



# Legislative Research Council

# MINUTES

## Tribal Economic Development Task Force

**Representative Don Hagggar, Chair**  
**Crow Creek Tribal Chair Roxanne Sazue, Vice Chair**

**Second Meeting**  
**2015 Interim**

**Sinte Gleska University**  
**Mission, South Dakota**

**Friday, July 10, 2015**

The second meeting of the Tribal Economic Development Task Force for the 2015 interim was called to order by Representative Don Hagggar at 1:00 p.m. in the Multipurpose Building on the Sinte Gleska Antelope Lake campus.

A quorum was waived with the following members answering the roll call: Representative Don Hagggar, Chair; Senator Jim Bradford; Representative Elizabeth May; Secretary Steve Emery, Department of Tribal Relations; and Mr. Tuffy Lunderman, Rosebud Sioux Tribe. Members excused: Senator Bruce Rampelberg; Senator Craig Tieszen; Representative Mike Verchio; Crow Creek Chairwoman Roxanne Sazue; Former Representative Mark DeVries; Former Senator Chuck Jones; Former Representative Kathy Tyler; Ms. Sarah Zephier, Yankton Sioux Tribe; Mr. Steven Sitting Bear, Standing Rock Sioux Tribe; Mr. Harold Frazier, Cheyenne River Sioux Tribe; and Mr. DelRay German, Sisseton-Wahpeton Oyate.

LRC staff members present were Roxanne Hammond, Legislative Attorney; and Amanda Jacobs, Research Analyst.

*NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council (LRC).*

An opening prayer was offered by **Mr. Tuffy Lunderman**.

### **Opening Remarks**

**Representative Don Hagggar, Task Force Chair**, welcomed everyone to the meeting of the Tribal Economic Development Task Force. The task force was created by the 2014 Legislature through HB1213. Section 5 of HB1213 reads, *“The task force shall evaluate issues associated with economic development needs, initiatives, and barriers affecting South Dakota’s Native American population and South Dakota’s Indian tribes and tribal governments. Specifically, the task force shall analyze business and economic sectors and segments having potential for higher levels of success, as well as other possible approaches to improve economic conditions. The task force shall also address workforce availability, including education and skills, related demographics, salary and wage scales, and other issues affecting human resources necessary for the promotion of economic development for this segment of South Dakota’s population.”*

### **Approval of Minutes**

**A MOTION WAS MADE BY SECRETARY EMERY, SECONDED BY REPRESENTATIVE MAY, TO AMEND AND APPROVE THE MINUTES OF THE JUNE 5, 2015, MEETING. Motion prevailed on a voice vote.**

## Tribal Perspectives

**Mr. Clark Guthmiller, Program Specialist, USDA**, presented “USDA Rural Development” (**Document #1**). Mr. Guthmiller said that USDA Rural Development offers grant assistance for rural development and the tribes can apply for these USDA grants and loans. Instances where the tribes have taken advantage of these grants are the Dakota Fund on the Pine Ridge Reservation and Four Bands on the Cheyenne River Indian Reservation. Program areas include Rural Business/Community, Rural Housing and Rural Utilities. Mr. Guthmiller is available to work with the tribes if they would like assistance writing grants or applying for any of the programs or services within the USDA Rural Development.

Representative Haggar asked Mr. Guthmiller to give more information regarding Four Bands, Inc. Mr. Guthmiller explained that Four Bands was formed in 1999 on the Cheyenne River Indian Reservation, with grant assistance from the USDA. Four Bands focuses in the areas of small business training and lending, entrepreneurship education, and financial literacy.

Representative Haggar was also concerned with the length of the loans USDA provides. Mr. Guthmiller clarified the USDA does not have set term limits, but loan terms are usually 5-10 years; they are individualized to the entity taking out the loan. Secretary Emery added that the USDA provided funding for the Administration Building in Sisseton.

**Mr. Wizipan Little Elk, Chief Executive Officer, Rosebud Economic Development Corporation**, mentioned that these are not zero-interest loans; they're often 5-8% interest loans.

Representative Haggar asked if these loans are generally for equipment and salaries, or working capital. Mr. Guthmiller said working capital was the primary purpose of the loans, not a lot of real estate is purchased with these loans.

**Representative Elizabeth May** asked if any of the USDA Rural Development loans or grants could be used for work that needs to be done at the Wakpa Sica Reconciliation site in Fort Pierre. Mr. Guthmiller responded that community grants may be available to help get the building up and running again.

Representatives Haggar and May continued the discussion regarding different aspects of the loans offered by USDA.

**Mr. Wizipan Little Elk, Chief Executive Officer, Rosebud Economic Development Corporation**, started his presentation by distributing two documents (**Documents #2 and #3**). The Rosebud Reservation covers a million acres of land, most of which is in Todd County and the trust land spans through five counties all the way to the Missouri River. Of the 14,000 tribal members, the median age is 24. Of all tribal members, 33% are under the age of 19. Unemployment rate is 75% in the summer and 85-88% in the winter. Education is a huge issue for the reservation with a high school dropout rate of over 50%, and of those that finish high school only 10% will go on to college, and 90% of those attending college will not finish.

Rosebud Economic Development Corporation (Redco) was developed using models of other tribal organizations in Oklahoma and Nebraska. Redco is a corporation that is chartered through the tribe. Redco is exempt from taxes and governed by a separate board.

The purpose of Redco is business creation, development projects, workforce development and jobs creation. One of the steps to economic development is Keya Wakpala Waíčageyapi. Keya Wakpala Waíčageyapi is a 600 acre development, and the grocery store in Mission was the beginning of this development. The development will provide for and address growing needs in housing, businesses,

jobs, clean water, energy, and infrastructure. Redco surveyed the tribal members asking what they would like available to them, and the majority said healthy food, language immersion, and solar energy. These are the Tribe's priorities, and they need to be emphasized to the private sector, according to Mr. Little Elk.

Currently, Redco operates ten businesses, with \$6 million in revenue. Redco has also created 80 jobs in the past few years. They would like to expand more into agriculture, and the goal is to put into production 85,000 acres. Another problem for the Rosebud Reservation is that tribal members spend their money outside the reservation. Redco would like money to stay on the reservation. Currently, tribal members travel to Valentine, NE, for shopping, entertainment, and recreation. Pierre and Rapid City also see large amounts of dollars coming from tribal members. Redco's priorities for the future include agriculture, renewable energy, technology, and finance. Short term goals include creating jobs, and quick revenue. The hope is for this task force to come up with tribal economic development legislation to address tax authority, business incentives, and grant funding.

**Secretary Steven Emery** mentioned that Redco should meet with the Governor's Office of Economic Development and share this information and that the Department of Tribal Relations would facilitate such meetings between the tribe and state. Representative Haggar added that he believes it is important to share information rather than reinventing the wheel.

**Mr. Blaine Little Thunder, Pine Ridge**, spoke about the youth problem on the Oglala Sioux Reservation. There are no jobs for youth. According to Mr. Little Thunder, tribal youth are not becoming educated because jobs are not available. An even larger problem is the high suicide rate. Much of the youth come from broken families and have no parents. A very large need exists for addressing the growing youth issues. One example of a solution would be to create a safe place for youth.

The tribe is also struggling to bring in revenue. The tribe is considering building and opening a second casino, and starting a propane company. The casino currently does not bring in much revenue. The tribe also needs to figure out a way to bring businesses and jobs into the community. The tribe would like more wind energy, and franchises like Little Caesar's and Taco John's.

### **Public Testimony**

**Mr. Michael LaPointe, Rosebud Sioux Tribe**, spoke about his background in economics and is focused on the economic development in Indian country. Mr. LaPointe sees a problem of work disadvantage. Currently, members of the tribe collect government benefits and if they begin to work they lose those benefits. A much larger issue is the tribes have no ability to build wealth, and no taxing authority. Mr. LaPointe thinks there are two implications when you don't own land, you cannot build wealth, and you can't build tax revenue. This is a problem for the tribes. They cannot tax and hire a decent police force. Representative May asks if Mr. LaPointe believes the tribes should be in a partnership with the state government, instead of the federal government. Mr. LaPointe agrees.

### **Committee Discussion**

Representative Haggar spoke about the relationship between the state and tribes as being close to a common law marriage, while tribes and the federal government have a marriage. Issues have arisen because of the relationships but so far we haven't been able to come up with any solutions.

## Adjournment

**SECRETARY EMERY MOVED, SECONDED BY REPRESENTATIVE MAY, TO ADJOURN. The motion prevailed unanimously on a voice vote.**

The committee adjourned at 5:00 p.m.

*This meeting is being held in a physically accessible location. Any individual needing assistance, pursuant to the Americans with Disabilities Act, should contact the Legislative Research Council (605-773-3251) in advance of the meeting to make further arrangements.*

All committee agendas and minutes are available on the LRC website: <http://legis.sd.gov/>. You may subscribe to electronic delivery of agendas and minutes at *E-Subscribe* on the LRC website.