



## FRAMING THE DISCUSSION

In addition to its people, a Tribal Nation possesses other critical resources for building a thriving economy (see page 8). But it must answer key questions: How do we understand the nature, extent, diversity, and stability of our resources for economy building? How do we sustainably maximize their impact in accordance with our cultural values? And how do we grow them over time to support a growing economy and population? Many tribal leaders and key decision-makers concentrate on the nation's financial and natural resources as critical economic engines<sup>2</sup>, but others also require strategic consideration and action. Below are some key ones:

**Financial:** The federal government has solemn obligations to support tribal economy building, but federal dollars are never enough, and they often have strings attached that threaten to steer Tribal Nations off their economic courses. Yet many nations are working beyond the federal box to marshal the financial resources needed for self-determined economy building – and leverage them for maximum impact. Their strategies include:

- (1) *only* pursuing dollars that advance the nation's economic direction;
- (2) increasing and creating new *discretionary* tribal revenue streams – through measures like taxation and passive investments – to use as the nation wishes<sup>3</sup>;
- (3) coordinating and streamlining economy-building operations to reduce operational costs and retask those savings to the nation's priorities;
- (4) diversifying and then merging funding sources into a large funding base to scale up the nation's economic initiatives;
- (5) supplementing federal dollars with tribal dollars to grow successful initiatives; and
- (6) casting a wide net for *flexible* funding from new federal, state, and foundation sources.<sup>4</sup>

**Natural:** Many Tribal Nations are developing thoughtful approaches to the economic role natural resources should play. To determine whether, how, and to what extent development makes sense, they are evaluating the health of those resources, the economic (and other) benefits and costs of developing them, how development will impact resource sustainability, and whether it furthers their priorities. And they are doing so through a cultural lens: does development align with our values and strengthen (or endanger) our culture, sacred places, and lifeways? For some, foregoing development actually makes more economic sense,

**“We need an inventory of our Nation, including infrastructure, land, assets, housing, etc., and where our people are at socially, economically, and educationally.”**

– Patricia Riggs, Former Economic Development Director, Ysleta del Sur Pueblo<sup>1</sup>

from preserving natural landscapes for eco-tourism to prioritizing ecological health to make the community safer and more inviting to qualified workers.

**Cultural/Social:** Detailed in earlier pages, a Tribal Nation's cultural and social resources play pivotal roles in economy building.<sup>5</sup> Particularly notable are the vital kinship and clan systems in tribal communities that – when properly engaged – can empower collective, cooperative, sustained economy-building actions that put the long-term good of the whole above the short-term interests of any single individual.<sup>6</sup> Also important are the tribal artisans who produce and bring cultural arts and crafts to market.

**Data:** Outside governments have long occupied the driver's seat for generating data about Indian Country, resulting in inaccurate, outdated, and irrelevant data that paints a distorted and incomplete picture of the economic health of each nation. However, many Tribal Nations are seizing the data reins, recognizing that for their economy-building approaches to succeed, they need to own and drive the data that informs their *strategic* design and implementation.<sup>7</sup> Forging data-generating partnerships and developing their own data capacity, they are collecting the precise, local data they need and assessing what it means *for them* and their futures.<sup>8</sup>

**Know-How:** “Know-how” resources are needed for a nation to design and implement solutions to achieve their economic priorities. These range from logistical information for vetting business opportunities and structuring tribal enterprises to the particular technical expertise (e.g., business, financial, IT) needed to drive economic initiatives.<sup>9</sup> “Know-how” resources also must include learnings from the “best practice” solutions other Tribal Nations have developed to advance similar economic initiatives.

## TRIBAL SNAPSHOTS



### RED LAKE NATION (RLN)

In 1997, RLN faced an existential crisis. Rampant overfishing by RLN commercial fishermen and off-reservation, non-Native sports fishermen of Red Lake – the country's oldest and largest commercial walleye fishery – had triggered a collapse of the walleye population, prompting RLN to take drastic measures to save this vital economic and cultural resource.<sup>1</sup> Its commercial fishermen voted to cease fishing at great cost to their livelihoods; meanwhile, RLN's government banned subsistence fishing, invested considerable resources in its natural resource management capacity<sup>2</sup>, and commenced talks with the State of Minnesota – which manages 15% of Red Lake – to craft a joint solution. The dialogue produced their signing of an historic **MOU** creating a technical committee charged with devising a scientific plan to nurse the walleye back to health.<sup>3</sup> Many experts doubted the walleye would recover and others believed it would take a decade or more, but just seven years later the recovery project had successfully rejuvenated the walleye population from its low of 100,000 to 7.5 million, with strong evidence of its long-term sustainability. RLN and the State reopened Red Lake to subsistence and sports fishing in 2006; a year later, the Nation re-established its commercial fishery, allowing only hook-and-line fishing to protect against overfishing and make walleye fishing accessible to all RLN members interested in earning a living or extra income.<sup>4</sup> With support from a nearby Tribal Nation, RLN converted its outdated fish processing plant into a state-of-the-art facility, which now employs 35 RLN members who process the daily harvest.<sup>5</sup> RLN members earn \$2.00 per pound for their catch; some make as much as \$450 per day and \$15,000 annually fishing Red Lake.<sup>6</sup> Whereas pre-collapse, RLN Fisheries sold its processed catch to wholesalers, it now sells walleye fillets itself to buyers like USDA<sup>7</sup> nationally, generating \$3 million in annual revenues.<sup>8</sup> In 2019, RLN and the State renewed their MOU, ensuring Red Lake's walleye “storehouse”<sup>9</sup> sustains RLN for future generations.

**LEARNING LINK:** <http://www.ncai.org/resources/econ toolkit/RESOURCES>

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### SWINOMISH INDIAN TRIBAL COMMUNITY (SITC)

For years, SITC watched as Skagit County collected significant tax revenue on homes and other improvements on leased trust land on the SITC Reservation.<sup>1</sup> In 2013, however, a federal appeals court ruled Washington State, its counties, and state-created local tax districts could not tax permanent improvements on tribal trust land.<sup>2</sup> Exercising its inherent sovereign tax authority,<sup>3</sup> the Swinomish Senate established SITC's groundbreaking Trust Improvement Use and Occupancy Tax Code and created the Swinomish Tax Authority (STA) to collect the tax from the nearly 1,000 taxpayers affected by the court decision.<sup>4</sup> SITC's ability to collect and reinvest tax revenue into the community quickly became “a powerful engine of self-governance.”<sup>5</sup> Committed to growing its “local intergovernmental relationships to secure the continuity of tax-funded services,”<sup>6</sup> SITC forged cooperative agreements with the local public school district (which most Swinomish students attend), fire district, and library district, through which it makes voluntary annual tax revenue contributions for essential services provided to the greater community.<sup>7</sup> Each year, SITC's Tax Committee reviews the districts' requests and recommends to the Senate contributions based on district needs and maximizing community benefits.<sup>8</sup> The remaining revenue supplements SITC's General Fund, supporting “culturally significant programs that enhance and preserve the Swinomish way of life” and essential government services for Native and non-Native Reservation residents.<sup>9</sup> This reliable revenue stream also enables SITC to reallocate funds for initiatives and programs such as paraprofessional educators in the local schools, environmental protection, and others.<sup>10</sup> STA's taxpayer education and outreach has produced a collection rate of 99-plus percent, exceeding that of the County. SITC also established a Tribal-Taxpayer Consultation Council to give taxpayers a forum to communicate with the government and share concerns.<sup>11</sup>

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## ASK YOURSELF

1. What percentage of our nation's funding for its economic initiatives comes from external sources with restrictions on how we can use the money? How can we grow discretionary revenue streams that we control to make our initiatives more self-determined?<sup>10</sup>
2. How do our tribal government and enterprises spend their money? Does most of it go to non-tribal vendors off-reservation? Why? How can we increase tribal spending on-reservation to boost local commerce?
3. Do our tribal departments and enterprises collect and share useful data for economic decision-making? If so, are these processes effective? If not, how can we create a system for *comprehensive* data collection and analysis?
4. Does our nation have a firm handle on what citizen-owned small businesses exist on tribal lands, what other small businesses could thrive locally, and what financial resources, technical assistance, and other support they need?
5. Does our nation understand the extent of informal business activities (e.g., family home-based businesses and roadside vendors) that currently exist in our community, and what steps it can take to formalize and grow their operations?<sup>11</sup>
6. Does our nation have an effective, community-informed process for making strategic decisions about how to turn major infusions of federal dollars (**ARPA**, infrastructure funding, etc.) into transformative investments in the nation's economic future?

## POLICY TIPS

1. To avoid **mission creep**, assess your nation's existing funding sources for economy building to determine whether they advance or deviate from its priorities. Adjust accordingly.
2. Create a “funding alignment” entity to assess new grant and other funding opportunities against those priorities.
3. Consider establishing sales, gross receipts, and other taxes on reservation-based commerce to increase discretionary revenues; educate the community about their benefits.<sup>12</sup>
4. Create a tribal data office; train/hire staff to run it; launch a centralized data tracking system collating data from tribal government, enterprise, and community sources<sup>13</sup>; and form an institutional review board to monitor research involving tribal lands and citizens.
5. Develop/update a “reservation economic profile” to inform decision-making that gathers data about local economic conditions, the tribal workforce (on- and off-reservation), tribal/regional labor market forecasting, and citizen-owned small businesses.<sup>14</sup>
6. Conduct an **economic leakage** study to determine precisely what percentage of dollars generated inside or coming into your nation leave it – and how quickly. Take concrete steps to retain and recirculate those dollars locally.<sup>15</sup>
7. Invest staff time and resources in learning economic best practices by visiting other Tribal Nations and attending conferences sharing those practices; integrate lessons learned into your approach.<sup>16</sup>