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TO: Dr. Corey Bunch, Chief of Staff
Sheila Bowlin, Secretary of State
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FR: Chuck Hoskin, Jr.
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CC: Bryan Warner, Deputy Chief
Cabinet / Sub-cabinet

Administrative Memorandum Outlining Proposed Annual Spending Framework under the Public Health and Wellness Fund Act

The purpose of this memorandum is to outline the proposed annual spending framework under the [Public Health and Wellness Fund Act](#) 7% fund. The memorandum also supplements and modifies the Administrative Memorandum of May 17, 2024. The Implementation Team identified in Section IV, below, should implement this memorandum or suggest changes by January 13, 2025.

I. The Public Health and Wellness Fund (7% Fund)

A. Purposes and Usage of the 7% Fund is Broad, to be Liberally Interpreted

PHWFA collects 7% of third-party health revenue and sets it aside for purposes outlined in Sections 2 and 4 of the Act¹. Section 2, “legislative intent,” sets forth the broad purpose of the 7% fund: “to provide Cherokee Citizens access to

¹ The Act will likely be amended this fiscal year to bring in a likely opioid settlement and to expand access to certain existing opioid settlement spending categories. This amendment presents an opportunity to bring clarity to the purpose of the PHWFA 7% fund and its usage and perhaps increase it.

personal health, including access to wellness/fitness centers and substance abuse treatment facilities.”

Section 4, sub-section 1003 states in part that the funds “...shall be set aside for public health and behavioral health services...”. Section 4, subsection 1004 goes further, providing:

Revenue collected under § 1003 of this Act shall be used for both capital investments and operational expenses for Wellness Centers and Addiction Treatment facilities, other behavioral health programs, or grant programs in support of activities consistent with the purposes of this Act by third-party entities for the benefit of Cherokee Nation citizens. Budget and intended use of the funds shall be appropriated by the Council of the Cherokee Nation through the comprehensive annual budget. The Principal Chief shall prioritize and plan the use of funds to address the public health and wellness needs of citizens and communities.

Taken together, Sections 2 and 4 of the Act provide wide latitude for the executive branch to spend 7% of fund revenue on an array of public health and behavioral health operations and capital investments. A liberal interpretation of this provision is also advisable to fulfill the Act's purposes and policies.

B. Current funding levels

The 7% fund generates approximately \$25 million per year, subject to fluctuations in Health third-party revenue. Since its inception, the fund has amassed approximately \$80 million, with a surplus of around \$40 million. The fund has been tapped for major capital projects, ongoing operations, and sporadic grants.

II. The PHWF Annual Spending Framework and Reserve Fund

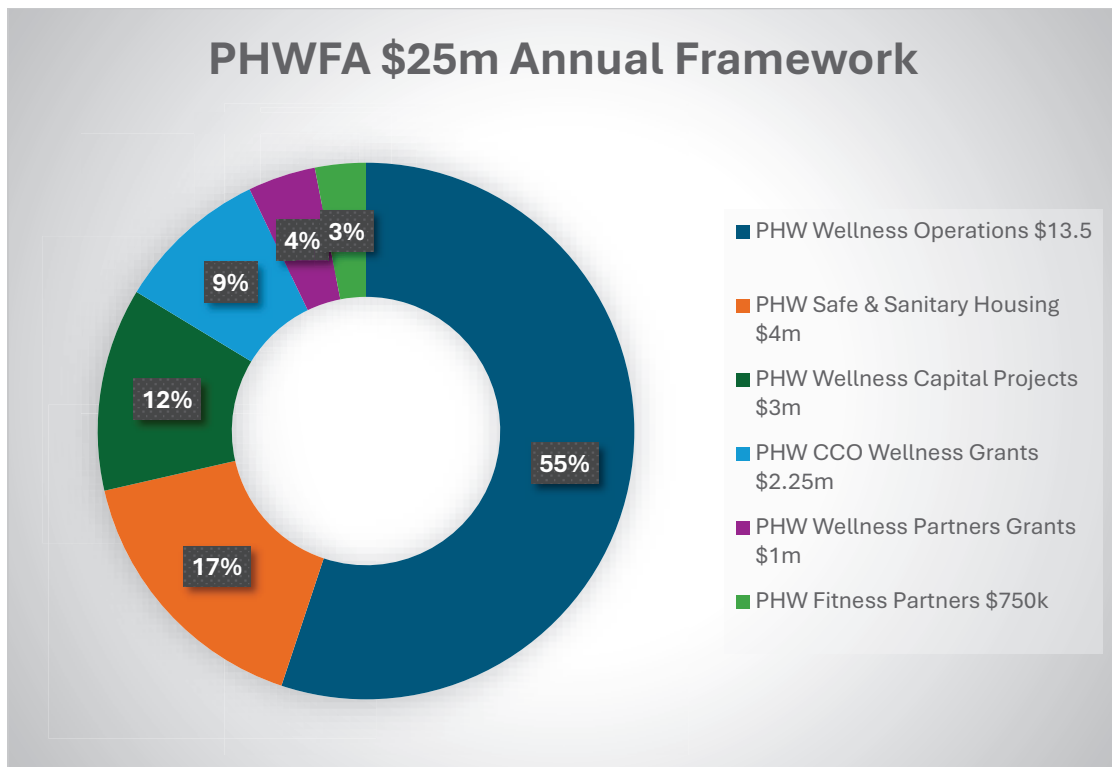
The PHWF should operate on two tracks. First, the current year's third-party revenue should be subject to an annual spending framework to meet key Cherokee Nation public health and wellness interests. Second, any unspent funds at the end of the fiscal year should be carried over in the PHW Reserve Fund.

A. PHWF Annual Spending Framework

As the PHWFA grants the executive branch broad spending authority, the administration has wide latitude to identify spending priorities consistent with the

purposes of policies of the Act. ARPA-era experience is informative here. During the past five years, Cherokee Nation has made a substantial and positive impact by investing in various infrastructure projects, most notably water, and sanitation infrastructure; operations, capital improvement, and programming for CCO participating organizations; building relationships and providing community support through the Community Partners program; housing programs targeted at the most vulnerable citizens. Our success in these areas, coupled with existing commitments of PHWFA funds, supports the framework below.

PHWFA Annual Spending Framework (Proposed)



Framework Categories

- **\$13.5m PHW Operations²**
 - Wellness centers operations
 - Marble city operations

² Presumably PHWFA will substantially or fully fund operations of the Crisis Center when ARPA based operating dollars are no longer available after calendar year 2026.

- Kenwood operations
 - Wellness events/activities (TBD / proposed)
 - PHWFA Grant Coordinator (proposed)
 - PHW Senior Farmers' Market (proposed by Public Health @ \$500,000)
 - Speaker Services: Peer Recovery (existing program proposed for continuation by Language @ \$500,000), emergency health/wellness assistance (existing Speaker Services initiatives)
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- **\$2.25m PHW CCO Wellness Grants (current FY 25 program)**
 - **\$750k PHW Fitness Partners (pilot gym membership subsidy, TBA FY 25)**
 - **\$1m PHW Wellness Partners Grants (TBA FY 25)**
 - Grants to non-CCO third parties for wellness operations, capital, or equipment. (See PHWFA Grand Coordinator above)
 - **\$3m PHW Wellness Capital Projects**
 - Small to medium wellness capital projects on CN property, such as sidewalks, public restrooms, and park improvements.
 - **\$500k PHW Mankiller Soap Act**
 - Fund or increase Mankiller / Soap water infrastructure programs.
 - **\$4m PHW Safe & Sanitary Housing Fund**
 - Replacement or rehabilitation to address emergent public health or behavioral health needs.
 - Accessible to HACN and Speaker Services.

B. PHWFA Reserve Fund:

- Fund presently at \$40m (approx.)
- Unexpended funds from the annual framework will be added to the Reserve Fund
- Fund for major PHWFA capital projects
 - Wellness centers
 - Behavioral health facilities

- Parks/trails / other major outdoor recreation and wellness capital projects.
- PHWFA Reserve fund may supplement the programs outlined Part A, above, as determined by the Principal Chief.

III. Annual Review

Commencing with fiscal year 2026, Chief of Staff, Secretary of State and Treasurer, along with the Deputy Principal Chief by invitation, shall meet, review the framework and make recommendations to the Principal Chief as to any changes to the framework, the default of which is to adjust the framework by applying the existing percentage allocations to the estimated revenue.

IV. Implementation Team

The Chief of Staff, Treasurer and Secretary of State, along with Deputy Secretary of State, should convene an PHWFA Implementation Team to finalize implementation of this memorandum, or recommend changes, by January 13, 2025.



Chuck Hoskin, Jr.
Principal Chief