

State Tribal Economic Development Commission
MEETING MINUTES
April 11, 2012

MEMBERS PRESENT: Shawn Real Bird- Chairman (Crow Tribe), Richard Sangrey- Vice Chairman (Chippewa Cree Tribe), Terry Pitts (Confederated Salish & Kootenai Tribes), Loren Stiffarm (Fort Belknap Indian Community), Cheryl Reevis (Blackfeet Tribe), Gerald Gray (Little Shell Tribe of the Chippewa Indians), Pat Wise (Governor's Office of Economic Development), Lesa Evers (Governor's Office of Indian Affairs), Andy Poole (Montana Department of Commerce)

STAFF PRESENT: Heather Sobrepena-George, ICED Program Manager temporarily assigned to the STEDC

PUBLIC: James Parker Shield (The Little Shell Tribe of Chippewa Indians), Tom White (Small Business Administration), Sue Woodrow (Federal Reserve), Brett Doney (Great Falls Development Authority), Tim Guardipee (Great Falls Development Authority)

WELCOME/ PURPOSE OF GATHERING- Commence 9:50am. Shawn Real Bird; Prayer Richard Sangrey.

APPROVAL OF MEETING MINUTES- *Motion made by Pat Wise to accept the meeting minutes from January 26, 2012 with modifications. Seconded by Gerald Gray. Loren Stiffarm abstains. Approval by majority of eight members.*

PUBLIC COMMENT ON NON-AGENDA ITEMS-

Tribal Family Economic Security Grant Discussion: Com. Stiffarm expressed Fort Belknap Indian Community's concern over the Family Economic Security Tribal Government Funding grant (RFP 11150-NG) by the Department of Public Health and Human Services (DPHHS), contracted to Rural Dynamics, Inc. (RDI). The total funding for the multi-year project is \$615,027 of which \$341,883 has already been distributed. The remaining \$273,144 is slated to be awarded to RDI. Com. Stiffarm's concern is that there was not prior consultation with the tribes to provide meaningful RFP response. A second concern is RDI's questionable performance and non-competitive award of the remaining funding. Many 477 clients were not eligible for the proposed services. Additionally of all the proposed services, only financial literacy training can be evidenced.

Vice Chair Sangrey commented that Tim Guardipee, (at that time with RDI) made a presentation to January 26, 2012 STED meeting and was requested to provide to tribal governments with a list of services that RDI has provided to tribes as part of their proposed services.

SBA e200 Training: Chairman Shawn Real Bird notified the Commission that the Small Business Administration's (SBA) e200 class has been overbooked by twenty-six people of which sixteen are enrolled tribal member businesses from tribes. The SBA is doing a distance learning pilot project with the Native American Development Corporation (NADC) to provide four digital distance learning sessions. Chairman Real Bird would like financial assistance be made available to attendees of the e200 training.

Montana Board of Horse Racing: Chairman Real Bird requested the Commission make a motion to the Montana Board of Horse Racing (MBHR) urging this board's consideration entertaining a proposal to have the tribes cover the \$20,000 to \$30,000 in meet expenditures for the upcoming season's sanctioned horse races. MBHR is approximately \$600,000 "in the hole." As part of the proposal, the tribes would receive a revenue share for their investment and for handling the betting on the races. Chairman Real Bird explained that horse racing is not only an economic development activity and viable business venture, but it also helps tribes maintain their horse culture.

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Com. Reevis requested additional information be sent from the Montana Board of Horse Racing to the Blackfeet Chairman, TJ Show to be evaluated.

Com. Pitts commented that elected leadership at the Confederated Salish & Kootenai Tribes support rodeo, horse racing, and horse related activities as horse culture is a strong part of the Tribes' tradition. Horse racing is an income generator and could provide employment opportunity and has been evidenced in the past by strong staffing at these events by Native American individuals. Com. Pitts requested that a centrally located meeting specifically focused on horse racing be scheduled.

Chairman Real Bird offered to send an email regarding the MBHR to staff to distribute to the Commissioners.

REPORTS/ONGOING BUSINESS

1. STEDC Budget- Com. Poole provided an update on the STEDC budget to the Commissioners and discussed utilizing \$10,000 - \$15,000 to temporarily hire administrative support to assist Heather Sobrepena-George with the ICED and STEDC administrative tasks. Com. Poole also mentioned that STEDC authorized a strategic planning session at the January meeting. A facilitator could be contracted to assist the STEDC in outline a few days of activity including evaluation of the statute and setting priorities for the Commission over the next few of years.

Coms. Sangrey and Stiffarm agreed that a strategic planning session was needed.

Com. Poole explained that under the state contracting process, at least three qualified individuals need to be considered for service contract amounts ranging from \$5,000 to \$25,000. Com. Poole requested members to share qualified facilitators with staff. A mid-June 2012 strategic planning meeting was proposed.

Com. Reevis requested sponsorship of business management internships if additional funds remain in the budget. Her experience with the Blackfeet Tribe is that tribal members don't have opportunities to develop their skills in human resource management, accounting, marketing or management putting them at an immediate disadvantage when applying for competitive positions with major area employers like Glacier Parks Inc., who require management capacity and experience.

Chairman Real Bird suggested that the STEDC also look at the tribe's Comprehensive Economic Development Strategy (CEDS) to determine the commission's direction. Com. Poole clarified that the strategic planning would focus on the STEDC activities. Com. Stiffarm suggested Lewistown as a central location to all of the Tribes without distractions.

Com. Stiffarm made a motion to use some of the remaining personal services STEDC funds to pursue a strategic planning session for the STEDC. Com. Evers seconded the motion. Unanimous approval.

Com. Evers suggested the strategic planning session accommodate as many STEDC members as possible including the Chairman and alternates. Com. Poole committed to have a discussion with Coms. Evers, Wise and staff to do the groundwork for the strategic planning session, and to find an appropriate facilitator. Staff will look into options for a mid-June planning session or early in the next fiscal year.

NOTE: The order of the minutes follow the chronological order they occurred in the meeting, not the numerical order of the agenda. The numbering of the items within the minutes coincides with

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agenda item numbers. Items 1a through 7 postponed until after item 8; Item 2. Tribal Business Update did not occur.

8. Montana Department of Commerce Montana Indian Equity Fund (MIEF) (Philip Belangie) Mr. Belangie updated the commission on the 2012 Indian Equity Fund process. The program received 63 applications, an increase of 30% primarily due to word of mouth. The local review committee is a mix of members composed of individuals enrolled in the respective tribe, individuals with lending experience, and individuals engaged in the community.

Com. Pitts questioned if any applicants were repeats and if follow-up had occurred to the applicants and awardees. Mr. Belangie responded that while there are repeat applicants, there has been only one repeat awardee. Mr. Belangie has been following up with prior awardees (those awarded since 2007) to provide the upcoming legislature with long-term performance of the MIEF. Mr. Belangie provided the Commissioners with a hard copy list of the awarded 2012 applicants. Com. Stiffarm commented that this 5 year tracking would be good information for the upcoming 2013 Legislature.

Chairman Real Bird questioned whether the STEDC had passed a motion that clarified enrolled membership eligibility for the MIEF and questioned if applicants had received funding if they should be able to receive funding again.

NOTE: According to the MIEF guidelines- only enrolled members of tribes in Montana are eligible to apply. No administrative restriction has been put on limiting re –funding of a previously awarded applicant, but strong competition for the few slots usually eliminates refunding of previous applicants unless the application is stronger than other applications.

Com. Reevis questioned if the local review committee had final say in who gets funded from their area. Com. Pitts questioned whether the local review committee is informed of the state review decisions.

Com. Pitts made a motion requesting that the local review committees be made aware of reversals of decisions from the state review committee. No second. No action taken.

Vice Chairman Sangrey concurred that it would be good to let the local review committee know if the final decisions that were made.

Com. Stiffarm noted that some of the tribes have utilized their ICED tribal government funding to enact their own small business owner grants and questioned if an applicant wasn't funded in the state's MIEF, if the business couldn't be funded in the Tribe's respective small business owner grant program.

Com. Evers commented that as a state reviewer, she considers factors that local reviewers may not have to consider and was uncomfortable with the options of rubber-stamping previous decisions or making a long review process more complicated. She noted that the STED Commission has an opportunity to be involved with the local review process and it is the program's responsibility to get back with the local reviewers.

Mr. Belangie noted that he hasn't had an opportunity to get back with all of the applicants yet. He committed to follow-up with individual applicants and with the local review committees.

Com. Evers noted that state reviewers have to consider the applications under the potential scrutiny of answering to a Legislative Committee when fighting for retaining an intact ICED Program in the

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upcoming legislature. If another state program is a better fit for the applicant's needs, then it's better to make a referral to that program rather than relying on just the MIEF to be the only source of Native business funding in the state. For instance, if an agricultural product or livestock would fit under the eligibility criteria of the Growth through Agriculture Program or Department of Agriculture Program, then it makes more sense to have them apply to those programs.

Vice Chairman Sangrey noted that the MIEF has saved the Chippewa Cree Tribe money and problematic decisions by rerouting individuals who approach the Tribal Business Committee for business start-up money to the MIEF for a competitive process. A good objective attribute of the MIEF is that individuals can't just ask the tribal council for funding; these individuals have to understand business and submit a competitive application to get funding. Com. Stiffarm confirmed that this is the case at Fort Belknap also where the MIEF has saved the Tribes a lot of money and has protected the Council from making difficult, individualized decisions. Com. Stiffarm noted that Mr. Belangie holds community meetings with each community and does outreach to get local review committees involved with technical assistance. He recommended that local review members be made aware that the local review is a screening process rather than a selection process and those members are making a recommendation to the state review committee.

Chairman Real Bird noted that as a member of Crow's local MIEF review committee, he's witnessed the First Interstate Bank review member change his thought process about Indian businesses and the potential for Indian business growth as a result of being part of the review process. The local review committee has been educating the financial industry about Indian business. Chairman Real Bird also noted that the MIEF has also provided the opportunity for at-risk individuals to harness their potential and contribute to their communities as business leaders.

Coms. Pitts and Gray requested orientation to STEDC member responsibilities. Chairman Real Bird welcomed the questioning of the MIEF review process as this is how processes get better.

Chairman Real Bird expressed concern over referring individuals to other programs such as Farm Service Agency for livestock purchases as his professional experience with the local lenders has not been positive. STEDC staff, Heather Sobrepena-George suggested that, at the Commission's request, she could invite Farm Service Agency to a discussion with the Commission. Former STEDC member and former Director of Indian Affairs, Jennifer Perez Cole, now works as the Public Affairs Specialist/State Outreach Coordinator/Civil Rights Coordinator for FSA and could accompany local credit officers to a meeting. Commissioners concurred that it would be good collaborate with FSA as it has been proven beneficial to collaborate with SBA.

3. Governor's Office of Economic Development (GOED) (Pat Wise) Com. Wise told the group a primary focus of GOED has been on energy development as a business sector and the community impact that it will have. Wise has had discussions with the Fort Peck Tribes regarding a Trade Assistance Grant (for dislocated workers) for energy sector job training. Housing is an issue. Dorm facilities and temporarily housing is under renovation/construction to handle the influx of workers to the Bakken area. GOED and the Governor assessed tax structures, revenues, permitting, geology and found that Montana is more development friendly than its neighboring states. There's refinery potential in northeastern Montana. GOED and Commerce are sponsors of the American Indian and Alaska Native Tourism Association annual conference to be held in Billings by the Crow Tribe in September 2012.

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Com. Stiffarm cautioned the other tribes about Fort Berthold who lost over \$100 million revenue because they didn't plan for the oil development and didn't negotiate an oil and gas revenue sharing agreement with the state of North Dakota. Fort Belknap has a natural gas and water settlement agreement with the state with an anticipated introduction of their water compact into Congress within the next thirty days. Tribes should also consider the impact of development on their environmental regulation issues, law and order, roads, and traffic accidents. Com. Stiffarm requested an updated contact list for the STEDC to be able to share information.

Other Commissioners noted that they have been working on negotiating production agreements with the Department of Revenue, some successfully for new production, and some in the works for multiple years. Com. Poole mentioned that at one time during the STEDC's history, Revenue Director Dan Bucks agreed to appear before the STEDC.

Com. Terry Pitts made a motion for the State Tribal Economic Development Commission to meet with the Montana Board of Horse Racing. Seconded by Vice Chair Richard Sangrey. Motion carries.

Com. Evers requested that Directors Mackay and Schwinden be included in the invitation (to the meeting? – this is unclear to me?).

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WORKING LUNCH

4. Governor's Office of Indian Affairs Update (Lesa Evers) In follow up to the previous Oil and Gas discussion, Com. Evers informed fellow members that while all of the state-tribal agreements are negotiated individually, they are all public documents and posted on the Department of Revenue website. Fort Peck is the only tribe with an Oil & Gas Agreement. The Governor has recently been out to visit with Tribes. The Governor assisted the transfer of sixty-one (61) genetically pure buffalo from a containment facility outside of Yellowstone National Park to a containment facility on the Fort Peck Reservation. (Fort Peck Tribes also received Fort Belknap Indian Community's allotment of the buffalo and will keep them until Fort Belknap is ready to take them). There is an injunction hearing today in Chinook to stop the transfer of buffalo within the state. The Governor attended a press conference in Fort Peck on March 21 and participated in the pipe ceremony for an event which acknowledged the return of the genetically pure buffalo. The Governor traveled to Fort Belknap to see the current buffalo facility along with the new proposed location for the Yellowstone Bison. The Governor met with the Confederated Salish & Kootenai Tribes Tribal Council recently on many issues and also met with the Little Shell Tribe of Chippewa Indians in February.

Com. Evers attended the Legislature's State Tribal Relations Interim Committee (STRIC) meeting in Fort Peck the first week of April, the third scheduled meeting on reservations by STRIC. The first occurred in Northern Cheyenne, the second in Crow was canceled. The STRIC would like to find ways to be helpful to the tribes regarding legislation in the upcoming 2013 session, especially economic development. STRIC is focused on the One-Time-OTO Indian Country Economic Development (ICED)

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Program that will have be reconsidered in the 2013 Legislature (as it has in every session since its introduction in the 2005 legislature). The STRIC wants to be provided with measureable numbers to be able to show progress, however small. Com. Evers reminded the Commission that what has saved the ICED Program in past legislative sessions (as it has been completely been cut and lost its FTE throughout committee hearings) is Tribes' and small business owners' testimony in favor of the ICED Program and funding. Com. Evers cautioned: the ICED Program is always at risk with the OTO funding and all aspects of the program (tribal government grants, Indian Equity Fund, and technical assistance) function together as a 3-legged stool of economic development. The challenge will be in explaining the importance of keeping the program intact as it is and having tribes tell their own successes with the ICED Program.

Com. Evers attended the RES 2012 Reservation Economic Development Summit. Com. Evers met with the Department of Transportation and the Chippewa Cree Tribe, Department of Transportation and the Confederated Salish and Kootenai Tribes, and attended an honoring ceremony by the Montana Indian Education Association for the Governor, the first to fund Indian Education for All.

Com. Stiffarm and others noted how important it is to be available to testify on legislation that will have an impact on the Tribes. Com. Wise noted that the Montana Economic Developers Association (MEDA) has also made the ICED Program a priority for the upcoming session. Com. Poole stated that the MEDA organization is supporting the ICED and Workforce Training Grant (WTG) Programs and will be assisting during the legislature and at home with elected leadership.

9. Tribal Probate Code (Sue Woodrow) Ms. Woodrow acknowledged the Chippewa Cree Tribe for their Uniform Commercial Code signing ceremony with the Secretary of State's office. Ms. Woodrow and the Uniform Law Commission have made it a priority to reach out to the tribes to do a Model Tribal Probate Code. The proposal was submitted in 2010 and faces a tight timeline to get support for the project. (Information included in packets). Com. Reeves questioned how the ULC has made the request to work with tribes and distributed information. She is unfamiliar with the project. Ms. Woodrow will be talking directly with tribes. Com. Sangrey supports the Tribal Probate Code project because with no legal will or law in place, the Tribe must rely on the BIA to probate the property of individuals who didn't have wills. Some probate proceedings have lasted as long as ten to fifteen years. With this type of probate project, the Tribe wouldn't have to wait for the BIA.

Vice Chair Richard Sangrey made a motion to support the model tribal probate proposal. Seconded by Com. Terry Pitts. All in favor. Motion carries.

Not on agenda: **SBA e200 Training** (Tom White) The e200 class has twenty slots total with eleven native owned firms in the training. Many co-sponsors have worked together to support e200 including the incumbent worker training program.

Not on agenda: **Native American Development Corporation Support for HR 2362** (Leonard Smith) The commission conferenced in Leonard Smith to talk about the Turkish Coalition of America and support for House Resolution 2362 that would direct the Secretary of Interior to create a demonstration project with six tribes (or tribal consortia) to trade directly with the country of Turkey. Mr. Smith noted that this legislation would assist the tribes to avoid federal export bureaucracy.

Vice Chairman Sangrey made a motion to support HR2362 and the Turkish Coalition of America. Seconded by Loren Stiffarm. Motion carries.

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10. Great Falls Development Authority (Brett Doney and Tim Guardipee) Mr. Doney described GFDA activities including value added support for businesses as a revenue generator with the ultimate goal of supporting the creation of higher wage jobs. GFDA is undergoing a strategic planning process and will kick off a new plan in July. A primary focus is on crop production and energy production sectors. GFDA is also focused on entrepreneurship, technical assistance and financing. GFDA has recently been certified as a new micro-business lender for a five-county micro-revolving loan fund. GFDA also participates in GAP financing, SBA Section 504 loans and State Small Business Credit Initiative (SSBCI). GFDA has been focusing on a 950 acre Agritech Park with water, sewer, rail access and heavy industrial capacity because of their central location in the "golden triangle". GFDA has rapidly expanded its lending and works with the Blackfoot Tribe and Cut Bank.

Com. Stiffarm asked Mr. Doney the number of Native owned businesses that GFDA has assisted, what barriers exist to assisting these businesses, and what the service area covers. Mr. Doney responded that most clients are referrals from other entities and that Native Life Designs out of Browning is one of the Native American businesses they have assisted. The service area covers Great Falls, Babb, Havre, Lewistown and part of Lewis & Clark County. Some of the barriers for minority businesses include not being tied into the traditional business networks and finance relationships as well as unfamiliarity with the technical aspects of business development.

Com. Evers asked if the Blackfoot and the Little Shell Tribe have a place on the Board. Mr. Doney responded that both the Blackfoot and Little Shell Tribes have positions on the GFDA and the High Plains Financial boards and would like to work with the Tribes to get them filled.

6. Montana Department of Commerce Indian Country Economic Development Program (Heather Sobrepna-George) Mrs. George noted that all tribes submitted applications which are under review. A grant review committee meeting is scheduled for April 25, 2012. Mrs. George stressed preparations for the 2013 Legislature and is preparing a one-page document with performance figures for the Commission members and the Tribes.

7. State Tribal Economic Development Commission Mrs. George noted that HB 120 sets the parameters for audio recordings as an official public record of a public meeting, should the commission choose. Since it is very difficult to hear or recreate the minutes from the audio recordings, Mrs. George suggested that the commission have written minutes be the official record of the meeting.

5. Montana Department of Commerce (Andy Poole) Com. Poole provided a schematic of the Indian Equity Fund (IEF) Supplementary Funding proposal to commission members which had been introduced at the previous meeting. The proposed \$504,000 IEF 2017 Fund would be a combination of local development organizations (like GFDA) contribution of \$252,000 matched with a contribution of \$252,000 from the tribal governments. In the proposal, each tribal government would set aside

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\$31,500 (\$252,000/8) over the next six years. If Tribes wanted, they could earmark a portion of their ICED tribal government allocation for the IEF 2017 fund (\$5,250 over the next six years). In 2017, all monies from tribal governments would come to the STED Commission and be matched to the local development organizations contribution. In 2017, the STED Commission would allocate the funding into Indian Equity Fund grants to the tribal governments in a proportionate amount to the match provided by each tribal government (\$1:\$1).

4:00 ADJOURN *Motion to adjourn made by Andy Poole. Seconded by Gerald Gray. Unanimous approval.*