



The Grand Traverse Band of Ottawa and Chippewa Indians

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November 21, 2018

Dear Tribal Member who reside within the GTB Service Area,

In late April of 2016, the federal government finally paid the multi-million dollar settlement in a federal lawsuit *Salazar v. Ramah*, 567 U.S. 182 (2012). In that case the Supreme Court held that the Department of the Interior must pay full contract support costs for self-determination contracts with Indian Tribes. From 1994-2013, the Department consistently underpaid the Tribes the indirect costs of administering contracts, thereby depriving the tribal members in the service area the full benefit of the federal contract because the Tribe had to allocate tribal funds to cover the Department underpayment. In the case of GTB, that amount of settlement dollars to be provided to GTB is based on the number of tribal members who lived within the GTB service area for the time period covered by the federal contract. In other words, GTB members were denied the full benefit of the federal contracts by the federal underpayment.

Under the Indian Self-Determination and Education Assistance Act, any Tribe—providing the Tribe has met a strict management standard over a number of years— can reallocate its federal budget line items to services that the Tribe deems appropriate that reflect the unique needs of the Tribe. GTB has met this standard. It is important to keep in mind that the total dollar amount of the self-determination contracts in dispute were based on the number of members within the defined federal service area. In the case of GTB the defined service area is the six county federal service area established by GTB's federal recognition (1980) that was later memorialized as a GTB Tribal Constitutional standard, Art. 1 Sec. 2a (1988). Since there is a direct connection between the amount of the federal contract, which forms the basis of the settlement, and the number of tribal members living within the service area and the denial of services to those tribal members, the Council has elected to distribute the settlement to tribal members over the age of eighteen (18) years as of October 31, 2018 who live within the service area. That number of tribal members is 1,470 for a total distribution of \$2,040.81.

This is a one-time payment from the settlement that is in lieu of tribally administered federal services for the time period that services were effectively denied by the federal underpayment. This payment is subject to federal income tax.

The Council has struggled with an equitable method for the settlement distribution and different tribes who participate in the settlement have selected a wide range of options. Ultimately, after extensive discussion, the majority of the Council voted for this option.

On Behalf of the Council

Megwetch,

Thurlow "Sam" McClellan

Tribal Chairperson