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January 27, 2022

Chuck Hoskin, Jr.
Principal Chief, Cherokee Nation
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17675 S. Muskogee Avenue
Tahlequah, OK 74464

Mike Shambaugh
Speaker, Council of the Cherokee Nation
WW Keeler Complex
17675 S. Muskogee Avenue
Tahlequah, OK 74464

Re: Final Report of the Citizens Committee on Compensation for Elected Officials of the Cherokee Nation

I. Background and Findings

As mandated by the Council of the Cherokee Nation in LA 50-21¹, the Citizens Committee on Compensation (“Citizens Committee”) has convened to study and set compensation and benefits for elected officials of the Cherokee Nation. Accordingly, after having received and reviewed relevant data and reports, including those referenced in the legislative act, this final report results from the same and establishes compensation and benefits for all current and formerly elected officials, where applicable. By operation of law, the compensation and benefits as set forth herein shall become effective immediately.

From the outset, the Committee finds that the reservation of the Cherokee Nation occupies a geographic region of over 7,000 square miles encompassing all or part of fourteen (14) counties in northeastern Oklahoma. As of January 2022, the Cherokee Nation is comprised of 400,000 enrolled citizens, more than 150,000 of whom reside within the reservation boundaries and the balance residing within other parts of Oklahoma, all other states and a small number in countries around the world.

With a budget of approximately \$3 billion dollars and more than twelve thousand (12,000) employeesⁱⁱ, the Cherokee Nation is one of the largest operating entities in the region. Its various departments and agencies provide essential services to Cherokee citizens at all stages of life, from healthcare and education to vital civil infrastructure for roads and clean water. As a result, the Cherokee Nation contributes substantially to other governments and partners throughout the region in the form of state / tribal compact payments, revenue sharing agreements and direct donations to public education and charitable causes. Overall, as of the last economic impact assessment, Cherokee Nation's annual economic impact exceeded \$2 billionⁱⁱⁱ. Given the growth in the tribal budget and at CNB since that study, the Committee finds it reasonable to assume this impact is now over \$3 billion. Substantial growth is anticipated in both its government and business operations in the coming years.

These facts cannot be viewed in isolation from the unique cultural and legal history of the Cherokee people which have led us to this place. The Cherokee people and their institutions have survived forced removal, efforts at termination, and a recent onslaught of attacks by the State of Oklahoma challenging the Cherokee peoples' very right to exist as a sovereign nation. The resilience of the Cherokee people has enabled us to overcome each of these challenges, a fact acknowledged by the recent decision of the United States Supreme Court in its *McGirt* decision.

Strong leadership is the hallmark of the Cherokee people. And in these challenging times, the Nation should strive to attract the best and brightest leaders as we move forward. However, as a result of the above-referenced study of comparable salary and benefits, the Citizens Committee finds that none of our elected offices are compensated appropriately given the demands of office.

Recently, the Principal Chief issued Executive Order 2021-09-CTH to initiate a compensation study aimed at ensuring that our tribal employee positions are fairly and appropriately compensated. This will ensure that we attract and retain the talent needed to deliver the best possible services for our people. In this same spirit, the Citizens Committee has undertaken its duty to do the same with respect to its elected officials.

At present:

- 1.) Council members, whose jobs are well beyond full time, are compensated at \$63,000 annually, levels which are the equivalent pay range of supervisory and managerial positions within the workforce.
- 2.) At current compensation levels, more than 200 tribal employees earn more than the Deputy Chief.
- 3.) Similarly, more than 100 tribal employees earn more than the Principal Chief, the duly elected officer representing of all our citizens.

We, the Citizens Committee, feel that this is wholly inadequate and fails to reflect the gravity and importance of these positions.

By way of comparison, the Committee reviewed salaries of elected officials and officers at comparable, albeit smaller and less complex, tribal governments and organizations and found the following:

- 1.) The Governor of the Chickasaw Nation earns more than \$1 million annually.
- 2.) Eastern Band of Cherokee Indians Council members earn \$90,492 annually, with increases up to \$157,936.
- 3.) Choctaw Nation Tribal Council members earn at least \$150,000 annually.
- 4.) State universities represent organizations of similar complexity, if smaller. However, the President of the University of Oklahoma is paid more than \$550,000 annually and the President of Oklahoma State University earns over \$650,000 annually.

Appropriate compensation for our critical elected positions should not be a political issue. Indeed, the Council of the Cherokee Nation, in its wisdom, removed political decision makers from determining elected official pay and placed it in the hands of this Committee. Our future is held in common as a people. That is why this Committee extends recognition of service to all living councilors, deputy chiefs, and principal chiefs who have served or been elected at least twice: whether Tribal Council, Deputy Chief, or Principal Chief this service must be recognized. We do so by making available annuity, health stipend, and death benefits for these positions. The Treasurer shall, from time to time, and in the spirit of transparency, report to the Tribal Council how many of these former elected officials benefit from such stipend. Inasmuch, our plan for compensation increases extends past the next election to reinforce the message that the office transcends those who may hold the seat.

The Committee made fiscal responsibility a key part of its analysis and determination on elected official pay and benefit adjustments. Based on consultation with Cherokee Nation's finance department, the Committee concludes that sufficient revenue exists to absorb the immediate pay increases and reasonable adjustments can be achieved to fund future increases without any material negative impact on other parts of Cherokee Nation operations. The immediate increase represents less than 0.15% of the tribe's budget.

The Cherokee Nation has only one future ahead. It is incumbent on all of us to assure that the future is as bright and viable as possible. We must assure that elective offices of the Nation attract the best and brightest of our people to lead us into that future. Therefore, pursuant to LA 50-21 the Citizens Committee on Compensation hereby submits the following determination of pay and benefits for elected officials of the Cherokee Nation.

a. Salary Adjustments, Additional Compensation, and Benefits for currently seated elected officials.

All seated elected officials of the Cherokee Nation shall receive an immediate adjustment to salary as set forth in the schedule below. This adjustment to salary shall be reflected in the first full pay period following the date of this report.

In addition to this immediate salary adjustment, beginning in fiscal year 2022, and continuing annually at the beginning of each fiscal year thereafter, elected officials shall receive annual pay and benefits increases in a manner consistent with Cherokee Nation employees. Elected officials shall receive all benefits of Cherokee Nation employees, as well as any additional compensation as may be extended from time to time. Such amounts shall be funded from the annual budget and administered according to Cherokee Nation Human Resources policies and procedures.

Historically, this annual pay increase represents a combination of cost of living and merit increase at approximately 3% of base salary. In most circumstances, employees receive an increase to their base pay if they have room to move up in their current salary range. Whereas employees at the top of their salary ranges receive a “lump sum” payment based upon the same percentage increase. Elected officials shall receive this same “lump sum” benefit beginning in fiscal year 2022 based on the average employee pay increase, excluding those employees on employment contracts. Beginning in fiscal year 2025 the annual increases shall be increases to elected officials’ base pay, continuing annually, rather than lump sum payments.

The executive director of Human Resources shall memorialize this adjustment to salary annually in a memorandum to the Principal Chief and the Speaker of the Council with this Final Report attached as reference.

	Current	Immediate (FY 22) (+/- 57.4%)	10/1/22 (FY 23) (+/- 12%) + lump sum of avg COLA/Merit	10/1/23 (FY 24) (+/- 9%) + lump sum of avg COLA/Merit	10/1/24 (FY 25), and thereafter (+Avg Employee COLA or Merit Increase to base annually)
Chief	\$190,000	\$299,000	\$335,000	\$365,000	\$365,000 + annual increase to base
Deputy Chief	\$114,000	\$180,000	\$202,000	\$220,000	\$220,000 + annual increase to base
Speaker (Council + \$12k)	\$75,000	\$111,000	\$123,000	\$133,000	\$133,000 + annual increase to base
Council Members	\$63,000	\$99,000	\$111,000	\$121,000	\$121,000 + annual increase to base

b. Benefits for former elected officials (Effective 10/1/22)

Beginning October 1, 2022, any living person having been twice elected to office in Cherokee Nation shall, upon application, receive the benefits described below. Provided, no formerly elected official having relinquished tribal citizenship in the Cherokee Nation shall be eligible for such benefits.

As of the date of this final report, the Committee finds that there are four living former Chiefs, one living former Deputy Chief, and forty-two (42) former members of the Council of the Cherokee Nation. All are presumed to be citizens of the Cherokee Nation, though a relinquishment check in the Registration Department was not performed. The Committee did not determine which of those individuals were “twice elected,” but concluded that the “twice elected” threshold was an

appropriate prerequisite for post-service benefits, given that being returned by voters to elected office evidenced successful execution of the elected officials' duties.

Retirement Annuities: The Cherokee Nation shall purchase a retirement annuity in the name of the former elected official upon application by the former elected official to Cherokee Nation's Human Resources Department, consistent with the table set forth below.

Healthcare Stipend: The Cherokee Nation shall pay former elected officials \$500 per month as reimbursement for health insurance or into a qualified health savings account, upon application of the former elected official. Said payments shall be suspended during all periods of time in which the former elected official holds a subsequent Cherokee Nation elected office or is employed by Cherokee Nation or its entities and receives a health insurance benefit in connection with that employment. Alternatively, the Cherokee Nation may offer former elected officials equivalent healthcare benefits directly or as a benefit through any cost-effective means available to other employees.

Death Benefit: Cherokee Nation shall, upon application, pay a death benefit to the designated beneficiary of the elected official in an amount no less than \$3,000, or the average burial assistance payment made for Cherokee citizens through Cherokee Nation's Human Services Department for that fiscal year, whichever is greater. Nothing herein supersedes or reduces any existing statutory death benefit extended to former elected officials, including LA-50-12 relating to burial assistance for current and former Chiefs and Deputy Chiefs.

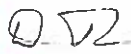
	Annuity (Highest Applicable Amounts Indicated x maximum of 8 years of service)	Healthcare Stipend	Death Benefit
Chief	\$10,000 per year of service	\$500 per month	\$3,000+
Deputy Chief	\$7,500 per year of service	\$500 per month	\$3,000+
Council Members	\$5,000 per year of service + \$1000 per year of service as Speaker.	\$500 per month	\$3,000+

II. Severability

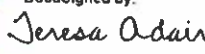
It is the intent of this Committee that the compensation, salary, and benefits described herein shall inure to the maximum benefit of all current and former elected officials of the Cherokee Nation. Should any portion of this report be found unlawful, unenforceable, or otherwise void by prevailing law or policy, it is the intent of this Committee that any remaining provisions of this report shall give effect to the mandate of the Council of the Cherokee Nation as set forth in LA-50-21.

2. **Effective Date:** This Final Report is effective January 27, 2022.^{iv}


Approvals: The foregoing has been reviewed and approved unanimously by members of the Citizens Committee on Elected Official Compensation, as evidenced by the signatures of each member below:

DocuSigned by:

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Deacon Turner
Committee Chair

DocuSigned by:

32F98DD9EF5C43D

Teresa Adair

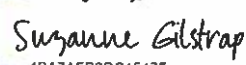
DocuSigned by:

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Curtis Bruehl

DocuSigned by:

185732795AF5487

Lyndon Emberton

DocuSigned by:

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Suzanne Gilstrap

ⁱ LA 51-21 (Nov. 19, 2021). <https://cherokee.legistar.com/View.ashx?M=F&ID=10233747&GUID=B471C5E5-7D0F-4DB3-A42F-9F6ED3748F42>

ⁱⁱ Cherokee Nation's total business and government workforce is approximately 12,000 employees. Approximately 4,500 employees work for Cherokee Nation government.

ⁱⁱⁱ See generally www.cherokeemissionimpact.com and www.WhereTheCasinoMoneyGoes.com

^{iv} Although the Council's action, by statute, precludes any further legislative action to effectuate this Final Report, the Committee anticipates various administrative actions, policies, regulations, etc, will be required of Cherokee Nation's executive director of Human Resources consistent with the statute and this Final Report.

ELECTED OFFICIAL MARKET ANALYSIS - 2022	
Cherokee Nation Principal Chief	\$190,000.00
Cherokee Nation Deputy Chief	\$114,000.00
Cherokee Nation Tribal Council Speaker	\$75,000.00
Cherokee Nation Tribal Council	\$63,000.00
Cherokee Nation Average Exec. Dir. Level Pay	\$164,535.00
Eastern Band Cherokeees Principal Chief	\$262,732.00
Eastern Band Cherokeees Vice Chief	\$218,943.00
Eastern Band Cherokeees Tribal Council	\$90,492.00 With a 6% increase for each subsequent term up to the max of \$157,936.00 for the 10th term.
Chickasaw Nation Governor	\$600,000.00 plus \$50,000.00 per annum for each term of office completed as Lieutenant Governor. Plus 30% of total annual salary into a retirement fund.
Chickasaw Nation Lieutenant Governor	\$400,000.00 plus \$50,000.00 per annum for each term of office completed as Lieutenant Governor. Plus 30% of total annual salary into a retirement fund.
Chickasaw Nation Tribal Legislator	\$5,000.00 per month (\$60,000.00 annually) with 5% increase annually. Plus 25% of total annual salary into a retirement fund.
Muscogee (Creek) Nation Chief	\$148,345.20-\$152,796.80
Muscogee (Creek) Nation Assistant Chief	\$92,435.20-\$95,201.60
Muscogee (Creek) Nation Tribal Council	\$47,000.00
Choctaw Nation Chief	Only data found says the Chief is paid at least 100,000.00
Choctaw Nation Assistant Chief	Only data found says the Asst Chief is paid at least 100,000.00
Choctaw Nation Tribal Council	\$150,000.00 annually - Additional \$665.00 allowance per meeting/event
Seminole Nation Chief	\$79,310.40
Seminole Nation Assistant Chief	\$70,070.00
Seminole Nation Tribal Council	\$200.00 per meeting
University of Oklahoma President	\$585,594.03
University of Oklahoma Vice President & Provost	\$445,000.00
Oklahoma State University President	\$650,000.00 + \$16,500.00 per year auto allowance
Oklahoma State University Provost	\$338,000.00
Northeastern State University President	\$221,688.00
Northeastern State University Vice President & Provost	\$160,000.00
University of Central Oklahoma President	\$259,824.00
University of Central Oklahoma Vice President	\$201,996.00

[Smoky Mountain News](#)

Email confirmation from Terri Jones Chickasaw Nation

[The Muscogee Nation](#)[Choctaw Nation FY2022 Budget](#)[Seminole Nation](#)[Open Pay Rolls: ShareOK: OU enrollment: OU Policy: Norman Transcript](#)[OSU Regents Board Meeting](#)[State of OK payroll](#)



January 31, 2022

TO: Cherokee Nation Citizens Committee
FR: Chuck Hoskin, Jr, Principal Chief
Mike Shambaugh, Speaker of the Council
Re: Request for Clarification on Final Report

Wado to you and the Citizens Committee on Elected Official Compensation for your hard work on a difficult subject. We have reviewed the Committee's Final Report of January 27, 2022, and have questions relating to the post-service "Health Stipend" and the lump sum COLA adjustment to pay.

1. Health Stipend: *Is there an age threshold?*

The Health Stipend falls under a Section titled "Post-Service Benefits," along with a death benefit and a "Retirement Annuity." The Final Report does not set an age threshold for the Health Stipend. Unlike the Retirement Annuity, the fixed cost of which will not change based on when the former elected official applies for the benefit, the cost of the Health Stipend would vary greatly depending on the post-service lifespan of the former elected official. The phrases "post-service" and "Retirement Annuity" in the same section raises a question as to whether the Health Stipend was also tied to "retirement."

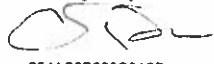
A retirement age threshold makes sense from both a logical and fiscal responsibility standpoint. The generally accepted earliest retirement age in the United States is 62, the threshold age for receiving Social Security benefits. Presumably former elected officials will continue working and receiving some form of health insurance in the years between elected office and retirement, after which such benefit would be beneficial to obtaining primary or supplemental health coverage or other qualifying uses of the Health Stipend. A threshold age of 62 for the Health Stipend seems reasonable and perhaps was in line with the Committee's intent. Please clarify.

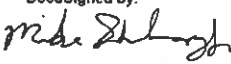
2. Lump Sum COLA: *When does it begin?*

The Final Report, in the body of the report, references "FY 2022," the present fiscal year, as the time of the initial lump sum COLA payment. The chart in the Final Report clearly shows that this adjustment occurs in FY 2023 (October 1, 2022). Given language elsewhere in the report tying this lump sum to the existing employee COLA/Merit adjustments, it seems certain that the Committee simply erred in referencing FYI 2022 and meant, as set forth in the chart, for the adjustment to occur at the beginning of FY 2023. Please confirm this understanding.

By statute neither the Chief nor the Council can alter the Final Report itself, which is immediately effective under Legislative Act 50-21 by operation of law. However, as Council is responsible for appropriating funds for these subject matters and the Principal Chief is responsible for administering programs within these subject matters, we thought it prudent to ask the Committee whether it intended to set an age threshold for the Health Stipend and to clarify the implementation date of the first lump sum COLA adjustment to pay. Such clarifications are not in the nature of a change to the Final Report, but rather an effort to aid the executive and legislative branches in its legal duty to implement the Final Report.

Wado,

DocuSigned by:

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Chuck Hoskin, Jr.
Principal Chief

DocuSigned by:

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Mike Shambaugh
Speaker of the Council



Chuck Hoskin Jr.
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Bryan Warner
Deputy Principal Chief
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WF.1 DL6.10-107.0

February 1, 2022

Chuck Hoskin, Jr.
Principal Chief, Cherokee Nation
Mike Shambaugh
Speaker, Council of the Cherokee Nation
WW Keeler Complex
17675 S. Muskogee Avenue
Tahlequah, OK 74464

Re: Clarification of Final Report of the Citizen Committee on Compensation for Elected Officials of the Cherokee Nation

I am in receipt of your recent letter asking for clarification on two matters addressed in the Citizen Committee’s Final Report. On behalf the Committee, I trust this clarification satisfies your inquiry

1. Health Stipend: Is there an age threshold? – Yes: Age 62

Yes. Although not clear in the report the Committee considered post service benefits to be available for retirement. The generally accepted minimum retirement age in the United States is 62. The Committee contemplated the Health Stipend be a retirement benefit available when the former elected official, meeting all other specified requirements, reached age 62.

2. Lump Sum COLA: When does it begin? - October 1, 2022 (FY 23)

The lump sum COLA payment begins in calendar year 2022, but fiscal year 2023 which begins October 1, 2022. The report simply misstated this as “2022” in the narrative but makes clear in the accompanying chart that the lump sum payment begins at the beginning of fiscal year 2023. This is consistent with the timing of employee COLA / merit pay adjustments.

Sincerely,

DocuSigned by:

Deacon Turner

Deacon Turner,

Chairman,

Citizen Committee on Elected Official Compensation