

**TESTIMONY OF CAPT JUNE SABATINOS
ON BEHALF OF THE
TUBA CITY REGIONAL HEALTH CARE CORPORATION
TO THE U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE
ON HOUSING AND COMMUNITY OPPORTUNITY
MAY 3, 2004**

Good morning, and welcome to Tuba City. I am CAPT June Sabatinos, vice president of Ambulatory Care Services at the Tuba City Regional Health Care Corporation. I appear before you today on behalf of our organization, which just a year-and-a-half ago was a federal Indian Health Service (IHS) medical center. Many of our staff continue their federal service through memoranda of agreement with the IHS. But our hospital is now a non-profit tribal organization.

Through the federal Indian Self-Determination Act, P.L. 93-638, our eight-member, all-Indian board of directors separated from the federal government for one specific reason: to bring decision-making about health care needs back to the local level where services are provided.

Historically, the federal government has fulfilled its trust responsibility to provide health care to Navajos and Hopis since the 1920s. A little house that still stands on Main Street under the cottonwood trees served as the first, six-bed clinic. The first actual hospital, also on Main Street, was built in the 1950s. Our second and third hospitals, which we still use, were built in the 1960s and 1970s, respectively.

Today, we are an 73-bed, acute care facility with more than 60 physicians on staff and a total of 749 employees. Throughout the years, Tuba City earned a national reputation for exemplary health care within the IHS system. Many on our medical and administrative staff have been with us for 20 years or longer. We serve a patient population of more than 35,000 from 11 Indian communities.

Fortunately, our independent status now allows us the freedom to hire more staff as our needs demand. Just last year, our board of directors hired our Chief Executive Officer, Mr. Kirk Gray, who brings more than 30 years experience in health care administration from around the country. We've also hired our first chief financial officer, a new human Resources Director, a new information technology director, new operating room manager, and many others. In fact, my husband and I recently joined the staff, transferring from Washington, D.C.

The Need for Additional Housing

I'm here today to inform you of one of our most pressing needs. If you traveled here from the airport or a motel in Flagstaff, you probably noted the stark beauty of the changing landscape. Most significantly, you traveled at least 75 miles on one of Arizona's most dangerous highways. Every day, approximately 50-to-60 of our employees make this

same journey twice a day. Each travels 750 miles per week just to come to work. The reason our staff – Indian and non-Indian alike – spend three hours a day driving, carpooling or taking our hospital van is because we do not have the quarters to house them. I appear before you today to ask that you assist us in acquiring additional housing in order for us to meet the health care needs of our Indian patients.

Currently, our organization has 258 housing units which are 30-to-40 years old. As vacancies occur, asbestos abatement has to be done. That makes the housing safer but increases the waiting time for housing applicants. We currently have no vacancies, yet 34 current or potential employees are on the waiting list for housing, and that wait ranges from two-to-six months.

Since September 2003, it has become common practice to house new employees at the local motels until housing is available. Currently, eight employees live in the motel. As a result of this situation, we have lost a large number of necessary potential employees. Our laboratory currently has eight medical technologist vacancies. During the past two months, three potential employees declined employment because of lack of housing. One employee had a family and did not feel that they could live in a motel for several months. The other two also felt that several months in a motel would be more than they could manage and declined the offer of employment.

Currently, there are 16 registered nurse vacancies. Within the next six weeks, five RNs are expected to start employment and will be housed in the local motels until housing is available. During the past two months, five potential registered nurses declined employment because of no available housing. Three of the five potential employees were Operating Room nurses.

With the anticipated expansion of our facility and services, it is projected that we will require an additional 150 two-to-four bedroom housing units at an estimated cost of \$6 million to house current and projected staff members.

Our experience has been that when housing is available for our staff, they stay at Tuba City for their entire career. The large number of professionals who have stayed with us for more than 20 years demonstrates their commitment. Our housing shortage severely hinders us in recruitment and retention of staff. Because we are on an Indian reservation, here in Tuba City each governmental institution has its own housing complex for its own employees. Our public school district has its own teacher housing. The Bureau of Indian Affairs has its own employee housing. As a former IHS facility, we have our own housing for hospital employees. Although the Navajo Housing Authority has low-rent housing in Tuba City, our staff does not generally qualify for its use either because of their income levels or not being Navajo.

Because there is simply not much land available locally to develop, there is no opportunity for entrepreneurs to build rental housing to meet community needs. Were all the professionals working in Tuba City for the various agencies able to be housed here, it

would be create a substantial income base for the Navajo Nation and an incentive for business enterprises to locate here.

Currently, the IIHS, BIA and the Navajo Nation are assisting us to obtain title to land for housing construction. We are required to meet the federal standards and complete the federal justification process for our housing construction, even though the money that we will be using for construction will not be federal dollars, but rather our own third-party funds that do not face the same restrictions as Congressionally appropriated funds. We hope to begin construction early this summer, but the land title issues have delayed us for the last few years.

Initiatives or Partnerships

Navajo Housing Authority manages the low rent houses in town, but the majority of our staff do not qualify for these houses.

The TCRHCC recommends that more funding be made available through the Indian Health Service for staff housing at both IHS and Tribally-operated facilities or that a separate program be started specifically for healthcare professionals on Indian reservations, both to allow long term leases of land for rental housing construction and to fund such construction. Without these opportunities, it will be increasingly difficult to fill our professional positions and provide adequate health care for our Indian population.

One-Stop Mortgage Initiative

Although we are aware of these federal housing programs, our medical staff are not eligible for these services because they are non-Indians and above the income requirements. There is still a long waiting list for housing at the local Navajo Housing Authority.

Native American Land Held in Trust.

Long term leasing allows economic activity to occur on Indian lands, even when the land is held in trust by the BIA. For instance, in areas like Palm Springs, California, where half the land (every alternate section of land, *i.e.*, every other square mile) is part of the Agua Caliente Indian Reservation and yet the entire city is developed, including the lands held in trust. Those Indian lands have all been developed through long-term leases. The experience there, and elsewhere in Indian Country, that have experienced development indicate that leases of 35-65 years are adequate to allow and encourage development. However, the specific terms and conditions of those leases are critical to prevent tribes from being left with dilapidated and useless properties at the end of the lease periods.

Perhaps there needs to be increased awareness about the availability of lands for housing projects and economic development on Indian reservations, and perhaps matching federal grants or loan guarantees would make it more attractive for non-Indian entities to develop housing in these areas.

Changes or Initiatives Necessary to Encourage Private Mortgage Market Investment in Native American Areas

As noted above, there needs to be wide-spread effort to increase awareness about the need for and availability of lands for housing projects and economic development on Indian reservations, and the pressing need for such development. Matching federal grants or loan guarantees would make it more attractive for non-Indian entities to develop housing and other economic activities in these areas, especially those that are unfamiliar with working in Indian country.

Lease-hold mortgages have made housing available on Indian Reservations through the federal Indian housing legislation and Indian Housing Authorities over the last twenty to thirty years. The problem has been that the funding available for these purposes has not been sufficient to even begin to meet the full housing needs of the Indian communities.

Experience in other reservation areas has shown that non-Indians are willing to invest in projects to be constructed on Reservation lands once they know that long-term leases are available to secure their mortgages, and that such investments are transferable to other subsequent investors.

Thank you, Mr. Chairman and Members of the Subcommittee for offering us the opportunity to testify today. We hope we have provided the Committee with the essence of our housing dilemma for health care staff.