



ALASKA FEDERATION
OF NATIVES

March 25, 2009

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500
ATTENTION: Rahm Emanuel and Peter Rouse

Dear President Obama:

As you know, Alaska's Governor Sarah Palin recently announced that she intends to reject \$288 million, or about 31%, of the \$930 million in federal stimulus money now available to Alaska. Earlier, the Governor announced that she would reject 55% of the stimulus. Later, she realized that this would cause the State to lose an increase in Medicaid funds, which she now says she will accept, reducing the rejection to 31%.

Because many state legislators disagree with her rejection of the remaining 31%, she has threatened to veto state legislative appropriations that accept such federal money. The Governor and legislative leaders have said that they will work together to solve this problem, but it is possible that we could see a legislative-executive showdown, in which it will take a $\frac{3}{4}$ vote in each house of the Alaska Legislature to override a veto.

The Governor's stated reason for rejecting these funds is that continuing such programs after the federal stimulus ends will burden state budgets and enlarge government in Alaska. But it is worth noting that her rejection falls most heavily on low-income and minority Alaskans, especially in public education. She also intends to reject federal funds for unemployment insurance, affecting recently laid off workers at a time when they most need help with family necessities. Over \$170 million of the still-declined funding is for education, including immunizations, nutrition, special education and other Title I assistance to Alaskan school districts with large numbers of low-income students.

The largest group of low-income people in our state is Alaska Natives (Eskimos, Indians and Aleuts), especially those living in small, isolated rural villages. Per the 2000 Census, 20% of all Alaska Natives live in poverty, compared with 7% of all non-Native Alaskans. Cash unemployment in many villages exceeds 75%, leaving only subsistence hunting and fishing to provide food. The public education of Native students does not work effectively in Alaska. Non-Native test scores on math and language are almost double the scores of Native students. Native drop-out rates are almost double those of non-Natives. I know of no group of Americans with a greater need for Title I support than Alaska Native students, yet they are precisely the people who will be most harmed by the Governor's latest stated intention. In addition, there has been a strenuous reaction against the Governor's announcement from professional educators in

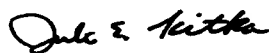
both urban and rural areas. The Palin administration has consistently blocked and weakened the efforts of federal law to protect rural subsistence hunting and fishing rights. Fuel oil costs for heating rural households, businesses and public facilities have risen to more than \$6/gallon. In one village last summer, a gallon of gasoline cost \$11. It is impossible to practice subsistence without gasoline for outboard motors, snow machines and ATV's. While the Palin administration's long-term energy plan is well-intended, by the time it has any practical effect on villages, many of them will have disappeared through out-migration. If people cannot feed their families, heat their homes or educate their children, they will have to move. What is at stake here is nothing less than the survival in modern America of human communities and cultures that have existed for at least 13,000 years.

Here is a serious proposal for dealing with these rejected stimulus funds. The Governor might eventually agree to accept all of the money, in which case the immediate rejection issue is resolved. If she continues to reject any part of the money, we will urge her to accept those funds that would benefit Natives and contract them to Alaska Native organizations for implementation of programs. **Failing either of these alternatives, we hereby request that the Obama administration actively support introduction and passage of a technical amendment to the American Recovery and Reinvestment Act. It would provide that, if any state whose Native-American population is at least 10% of its total population refuses stimulus funds that would benefit Native Americans, the administration could route that money directly to the local, federally recognized tribes.** In Alaska, we have more than 230 recognized tribes and their 12 regional, non-profit consortia, which contract with the U.S. for many human service programs. They are perfectly capable of administering such funds, including Title I.

Routing stimulus money through states is a government-to-government relationship. As your administration has reiterated, so too is the relationship between the United States and recognized tribes. If one government refuses to help some of the neediest people in America, why should another government, which knows its own people's needs better than does anyone else, not be allowed to step in and do the job?

We thank you for your consideration of this request and would appreciate the opportunity to discuss it further with your staff, at their convenience. Your administration is doing wonderful things, and we encourage you to persevere in the effort you have taken on.

Sincerely,



Julie Kitka
President, Alaska Federation of Natives
1577 C Street, Suite 300
Anchorage, Alaska 99501
Phone: 907-274-3611

cc: Governor Palin, Senator Murkowski, Senator Begich,
Congressman Young, Secretary Salazar