

# ENVIRONMENTAL FINANCIAL ADVISORY BOARD

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AUG 08 2013

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Honorable Michelle DePass  
Assistant Administrator  
Office of International and Tribal Affairs  
U.S. Environmental Protection Agency  
Washington, DC 20460-0001

Dear Ms. DePass:

The U.S. Environmental Protection Agency's (EPA) Office of International and Tribal Affairs (OITA) charged the Agency's Environmental Financial Advisory Board (EFAB) with identifying successful mechanisms which tribes can use to sustain financing for program implementation, consistent with EPA capacity building investments for environmental programs. EFAB was tasked with working with OITA's American Indian Environmental Office (AIEO) on identifying and evaluating approaches for sustainable funding by tribes of tribal environmental programs.

Our response to the OITA charge has been prepared based on the personal knowledge and experience of EFAB members working on this charge. A key challenge associated with this charge is the lack of centralized primary, publically available data associated with tribal budgets and environmental program financing. Because of the limited information, and as noted in our report, EFAB was not able to complete the charge as written. We have, however, identified three options for addressing the lack of information, specifically:


- Consistent with Sections 3 and 4.3 of the May 15, 2013 *Guidance on the Award and Management of General Assistance Agreements for Tribes and Intertribal Consortia*, we recommend that financial information relevant to sustaining environmental programs be collected as part of EPA-Tribal Environmental Plans and any progress reporting done on those work plans. EPA has also advanced the concept of "test drive" work plans that are designed to collect information on additional capacity development needs and information on funding needed for sustaining environmental programs could also be obtained as part of those efforts.

- As part of the treatment in the similar manner as a state review process when Tribes are proposing to have jurisdiction for a particular environmental program, the long-term sustaining financial capacity should be considered along with the technical capacity that is more commonly reviewed.
- EPA should suggest/sponsor sessions on funding mechanisms for environmental programs at future Tribal conferences on a continuing basis. The ability for non-Tribal parties to eventually access and review this information would contribute to improved information transparency for stakeholders and likely provide a better understanding of environmental program funding options.

During the course of this project, the Agency expressed further interest in EFAB providing similar recommendations on financing tribal environmental infrastructure and projects. Prior to undertaking any further work on tribal financing, EFAB will want to confirm the Agency's continued interest and the scope of analysis. EFAB also provided an earlier recommendation to Administrator Jackson supporting a Treasury Department recommendation to Congress regarding tax law changes that affect Economic Development Bonds issued by tribes. That recommendation was accepted by OITA on September 28, 2012.

The Board looks forward to your response to our enclosed report and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Massey". The signature is written in a cursive style and is positioned above the printed name.

Karen Massey  
Interim Chair, EFAB

Enclosure

cc: Gina McCarthy, Administrator  
Environmental Protection Agency

Michael Shapiro, EFAB Designated Federal Officer

Maryann Froehlich, Acting Chief Financial Officer  
Office of Chief Financial Officer, EPA

Joseph Dillon, Director  
Center for Environmental Finance, EPA

ENVIRONMENTAL FINANCIAL ADVISORY BOARD  
*Financing Tribal Environmental Programs*

## SUMMARY OF EPA CHARGE

In 2011, the US Environmental Protection Agency's (EPA) Office of International and Tribal Affairs (OITA) charged the Environmental Financial Advisory Board (EFAB) with identifying successful mechanisms that tribes can use to sustain financing for program implementation, consistent with EPA capacity building investments for environmental programs (we are specifically focusing on programs and not environmental infrastructure or utilities). EFAB was tasked with working with OITA's American Indian Environmental Office (AIEO) on identifying and evaluating approaches for sustainable funding by tribes of tribal environmental programs. A key challenge associated with this charge is the lack of centralized primary, publically available data associated with tribal budgets and environmental program financing.

Notwithstanding this limitation and as part of the 2011 charge, OITA requested that the EFAB specifically address the following questions:

- What are the socio-economic and governance barriers to develop an economic base that both requires and supports an environmental regulatory program?
- What are the environmental impacts from the likely various economic activities that warrant/support specific component of an environmental regulatory program?
- In what ways can tribes build on federally funded program capacity and establish sustainably funded environmental monitoring, assessment, and regulatory compliance and enforcement programs ("the environmental program continuum")?
- Identify select case studies on tribal economic and associated environmental programs across the continuum of tribal-implemented environmental programs (none to extremely mature/extremely broad), with a focus on the capacity of economic activity that support a tribe in advancing along the environmental program implementation continuum.
- How can barriers be reduced or eliminated?

## BACKGROUND INFORMATION

In its 2011 charge to the Board, OITA lays out a fundamental financial challenge in its work with tribes:

"To date, EPA has not established a clear strategy to help tribal governments become less dependent on EPA direct implementation and establish independently financed programs. The high dependence on direct implementation by EPA does not guarantee an adequate delivery of EPA program coverage for Indian country due to limited federal resources. It has been EPA's experience that tribes often successfully utilize General Assistance

Program (GAP) funding to develop needed capacity, only to be stymied by the inability to provide funding for the environmental program itself. This can sometimes generate a continuing cycle of capacity-building without yielding an operating program.”

EPA published its revised Guidance on the Award of Management of General Assistance Agreement for Tribes and Intertribal Consortia (hereafter referenced as the “2013 Guidance”) on May 15, 2013 (see [www.epa.gov/indian/](http://www.epa.gov/indian/)). In the cover memo announcing the guidance document, Michelle DePass, Assistant Administrator for OITA, stated that “this guidance enhances the successful EPA-tribal partnership by identifying a means for joint strategic planning, documenting mutual responsibilities for program development and implementation, targeting resources to build tribal environmental program capacities that are aligned with the tribe’s long-term goals, and measuring environmental program development progress over time. Implementing this guidance will enable EPA and tribes to allocate GAP resources to the most pressing program development priorities and improve our ability to demonstrate progress as we establish and grow successful tribal environmental protection programs with GAP for more than 520 tribal governments.” The 2013 Guidance was structured “to provide maximum flexibility within a consistent national framework for building tribal capacity that assures continued improvement and efficiencies in the management of GAP resources.” The cover memo notes that EPA has not provided a nationally consistent approach for building tribal environmental protection program capacity under GAP or a mechanism to measure the progress tribes are making toward their defined program development goals. EPA’s Office of Inspector General (OIG) concluded in 2008 that the Agency had “not provided a framework for tribes to follow or adapt as they develop their capacity to implement environmental programs” and that “it is not clear whether GAP funding will result in tribes being able to operate their own environmental programs.” The OIG recommended that EPA: (1) Require the American Indian Environmental Office to develop and implement an overall framework for achieving capacity, including valid performance measures for each type of tribal entity, and provide assistance to the regions for incorporating the framework into the GAP work plans; (2) Require regions to (a) negotiate with tribes to develop environmental plans that reflect intermediate and long-term goals, (b) link those plans to annual GAP work plans, and (c) measure tribal progress in meeting plans and goals; and (3) Revise how GAP funding is distributed to tribes to place more emphasis on tribes’ prior progress, environmental capacity needs, and long-term goals. EPA concurred with all OIG recommendations.

In the 2013 Guidance, OITA’s AIEO describes the focus of GAP as follows (see pages 1 and 2):

Federally recognized tribes and intertribal consortia access the GAP funding to plan, develop, and establish the capacity to implement programs administered by the EPA and to assist in the development and implementation of solid and hazardous waste programs for Indian lands. In addition, the GAP was created to provide technical assistance from EPA to tribal governments and intertribal consortia in the development of multimedia programs to address environmental issues. EPA recognizes tribal governments as the primary parties for setting standards, making environmental policy decisions, and managing programs for reservations, consistent with Agency standards and regulations.

EPA is committed to using the GAP to help build tribal capacity to administer environmental protection programs consistent with the federal laws the EPA is charged with implementing. Through the GAP, the EPA also provides technical assistance to build environmental protection program capacity for tribes that are not implementing federally authorized regulatory programs or that may wish to go beyond federal requirements. GAP helps tribes have the opportunity to meaningfully participate in policy making, standard setting, and direct implementation activities potentially affecting tribal environmental protection interests. The program also provides resources for tribal governments to cooperate with and, when appropriate, enter into intergovernmental agreements with federal, state, or local governments in an informed manner.

In keeping with its federal trust responsibility, EPA works with tribes to ensure that EPA's environmental protection programs are implemented throughout the country. Depending on the particular federal statute, the Agency has a number of options to ensure that regulated facilities, sites, and/or activities are in compliance with federal requirements. For example, the Agency can directly administer a federal program, approve eligible tribes to administer the program, or work cooperatively with tribes on a government-to-government basis to protect human health and the environment. No matter which mechanism EPA employs in carrying out its mission, the Agency strives to work closely with tribal governments, consider tribal interests, and encourage tribal governments' to develop their own environmental protection programs.

As highlighted in the 2013 Guidance, EPA listed examples of both allowable and restricted activities under GAP funding (see pages 5 through 7):

#### Examples of Allowable Activities

- Activities related to planning, developing and establishing tribal capacities for implementing environmental protection programs administered by the EPA are allowable, including the administrative, technical, legal, communications, outreach, compliance assurance, and enforcement components of a program.
  - Establishing an environmental protection program may include performing a “test drive” of the program to determine whether the tribe is ready to move into the program implementation phase. “Test drives” of capacity to implement are for evaluating the effectiveness of a program and *may be funded for up to four years under GAP* (emphasis added). Work plans containing “test drive” activities should contain activities to collect information about program design and effectiveness and describe how this information will be used to identify options for improving the program, including but not limited to: new or revised environmental protection policies and procedures; more stringent standards and/or requirements; and additional capacity development needs.
- Activities related to establishing environmental protection programs not administered by EPA, but are consistent with those provisions of law for which Congress has given EPA authority, are allowable. For example a tribe could use GAP funds to develop a climate change adaptation plan or to establish environmental protection programs that compliment non-environmental protection programs (such as identifying ambient water and/or air

quality parameters that influence exotic plant species threatening the ecosystems or influence the reestablishment of culturally significant native plants).

- Activities related to establishing education, outreach, public participation, compliance assistance, and coordination programs for tribal environmental staff to work effectively with regulated facilities are allowable. Examples of these programs include: (1) capacity to provide compliance assistance to ensure that facilities are aware of and complying with federal and/or tribal environmental program requirements; (2) capacity to work jointly with other jurisdictions on certain environmental planning projects such as source water protection plans or solid waste management plans; and (3) capacity to provide training to promote best management practices or compliance with federal and/or tribal environmental program requirements.
- Activities related to establishing the capacity indicators contained in Appendix I of the guidance are allowable.
- Activities to implement solid and hazardous waste programs consistent with Appendix 1, section E are allowable.

#### Restrictions

- GAP funds cannot be used to fund activities not closely related to planning, developing, and establishing tribal environmental protection program capacity consistent with program administered by EPA (.e.g., animal husbandry, community gardens; the repatriation of Native American cultural items, crop management, and feral animal control).
- Conducting Natural Resource Damage Assessments are deemed to be part of program implementation under Agency policy and should not be funded under GAP nor should planning, developing, or establishing natural resource management programs that are generally not administered by EPA. GAP funds should not be used for development activities that primarily support a commercial purchase of land, other commercial purposes such as forestry, fisheries, minerals, water, gaming enterprises, energy resources, or in support of current litigation. GAP funds should not be used for the implementation of media-specific environmental protection programs once established, except for solid and hazardous waste programs as discussed in Appendix I, section E of the draft guidance.
- Salaries and expenses of a tribe's chief executive, tribal council, or of the judiciary branch of a tribal government are unallowable. However, the portion of salaries and expenses directly attributable to managing and operating federal environmental protection programs by a tribe's chief executive and his staff are allowable.
- General types of government services normally provided to the general public cannot be funded under GAP (e.g., regular trash collection and disposal services).<sup>7</sup>
- Goods or services for personal use are unallowable, regardless of whether the cost is reported as taxable income to the employees.

- GAP funds should not be used for activities that are the inherent responsibility of a state or local government.
- Planning, designing, constructing, and operating a specific facility is an implementation activity; therefore, such costs are not eligible for funding under GAP. Examples of construction activities not allowed include, but are not limited to: landfill construction; wastewater treatment facility construction; drinking water system construction; construction related to implementation of best management practices for nonpoint source pollution control; and purchase of construction equipment such as trucks or graders. The feasibility studies and NEPA reviews associated with such facility construction, including environmental impact studies and assessments, are part of the planning phase of facility construction; therefore, they are also implementation activities not eligible for funding under GAP.

## **WORK GROUP DISCUSSIONS**

On January 27, 2011, National Congress of American Indians President Jefferson Keel delivered the State of Indian Nations Address in Washington, D.C. In this address (which is summarized in the National Tribal Environmental Council's Spring 2011 Insights newsletter), he emphasized the opportunities for tribal nations to build their communities, contribute to the national economy, and investing in self-reliance. President Keel said that investing in self-reliant Indian nations is the right thing to do – Constitutionally and morally; and Indian nations offer a great untapped source of economic opportunity for all Americans.

Building and sustaining capacity for tribal implementation of environmental programs is consistent with tribal sovereignty. EPA's goal is to build tribal regulatory programs that will strengthen tribal sovereignty which, in turn, helps tribes to exercise their governance. There will be enormous differences in financing options available to tribes that have the jurisdictional authority which will allow them to take on governmental functions when compared to those tribes that don't have the same or similar jurisdictions.

Two common scenarios have historically existed. In cases where there is limited federal funding available for implementation, two equally unsatisfying options typically emerge. First, funding is provided to the first year applicants and then sustained as long as the appropriation continues. In an era of significant fiscal constraints, this can make it difficult to fund new tribes. Second, a funding program that tries to "jump-start" program implementation and then quickly moves the funding to a new tribe can leave behind a trail of abandoned programs due to lack of alternative, continuing funding sources. The 2013 Guidance, with the inclusion of EPA-Tribal Environmental Plans (ETEPs) should address these historic scenarios. Furthermore, the ability to measure tribal progress against milestones established in work plans should also provide another means of addressing these historic issues.

EFAB's Tribal Work Group discussed the following factors, as well as potentially available public domain information, that could be used to assess how a tribe finances their environmental protection programs.

- Breadth of current economic development projects/business activities on tribal land (i.e. – mining or other natural resources, eco-tourism, wind or solar energy facilities, landfills, manufacturing plants, aquaculture, agriculture, etc) and what additional economic development/business activities on tribal land are likely over the next 10 year period?
- Breadth/maturity of current environmental programs and the extent to which they are tied to economic development programs.
- Sources of funding for environmental program staff, including: environmental planners and grant writers; technical staff responsible for writing tribally issued permits, reviewing permits issued by neighboring states or federal agencies, environmental data collection, data management, and reporting; enforcement staff including inspectors, compliance assistance personnel, and enforcement officers; and legal assistance for tribal environmental code development and implementation.
- Sources of funding for facility operations, including: salaries for personnel who operate drinking water, waste water, and solid waste management facilities; facility maintenance
- Degree to which citizens under the tribe’s jurisdiction pay for environmental services, including fee for service arrangements; permit applications; licensing fees; penalties imposed for non-compliance with tribal codes or tribally issued permits; etc.
- Degree to which the tribe’s environmental programs are dependent on EPA and other federal grants.
- A comparison of tribal salaries to those of other non-tribal jurisdictions to determine whether the tribe’s compensation is competitive to attract and retain qualified personnel.

The Work Group recognized that most tribes are located in western states, with a wide variety of population, land area (both contiguous and checkerboard), water rights, physical natural resources, and more importantly a wide variety of economic vitality. The Work Group also recognized that there is a breadth in maturity and viability of current environmental programs being implemented at the tribal level. Findings include the following:

- Common regulatory programs being implemented include Clean Water Act (water quality monitoring, water quality standards, and non-point source programs), Underground Storage Tanks, and Resource Conservation and Recovery Act Subtitle D (solid waste landfills).
- More advanced programs might include Clean Air Act (air quality monitoring and emergency preparedness and response), Resource Conservation and Recovery Act Subtitle D (hazardous waste, including hazardous materials incident response), Public Drinking Water System Supervision (SDWA), NPDS permitting, wetlands protection programs, recycling programs, pesticide management and noxious weeds programs,



water reuse of treated effluent, wellhead protection programs (water supply protection), brownfields site cleanup projects/programs, and abandoned mine reclamation programs.

- Tribal environmental policies and Tribal Environmental Protection Plans are also common program components that provide umbrella management structures for the range of environmental programs implemented at the tribal level.

## **WORK GROUP FINDINGS REGARDING INFORMATION**

Since beginning the project, the Work Group has reviewed the information available on financing tribal environmental activities and programs. The Work Group has had multiple conversations with OITA's regional tribal coordinators regarding status of tribal environmental activities and programs, as well as the current state of publically available information. We have determined that there is a great deal of existing scholarship on how tribal governments can successfully finance the construction and operation and maintenance services of large and small scale utility operations. However, these financing arrangements are not relevant to addressing the specific questions in EFAB's charge from OITA.

There are multiple website links that can provide sporadic, but useful, sources of information regarding environmental programs and their funding (some of this information is cited in this report). For example:

EPA's OITA tribal portal - conferences: ([www.epa.gov/tp/calendar/conferences.htm](http://www.epa.gov/tp/calendar/conferences.htm))  
Native Tribal Environmental Council ([www.ntec.org](http://www.ntec.org))  
Native American Community Development Institute ([www.nacdi.org](http://www.nacdi.org))  
Native American Financial Officers Association ([www.nafoa.org](http://www.nafoa.org))  
National Tribal Operations Committee

Unfortunately, empirical information is not readily (or continuously) accessible or apparent on any of these websites or in the general public domain regarding how tribal governments can sustain environmental program implementation financing for monitoring and assessment of environmental conditions, permitting, regulatory oversight, compliance assistance, and enforcement. This lack of transparency has hindered the ability of stakeholders in maximizing access to information.

## **PRELIMINARY OPTIONS FOR FUNDING TRIBAL ENVIRONMENTAL PROGRAMS**

Based on Work Group member experience and knowledge, the most likely range of options for funding tribal environmental programs can include funding mechanisms used by States as well as unique mechanisms that only pertain to Tribes:

- Common funding sources for environmental agencies/programs used by States
  - Federal funds
  - Fee for service(s), which can include permitting and oversight fees

- Taxes (state general funds; driven by sales tax, business income tax, individual income tax)
- Other revenues (such as vehicle emissions testing fees or bottle/plastics recycling fees)

EPA funds are used by state environmental agencies to fund a variety of programs; however, federal funds may not be a dominate source of funds. For example, in Arizona, federal funds are only 11-12% of the Arizona Department of Environmental Quality annual budget. Fees, both for permitting and regulatory oversight/review, represent a significant component of the Arizona agency's budget. Funding from a state's general funds is also a common mechanism although this can be a decreasing component of a state agency's budget going forward as state revenues decline in relation to rising state expenditures. The imbalance between state revenues and expenditures can push state agencies to rely on other sources of revenues such as vehicle emissions testing fees (which is a source of funds not available to tribes).

The distribution of funding sources at the state level highlights both a current and likely future funding dilemma for state environmental agencies: What is the sustainability of the federal funds and what constraints come with those funds? What is the need for new permits in the state as a source of fees (in other words, what is the near-term and possible future level of economic development activity in light of economic uncertainty that is driving the need for permit renewals or new permits)? What is the need for compliance oversight as a source of fees? What is the ability to obtain funds from the state's general budget, particularly if state revenues are declining or not increasing as fast as spending (in other words, are there available funds for environmental programs versus higher priority items such as pensions, education (K-12, universities), state health care, prisons/corrections, debt payments, etc)?

Tribal Councils, similar to state governments, can access many of these possible funding sources. Like state governments, Tribal Councils are facing similar questions about funding sources in the face of highly uncertain economic conditions. However, as discussed below, Tribal Councils have access to additional sources of funds generated from Tribal Business Enterprises. These examples are noted and variations are discussed in the EPA/DOI/OIG May 2007 report Tribal Successes: Protecting the Environment and Natural Resources.

- Unique funding sources associated with Tribal Business Enterprises
  - Lease/royalty revenues for resources such as minerals, water rights, renewable energy facilities
  - Carbon credits/trading

- Waste and recycling operations including transfer stations and landfills that service neighboring non-Tribal communities.
- Casino revenues
- Tourism
- Other Tribal business – campgrounds, hotels, sustainable forestry, agriculture, wineries, fishing permits, selling bottled water, etc.

The potential for future renewable energy development, for example, as a source of leasing and/or royalty revenues is subject to continued subsidies and energy demand. The Fort Mohave Indian Tribe is considering a 310 MW solar energy facility on its land near Laughlin, Nevada.

Leasing water may be a viable source of revenues for a number of Western US tribes as a result of water rights settlements in various state jurisdictions (for example, the Gila River Indian Community in Arizona realizes significant funds from various parties for long-term leases of water).

Casino, hotel, and restaurant revenues, as well as general tourism related revenues, are likely to be highly variable based on proximity to population and general economic conditions that affect personal spending habits. All of these options are viable methods of contributing to Tribal General Funds that might be the primary source of funding for environmental programs.

In the 2009 determination for Treatment in a Manner Similar as a State (TAS) for implementing four Clean Air Act programs, the Gila River Indian Community (Arizona) Department of Environmental Quality was noted as obtaining its funds from the Tribal Council as part of the annual budget process that is applied to all departments. The implication of this statement is that the Tribal budget has a combination of funding sources including the types of sources that a typical state agency may use as well as revenues from Tribal Business Enterprises.

However, Tribal Business Enterprises are subject to the same economic development and revenue uncertainties as state entities. What is the near-term and possible future level of economic development activity in light of economic uncertainty that is driving the need for specific environmental programs and their associated permits? What is the ability to obtain funds for current or possible future environmental programs from the Tribal general budget, particularly if revenues are declining (in other words, how do environmental programs rank against other Tribal priorities such as pensions, education, health care, safety, debt payments, etc)?

- Shared services between Tribes and/or third-parties to implement environmental programs

One innovative example of shared services, which is highlighted in the Spring 2012 National Tribal Environmental Council's "Environmental Insights" newsletter, deals with Tribal programs being implemented by another party. In January 2012, the Cabazon Band of Mission Indians in California executed an agreement with the South Coast Air Quality Management District to implement Clean Air Act regulations on tribal property. The agreement specifically focused on activities within the 640-acre Cabazon Resource Recovery Park, which is an industrial park. The Tribe gets the economic benefit of another party providing the oversight, including access to sampling, of permitted facilities. Enforcement of EPA-issued permits is also part of the agreement, which allows for Tribal input into any regulatory violations/fines/penalties. The District provides input into permits issued by the Band to non-Tribal businesses. District officials believe this is a first time that this type of agreement between a Tribe and an air quality district has been executed in the United States.

## **INFORMATION/TOPICS NEEDING FURTHER STUDY AND EVALUATION**

As previously identified in this report, the absence of public domain information on the funding options for Tribal environmental programs is a key barrier in responding to OITA's original charge. Even EPA's determinations of Tribal eligibility for TAS for implementing various environmental programs (whether it's a Clean Air Act or Clean Water Act or some other program), do not necessarily provide definitive reviews on the sustaining funding for the specific program under consideration. Rather, the review of tribal technical and administrative capabilities to implement the specific program tends to focus on staff numbers, experience, and capabilities/capacity.

However, the recent publication of the 2013 Guidance could eventually alter the absence of public domain information needed to address OITA's charge (in the 2008 audit, OIG found that even for tribes that had work plans in place, EPA historically was not tracking progress against goals). Consistent with Section 3 of the 2013 Guidance (Performance Reporting: Indicators of Tribal Environmental Program Capacity), financial information could be gathered when Tribes report on progress against GAP-funded work plan goals and milestones. The 2013 Guidance identifies that "other indicators of capacity may be identified in GAP assistance agreement work plans and in long-term planning agreements as described in Section 4 of this guidance on a tribe-by-tribe basis, reflecting the unique priorities and program development plans of a particular recipient". Consistent with Section 4.3 of the 2013 Guidance, Tribes are encouraged to include in their ETEP the Tribe's plans to manage authorized environmental programs and any type of assistance (training, technical assistance, EPA direct implementation actions, financial, etc.) that may be needed. The 2013 Guidance acknowledges that tribes may need continued funding support to maintain their environmental programs once capacity has been established. Furthermore, EPA acknowledges in the 2013 Guidance that EPA will need to continue to work with tribes and tribal organizations to identify needed program implementation financial assistance. As such, the lack of publically available information on the long-term sustainable financing of tribal environmental programs could be addressed if EPA were to include a detailed review of sustaining funding for the identified environmental program under consideration, either during the TAS process or as

part of the reporting process for ETEP's work plans being funded under GAP (including work plans containing "test drive" activities to collect information on additional capacity development needs where sustaining program financing can be included as a given need).

The Work Group assumes that presentations on implementing environmental programs, including funding mechanisms, are likely part of various Tribal conferences and Tribal committees (such as the National Tribal Operations Committee). However, the material contained in those presentations is not part of the non-Tribal public domain and therefore cannot be accessed. Regardless, EPA should suggest/sponsor sessions on funding mechanisms for environmental programs at future Tribal conferences on a continuing basis. The ability for non-Tribal parties to eventually access and review this information would contribute to improved information transparency for stakeholders and likely provide a better understanding of environmental program funding options.

The absence of robust public domain information on general Tribal Council budgets, as well as specific information on environmental program funding, prohibited completion of the initial OITA charge as it was written. In addition, the following items that were identified as either part of the OITA charge or during initial conversations with OITA staff were also not addressed:

- What specific policy or process barriers would tribes recommend removing or changing as it pertains to EPA funding? As it pertains to financing environmental programs (versus projects)?
- What barriers that are unique to Tribes are limiting them from doing what they want to do, including barriers to Treatment as State (TAS)?
- What socio-economic and governance barriers are there to developing an economic base that would support more robust environmental programs?



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

NOV 04 2013

Office of  
International and  
Tribal Affairs

SUBJECT: EFAB July 2013 Report on Financing Tribal Environmental Programs

FROM: Jane Nishida, Acting Assistant Administrator  
Office of International and Tribal Affairs

TO: Maryann Froehlich, Acting Chief Financial Officer  
Office of the Chief Financial Officer

Thank you for transmitting the report *Financing Tribal Environmental Programs* from the Environmental Financial Advisory Board (EFAB) to the Office of International and Tribal Affairs (OITA). Submission of this report completes the charge from OITA's American Indian Environmental Office (AIEO) to identify mechanisms available to tribes to sustainably finance tribal environmental programs.

OITA would particularly like to thank EFAB for working to provide recommendations in spite of the lack of centralized primary, publicly available data associated with tribal budgets and environmental program financing. The report identifies common funding opportunities available to state and tribal governments, raises many good questions to consider for further study, and identifies three options for EPA to obtain information from tribes that would help inform development of new ideas for how to establish sustainable tribal funding of environmental programs.

While OITA currently has no new projects on the horizon for EFAB, we look forward to partnering with EFAB again in the future should new opportunities arise.

cc: Gina McCarthy, Administrator  
Bob Perciasepe, Deputy Administrator  
Michael Shapiro, Designated Federal Officer, EFAB  
Karen Massey, Interim Chair, EFAB