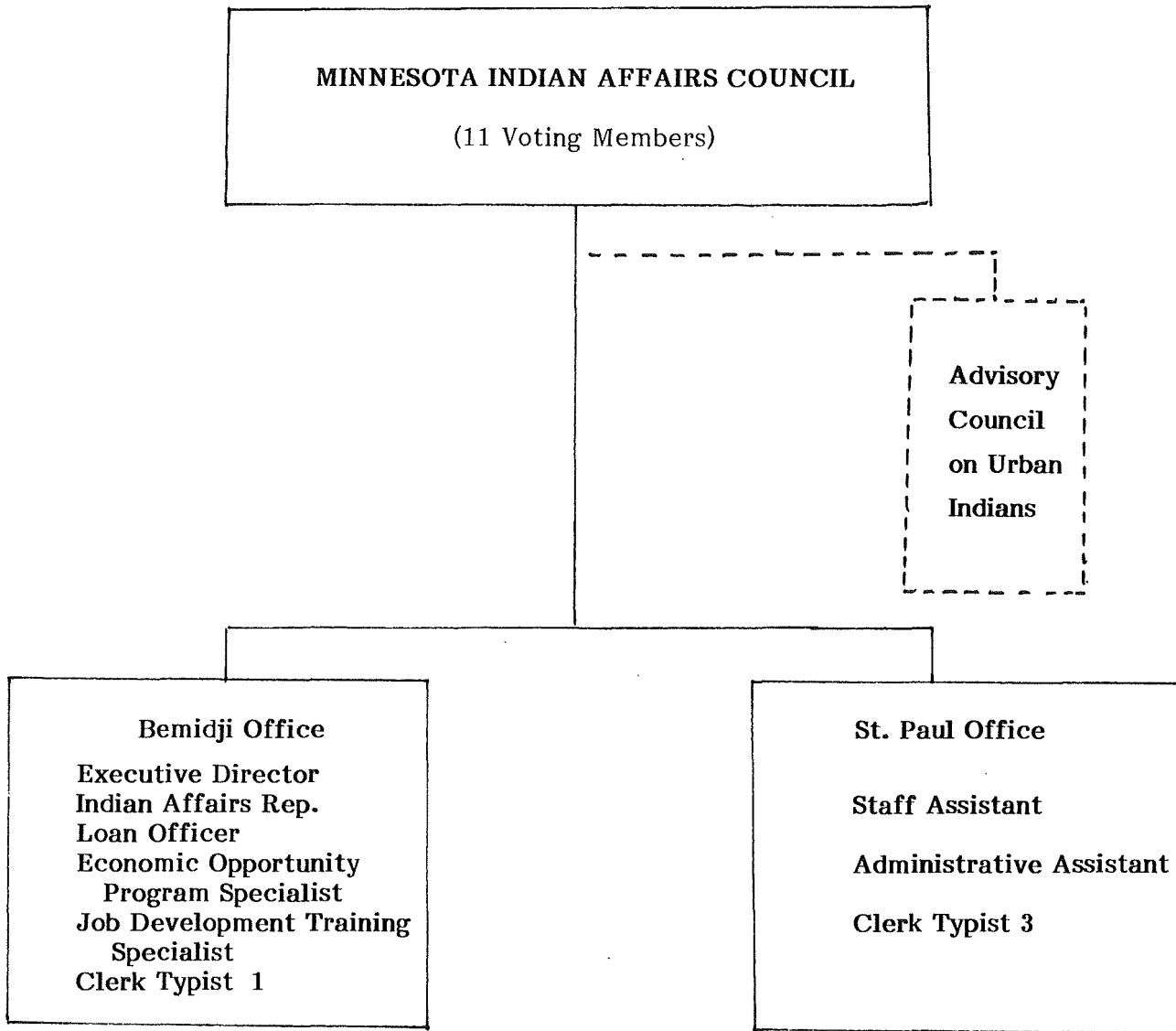
Term Expires

Mary Ann Walt, Duluth	December 1988
Beverly Owen, St. Paul	January 1988
Constance Ross-Brandenburg, St. Paul	January 1987
Bonnie Wallace, Minneapolis	December 1986
Michael Bongo, Minneapolis	December 1988

Financial Report for Fiscal Year 1985

<u>Original Appropriation</u>	<u>Amount</u>
Per Laws 1983, Chap. 301, Section 38	\$208,900.
Per Laws 1984, Chap. 654, Section 20	40,000.
Transfer In, Salary Supplement	27,952.
Transfer In, Salary, Supplies and Expense (Indian Business Loan Program)	41,400.
Less Retirement Deduction	(2,493.)
<u>TOTAL RECEIPTS</u>	<u>315,759.</u>
 <u>Expenditures</u>	
Salaries	212,910.
Supplies and Expense	30,695.
Council Members Expense	6,995.
Indian Burial Grounds	3,065.
<u>TOTAL EXPENDITURES</u>	<u>253,665.</u>
Cancellations (includes \$12,900 unmatched general funds, legislative rider)	23,994.
Unexpended Indian Burial Ground Appropriation	38,100.

Organizational Chart



The Advisory Council on Urban Indians is responsible for advising the Indian Affairs Council on the needs and concerns of Indians living in the Duluth, Minneapolis and St. Paul urban areas.

The Bemidji Office is responsible for providing service to the Red Lake Reservation and the six reservations of the Minnesota Chippewa Tribe (White Earth, Leech Lake, Mille Lacs, Fond du Lac, Grand Portage and Bois Forte). It also serves the Duluth Indian Community.

The St. Paul Office is responsible for providing service to the four Minnesota Sioux Reservations (Upper Sioux, Lower Sioux, Shakopee-Mdewankanton and Prairie Island). It is also responsible for serving Indians living in the Minneapolis and St. Paul metropolitan area.

Year in Review

The Indian Affairs Council made significant progress during the past year. Areas in which the Council advanced the status of its constituency are Human Services, Housing, Education, Economic Development and Natural Resources.

During the 1985 Legislative Session, the Council influenced several major legislative items which impact the lives of thousands of American Indians in Minnesota. Our Legislative Summary is comparatively extensive because the Council assisted in the development and presentations of twelve legislative bills. Several of these were departmental bills, while others were independent initiatives.

Staff of the Indian Affairs Council provided input and in some cases descriptive research for the Departments of Human Services, Education, Housing Finance Agency and Department of Economic Security. These State Departments administer certain programs whose target population is American Indians. The following identifies those programs:

Administration: Procurement Set-Asides

Human Services: Chemical Dependency Division
Mental Health Block Grants

Education: Indian Scholarship Program
Johnson O'Malley Replacement Program
Chapter 312 - Indian Language and Culture Program
White Earth School District
Creation of the Indian Scholarship Committee

Housing Finance Agency: Tribal Home Loan Program
Tribal Rehab Program
Urban Indian Housing Program

Economic Security: Community Services Block Grants
Minnesota Economic Opportunity Grants

Considerable amounts of time and planning were devoted to the Departmental bills. The Council perceived these programs to be critical to the advancement of Indian

culture and status in terms of educational and economic improvement.

The Minnesota Legislature approved continuation and appropriations for all Indian Programs. In most instances, program funds were slightly increased or held at previous spending levels. The Indian Affairs Council considers the favorable response of the Senate and House to be an affirmation of its commitment to the statewide American Indian population.

Bills which were considered to be independent initiatives also were part of the Council's legislative agenda. The Minnesota Indian Family Preservation Act was the singular most important of these. The bill passed into law during the 1985 Session as a result of the work volunteers put into the research and presentations of its intent.

Private lands which are adjacent to the Fond Du Lac Reservation must now be first offered for sale to the Indian Band. Legislation passed during the Session created an opportunity for the expansion of reservation boundaries. Because Fond Du Lac is comparatively small, the legislation may have a significant impact.

The Indian Affairs Council also supported a bill which required State Government to exercise affirmative action in its hiring of state employees. The bill did pass, however, its final version was considered to be a compromise position. Nonetheless, State Government did strengthen its policy in regard to the hiring of minorities.

The Legislature failed to pass the bill which had come to be known as the "Consolidated Treatment Fund". Among other items, it would have substantially improved and increased state chemical dependency services for Indian people. The Legislature did, however, require further study of the effects the bill would have upon state services. Because the study included Indians, the Council was asked to participate. Staff of the Council provided views and goals affecting the Council's constituency, therefore should the bill be subsequently introduced in the coming Legislative Session, it will

contain sections pertaining to American Indians.

The year in review also saw changes in the Indian Affairs Council membership. The At-large members were replaced by incoming people. According to law, the At-large positions must be filled by Community Election. The results of which were posted, and the new members were officially seated at our November Meeting in Grand Portage. The Council and staff welcome Mary Jo Brooks and Donald Gurnoe Jr. as they assume the duties of Council members.

Finally, the Indian Affairs Council reorganized itself in terms of Officers. Mr. Hartley White was nominated and elected as Chairman of the Council. Mr. White represents the Leech Lake Reservation and will serve a one year term. Mr. Dean Blue was elected to finish out the remaining term of the past Vice-Chairman. Mr. Blue is from the Upper Sioux Reservation. The Council's third Officer, Secretary, is filled by Mr. Donald Hackey of the Bois Forte Reservation; and, the final Officer is Treasurer Michael Prescott of the Lower Sioux Reservation.

Section II. Major Program Activities

Indian Business Loan Program - The Indian Business Loan Program is a direct result of state legislation enacted in 1973. It is intended for the benefit of eligible American Indians who seek to establish themselves in the market place of Minnesota. As the program name implies, the Agency facilitates or processes loan applications submitted by tribal members. Not unlike conventional borrowing systems, the Agency requires each application meet minimum standards in that marketing plans and projections of earnings must be evident. The Agency offers up to 25% of any eligible applicant's anticipated start-up costs, the remaining 75% is the responsibility of the applicant in terms of seeking other monies. Additional criteria applicants must meet include a statement of support from the person's tribal government. During FY 85, nine loan applications were approved by local Reservation Business Committees - totaling \$135,429. The Agency disbursed six loan accounts - totaling \$77,681. The Indian Business Loan Account is managed on the basis of a revolving fund, thus creating a pool for use by others interested in entering business enterprise. Even though the balance remaining for assisting small businesses is relatively small, its uses tend to be cost-effective and wide in terms of types of businesses the Agency borrows to. At this time, 36 loan applications are awaiting action; this is in addition to the 15 which have been acted upon.

Delinquency rates appear to be minimal; the Agency documents four loans which are in arrears six months or longer. In contrast with national figures, the Agency believes four delinquent loans are acceptable. Staff of the I.B.L.A. also contribute to the growth of small business among American Indians. Apart from the customary loan process duties, staff devote time and expertise to other business ventures; generally speaking staff lends assistance on Boards and Committees whose principal function is furthering effective management as well as growth. For example, Agency staff provide consultation to MN DOT, DEED, and the City of Minneapolis. Usually the staff person strives for bettering the understanding non-Indians have of Indian-owned business - particularly in areas where they are comparable to others. In addition staff make attempts at creating a networking effect among Indian-owned enterprise. Where need exists for improvement in the ways and methods Indians may make better use of marketing, inventory, etc., staff will offer technical supervision.

Job Training Partnership Act - As in the case of the Economic Opportunity Program, the J.T.P.A. Program is also under contract with the Minnesota Department of Jobs and Training (formerly the Department of Economic Security). The J.T.P.A. Program represents the Agency's newest development in service delivery. Under this Program, staff provide training and technical assistance to those reservations which contract for Job Service, Veteran Employment, Vocational Rehab, O.E.O. Programs and state J.T.P.A. services. The Agency considers its latest program integral to its master plan for alleviating high unemployment rates on Indian Reservations. Because nine reservations participate to varying degrees, staff faces difficulty in meeting all needs of program participants. Nonetheless, staff has managed to assist in a variety of ways. Clearly, a priority system must be developed. Staff now shows an effective method for service delivery - relying upon an organized network, staff now provides adequate levels of technical assistance where it's needed.

Economic Opportunity Program - The Minnesota Department of Jobs and Training, (formerly Department of Economic Security) through an Interagency Agreement with the Indian Affairs Council, provides funding for the position of Economic Opportunity Program Specialist II to provide information, technical assistance, and administrative support to eleven Reservation Governments in administering federal and state Economic Opportunity

Programs. The Program is in its fourth year. This report summarizes program activities for FY 85. Programs administered include the Federal Community Service Block Grant - Basic Community Service Block Grant - Special Allotment, Emergency Food and Shelter Program, Emergency Reserve Program, Minnesota Economic Opportunity Grant and Temporary Emergency Food Assistance Program. Allocations were awarded to each Reservation Government based on the most recent census count. In most instances, grant awards based solely on population counts do not adequately meet the needs of each Reservation. Coordination of grant planning and the mobilization of supplemental resources between State and Reservation Governments is essential. Staff schedule requires time spent at the IAC Bemidji office and the Department of Jobs and Training in St. Paul on a regular basis. Reservation site visits have proven to be an essential method of assessing local efforts for increased productivity and self-sufficiency in providing better service delivery. It also enhances better communication with the review of grantee files and records, assessment of progress reports, client reports and determination that grantees are invoicing on a timely basis. The eleven Reservations currently have over sixty-six encumbranced contracts with the State. Staff regularly assists Reservation Grantees through telephone contact with Reservation Planners to provide technical assistance and update relevant material needed for continued contract activity. The beginning of the State and Federal fiscal year are busier times because of application submission. Telephone contact provides the opportunity to alert Reservations to the availability of new Economic Opportunity Grant Programs as each Grantee becomes a competitor to receive an award based on the Work Plan submitted. This past year staff visited all eleven Reservation Grantees and provided information and technical assistance in preparing grant applications, as well as attending meetings to update new policies and procedures, and advising on new material available. The major goal of this program continues to be securing adequate base funding for Reservations to ameliorate the cause and effect of poverty.

Indian Burial Program - The Minnesota Indian Affairs Council is actively involved in carrying out the provisions of Minnesota Statute 307.08. The Agency along with the Minnesota State Archaeologist and Minnesota Historical Society have been authenticating and documenting sites as Indian cemeteries to protect them from being destroyed or damaged by construction, erosion or farming. Interagency cooperation, specifically from the Department of Natural Resources, Minnesota Historical Society, the State Archaeologist's Office, Department of Transportation, Department of Administration and the Attorney General have provided assistance to the Indian Affairs Council to protect and preserve identified Indian burial grounds. The Department of Natural Resources employs an Archaeologist who investigates state park areas prior to any improvements or construction. A private Archaeologist provides us with information on known endangered Indian burial sites and performs tests prior to construction on sites previously unknown. There has been excellent cooperation from the Federal Bureau of Indian Affairs and the U.S. Corps of Engineers in protecting Indian burials and human skeletal remains. In addition, various Universities are returning burial materials and remains for reburial. Some of these have been on display in museums, others on shelves and boxes in laboratories throughout the state. The remains of a prehistoric Indian that has been on display in a museum since 1962 was recently removed to Hamline University for storage and proper documentation before it is returned to the Indian Affairs Council for proper burial. The Agency is in the process of purchasing a small parcel of land in Beltrami County that will be used for reburying remains from this geographic area.

In 1980 the Minnesota Legislature enacted M.S. 307.08 that repealed M.S. 149.07.

This new legislation gave the Indian Affairs Council the responsibility to protect Indian burial grounds. \$15,000 was initially appropriated to carry out the duties relating to Indian burial grounds. Since then no additional funding, specifically for Indian burial ground protection has been forthcoming. The Agency has a great need for funds to secure services for transportation, archaeological services and other expenses related to protection, preservation, removal and reburial of Indian burials or remains. Another area of great concern is the lack of information to local, federal, state, county, township, city, town planning, land use agencies, law officials, and courts of the existence of the law that protects and preserves all Indian cemeteries. Through the efforts of staff in cooperation with the Department of Natural Resources Indian Liaison, the DNR performs tests prior to constructing public access, boat ramps, trails, waterways and other facilities.

Technical Assistance - Pursuant to State Statute 3.922, the Indian Affairs Council interrelates with several state agencies. Generally, the basis of these relationships is the Council's ability for providing expertise and technical assistance on topics involving American Indians. During the past year the Indian Affairs Council directed its staff to make themselves available for work on a variety of issues. Customarily, the Executive Director and staff provided varying degrees of research as well as advocacy. Oftentimes, such input was in the context of membership on Board and Committees. The following is a listing of those bodies:

- Governors Interstate Indian Task Force
- Statewide Affirmative Action Committee
- Indian Memorial Task Force
- Indian Scholarship Committee
- Minority Issues Team, Metropolitan Council
- Consolidated Treatment Fund Study
- Governors Council on Literacy
- Wild Rice Task Force
- High-Level Radioactive Waste Presentation
- Community Action Programs Advisory Board
- Private Industry Council
- Corrections Advisory Board
- Minority Student Affairs Committee, University of Minnesota
- Economic Conversion Task Force, D.E.E.D.
- Jobs Now Coalition
- Minnesota Inter-departmental Coordinating Committee

It's important to note many of these issues pose a potential for legislative action in the 1986 Session. For instance, the work of the Wild Rice Committee may result in legislative initiatives because the Council's constituency would benefit from an organized approach to the expansion of the State's wild rice crop. The work of the Committee also examines the effects of the rapid growth and sale of "paddy" or commercially grown rice. At this time, the findings of the Committee is premature for publication, however, the issue is of importance to American Indians because wild rice is an economic possibility as well as a food source.

During the summer of 1985, the Executive Director assisted the State Planning Agency in its response to an inquiry on the possible disposal sites available in the State of Minnesota. A response was needed because the Federal Department of Energy is currently making attempts at identifying and selecting appropriate sites for the disposal

of nuclear waste. The Council feels this issue is extremely important because any disposal of nuclear waste material poses health and environmental problems - especially in the event siting is on or near Indian Reservations in Minnesota.

The Minnesota Department of Human Services is preparing its version of a Consolidated Chemical Dependency Treatment Fund Program, and it's understood this initiative will be proposed during the coming Legislative Session. The Council was integrally involved in its early planning stages because the program includes all existing chemical dependency dollars earmarked for American Indian programming. While the Consolidated Fund represents initiatives undertaken during the past year, it also is an item the Council remains interested in for the coming year. In summary, the Executive Director of the Indian Affairs Council continues his role in providing technical assistance to state agency personnel. Indeed, lending our assistance has resulted in favorable outcomes in many instances.

Urban Indian Advisory Council - The Urban Advisory Council, created in 1976, provides representation of issues and concerns of Indians who live in the metro regions of the State. The UAC acts in an advisory role to the full Indian Affairs Council, and clearly it performs its duties in a more than adequate fashion. The UAC is noted for its forum for public debate on housing, education and health care issues which tend to confront urban Indians. During the past year, the UAC assisted in several problem resolution efforts. Principally, it facilitated discussions between the Housing Finance Agency and Indian community leadership. As a result, Housing Programs will once again be appropriately managed at the community level.