

# Confederated Tribes of the Warm Springs Reservation of Oregon; Jefferson and Wasco Counties, Oregon

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## NEAI Projects\*

Year	Applicant	Project	Funding Source <sup>1</sup>	Amount
1994	Confederated Tribes of the Warm Springs Reservation	Planning Grant	EDA	\$39,000
1994		Infrastructure, Machinery for Composite Products at Mill Site	EDA	\$1,000,000
1995		Warm Springs Composite Products	OEDD/RD	\$200,000
1996		Water Treatment Plant Automation	USFS	\$200,000
1996		Fish Passage Improvement	USF&WS	\$18,000
1996		Log Springs Meadow Restoration	USF&WS	\$27,260
1997		Beaver Creek Watershed Improvement	USF&WS	\$17,000
1997		Watershed Stabilization	USF&WS	\$63,000
1997		Hwy 26 Rest Stop	USFS	\$30,000
1997		KahNeeTa Village Interpretive Center & Trail System Planning	USFS	\$31,900
2000		Sewer (Water Treatment System)	USDA-RBS	\$600,000
2000		Essential Oils Business Plan & Research	USDA-RBS OECDD	\$37,500 \$37,500
1997		Oregon Native American Business Entrepreneurial Network (ONABEN)	Primary for services to Siletz & Umatilla Tribes, but also to extend business education services to Grand Ronde, Klamath, and Warm Springs Tribes	USDA-RBS

\* Project funding reflects initial loan and grant totals. Final funding amounts may be different.

1. Key to Funding Sources: EDA-Economic Development Administration, OEDD/RD = Oregon Economic Development Department/Rural Development, USFS = U.S. Forest Service, USF&WS = U.S. Fish & Wildlife Service, USDA-RBS = U.S. Department of Agriculture-Rural Business Service

## Background Context

The Confederated Tribes of the Warm Springs Reservation of Oregon encompasses over 1,000 square miles (640,000 acres) in north central Oregon, about 1.5 hours from Portland to the reservation border. The reservation is bounded on the west by the Cascade Mountains summit to Mt. Jefferson, on the south by the Metolius River and Lake Billy Chinook, and on the east by the deep canyons of the Deschutes River. Over half the reservation is forested with the remainder primarily rangeland. Volcanic peaks, ponderosa pine forests, alpine lakes, pristine rivers, deep canyons, and sagebrush-covered high desert can be seen between the snow-capped Mt. Jefferson at 10,497 feet and the Deschutes River at 1,000 feet elevation. The reservation is home to three tribes—Wasco, Warm Springs, and Northern Paiute Tribes—many of whom still gather traditional roots and huckleberries, hunt deer and elk, and fish for salmon.

### Historical Background<sup>2</sup>

Prior to the Treaty of 1855, the Wasco people lived on the Columbia River around Hood River and The Dalles in permanent villages. Wascoes were the easternmost bands of Chinook speakers, who were principally fishers, traders, and farmers. They fished the bountiful salmon runs and traded for deer, elk, roots, berries, hides, and other goods from other Indian peoples.

The Sahaptin-speaking Warm Springs Indians lived primarily along the tributaries of the Columbia River—the Deschutes and John Day Rivers—moving between winter villages near the rivers and upland summer villages. They depended more on game, roots, and berries, but salmon was also an important staple. Like the Wascoes, they built elaborate scaffolding over waterfalls to harvest fish with long-handled dip nets. Although the Warm Springs bands and the Wascoes observed different customs

and spoke different languages, they could converse and trade was frequent between them.

The Northern Paiute spoke a Shoshonean dialect and lived in the Northern Great Basin of southeastern Oregon. Paiutes migrated further and more frequently than the Wascoes and Warm Springs Indians, hunting, gathering, and fishing, although fish was not an important part of their diet. The Paiute language was unintelligible to the Wascoes and Warm Springs bands, trade was infrequent between them, and skirmishes often resulted from their encounters. Although Paiute territory extended from southeastern Oregon into Nevada, Idaho, and western Utah, the Paiutes who eventually settled at Warm Springs were from southeastern Oregon.

During the 19th century, waves of settlers began to travel through and settle in that territory bringing disease and conflict for the land and resources. In 1855, Joel Palmer, superintendent for the Oregon Territory, was ordered to clear the Indians from their lands. In that year, under pressure from Palmer, the Wasco and Warm Spring Indians ceded approximately 10 million acres to the United States government in exchange for reserving the balance (approximately 600,000 acres or 1/20th of their original land base) for themselves and the rights to self-govern, fish, hunt, and gather foods in accustomed (ceded) places.<sup>3</sup> The Treaty of 1855 was unique in that the Warm Springs Tribes retained full sovereignty in civil and criminal jurisdiction and reserved “rights in common with citizens of the United States;” that is, relations with the United States are government to government and the Warm Springs Tribes are not subject to state laws.<sup>4</sup>

Although the Wasco and Warm Springs Tribes signed the Treaty in peace, the Northern Paiute did not. The Northern Paiute, led by the warrior Paulina, rose up against the United States Army in the Bannock War of 1878. Defeated, many Paiutes were

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2. The primary source for this section is The People's Plan, 1999, Yesterday, pp. 1-13.

3. A common misconception of non-Indians is that the U.S. government gave reservations and these rights to Indians. Instead, Indians “reserved” the land and these rights for themselves; hence, the word “reservation.” Indians are the ones who, under great duress, relinquished (“ceded”) land to the U.S. government and “reserved” what they could for themselves.

4. Established by Public Law 280, the Confederated Tribes of Warm Springs Indians is one of only three tribes in the United States with “full sovereignty.”

forced to move to the Yakama Reservation and Fort Vancouver in Washington. Between 1879 and 1884, members of the Paiute Tribe were moved to Warm Springs from the Yakama Reservation.

Traditional ways of life changed greatly after the Tribes located onto the Warm Springs Reservation. People had to adjust to new land resources, there was a boundary dispute, and a third tribe was introduced with whom the Wasco and Warm Springs bands had a history of conflict. Indians could no longer harvest enough salmon to sustain themselves, and the poor land and harsh climate made it difficult to farm. Indian children were taken from their parents and put into boarding schools, forbidden to speak their own language, and not allowed to leave school to help their parents fish or to participate in traditional activities.<sup>5</sup> In this way, much of the culture (languages and traditions) was lost—the source of all people’s sense of identity, dignity, and purpose. Against great odds, however, and due to the tenacious efforts of the Warm Springs people, a great deal of the culture was preserved or was adapted to changing circumstances.

Non-Indian misunderstandings of off-reservation Treaty rights and federal policies to put an end to Indian tribes and cultures and to assimilate Indian people into the American mainstream made life even more difficult. Farmers, missionaries, and land developers urged Congress to allow individual Indians to own land. Some thought individual landownership would encourage Indians to be agriculturalists, others thought that farming would turn Indians into Christians, but many simply wanted an opportunity to seize “wasted” Indian land. In response to these pressures, Congress passed the Dawes (Homestead) Act in 1887 “allowing” individual Indians to obtain ownership of tribal land. Individual Indians were “allotted” 30-120 acres to farm free of taxation for 25 years.<sup>6</sup> At the end of that period, they had to pay taxes on that land. Often Indian family members would be allotted lands widely separated from each other. Without the traditional extended family labor base, without farming skills or tools, and on land often ill suited

for agriculture, most Indians lost their land and non-Indians took it over. Not surprisingly, the “Allotment Period” was devastating to many tribes. As a result, many reservations are a checkerboard pattern of tribal and allotment (non-Indian owned) lands to this day. Fortunately, the Warm Springs Reservation was spared from most of the disastrous effects of the Dawes Act because of its remote location and its low agricultural value. In addition, Tribal policy has been to buy back allotments when the owner dies. Consequently, less than three percent of the Reservation is owned by someone other than the Tribes.

Finally, in the Indian Reorganization Act (Wheeler-Howard Act) of 1934, Congress recognized the necessity for tribal governments to manage their own affairs and offered federal assistance to tribes organizing under its provisions. After studying the Act carefully, the three tribes organized as the Confederated Tribes of the Warm Springs Reservation of Oregon in 1937 and adopted a constitution, which established an 11-member Council to oversee all tribal operations, and by-laws for tribal government. In 1938, they formally accepted a corporate charter from the United States for their business endeavors.

Once the Confederated Tribes had established themselves as a self-governing entity, they began to actively pursue self-sufficiency. Encouraged by tribal leadership, Congress passed legislation in 1962 which provided a mechanism for the Tribes to reacquire lost land and return it to trust status. Among the Tribes’ first purchases were tracts containing the hot springs on the Warm Springs River; lands that had tremendous historical, cultural, and commercial value, and which are now the site of Kah-Nee-Ta Village—part of Kah-Nee-Ta Resort. In 1972, the Tribes won a 100-year struggle to return approximately 60,000 disputed acres of land (The McQuinn Strip) along the northern and western boundaries to tribal ownership.

### **Tribal Government**

The Tribal Council consists of eight elected members who serve three-year terms and three tra-

5. During the same period, children of European-Americans were excused from school to help on their parents farms, especially during the harvest season.

6. The Warm Springs Secretary-Treasurer Charles V. Jackson’s “understanding is that [while] the allotted lands were to be ‘restricted’ from alienation for a period of time. . . ., in practice, descendants of original allottees retain interests in allotments that, if held in trust or restricted status, cannot be sold or encumbered without the consent of the BIA.”

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ditional Chiefs who serve for life. There are three districts on the reservation with a Chief from each district. The Simnasho District, generally the north-northwestern part of the reservation, is represented by the Warm Springs Chief and three elected representatives; the Seekseequa District, generally the south-southeastern part of the reservation, is represented by the Paiute Chief and two elected representatives; and the Agency District, generally the community of Warm Springs and surrounding area, is represented by the Wasco Chief and three elected representatives.

The Council has a combination of legislative, executive, and judicial responsibilities, which include setting policy and appointing key personnel in the tribal government and tribal enterprises. The governing body consists of the Tribal Council. Tribal Government Operations and Administrative Services are headed by the Secretary Treasurer (the CEO) and the Chief Operations Officer (COO). Tribal Government Services provide education, public safety, utilities, health, resource management, business development, and recreation services. The Tribal Council also appoints Tribal Court judges.

### **Economic Background**

In 1967, the Tribes purchased a privately owned and operated sawmill on the reservation and established Warm Springs Forest Products Industries. In 1972, Kah-Nee-Ta Lodge, a vacation and convention facility, was completed as part of the Kah-Nee-Ta Resort. In 1982, the Tribes completed the Pelton Reregulating Dam Hydroelectric Project and established Warm Springs Power Enterprise; the first license issued to an Indian tribe by the U.S. Federal Energy Regulatory Commission. Two FM radio stations were developed in 1986; the Museum at Warm Springs opened in 1993; and in 1995, the Warm Springs Plaza opened. Warm Springs Composite Products was established in 1993; Indian Head Casino at Kah-Nee-Ta Lodge opened its doors in 1996; and in that same year the Warm Springs Credit Enterprise was converted from a program into an enterprise.

Besides tribal enterprises, the Tribes have also promoted the development of private Indian-owned businesses. These businesses include two restaurants, an automotive repair, a gas station, recreation services

(fishing, and rafting), a grocery store, a tax service, and arts-and-crafts outlets. They provide products and services to the community as well as much-needed jobs. To assist in the development of private enterprise, the Tribes established a Small Business Development Center in 1992.

In the People's Plan, completed in 1999, the community vision is:

We the people of The Confederated Tribes of Warm Springs, since time immemorial, carry forth the inherent rights of sovereignty and spirituality through unity and a respect for the land, water, each other, and the many gifts given by the Creator.

Community goals are:

- Our tribes work together to protect treaty and other rights, tribal values and sovereignty.
- We preserve, protect, and enhance our cultural, environmental and natural resources.
- We are a healthy, safe, productive, and knowledgeable people.
- Our growing economy meets the income, employment, and business needs of our community.
- Our homes and community are sources of pride and we have various choices of where to live (The People's Plan, 1999, Today, p. 35).

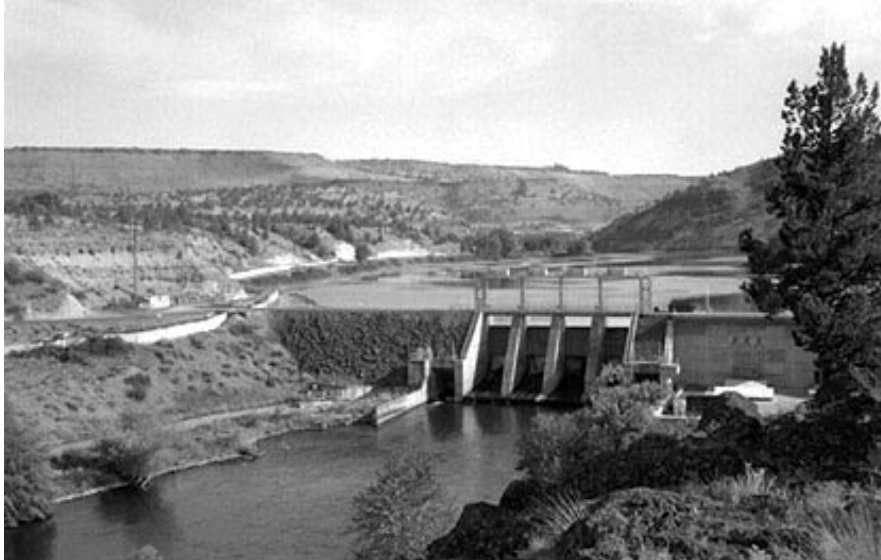
For economic development and finance, the community vision is:

Our strong and balanced economy supports our people with meaningful jobs and profitable businesses. Personal incomes meet our family needs. Our tribal revenue supports a safe and healthy reservation.

Economic development goals are to:

- Achieve a diversified economy.
- Generate sufficient revenue to support jobs and tribal government services.

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Pelton Dam, Deschutes River, Warm Springs Reservation

- Develop and maintain a “ready to work” force (The People’s Plan, 1999, Tomorrow, p. 33).

Consistent with these visions and goals, The Confederated Tribes of Warm Springs have used NEAI funds to build infrastructure for future population growth and economic diversification, to develop both tribal and private sector businesses, and to provide jobs.

### Key Issues

The key issues are (1) the reservation economy is natural resource dependent; (2) the present infrastructure cannot yet accommodate a growing population and business growth; (3) the tribal workforce has limited skills for attracting outside businesses and providing full employment; and (4) decreasing tribal revenues.

#### *A Resource-Dependent Economy*

Because the Tribes are both the chief landowner and major employer in the community, reduced income from resource-based businesses affects both tribal government and tribally-owned businesses. The reduction in harvests on federal land throughout the Northwest during the 1980s, with its many mill closures and layoffs, benefited the Warm Springs timber

industry. The Tribes were able to supply large, high-value, old-growth timber when the National Forests were not. Consequently, the Warm Springs Forest Products flourished and expanded, and the Tribes received revenues from both the stumpage sold to the mill and dividends from the mill’s profit. Over 110 million board feet of timber were harvested annually in the 1980s, supporting two shifts in the mill.

By the late 1980s, the picture began to change. People were increasingly concerned that reservation timberland was being over cut. In response, the Tribes developed an Integrated Resource Management Plan (IRMP), adopted in 1992, that takes into account timber harvests, water quality, fish and wildlife habitats, and cultural resources. Under the IRMP, the sustainable allowable timber cut on the reservation was determined to be about 55 million board feet a year (Spilyay Tymo, 9/6/01, p. 1). Although the reduction was phased in, the ultimate result was a halving of the mill workforce and a drop in timber receipts of 23 percent between 1988 and 1996. By 1996, the Oregon Economic Development Department had ranked Warm Springs and Madras as twelfth highest of the 59 most affected timber communities in Oregon.<sup>7</sup> Recently, the Tribal Council lowered the cut to 37.6 million board feet per year, which may result in more layoffs.

7. The first year that OEDD ranked timber-affected communities, the Warm Springs Reservation ranked at the top of the list (Ray Rangila, personal communication).

**Figure 1: Population**

	1990 <sup>a</sup>	1998	Growth %
Reservation Population	3,076 <sup>b</sup>	3,716	20.8
Tribal Enrollment <sup>c</sup>	3,335	3,857	15.7
Jefferson County	13,676	17,400	27.2
Oregon	2,842,321	3,267,550	15.0

a. 1990 US Census data believed to be an undercount of more than 20 percent.

b. Includes non-Indians, married into the Tribe, and other Indians.

c. Includes enrolled members living both on and off the reservation.

Hydroelectric power is the second highest revenue producing enterprise for the Tribes, although by the late 1990s it was beginning to surpass timber in revenues. As a co-licensee with Portland General Electric (PGE), the Tribes will purchase one-third ownership interest in the three-dam Pelton Round Butte Project on the Deschutes River and receive dividends from that project. The Tribes hope to increase their share to 50 percent in 20 years and eventually own the entire project. Managed by the tribally-owned Warm Spring Power Enterprises, the Pelton Regulating Dam Hydroelectric Project began generating electricity and revenues in 1982. Although hydroelectric power has generated consistently high revenues and despite the exorbitantly high prices in the industry early in the summer of 2001, prices plunged due to a cooler-than-usual summer and a lower demand for electricity. It remains to be seen whether prices will stabilize in the industry.

*Infrastructure, Population Growth, and Business Development*

Population growth, economic diversification goals, and educational needs have required developing an adequate water and sewer infrastructure. The population on the reservation, assuming some undercounting, is near 4,000 people (Figure 1). Most live in the community of Warm Springs. There is the small hamlet of Simnasho in the northern Simnasho District, but the rest live in widely scattered, rural homes throughout the reservation.

A nearly 21 percent growth in population during the 1990s, an increase in homes from around

150 in the 1970s to around 400 in the 1990s in the town of Warm Springs, and widely dispersed business enterprises and government operations have made it difficult and expensive to develop an adequate infrastructure to serve business and residential needs. Kah-Nee-Ta Lodge and Village are located 11 miles from Warm Springs, and the Natural Resources office complex, the industrial park, the mill site complex, the Museum and Plaza are all located about one to three miles from Warm Springs in different directions. In addition, the Tribes have plans to build a new elementary school and, eventually, a middle school on the reservation. While NEAI funds have helped automate the water treatment facility and modernize the wastewater treatment facility, the Tribes are seeking more funds to develop a better wastewater treatment system at Kah-Nee-Ta and to expand the water treatment facility.

*Workforce and Business Development*

The Warm Springs Tribes are committed to providing jobs for their members. In 1998, tribal enterprises provided 503 jobs (36 percent), tribal government and schools provided 749 jobs (54 percent), and private businesses provided 134 jobs (10 percent) on the reservation. The Tribes are trying to develop private businesses to generate more jobs, but the remote location of the reservation and an incompletely developed infrastructure are challenging their ability to do so.

Tribal land ownership also presents some difficulties in business and financing. Because of the absence of collateral in the form of privately owned

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property, banks do not currently finance private businesses or homes on reservations. However, according to the Warm Springs Secretary Treasurer,

“Banks have and do finance some private business on the reservation—banks and equipment leasing companies have financed logging and construction companies owned by Tribal members since the 1970s. These have generally been equipment and working capital loans. Real estate lending has been restricted to the BIA and the Tribe until very recently with the establishment of a Secured Transaction–Real Property Code.”

Thus, although Warm Springs Credit Enterprise does not make loans for housing development or for working capital, the establishment of Warm Springs Credit Enterprise in 1996 has overcome barriers for private home ownership.

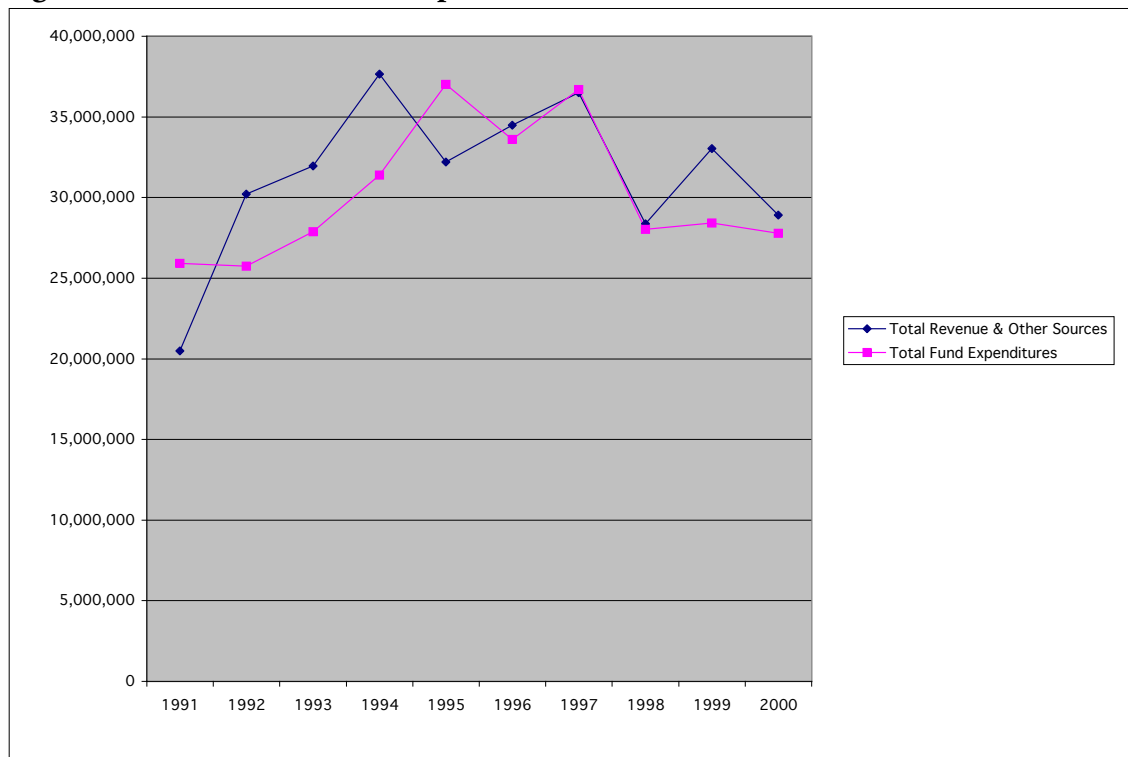
Given some of the financing difficulties, the Warm Springs Tribes needed other incentives for businesses to locate on the reservation. They recently won an important victory with the Oregon Legisla-

ture, which designated the reservation as an Enterprise Zone. In order to avoid double taxation by both Jefferson County and the Tribes, HB 2332 allows the new businesses locating on the reservation (1) to defer county property tax for three years; and (2) to deduct a dollar on its state income tax statement for every dollar the business pays in tribal taxes. Thus, the Tribes are gaining ground in both infrastructure development and in attracting new businesses to the reservation for future job creation.

However, a major barrier to providing jobs to tribal members is the lack of job skills. While the Tribes have a policy of hiring tribal members first (if qualified), many jobs on the reservation go to non-Indians. In Warm Springs, 10 percent had earned a college diploma in 1998 compared with 15 percent in Jefferson County and 24 percent in Central Oregon (Northwest Area Foundation 1999). Exacerbating the problem is a high drop-out rate for high school students. Thus, a lack of appropriate training and job skills are barriers to full-time employment for Indians.

Another barrier to large-scale, industrial workforce development may be reconciling tribal members' traditional practices and lifestyles with industrial

**Figure 2: Tribal Revenues and Expenditures, 1991-2000**



workforce demands. As opposed to full-time jobs, many tribal members prefer seasonal work with enough flexibility to allow them to hunt, fish, gather, and attend to traditional activities. Hunting, fishing and gathering are not only traditional activities, but they are also economic activities that contribute to the household, something that is often overlooked in economic studies. While the Tribal Council recently passed a resolution establishing a policy of allowing paid leave for prominent traditional activities for tribal employees, non-Indian businesses may well balk at and lack the flexibility for such a policy, especially in highly competitive, low margin enterprises. Nevertheless, for private businesses located on tribal land, policies adapted to the demands of traditional activities would make jobs in that sector more attractive to tribal members.

Tribal members also receive a per capita annual distribution payment from tribal revenues. A portion, 25 percent, is put in trust for children until they reach 18 years old. While a very effective safety net, this income can also act as a disincentive for employment and for completion of high school. Originally intended for educational purposes, the Tribal Council is now withholding all or part of that trust until the child has finished high school with a GPA of 2.0 or better as a way to stem the rising high school drop-out rate—a policy that has already reduced the drop-out rate. In this and other ways, the Tribes are searching for a balance between developing a skilled workforce that meets business requirements and retaining the traditional culture that gives meaning and dignity to people's lives.

### *Decreasing Tribal Revenues*

Tribal revenues have not only not kept up with tribal population/membership growth, but the Tribes are losing ground in terms of real income (as opposed to relative income that accounts for inflation). Overall, tribal revenue has dropped from \$10,851 per capita in 1994 to \$7,495 per capita in 1998 (Figure 2). Total tribal revenues have gone up and down since 1991, but after 1995 the peaks decrease. Some of the revenue spike can be explained by NEAI and other grants and loans that were injected into the community after 1993. Since timber contributes a substantial percentage of the total tribal annual revenue and since that revenue may decline more with the reduction in allowable cut (the Secretary Treasurer predicts a halving of timber revenue by next year), tribal revenues are likely to continue to decline for awhile until the Tribe's other economic development strategies succeed.

### **Summary of Key Issues**

Despite the Warm Springs Tribes' many successes as they strive for self-sufficiency, there remain a number of economic development challenges. The Tribes' economy remains largely natural resource based, tribal revenues are falling—due in part to declines in timber harvests—and people are still poor. Timber jobs are lost as the timber cut is reduced, and, as timber revenues decline, budgets and, therefore, jobs are cut in the tribal government as well. If the greater American economy continues to slow down as it has in 2000, the Tribes will face a stiff challenge to achieve economic self-sufficiency.

## **NEAI Projects and Programs**

The NEAI Program was just one of many programs of which the Tribe is highly organized to take advantage, to ensure compliance with tribal and grantor rules and regulations, to avoid project duplication, and to maximize interdepartmental collaboration. In the grant-application process, each department is responsible for reviewing available grant funding, contacting the funding agency for further details, and designating a contact person.

Then the department must inform the Secretary/Treasurer, Chief Operating Officer, and management team of the grant opportunity and obtain approval from the appropriate General Managers and Directors to proceed. It must inform and coordinate with other departments, especially with Budgets, Grants, and Contracts to review regulations, responsibilities, costs, and so on. Budgets, Grants, and Contracts then monitors the grant

development process and provides assistance as requested. The department must then prepare the application for review by Budgets, Grants, and Contracts and draft a resolution for presentation to the Tribal Council. The resolution and applications must be presented to the Council for discussion and approval prior to the application being signed by the Secretary-Treasurer. If the grant is awarded, the department then implements the project with the appropriate interdepartmental coordination and oversight by Budgets, Grants, and Contracts. A number of departments applied for and received NEAI funding. Those included Public Utilities, Economic and Business Development, Kah-Nee-Ta Resort Management Office, Planning, and Natural Resources.

One of the primary mechanisms for implementing the Northwest Economic Adjustment Initiative was the development of State Community Economic Revitalization Teams. The role of the SCERT was to coordinate delivery of state and federal assistance, and work with tribal governments, local governments, and private and non-profit organizations. In Oregon, the Oregon Economic Development Department (OEDD), later renamed the Oregon Economic and Community Development Department (OECDD), coordinated the OR-CERT process.

The Warm Springs Tribes have been involved from the beginning of Regional Strategies to the present Regional Investment Program and the Tribes have a member on the Board. Because of this involvement, the Tribes were able to take advantage of NEAI funding as soon as it came available. Since the reservation is located primarily in two counties—Jefferson and Wasco—the Tribes have to work with both the Central Oregon and the North Central Oregon regions. The Tribes would prefer to be an equal partner and deal with only one region. The state, however, has stuck to the regional approach made up of counties in which the Project Identification Forms are routed through the County Commissioners. While the Tribes could bypass both the county and the state, they believe that it is to their advantage to have good working relationships with both and chose to work within the system.

### **Community Economic Revitalization Team (CERT)**

Prior to the Northwest Forest Plan and the implementation of NEAI, much of Oregon was organized into Regional Strategies Boards under the direction of the Oregon Economic Development Department (OEDD). Regional Strategies Boards represented one or more counties and were comprised of elected officials, industry members, and, sometimes, private non-profit organizations and private citizens. County commissioners would collect proposals from various organizations and submit them to the Board for prioritization, sometimes going through several rounds. The prioritized proposals would then go to OEDD for another prioritization process. If OEDD approved a proposal, funding for the project would come out of state lottery funds, and the local Boards would distribute the money.

From 1988-1996, OEDD and the Regional Strategies Boards focused on key industries, e.g., tourism or agriculture. In 1996, the focus changed from key industries to distressed rural communities, and by 1998, the Regional Strategies approach had been replaced by the Regional Investment Program and Regional Investment Boards. Applicants go through a similar process, but now the Oregon Economic and Community Development Department (OECDD, formerly OEDD) takes the prioritized application to other potential funders. If a funder is found, a lead agency is selected (usually the funding agency) to work with the project contact.

The Central Oregon Intergovernmental Council (COIC) is a Council of Governments which represents Crook, Deschutes, and Jefferson Counties. COIC facilitated both the Regional Strategies and the CERT processes and currently facilitates the Regional Investment Program. This group tries to get the communities, districts, counties, and the Tribes to identify the long-term issues versus the short-term needs.

In the CERT process, the COIC annually sent out blank Project Identification Forms and/or previously filled out forms for projects that were rejected the previous year. Once returned, all the government entities in a county sat down together, and COIC led the counties through a prioritization process. They set county-wide priorities in three categories:

Community Facilities (e.g., senior centers, schools); Infrastructure (e.g., water and sewer, industrial parks); and Community Readiness (e.g., feasibility studies and planning completed, financial soundness, etc.). The Tribes prioritized their own projects. The tribal list then went to COIC, and that list and the three county lists were then submitted by COIC to OEDD, which took the projects to potential funders. Once they heard from the lead agency, COIC tried to overcome any barriers, to move the application to the lead agency forward, and to provide technical assistance wherever needed. Although the Tribes can and do apply directly to state and federal agencies for project funding, they voluntarily participated in the Regional Strategies, Regional Opportunities, and CERT processes through COIC “from the beginning.” The current state Regional Investment Program with its Regional Investment Boards follows essentially the same process.

From COIC’s perspective, the CERT process had a positive but not a substantial impact. It was a different way to capture local needs and to direct them to funding sources, and it helped communities transition from timber dependency. According to the COIC Economic Development Manager, Jobs in the Woods projects were “considered a joke on the east side of the Cascades,” because state and federal bureaucrats do not seem to understand that you can’t plant trees in several feet of snow during January and February.

From the Tribes’ perspective, NEAI moneys helped achieve some business development and infrastructure goals. Jobs in the Woods was particularly compatible with tribal culture in that the jobs were outdoors and seasonal and that several of their young people gained job skills they might never have received.

### **NEAI Projects**

NEAI funded projects on the Warm Springs Reservation include two business development projects (Composite Products and Essential Oils), two tourist-related projects (Highway 26 Commercial Rest Stop and Kah-Nee-Ta Interpretive Center), two infrastructure projects (Wastewater and Water Treatment Facilities), and four Jobs in the Woods projects. Indirectly, the Warm Springs Small Business Development

Center benefited from an NEAI grant awarded the Oregon Native American Business Entrepreneurial Network (ONABEN) to extend the range of services there.

### *Warm Springs Composite Products*

Warm Springs Composite Products is a tribal enterprise, and the Tribes receive a dividend from the profits. Although it is the smallest enterprise on the reservation, it is one of the few that has consistently made a profit.

Composite Products manufactures fire-rated door components from diatomaceous earth for sale to businesses or industries that must comply with OSHA fire resistant standards. Diatomaceous earth is composed of fossilized marine animals making it hollow and light weight. It is mixed with expanded perlite (an obsidian-like material that is ground, burned, “popped,” and blown into a dust) and cellulose fibers made from recycled newspapers. The mix creates a highly fire-resistant material that is fire-rated; it is certified to withstand 1,770 degrees of heat for 20-90 minutes and a fire hose test. The fire-rated certification is for commercial or industrial use. The test is too expensive (\$10,000) for residential use.

The company was the first project on the reservation to receive NEAI funding. After the plywood plant in Warm Springs was shut down in 1990, Composite Products moved in and started business in 1993. In 1994, the Economic Development Administration (EDA) awarded the Tribes a \$1,000,000 grant for production machinery and capital assets; and in 1995, the Oregon Economic Development Department (OEDD) awarded them another \$200,000 (half grant, half loan) from Rural Development funds for production machinery, international marketing, and sales. The records for another \$39,000 planning grant awarded in 1994 were not located for this study, but people thought it might have been awarded to Composite Products by EDA. The Tribes provided a \$1,400,000 match.

By 1996, Composite Products was profitable, had increased its sales by 20 percent from 1995, and was employing 47 people. However, during that year the manufacture of core (full-sized) doors was abandoned because they could not be produced profitably, and around 20 employees had to be laid off. Now the

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company makes fire-rated door components such as lock blocks—a block 1.75 inches thick for the handle and key area of a door—and employs 28 people. The company is researching the potential for manufacturing other products, is trying to expand further into international markets, and hopes to increase the number of employees in the near future.

### *Water Treatment Plant Automation*

The Water Treatment Plant supplies water to residents in the town of Warm Springs, to rural housing subdivisions, to businesses and industry on the reservation, to the Natural Resources and Fire Control compound, and to Kah-Nee-Ta Resort. Water flows by gravity from a Deschutes River oxbow for treatment in the plant. The treated water is pumped to the main reservoir, which sits on a high hill, and then it flows by gravity to six other reservoirs that extend north from Kah-Nee-Ta to the southeastern, most populated part of the reservation. The plant has a three million gallons/day capacity, but consumption ranges from 0.5-1.5 million gallons/day with occasional maximum daily consumption.

The old water treatment system was installed in 1983. By 1995, the parts had become functionally obsolete. New parts were unobtainable, and it cost more to fabricate a part than to upgrade to a new system. So in 1996, the Tribes applied for and received a \$200,000 grant from the USDA Forest Service—Cooperative Programs and matched over \$220,000 for the project.

The project accomplished the following purposes;

1. The improved treatment process allowed compliance with federal and tribal drinking water and safety regulations.
2. Process instrumentation and control upgrades allowed continuous and improved monitoring and control of important water quality and treatment process parameters, and
3. Addition of a PLC-based control system and Human-Machine Interface allowed the plant to operate automatically and unattended.

While the new automated and more computerized system has the same treatment capacity as the old system, it requires only eight hours/day labor input compared with 18-20 hours/day of the old system. The automated system reduced labor costs by 55-60 percent. Thus, although jobs were eliminated, operating costs were significantly reduced.

### *Highway 26 Rest Stop*

Highway 26 connects Portland and Western Oregon with Central and Eastern Oregon. It provides a scenic route to the rapidly growing recreational and tourist centers in Central Oregon, and it is a designated freight route. Distance between Government Camp on the western boundary of the reservation and Warm Springs near the eastern boundary is about 50 miles. Average daily traffic averaged 6,667 in 1998 and 6,846 in 1999, a 2.7 percent increase (ECONorthwest 1999). There are no rest stops on this strip of highway, and the only gas station is located in Warm Springs. The result of this lack of tourist services has been increasing incidences of trespassing, littering, and defecating on tribal land damaging environmental, cultural, and scenic values.

In response, the Tribes developed a project proposal to build a Tourist and Welcome Center on the Highway. The Center was to include a rest stop, an information center and kiosk, and a commercial gas station/mini-mart. In 1997, an NEAI grant of \$30,000 was awarded the Tribes through the U.S. Forest Service—Cooperative Programs for a feasibility study.

ECONorthwest was contracted to do the study and found that the project would be profitable but would have some negative effects on the Simnasho Store, about seven miles east of Highway 26 on an alternative route to Kah-Nee-Ta Resort, and the Texaco Station located in Warm Springs. The original location selected for the Center was about one-half mile north of the junction to Simnasho. Simnasho Store interests feared that location would reduce the patronage at the store by tourists headed for Kah-Nee-Ta by the alternative route. ECONorthwest then considered a site located about five miles south of the Simnasho junction and found that not only was the traffic count higher at the second site, but that it could be seen from a greater distance by fast-moving

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traffic. The southern site would also reduce the negative impacts on the Simnasho Store, and, by pricing gasoline a few cents higher than at the Texaco Station and not selling diesel, the negative impacts could also be reduced for the Texaco Station. If, on the other hand, the rest stop is privately operated, it will probably compete with the Texaco Station.

No further progress has been made on the Tourist and Welcome Center. The Tribes continue to apply for grants and loans, but the project has become a lower priority than schools, housing, and other infrastructure and facility projects.

### *Kah-Nee-Ta Village Interpretive Center, Restaurant, and Trail System*

Kah-Nee-Ta Village was completed in 1964 and is located on the Warm Springs River about 11 miles north-northeast of Warm Springs. In 1972, the beautiful Kah-Nee-Ta Lodge and Convention Center was built across the road and up the hill about a mile from the Village; and in 1995, a Casino was added to the Lodge. Kah-Nee-Ta Village facilities include a 30-room motel, two free-standing “cabins,” RV park, 18-hole golf course, health spa, snack bar, and a huge swimming pool fed by a hot springs. The pool is free for the Village and Lodge residents, and anyone can use it for \$4 a day.

The 1996 Flood demolished the motel and the Village Restaurant. Tribal funds totaling \$10 mil-

lion plus FEMA and other funds were used to build a dike and to rebuild the motel above the flood plain, and the teepees and RV Park were moved to the original motel site. During the reconstruction planning, the need for a new restaurant and an interpretive center with a satellite museum was identified. It was felt that guests would have an opportunity to discover the heritage of the Tribes at the Interpretive Center. Walking trails along historical areas described at the Center would not only enhance the guests understanding of tribal culture but would also allow them to experience natural beauty and to discover birds and wildlife.

The Tribes received \$31,900 from the U.S. Forest Service–Cooperative Program in 1997. Kah-Nee-Ta and the Tribes matched the grant with over \$42,000 in cash and in-kind. The money was used to hire architects in 1998 to design the project. They designed a restaurant on a high foundation to withstand any flooding, but they also projected that the project would lose money. The Tribes continued to apply for funding for the project without the restaurant, but in 2001 Kah-Nee-Ta and Indian Head Casino merged and the new board cancelled the project.

### *Wastewater Treatment System*

The original Warm Springs Wastewater Treatment system was a lagoon system designed in 1978 to accommodate about 150 homes. In the early 1990s,



An abandoned chapel, Seekseequa District, Warm Springs Reservation

the Tribes determined that the effluent wastewater going into Shitike Creek was below tribal standards and would not be able to accommodate future business and residential growth. Financial assistance was requested from the Indian Health Service (IHS) and Environmental Protection Agency (EPA) to correct the deficiencies. The funds were provided, and a firm was contracted to prepare a Wastewater Facility Plan, which was completed in 1994. The Tribal Council selected for development a plan for lagoon treatment and instructed the consultant to investigate this option further and to develop a preliminary plan and cost estimate. This was finished and approved by the Council in November 1995.

The Facilities Plan assumed that the water quality standards for Shitike Creek would require treatment to 30/30 mg/l for biochemical oxygen (BOD) and 30/30 mg/l for total suspended solids (TSS). In 1999, however, the Environmental Protection Agency (EPA) changed final effluent limitation requirements to 10/10 BODs and 10/10 TSS. Since the proposed facility was not capable of treating wastewater to this standard, the Tribes revised the system design to an ultra-violet disinfection treatment. They applied for \$2,000,000 in NEAI funding from the U.S. Department of Agriculture–Rural Utilities Service and received \$600,000 in 2000. With matching funds from the Tribes, EPA, IHS, Bureau of Indian Affairs (BIA), and Housing and Urban Development (HUD) totaling \$1,632,000, work is proceeding on the wastewater facility.

In the new system, waste will be piped to a plant where solids, such as plastic, will be separated out, and the remaining sewage will be ground and sent through a series of conduit in which aeration and microbes will break it down (Bioclock System). The sludge will be kept in a holding pond to be dried, pulverized, and used for fertilizer. The liquid will be discharged into Shitike Creek, which flows directly into the Deschutes River. The system should not only exceed EPA standards of 10/10 by attaining 5/5 effluent levels, but it will also be cost effective to operate and expand. It is estimated that the new system will adequately handle wastewater up to the years 2020–2025, but when they need to expand, they only need to add cells to the existing system.

The Tribal Construction Department is the general contractor for the wastewater facilities construction. The Department normally employs tribal members seasonally on roads and other projects, but the wastewater treatment facility has enabled them to employ about 35 people, about 75 percent tribal members, from January to the end of November. The subcontractors are also hiring Indians, and so Indians are becoming linked up with Plumbers, Electrical, and Carpenter Unions and learning new skills that can be used for off-reservation employment. When the project is complete, two new jobs will be generated—another wastewater operator and a Chief Wastewater Operator.

Tribes are not subject to the Oregon Department of Environmental Quality (DEQ), which controls all environmental projects in the state except those on tribal land—a situation that has made DEQ “uncomfortable” in the past. The Tribe, however, works with the Oregon Health Program to get state certification for wastewater treatment. DEQ is now “more comfortable” with them knowing that the tribal wastewater operators are state certified. An additional advantage is that the certified employees can move to off-reservation jobs if they chose.

### *Essential Oils*

Warm Springs Essential Oils is a potential tribal enterprise that is still in the planning stage. In 2000, a grant for \$37,500 was received from USDA Rural Business-Community Services (USDA-RBS) and another grant for \$37,500 was received from Oregon Economic and Community Development Department (OECD). The Tribes provided an in-kind match of \$75,000. The money was used to develop a business plan and to conduct research for a pilot development Essential Oils business.

The project involves the use of logging slash, left over from Warm Springs timber harvests, as raw material for:

1. Essential oils used in fragrances, healing tonics, cleaning solutions, etc.
2. Distillate waters used in aromatherapy, massage, and alternative medicine industries.

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A Jobs-in-the-Woods project that uses cut-down trees to stabilize stream banks.

3. Distillate material, or the remaining needles and stems from which the oil was distilled, for hog fuel to produce steam, agricultural mulch, incense, or scented fire-place logs.

Tribal goals and priorities for the project are to add new jobs, employ tribal members, increase labor force skills, develop small businesses, and to optimize economic returns for resources and sustainable harvests.

The Essential Oils project has accomplished an incredible number of tasks so far. Oregon State University has completed a comprehensive literature search, oil screening tests, and recommendations. A small processing system has been built, and a tribal member contractor has gathered slash, processed, and recorded the outcome. The market study is complete as are the business and equipment plans. The Warm Springs Department of Business and Economic Development and the Small Business Development Center are enthusiastic about the potential for this business and are in the process of applying for more grants in order to proceed.

Seven jobs have been generated already for tribal members who have been contracted to cut the slash

and run the mill. The start up should directly employ five to nine people and could grow to employ more with time. The enterprise also reduces the fuel load in the forest, it utilizes material that would otherwise be wasted, and it generates value-added jobs.

### *The Small Business Development Center and ONABEN*

In 1997, the Oregon Native American Business Entrepreneurial Network (ONABEN) of Portland, OR, received a \$76,000 grant from USDA–RBS. The grant was intended to primarily benefit the Siletz and Umatilla Tribes, but some grant funds were used to extend the range of services at the Warm Springs Small Business Development Center (SBDC), one of three ONABEN service sites. The result has been an expansion of the Warm Springs SBDC educational program to include an annual business plan development class and a personal financing class.

### **Jobs-in-the-Woods**

The Jobs-in-the-Woods (JITW) Program was more successful at Warm Springs than it has been in many other areas in the Northwest, where training was not usually conducted by a potential employer. The JITW program fit right into the Tribes' long-

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term Integrated Resource Management Plan (IRMP), and the Tribes had a commitment to providing jobs for their members. The IRMP, adopted by the Tribes in 1992 (prior to NEAI), takes into consideration water quality, fish and wildlife habitat, and cultural resources, as well as timber harvests. The Warm Springs Natural Resources Department (which provided the tribal match) then was both trainer and potential employer of the crew members. Training included the fire-suppression, fire-fighting, and watershed restoration skills that the Department needed in its employees in order to attain the long-term IRMP goals.

The details of the 1997 Jobs-in-the-Woods (JITW) program on the reservation are confusing. The Bureau of Indian Affairs (BIA) records indicate that the BIA received \$61,900 for the JITW Program on the Warm Springs Reservation. However, not only had the person who ran the JITW Program never heard of that money, there were no records of the grant in the Tribal Administrative Services offices. Besides the BIA non-project, state records do not jibe with federal Records. The probable reason is that the Tribes were having some difficulty with the Oregon Economic and Community Development Department (OECDD), the primary contact from 1996-1997. Apparently, the Tribal Council was uncomfortable with the state's requirement that state

rules and regulations be followed, which would make the Tribes "subject" to state regulation—thereby challenging their sovereignty. The Council refused to sign the contract, so no money was transferred. About 1.5 years passed before Anne Berblinger of EDA arranged for the Tribes to deal directly with the U.S. Fish and Wildlife Services. Since the 1996-1997 money was already obligated to OECDD and could not be reobligated, it was reallocated to other projects throughout the state. The U.S. Fish and Wildlife Services (USF&WS) awarded the Tribes \$179,260 in 1997 for five projects, and the funds were transferred in 1998. According to the Tribal JITW Project Manager, the role of the USF&WS JITW Project Officer was critical for the success of the program.

"[He was] very helpful to us with utilizing the funds. He was patient and flexible. We had some tough bumps along the way with fires and floods, but he managed to keep us going."

Of the five projects, the South Fork Warm Springs Sediment Reduction Project was cancelled, because the 1996 Flood washed out the road and culverts which were the focus of the project. The planned improvements were consequently funded by FEMA, and the money was returned to the state and



Juniper tree cut and positioned in stream bed by JITW workers

eventually re-awarded to the Grand Ronde Tribe. The remaining projects included Log Springs Meadow Restoration, Beaver Creek Watershed Improvement, Fish Passage Improvement, and Watershed Stabilization. All of the watersheds affected are located in the northern part of the reservation in Wasco County.

The Log Springs Meadow Restoration Project involved restoring a “moist” meadow, fencing to control livestock, providing light in-stream structures, grass seeding, and riparian tree planting. This project protected the meadow from cattle that were damaging the traditional wild root crops and increased the forage for deer and elk.

The Beaver Creek Project involved planting red cedar in 11 miles of riparian zone that runs along Highway 26. There is only a narrow strip of land between the highway and the Creek in that area, and the sand applied on the highway during the winter tended to “migrate” down into the stream. The “stunted” deciduous alders that grow on this strip provide summer high temperature relief but are inadequate to buffer against extreme cold in the winter, allowing excessively cold air to sink down to the water surface in the winter. Because of the limited time frame for the project, the cedars had to be ordered from the west side of the Cascades and were not acclimated to the much colder east side. Had there been more time, the seedlings could have been raised on the east side before they were planted. Consequently, about 70 percent of the seedlings were lost.

The Fish Passage Project was intended to repair and replace culverts, but the Tribes learned that such projects had to go through the Endangered Species Act (ESA) process, which takes two to three years. Instead, the project was rolled over into the Watershed Stabilization Project.

The Watershed Stabilization Project primarily involved cutting junipers around Coyote, Quartz, Charley, and Antoken Creeks. According to the Tribal JITW Project Manager, before Europeans settled in eastern Oregon, occasional fires started by lightning or by Indians kept juniper growth in check. However, fire suppression policies over the last 50 or so years has enabled juniper to proliferate and become relatively dense. Junipers consume a great deal of water, and

too many will dry up creeks and springs. The JITW crews thinned junipers, used some of the juniper carcasses as rip rap to stabilize stream banks, developed three alternative water sources at a minimum of a mile away from Coyote Creek, and also built and repaired fences. Apparently the juniper cutting works, because despite this being a drought year, “no one living along those creeks has complained about a lack of water” (Tribal JITW Project Director).

Approximately 12 displaced timber workers and targeted youth were employed over three seasons on the Log Springs Meadow, Beaver Creek, and Watershed Stabilization Projects. The average wage was \$11.94 on the Log Springs Meadow Project and \$10.64 on the Watershed Stabilization Project. Crew members learned to use and maintain chain saws and other equipment, cut trees, build and repair fences, develop springs, restore riparian zones, do surveys, and monitor water quality. They also learned fire management skills and took fire-fighting classes. Ultimately five of the JITW crew members moved into permanent jobs on the Fire Management Crew in the Natural Resources Department, one of those five has gone back to school, one has a job in the mill, and several are still in the community doing seasonal work with the skills learned on the JITW projects.

Two former JITW crew members interviewed for this report, who worked the 1998 and 1999 seasons and who are now employed on the Fire Management Crew, felt that the JITW Program was “a good project.” They felt good about the skills they learned, the jobs they now have as a result, and that they can support their families. The projects “helped the land” getting “the [traditional] roots back 10-fold.” The deer and elk populations are also growing because of the planted grass. It’s been “pretty green the last two seasons.”

Tribal members also felt that it was a good program with both environmental and social benefits and would like to see it continue. The mix of ecosystem restoration and fire fighting “fits the culture” in that the pay is good and people like three months off. It also employed people “who wouldn’t have been employed” otherwise.

## Current Socioeconomic Conditions and Effects of NEAI on Community Well-Being

### Socioeconomic Condition

The NEAI Program has contributed to the Warm Springs Tribes' economic diversification goals through the development of an up-to-date water and sewer infrastructure upon which future residential and business growth can rely, by helping one business mechanize and another do start-up planning and research, and by creating jobs. It has also, people feel, improved the natural environment on the reservation and enabled some individuals to gain skills and employment they might not otherwise have had through the Jobs-in-the-Woods Program.

Despite The Forest Plan and NEAI, the Tribes continue to face challenges that existed long before The Forest Plan was initiated and which may be exacerbated by declining tribal revenues. The tribal economy is still resource-based, unemployment is too high, job skills are too low for the typical demands of business and government, and poverty has not been abated. People want more and better schools for their children and more and better housing, and the Tribes struggle with the high rate of high school drop-outs, suicide, alcoholism and drug abuse, and domestic violence rates, not all of which can be solved solely by economic development.

**Figure 3: Income, Poverty, and Education**

	<b>Warm Springs Reservation</b>	<b>Jefferson County</b>	<b>Central Oregon</b>
Annual Median Income <sup>a</sup>	\$26,483	\$31,457	\$36,249
Average Hourly Income <sup>a</sup>	\$11.50	\$10.97	\$11.60
Below the Poverty Level <sup>a</sup>	30%	15%	10%
% of Adults over 25 who have not completed high school or earned a GED <sup>b</sup>	19%	13%	8%

<sup>a</sup> Northwest Area Foundation Study 1998-1999    <sup>b</sup> OECD Community Profile Data 2001

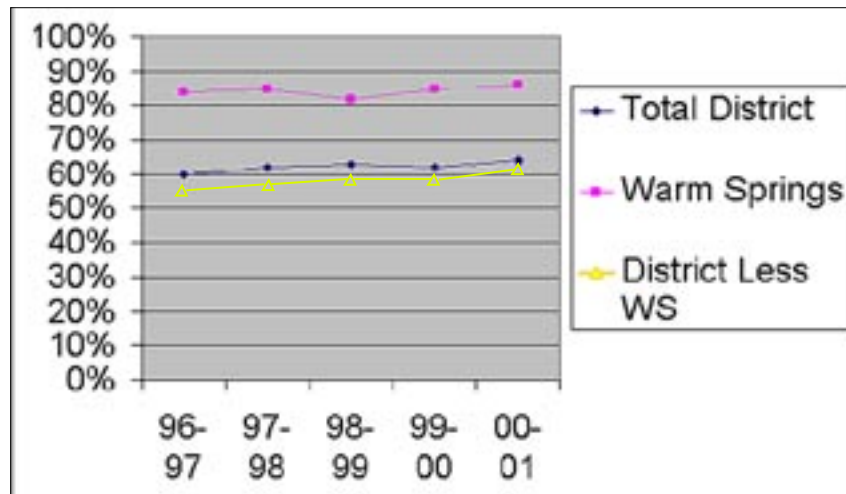
Records (see Figure 3) indicate that (1) the unemployment rate on the reservation was 33 percent in December 1999;<sup>8</sup> (2) the median household income was \$26,483 compared to \$31,457 in Jefferson County in 1998-99; and (4) 30 percent of

households were in the poverty range in 1998-99.<sup>9</sup> Unemployment varies by the season, however. The OECD Community Profile (2001) of the reservation indicates a 17 percent unemployment rate in the summer and a 35 percent rate in the winter.

8. Residential Unemployment Data compiled by the Confederated Tribes of Warm Springs Tribal Workforce Development Department in the BIA Indian Labor Force Survey of the 1999 Calendar Year.

9. Northwest Area Foundation, Central Oregon Population Survey, 1998-1999, page 2.

**Figure 4: Percent of K-4 Students Eligible for Free or Reduced Lunches**



Free and reduced lunches in the schools are another indicator of community impoverishment. Figure 4 indicates the percent of students eligible for free and reduced lunches in the K-4 elementary level in the Warm Springs Elementary School, in the Jefferson County School District 509-J<sup>10</sup> as a whole, and in the county school district without the Warm Springs Elementary School. Both the number and the percent of elementary students eligible for free or reduced lunches have crept upwards between the school years 1996-1997 and 2000-2001. The percentage of eligible Warm Springs students is, however, about 20 points above the School District as a whole.

### Community Capacity

Community capacity is the collective ability of residents in a community to respond to external and internal stresses, to create and take advantage of opportunities, and to meet local needs. Because the Tribes were already highly organized, have a well-developed process of community participation, and had long-term strategies in place for future economic development, they were able to take

advantage of the opportunities offered by the NEAI Program.

There are five dimensions of community capacity: (1) physical capital, which includes a community physical infrastructure (e.g., sewer systems, business parks, capital assets such as equipment, housing stock, and schools); (2) financial capital, which includes money, credit, and other financial resources available for local use; (3) human capital, which includes the skills, education, experiences, and general abilities and capabilities of residents; (4) cultural capital, the myths, beliefs, norms, and lifeways that serve to organize groups and facilitate survival; and (5) social capital, which includes the willingness of residents to work together toward community goals (and not just self-interested goals).

### Physical Capital

The NEAI funds were available for infrastructure development just when the Tribes needed them. The Tribes were able to obtain nearly 47 percent of the costs of automating the water treatment plant and nearly 100 percent of the costs of modernizing the wastewater treatment facility.<sup>11</sup> Although some

10. Includes the all of Jefferson County including Madras, Metolius, and Warm Springs but not the Culver School District.

11. \$3+ million from EPA, HIS, HUD, and USDA-Rural Utility Service; all in grants except for an \$800,000 loan from USDA-RUS.

jobs were generated in the construction phase, job creation for the operational phase is insignificant. Automation of the water treatment plant resulted in the loss of 1.5 full-time equivalent jobs, while the wastewater treatment facility will add two new jobs. Nevertheless, the projects provide the foundation upon which Indian-owned businesses can be developed, off-reservation businesses can be attracted to the reservation, future jobs created, and residential growth accommodated.

### *Financial Capital*

No revolving loan funds were awarded the Tribes through the NEAI Program. Although the absence of privately owned land on the reservation may have been a factor, there is no evidence that the Tribes applied for such loans through NEAI. The restructuring of the credit program in the 1970s, the establishment of the Warm Springs Credit Enterprise in 1996, and business loans obtained from other sources may have made additional revolving funds a low priority for the Tribes.

On the other hand, considerable capital was brought into the community for the upgrading of both the wastewater and water facilities, for business research and development for Composite Products and Essential Oils, and for ecosystem restoration through the Jobs-in-the-Woods program. If the investment in the water and wastewater infrastructure pays off as the Tribes hope, financial capital may be drawn into the community in the future as new businesses locate to the industrial park, as tribal members become entrepreneurs, and as more Tribal members are employed and able to support their families.

### *Human Capital*

Human capital is skills, experience, and education of people and workers. The NEAI projects had some direct impacts on the skills, education, experiences and general abilities and capabilities of residents. Six tribal members gained job skills, work experience, and jobs through the Jobs-in-the-Woods Program; the construction of the water treatment and wastewater treatment facilities were means through which a number of tribal members gained work experience and professional skills; Warm Springs Com-

posite Products employs 27 people; and Essential Oils has employment potential beyond the few who have contracted during the research and development phase. In addition, entrepreneurial skills have been gained through the Composite Products and Essential Oils companies—both tribal enterprises, as well as through the classes offered by ONABEN. Again, because most of the NEAI-funded projects were seen as investments in the future by the Tribes, the most significant impact on the development of human capital may not yet be realized.

### *Cultural Capital*

Retaining and recapturing the cultural heritage is one of the greatest challenges throughout Indian Country as elders die, young people lose interest in the old traditions, and outside economic and social forces continue to undermine Native cultures. Nevertheless, the Warm Springs Tribes are doing much to save and revitalize their cultures; for example, languages are taught in classes, through the tribal radio station, KWSO, and through the Spilyay Tymo, the reservation newspaper. The state legislature recently passed a bill that allows elders to teach the native language in the classroom without a teaching certificate—something tribes have been fighting for for some time. The Museum at Warm Springs not only exhibits the old tools, clothing, houses, and ceremonies, but also, in an ongoing effort, continues to record oral histories from the elders.

While it is difficult to gauge the effects of NEAI on cultural capital, it seems that it may have had some impact. Some traditional root-gathering areas were restored and deer and elk seem to be flourishing because of the ecosystem restoration development projects. Jobs-in-the-Woods crew members were able to work outdoors and seasonally, which is consistent with a culture closely tied to the land, and, finally, any job that enables a tribal member to stay on the reservation may be another way to stem cultural loss.

### *Social Capital*

The NEAI Program seems to have had a negligible effect in the dimension of social capital largely because the Warm Springs Tribes are composed of members who were already willing to work together

toward community goals and whose goals are self-interested. All of the NEAI projects seemed to be well supported by the community and intratribal cooperation was well-developed long before The Forest Plan was adopted as all tribal enterprises and businesses are put to a community referendum before the Tribal Council approves them. On the other hand, factions do exist as in any community, but there appeared to be no conflict associated with any NEAI projects. NEAI projects may have enhanced interdepartmental relationships somewhat, but given the already growing collaborative procedures within Tribal Administration, it would be difficult to ascertain the extent of NEAI influence.

Intergovernmental relationships are conducted through the Tribal Government and Council, and the NEAI Program had little effect on intergovernmental collaboration. Those relationships are generally good but depend upon the agency and the individuals that the Tribes deal with. The winning of the Enterprise Zone designation is an example of vastly improved relationships with the Tribes and the State Legislature. Tribal relationships with state agencies are mixed, depending on the agency; “great” with the Oregon Economic and Community Development Department, good with the Oregon Department of Transportation and “uncomfortable” with the Oregon Department of Environmental Quality. With the construction of the wastewater facilities, however, tribal relationships did improve with the Department of Environmental Quality.

The cooperative relationships among the Tribes, the Central Oregon Intergovernmental Council, the counties, and the state have been good from the be-

ginning of the Regional Strategies process—long before the NEAI Program. The Tribes would prefer to be a separate partner in the CERT process since now they have to deal with two separate county CERT processes, but the state insists on funneling everything through the counties. Relationships with Jefferson County can be strained at times; for example, tension increased between the Tribes and Jefferson County when the Enterprise Zone was designated on the reservation, and, with the three-year county property tax deferment, would create a short-term loss of revenues for the County.

### **Effects of NEAI on Workers**

The Jobs-in-the-Woods (JITW) Program on the Warm Springs Reservation had a very positive effect on workers. People learned some very useful skills, gained full-time employment, and were able to support their families. Much of the credit, however, is due to the Tribes, who not only made sure the JITW crew members gained skills that were relevant to the Tribes’ needs, such as fire fighting, but who also provided the opportunity for employment to them. Tribal members, Natural Resources Department, and crew members all felt that it was a project that benefited the crew members, the Tribes, and the environment, but that the funding was too short-lived. Nevertheless, the Natural Resources Department continues to develop ecosystem restoration skills for its employees, since those skills are necessary in the Tribes’ long-term Integrated Resource Management Program, which has taken consideration of water quality, fish and wildlife habitat, and cultural resources, as well as timber harvests since 1992.

## **Patterns and Themes of Successful Interventions**

A stable government and a well-organized and integrated Tribal Administration were integral to the success of NEAI projects. The well-organized grant application system in Administrative Services enabled the Tribes to take advantage of NEAI opportunities as soon as the program was available, as interdepartmental collaboration facilitated the implementation of the projects.

A well-developed community input system enhanced community support of NEAI projects. Both the 1983 and 1999 Comprehensive Plans took three years of community input to develop visions, goals, and strategies. The last plan (People’s Plan 1999) includes benchmarks, a vital mechanism to measure progress toward future goals. This in-depth and long-term approach enabled the Tribal Administration to

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fit projects into strategic plan needs and implement NEAI projects with the support of the people and the Tribal Council.

Long cultivated intergovernmental relationships also contributed to the success of NEAI projects. Well-established working relationships with county, regional, state, and federal agencies reduced potential barriers and enhanced collaboration.

External economic forces such as a shrinking timber and unstable energy industries, tribal reduc-

tion of the allowable cut in the interests of sustainability, and an unskilled workforce make job creation a challenge. The NEAI funded projects did make a difference. The Jobs-in-the-Woods projects, tribal enterprises, and infrastructure development not only created both temporary and permanent jobs, but these projects also set the groundwork for future employment opportunities as tribal enterprises and private businesses develop, and as industry is attracted to the reservation.

## Conclusions

The success of NEAI projects on the Warm Springs Reservation is largely due to the long-term and holistic view of the people, the organization and interdepartmental collaboration of the government, and well-established intergovernmental relationships. The availability of NEAI funding at just the right time enabled the Tribes to develop their infrastructure upon which future economic development and job creation can build. It helped begin the long process toward diversification and away from natural resource-dependency, necessary due to the decline in both federal and tribal land timber harvests, and gave some tribal

members skills and job experience that will help them to obtain both on- and off-reservation jobs. The Jobs-in-the-Woods Program enabled some young people to obtain jobs and support their families, while the projects improved the natural environment and helped to preserve a traditional root-gathering site.

Overall, The Forest Plan and the NEAI Program contributed to the advancement of tribal goals. With the termination of the program, the Tribes, who never depended solely on NEAI funds, are looking for other sources to help them meet their visions of economic self-sufficiency and cultural revitalization.

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**Interviewees**

Jolene Atencio	Comprehensive Planner, Warm Springs Planning Department
Charles “Jody” Calica	Director, Warm Springs Natural Resources
Mike Clements	General Manager, Warm Springs Business & Economic Development Department
Tom Corbett	Jobs in the Woods Crew Member
Alan Earnest	Manager, Warm Springs Composite Products
Chris Gannon	Tribal Soil Scientist, Warm Springs Natural Resources Department
Herb Graybeal	Director, Warm Springs Public Utilities
Sharon Hillis	Eligibility Official, Jefferson County School District 509-J
Ric Ingham	Economic Development Manager, Central Oregon Intergovernmental Council
Charles V. Jackson	Secretary-Treasurer, Warm Springs Administrative Services
Gene Keane	Business Counselor, Warm Springs Small Business Development Center
Bonnie Langeliers	Warm Springs Budget/Contract & Grants Supervisor
Ron Palmer	Warm Springs Water Treatment Plant employee
Dan Perritt	US Fish & Wildlife Service
George Picard	Jobs in the Woods Crew Boss
Louie Pitt, Jr.	Director, Warm Springs Governmental Affairs
Ray Rangila	Planning Administrator, Warm Springs Planning Department
Chuck Schmidt	Director of Resort Facilities, Kah-Nee-Ta Resort
Emma Smith	Secretary, Warm Springs Tribal Council, Fish & Wildlife Committee
Ken Smith	Retired Secretary-Treasurer, Warm Springs Administration Services
Roy Spino	Warm Springs Wastewater Operator

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