

**Economic Development on Tribal Land
and for Native American and Alaska Native (NA/AN) Populations
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Background

The most common sources of funding for tribal economic development come through grants, federal or state government or by issuing bonds. The goal of this study is to understand the current status of economic development on tribal land in New Mexico. The areas of research include New Mexico legislation, federal legislation, funding opportunities, and other research projects examining tribal economic development.

Why does sovereignty matter?

When sovereign Native nations make their own decisions about what development approaches to take, they consistently out-perform external non-Native decision makers on matters as diverse as form of government, natural resource management, economic development, health care, and social services. [1]

When Native nations are in the “driver’s seat,” strategies for community progress are tuned to local needs, and lines of accountability are clarified. Story after story and study after study prove that benefits follow from such authority – whether it is called practical sovereignty, self-determination, or tribal jurisdiction. Strikingly, tribal decision-making authority often generates benefits both for tribes and tribal citizens and for neighboring non-Indian governments and their members. Intertwined economies grow, collaboration leads to the expansion of critical infrastructure, new models for criminal justice emerge, and air and water become cleaner. [2]

Tribal sovereignty ensures that New Mexico’s 23 federally recognized tribes, nations, and pueblos have independence in their decision making and governance over their own laws and policies. Tribal sovereignty helps preserve unique cultural heritage.

Progress, Current Status and Opportunities for Funding

Economic development can include employment and job training, housing, telecommunications and technology, roads and energy generation and transmission.

The CARES Act of 2020 provided \$8 billion in financial assistance to tribal governments but allowed very short timelines to complete infrastructure projects. The American Rescue Plan of 2021 appropriated \$900 million to the U.S. Department of Indian Affairs. The federal government plays a role in reviewing the infrastructure projects, which often require permits or other authorizations the projects must adhere to fulfill federal laws and regulations. A recent interview with the President of the Navajo Nation illustrates the complexity and time-sensitivity of this form of economic development:

“The Navajo Nation is now working to fast-track critical projects that would improve public health with the \$1.8 billion received from the American Rescue Plan. The Navajo Nation has identified more than 9,000 projects at a cost of more than \$20 billion, which means those new federal dollars won't go as far as needed. “These have to be construction ready projects that can be done within the next three years and a lot of those projects that are on the list have been vetted already, because they were part of the CARES Act. But because of that timeline, with the CARES Act, we weren't able to get those constructed,”

said Navajo Nation President Jonathan Nez. Like other tribes, the Navajo Nation faces staggering layers of government red tape, making the three-year deadline challenging. “We are actually requesting right now the federal government, the congress and the White House to change some of these federal laws. So we call them red tape, so that projects can get done quickly,” said Nez.” [3]

Broadband

The National Tribal Broadband Strategy (NTBS) addresses the barriers and the strategies for broadband deployment on tribal land. In January 2018, President Trump issued *Executive Order (EO) 13821, Streamlining and Expediting Requests to Locate Broadband Facilities in Rural America* and a Presidential Memorandum to the Secretary of the Interior entitled *Supporting Broadband Tower Facilities in Rural America on Federal Properties Managed by the Department of the Interior*. These documents establish federal policy to deploy broadband connectivity in rural areas including tribal communities. [4]

During the 2021 New Mexico legislative session, three bills passed that are major steps to expanding broadband capacity. Senate Bill 93, the Broadband Access and Expansion Act, coordinates broadband efforts for state government agencies, local government bodies, tribal governments and internet service providers. House Bill 10 (HB10) establishes the Connect New Mexico Fund and the Connect New Mexico Council (Council) and provides state grant funding for broadband infrastructure. HB10 appropriated \$130 million for the Council to oversee broadband grants. Senate Bill 200 creates the State Rural Universal Fund Establishment, which includes low-income broadband internet access to unserved and underserved populations. [5]

Other Infrastructure Legislation

The Tribal Infrastructure Act, passed by the New Mexico Legislature in 2005 [6] addresses the tribes’ lack of basic infrastructure resulting in poor social, health and economic conditions for tribal communities. The Act established the Tribal Infrastructure Fund (TIF), which uses an alternative financing mechanism that is a long-term cost savings benefit to both the state and the tribes. The 2010 HB162 – Severance Bonds for Tribal Infrastructure, allocates 4.5% of the estimated senior severance tax bonding capacity each year for qualified tribal infrastructure projects. [7]

The U.S. Department of Agriculture (USDA) Rural Development offers several programs for federally recognized tribes related to economic development.

Gaming on Tribal Land in New Mexico

A study of the impact of casino gaming on tribal land in New Mexico during the 1990s concluded that gaming has had a positive economic impact on the gaming pueblos and tribes in New Mexico, especially for the more urbanized nations. [8] Pueblos and tribes which engaged in gaming enjoy higher incomes, lower levels of poverty, and improvements in selected social areas compared to those nations opting not to pursue casino gaming in the 1990s. The tribes in New Mexico entered into compacts with the State in 2015 that expire in 2037. [9] The net annual wins totals for all tribes average \$700 million with average revenue sharing to the state of \$65 million annually, with the exception of 2020 during the pandemic. In more recent years tribes are trying to diversify their revenue streams beyond gaming, recognizing that younger people as a consumer group are turning away from casinos, and becoming creative in utilizing sovereignty to disrupt stagnant patterns in economic development. A case study in this strategy is Nambé Pueblo, which recently converted a former casino building into New Mexico’s first Tesla dealership, thus

leveraging its status as a sovereign nation to enable the direct-to-customer Tesla retail sales model to bypass the cartel-like hold that other makers' auto dealerships exercised over sales until recently in the state. [10] [11]

Data

Increasing the availability of data can be a strategy to assist economic development on tribal land. Research is a catalyst to gather data for policy development, implementation, evaluation and change. Federal, state and tribal governments would benefit from centralized data on infrastructure needs and barriers to economic development on tribal land.

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