

Waiting out the federal government's inaction



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As of the writing of this unit report, the federal government is still shut down and many unknowns are still to unfold. So, as you read this report, please keep in mind the context in which it was written.

The federal government's stalemate on passing a budget is going to greatly affect our tribal services. First of all, over 80 percent of our tribal government operations dollars come in one fashion or another from the federal government. That means out of an approximate \$94 million tribal government budget, \$76 million is from the feds. Our contribution from all tribal dollars to the tribal government budget is approximately 18 million. The banks have capped the amount the casinos can transfer to the budget to 17 million and another million comes from profits off our other enterprises, Midjims, Northern Hospitality, rental properties and

other services.

So the tribal boards hands are tied at accessing additional revenue from the casinos if they had it, which they don't. So we wait. The federal government's budget for discretionary funding last year (2013) was \$1.058 trillion. The budget for 2014 must be at or below \$.967 trillion or sequestration kicks in automatically. The federal legislators are currently trying to pass a continuing resolution for funding at last years 1.058 trillion dollars. This will open the government back up but will then trigger the Office of Management and Budget to start the automatic sequestration of approximately 9 percent cuts across the board. The only area that gets to see less of a cut is Medicare which, by law, can only be cut by 2 percent in any given year. That 2 percent doesn't sound like much but it will devastate hospitals and clinics that rely on patients that use Medicare as a funding source.

Now timing raises its ugly head. The federal government runs on a budget that begins Oct. 1 and runs to Sept. 30. Since they could not pass a budget by Oct. 1, the government shut down. If a budget is a passed and it is over the \$.967 trillion, then sequestration kicks in. If it is under the \$.967 then what areas get cut? If a continuing resolution is in place, then sequestration happens but the cuts don't show up until 15 days after the federal legislators end their session of Congress and that is late December. So if the cuts show up middle of

January, the federal government has been sending out checks that exceed the amounts they should have been giving out for over three months. That means that the next nine months will see more

than the 9 percent cut in funding. It will see a greater reduction due to the fact that too much money had already been sent out in the first quarter.

So, if that scenario happens,

we would be looking at an 11 percent cut in services for the rest of the year. That would precipitate a large scale back in services. One last piece of this perfect storm is *See "Massaway," page 23*

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the Affordable Care Act, Obama Care. That goes into effect Jan. 1. We anticipate in our projections that it will increase the costs in our tribe by hundreds of thousands and maybe millions when fully realized. No one truly knows what will happen. They cannot explain or predict how it will affect our country. There are pundits who believe it will destroy the USA and advocates who believe it is the only way to get much needed health care to everyone. I have no position on this item. I only want to know how we can be prepared to help our people understand it and how the tribe will be affected by its

implementation. The sad part is that everyone is pretty much guessing on how it will go. I hope by the time you read this that our federal government has passed a real budget, not a continuing resolution, and it has held the tribes harmless in its cuts.

This is a very difficult time and I hope we can all get on solid footing soon. Thank you for all your e-mails and phone calls. My phone has been out of service for a couple of weeks so I apologize if I may have missed a call.

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