State - Tribal Fiscal Relations:
Administration of Federal & State Funds to Washington State Tribes through the Department of Social & Health Services

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EXECUTIVE SUMMARY

In this study, we investigated state and tribal fiscal relations by looking at how programs serving Native Americans were funded and administered by two divisions within Washington's Department of Social and Health Services (DSHS). We addressed this issue in the context of the current political environment in which tribal and Washington State governments are actively working towards improving intergovernmental relationships.

Our purpose was to provide useable information about the sources of funding for tribal alcohol/substance abuse and mental health treatment programs as well as how Native American services are affected by state administration of these funds. These issues include federal versus state participation in the funding of tribal mental health and alcohol/substance abuse programs; state funding equity for Native Americans; federal devolution of administrative responsibility to states for tribal programs; and tribal self-determination. Our findings supply information about state/tribal fiscal relationships, particularly with respect to state funding for Native American health services.

This document is intended for different audiences. Our primary audience consists of the 29 federally recognized tribes in Washington State, as well as tribal health policy makers and advisory councils concerned with improving programs for Native Americans. Our secondary audience is made up of public administrators and policy makers who craft public policy and are working to improve intergovernmental relationships between Washington State government and the tribes. This group includes the Washington State Legislature; the Governor's Office of Indian Affairs (GOIA); several divisions of DSHS including the Division of Alcohol and Substance Abuse (DASA); the Mental Health Division (MHD); the 14 Regional Support Networks (RSNs) who administer mental health services; Indian Policy Support Services (IPSS); the Indian Policy Advisory Council (IPAC); and the Medical Assistance Administration (MAA). Parts of this group are the federal agencies Health Care Financing Administration (HCFA) and the Indian Health Service (IHS). The citizens of Washington State may also benefit from our findings.

The research methods employed in this project involved the use of interview data, which we collected through personal interviews with federal and state program administrators, tribal liaisons, as well as tribal program administrators. We conducted a document analysis by reviewing state and federal data. We also consulted books, journals and other publications. Drafts of this document were reviewed by three individuals; two are Evergreen State College faculty members and one is involved with tribal issues through her work in the Governor's Office.

Our project focused on two related hypotheses. Our first hypothesis was that tribes do not receive equitable state funding for mental health and alcohol/substance abuse services as compared to other citizens of the state. Our second hypothesis was that state involvement in the administration of federal funds impedes tribal access for services, as tribes must comply with state requirements to receive federal funds. These hypotheses relate to the present condition of state and tribal intergovernmental relations in Washington State. Here is a summary of our main findings:

For all non-Native American state residents in Washington, a matching federal grant of approximately 50 percent combines with a 50 percent state funds to pay for services. We found that the state receives 100 percent federal funding for Native Americans treatment services. This means that virtually no state funds are allocated to Native Americans for MHD and DASA services. Although this fact alone does not prove that tribes are not a drain on the state's economy, we hope that current perceptions will begin to take this important fact into account.

We found that Native Americans have the largest percentage of need for alcohol/substance abuse and mental health treatment services among the state's racial and ethnic groups. They also have greater incidences of experiencing both mental illness and alcohol/substance abuse problems concurrently. Though Native Americans receive a high percentage of treatment compared to other population groups, the level of support is not adequate in relation to their needs.

For Native Americans treatment services, the ratio of dollars spent and number of clients served compared with similar ratios for other citizens of the state show inadequate funding through MHD. However, under DASA, the data shows that dollars spent on Native American treatment services are slightly higher and the percentage of clients

served is twice as high as other ethnicities. This can be explained by the greater needs for treatment services by Indians.

There are no federal restrictions on the amount of federal funds available for Native American services, and treatment services for Native Americans are fully reimbursed by the federal government. Unfortunately, this open-ended funding is not fully utilized due to stringent state application and eligibility requirements for individuals applying for services. Native Americans feel that they should not have to deal with state requirements since their medical care is guaranteed by the federal government as an entitlement based on federal trust responsibilities.

Through the process of federal devolution of administrative responsibility, the state is more accountable for the disbursement of federal pass-through dollars. This has led to rules and regulations governing the implementation of funds allocated for Native Americans. State regulation and certification processes can violate the essence of tribal sovereignty and self-determination. Certification requirements tend to require uniformity in compliance, which conflicts with the uniqueness and individuality of each of the tribes located within the state boundaries.

There has been an increase in devolutionary policies that have reduced federal, and increased state, responsibilities. As a result, states have only begun to establish relationships with the tribes similar to the federal government.

Alternate funding methods for Native American alcohol/substance abuse and mental health programs lessen the burden of tribes to meet strict state regulations for receiving funds. One example is direct federal funding for tribal programs that bypass the state. Another example is allowing tribes more discretion in administering programs through state grants of federal funds.

Here is a list of our recommendations:

1. Improve state/tribal relationships by facilitating more alternative payment methods to allow federal funds to go directly to tribes.
2. Approve alternative certification processes for tribal-based mental health and alcohol/substance abuse programs in lieu of state regulatory, administrative, and certification requirements.

3. Promote distinct policies and procedures for state interaction between each of the tribal governments as recognition of their individual sovereignty.
4. Develop a comprehensive, on-going statewide training program on DSHS Administrative Policy 7.01 and the Centennial Accord, which detail the way that DSHS works with tribes on a government-to-government basis.
5. Promote increased understanding of fiscal issues faced by the state and the tribes in order to create better comprehension of each side's situation. Provide on-going training to the tribes regarding fiscal issues and how they impact service delivery development opportunities.
6. Empower tribal governments through the development of a House and Senate Indian Affairs Committee in the State Legislature.
7. Direct federal and state funding for services and programs that are specific to the needs of different racial and ethnic groups.
8. Foster collaboration, coordination, and sharing of information between the individual tribes and the state.