

FRAMING THE DISCUSSION

With limited funding for workforce development, one Tribal Nation had to get creative. Relying on a modest HUD grant, it established a “workforce crew” to support its housing construction team. Supervised by a licensed contractor, the workforce crew trainees – all Nation citizens – receive on-the-job training, helping to construct dozens of homes to date. This cost-effective arrangement has enabled the Nation to build more houses than it otherwise could, and also equipped the trainees with marketable skills that will make them highly employable on and around the reservation.

This story evokes a daunting reality facing most Tribal Nations (and other Native workforce development entities) as they build self-determined systems to develop Native workforces the ways they see fit: the challenge of inadequate financial resources. Federal funding is critical, and the federal government has trust and treaty responsibilities to provide Tribal Nations with ample funding to advance their workforce development priorities. However, with each new fiscal year, the federal government inevitably fails to provide them with enough dollars to do so. Given the uncertain long-term federal budget outlook – not to mention Indian Country’s growing population – the situation isn’t likely to improve anytime soon. Meanwhile, state dollars tend to be a hit-or-miss proposition for most Tribal Nations, as they typically must compete with non-Native local governments for a small percentage of modest funding pools. Consequently, Tribal Nations must think and work outside the box to marshal the financial resources they need to build their human capacity – and target those resources for maximum impact. Simply put, Native ingenuity is the name of the game. Below are some proven strategies for tackling this challenge:

- **Strategic vision:** Tribal Nations need to forge a strategic vision governing why and how it will develop their workforces (see pages 16-17) and use it as a primary decision-making lens to assess what funding sources to pursue; what sources to avoid because they will restrict tribal self-determination, innovation, and flexibility; and where and how they should fit together.²
- **Discretionary revenues:** Tribal Nations can’t afford to rely on the federal and state governments alone for workforce development funding. While easier said than done, they need to: (1) increase their funding allocations for workforce development from the existing revenue they generate through tribal taxes, enterprise profits, TERO fees, and/or passive investments; and (2) create new streams of discretionary tribal revenue specifically for workforce development that don’t come with the restrictive strings often attached to federal and state dollars. For example, one Tribal Nation’s apprenticeship program has become so highly

“Every single dollar that comes into the Nation, we want it to be strategic, we want it to be effective, and we want it to hit those core issues that are the top priorities of the Nation.”

– FAWN SHARP, FORMER PRESIDENT, QUINULT INDIAN NATION³

regarded across its region that the Nation is planning to admit and train non-Natives to generate revenue to help its program become more financially self-sustaining.

- **Funding diversity:** Securing dollars from multiple sources enhances Tribal Nations’ ability to deftly merge small pools of money into a larger, more resilient funding base that can more flexibly and comprehensively meet their citizens’ needs.
- **Coordinating funding:** Coordinating sources across tribal programs (and with tribal partners) – which many Tribal Nations achieve by creating 477 programs – enhances their ability to: (1) efficiently spend the funding they have by eliminating any duplication of services, (2) identify and capitalize on cost-saving opportunities, and (3) collectively leverage funding sources with in-kind contributions and volunteerism to strengthen and expand the provision of workforce development services.⁴
- **Supplementing funding:** More and more Tribal Nations are making targeted investments of tribal dollars to supplement federal grant funding to expand programs that are working well, increasing the number of people they can serve.
- **Reducing administrative costs:** This can be accomplished in many ways, notably by consolidating programs and streamlining federal reporting requirements (see pages 7 and 18-19).
- **Casting the widest net possible:** Tribal Nations should leave no stone unturned in their search for flexible funding (federal, state, foundation, etc.) that can enhance their efforts. For example, while philanthropy historically has invested little in Indian Country (with less than 0.3 percent of their collective dollars going to Native-led organizations⁵), over the past few years a growing number of foundations are making targeted investments in Native-led workforce development efforts.⁶

ASK YOURSELF

- ▶ Which of our workforce development funding streams come from external, non-tribal sources that limit how we wish to use the money? How can we increase the discretionary revenue we control to make our approach more self-determined and flexible?
- ▶ Do we have an effective process in place whereby our political and programmatic leaders can evaluate and determine whether a specific potential funding source for our workforce development efforts is worth pursuing? If not, how can we create one?
- ▶ What current workforce development program costs could be reduced or eliminated through in-kind contributions or donations of goods, services, time, and effort by our existing or potential partners?
- ▶ Where/how could we strategically supplement federal and state funding with modest investments of tribal dollars to strengthen our workforce development services and provide them to a greater number of tribal citizens and other local people?
- ▶ Which outside funding sources (e.g., foundations serving our state or region) would fund our approach on our terms?
- ▶ Do we have meaningful relationships with regional or national foundations who have an institutional commitment to support Indian Country and/or workforce development? If not, how can we cultivate those relationships? Who should we start with?
- ▶ How can we use on-the-job trainees and work experience participants provide to reduce the costs of community projects?

INDIAN COUNTRY SNAPSHOTS



Confederated Salish and Kootenai Tribes (CSKT)

In the late 1990s, CSKT confronted an unemployment rate hovering around 50 percent.¹ Its disjointed assortment of federal grant and other social service programs – run by more than 20 separate agencies, each with its own priorities – was failing to reduce that rate. In response, CSKT’s Tribal Council consolidated these programs into a single new entity: the Department of Human Resource Development (DHRD). At the outset, the DHRD faced daunting obstacles, including generating adequate funding, creating enough work experience placements for clients, and solving their transportation challenges. Finding initial success in using Tribal TANF dollars to purchase two vans to transport clients to their work experience placements, the DHRD then built a tribal transit system to meet the extensive transportation needs of its clients and the broader CSKT community. To fund this ambitious plan, in 2007 the DHRD secured Tribal Council approval for an ingenious proposal: it would become owner-operator of a local gas station to generate revenue DHRD Transit could use to provide matching dollars for the state transit grants upon which it relied. In addition to cycling its profits back into DHRD Transit, the gas station also provides work experience placements to the “unemployable class” (those with poor work histories, former felons, etc.) on the reservation, providing them starter jobs as gas attendants; others take placements as cashiers, baristas, food handlers, and laundry attendants at the DHRD Transportation Hub’s convenience store and laundromat.² Turnover is high among these positions as DHRD clients find permanent employment with the DHRD and other local employers impressed with their newfound job skills and performance. Meanwhile, DHRD Transit mitigates the considerable cost of maintaining its vehicle fleet by using its own auto repair shop, which also provides additional work experience placements and job opportunities to DHRD clients and affordable vehicle maintenance and repair services to community members. DHRD Transit and the Department’s other innovative strategies have helped to reduce CSKT’s unemployment rate to single digits as of 2024.³

LEARNING LINK: <https://www.ncai.org/workforcedevtoolkit/cskt.pdf>

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Nez Perce Tribe (NPT)

Like other Tribal Nations across the country, NPT operates a Tribal Employment Rights Office (TERO) that enforces tribal laws and provides services to ensure “Nez Perce citizens have their rightful share of employment, training, and other economic opportunities.”¹ Exercising NPT’s sovereignty, its TERO charges a fee of 3.5 percent on construction- and forestry-related project contracts and subcontracts exceeding \$15,000 within its jurisdiction.² Unlike many other Tribal Nations whose TERO fee revenues go into their general funds with a portion then reallocated back to their TERO offices, NPT law mandates all funds “received from TERO fee payments shall go into a revolving fund to be used by the TERO Office to pay for the implementation of [NPT’s] Ordinance.”³ This approach has helped NPT TERO to be 100 percent fiscally self-sufficient, enabling it to use five percent of its annual budget to support its TERO Commission and 10 percent of its TERO Fee revenue on “Service to Participants,” which includes purchasing work attire and safety gear for clients and covering the costs of their Heavy Equipment and Commercial Driver’s License trainings and training-related lodging and meals.⁴ With its TERO FEE revenue covering its base operating budget, NPT TERO strategically pursues other funding sources to launch targeted workforce development initiatives that NPT leaders and citizens have deemed most important. These include the Tribal Youth Apprenticeship Program (TYAP), which NPT TERO established in 2023 to advance NPT’s strategic priority to “expand Career Technical Education (CTE) and academic credit offerings for area secondary students.”⁵ Funded in part by TERO Fee revenue and heavily supported by recurring grants from the State of Idaho, TYAP runs a five-week heavy highway construction academy twice a year that provides local youth ages 16 to 24 with hands-on, industry-relevant skills; many are subsequently hired by local employers, including NPT’s Housing Authority and several construction companies.⁶ NPT’s budgetary approach also has enabled NPT TERO to build up a \$4 million reserve fund, which can cover its annual operating budget for three years should other funding sources dry up.⁷

LEARNING LINK: <https://www.ncai.org/workforcedevtoolkit/npt.pdf>

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POLICY TIPS

- ▶ Ensure your strategy drives the money, not vice versa: to avoid “mission creep,” review your existing workforce development funding sources to identify if/how they restrict your ability to advance your strategic priorities how you see fit. Adjust accordingly.
- ▶ Create a “funding alignment” committee to assess new funding opportunities against those priorities.
- ▶ Encourage your workforce development programs to innovate and strategically allocate additional dollars to grow what works. Provide your programs with seed money to design and pilot new and innovative workforce development strategies.
- ▶ Identify cost-savings that can be created across your programs through the targeted use of work experience participants, administrative consolidation and streamlining, in-kind contributions, etc.
- ▶ Develop/expand your 477 Program to enhance your financial flexibility, grow your discretionary income for workforce development, reduce the administrative costs of your programs, and increase funding for economic development.
- ▶ Cultivate tribal citizen-owned small businesses, which create jobs and expand your Nation’s taxable commercial activity.
- ▶ Establish modest sales, gross receipts, and/or other taxes on commercial activity to increase discretionary revenues.
- ▶ Negotiate updated grant agreements with federal agencies to enhance your flexibility to spend dollars on what you need most.