OPENING STATEMENT

OF

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ON THE

FY 2001 BUDGET REQUEST FOR THE BUREAU OF INDIAN AFFAIRS

BEFORE THE

SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

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INTRODUCTION

Good morning, Mr. Chairman and members of the Subcommittee. I am Kevin Gover, Assistant Secretary for Indian Affairs at the Department of the Interior. It is my pleasure to be here today to present the President's FY 2001 budget request for the Bureau of Indian Affairs (BIA).

The President's budget for FY 2001 is a component of the overall Administration initiative to infuse an additional $1.2 billion into Indian Country to respond to the overwhelming needs of the First Americans. The Administration's Native American Initiative will provide $9.4 billion to strengthen Indian communities through improved health, education, housing, economic development, and other programs in more than 45 Federal entities.

To respond to these needs, the BIA is proposing a substantial increase that, if passed, will allow us to replace six crumbling schools on reservations, provide programs to help reservation residents stay safe and strong, and find ways to use the resources of the Federal Government to create jobs and opportunity on the reservations.

FY 2001 BUDGET OVERVIEW

The FY 2001 budget request for the BIA is $2.2 billion in current appropriations, an increase of $332 million above the FY 2000 enacted level. The budget emphasizes the need to strengthen our schools through quality education within structurally sound and adequately equipped and maintained school facilities, protect our communities through increased law enforcement personnel on reservations, and continue trust reform improvements.

EDUCATION

Last month, the BIA released the new priority list, the Education Facilities Replacement Construction Priority List, which replaces the 1993 Priority List. The new list is comprised of three

schools from the old List which have yet to receive funds for construction and 10 new schools. The first six schools from the List are included within the BIA's $300.5 million request for Education Construction, the largest amount ever requested for this category. The request is $167.3 million over the 2000 funding level, an increase of 126 percent.

While most educational facilities are built to function for 30 years, over 45 percent of these buildings range from 30 years old to 100 years old. The budget request provides for increased construction, equipment and rehabilitation of school facilities for more than 50,000 Indian students who attend the BIA's 185 schools. Schools may be operated directly by the BIA or by Tribal organizations under the *P.L. 100-297* grants.

Research has demonstrated that placing instructional and residential programs in facilities that do not meet health and safety codes distract from the educational program. The cost estimate of the BIA's backlog work needed to abate critical deferred maintenance backlog deficiencies in education facilities currently exceeds $800 million. To respond to these needs, the BIA's request includes an increase of $103.4 million over the 2000 enacted level to address critical health and safety concerns at existing education facilities. This request will fund both maintenance and improvement and repair projects which will reduce the deferred maintenance backlog while improving the physical environment for learning.

To attain a good education, the Indian leaders of tomorrow have to have the ability to get to school. Many Indian Country roads are badly in need of repair and in a state of deterioration. The budget request includes an increase of $5.3 million for Road Maintenance. This increase will help with student transportation as well as improve access for emergency vehicles.

The 185 schools funded by the BIA comprise one of only two school systems managed by the Federal Government; the other school system is managed by the Department of Defense. BIA schools are located in remote locations across the nation in buildings which are deteriorating around students. For the classroom, the BIA is seeking an additional $39.7 million for School Operations, $2.9 million for Tribally Controlled Community Colleges, and $2.2 million for Scholarships.

The BIA is focusing on providing programs which make a difference in a student's life. An increase of $6.8 million is requested to double the number of FACE (Family and Child Education) programs from 22 to 44 sites. This invaluable program benefits both students and their families. The FACE program is a family literacy program that serves families and their children from birth through grade 3 and is culturally relevant for the communities it serves. The evaluation of the program demonstrates that students who participate in FACE score significantly higher on standardized tests of reading and mathematics than children who do not participate in the program. Over 350 adults have gained their GED or high school diploma and over 1,000 adults have gained employment as a result of their participation. Parents indicate that participation in FACE has helped them to become more involved in their child's education, a strong indicator for a child's success in school.

The BIA is also seeking an additional $8.2 million to implement the Therapeutic Residential Model (TRM) at 6 pilot sites. The TRM is a program to address the multitude of individualized services for high risk students attending BIA-funded boarding schools. Over 10,000 students attend BIA boarding schools. They are the highest risk students due to economic conditions and home environments. The BIA is not adequately staffed to meet their needs. The request will allow the

BIA to establish the 6 pilot programs which will result in positive changes in attitudes, behavior and academic performance of Indian youth attending BIA-funded boarding schools.

The request also includes $3.0 million for the School Statistics Initiative. This program will allow the Bureau to gather important data on its schools in order to improve the quality of education. Also, it will make it possible for the Bureau to report to the Congress on such important indicators as student achievement, retention rates, transfers between schools, and student drop out rates. Finally, it will make it possible to automate the Indian School Equalization Program (ISEP) which will ensure schools quicker access to their funds and greater accountability of student funding data.

LAW ENFORCEMENT

The FY 2001 budget request seeks an increase of $18.9 million for law enforcement in Indian Country. Crime, specifically violent crime involving young people, continues to rise significantly in Indian Country. The funding increases for law enforcement over the past two fiscal years for the *Presidential Initiative on Law Enforcement in Indian Country* have begun to address the tremendous Indian Country crime problem.

There has been a positive effect over the past two years with the increased law enforcement funding the Congress has provided for the *Initiative*. Community and proactive policing has been instituted and officers now have modern weapons and state of the art bullet proof vests. Many old police vehicles with over 100,000 miles have been replaced and the Indian Police Academy training capability has doubled. There has definitely been progress. To continue these steps forward, the BIA's requested increase of $18.9 million will be used to assist Tribes in retaining COPS-funded police officers, staff detention facilities, provide 24-hour radio dispatch service, and improve two-way radio communications through conversion to narrow band technology.

As BIA's partner in the *Initiative*, DOJ has provided grants funds to Tribes for the construction of critically needed detention facilities. Realizing that DOJ has no mechanism to staff these facilities, the BIA has agreed to request staffing dollars for these new jails. The need for detention space has increased dramatically with the additional police officers on the streets which naturally means more incarcerations. This in turn necessitates more detention personnel.

TRUST IMPROVEMENTS

A total increase of $35.1 million is requested for trust management improvement reforms in the BIA. Efforts underway are a continuation of the joint effort between the BIA and the Office of Special Trustee (OST) on implementation of the Secretary's *High Level Implementation Plan (*HLIP) for the Trust Management Improvement Project (TMIP). In FY 2001, the BIA will continue to work with the OST and the Department to improve the administration and management of its trust responsibilities. Funding for the BIA's HLIP sub projects is requested under OST. The HLIP is centered on 11 major sub projects that will update trust systems, policies, practices, and procedures and make one-time investments to reduce backlogs. As part of the overall effort to remedy the fundamental cause to Indian trust management, an increase of $7.5 million is requested under OST to expand the Indian Land Consolidation program.

To ensure trust management reforms are sustained, the BIA's requested increase includes program funding increases for several trust programs. These additional resources are critical to ensuring that accumulated trust management problems being corrected under HLIP do not reoccur. The BIA's

budget request includes a $12 million increase for on-going real estate services to improve real property management services and ensure timely processing of transactions (i.e., sales, acquisitions, rights of way). To assist in protecting trust resources, an increase of $5.3 million is proposed to perform cadastral surveys. Additional increases include: $2.2 million increase for real estate appraisals to ensure compliance with appraisal standards and timely completion of appraisals; a $3.0 million increase for Probate to provide sufficient staff for probate functions; and an increase of $4.8 million for the Land Titles and Records Office to ensure land records are kept current. For general trust services, a 4.0 million program increase is requested to provide technical support to Tribes and ensure compliance with complex environmental and cultural resource requirements. An increase of $2.0 million is also requested to expedite the processing of Alaska allotments.

OTHER TRIBAL SUPPORT

The request also includes an increase of $3.5 million for Contract Support to bring the total funding level to $128.7 million. This increase will allow the BIA to meet approximately 88 percent of the reported need. The BIA is also seeking to replenish the Indian Self Determination Fund ($5.0 million) for new and expanded contracts or compacts.

As part of the Administration's *New Market* initiative, the BIA is seeking $2.0 million for Technical Assistance Grants to provide in-depth technical assistance to Tribes and individual Indians to establish, acquire, or expand for-profit businesses on or near Federally recognized Indian reservations. This assistance would include market feasibility studies, development of business plans, best use yield studies and management contracts. Tribes and Indian entrepreneurs will be provided technical assistance at an average cost of $15,000 each. Implementing this program will allow the BIA to assist 113 Indian businesses succeed in Indian communities.

As part of a multi-agency, cross-cutting effort to implement a recent court-ordered Federal subsistence fishery program to bring Alaska into compliance with the Alaska National Interest Lands Conservation Act, the BIA is requesting $500,000 for Alaska Subsistence. In response to a recent Ninth Circuit Court ruling, the Federal Government must now assume management responsibility for subsistence fisheries in all navigable waters on and adjacent to Federal conservation units in Alaska. The BIA's role will focus on ensuring that input from Native entities is received and considered by the National Park Service, U.S. Forest Service, U.S. Fish and Wildlife Service, and Bureau of Land Management in establishing fishing seasons and regulations covering approximately 102,000 miles of rivers and streams and about half of Alaska's inland waters. Support would be provided to the Bureau's Alaska Region and to the State of Alaska. Input from Tribal governments would occur through a bottom-up process and network.

CONCLUSION

With the separate hearing on the BIA's implementation of the National Academy of Public Administration's recommendations and our request for an increase of $4.0 million, this concludes my remarks about the BIA budget request for FY 2001. I am attaching to my testimony a portion of the Overview from the BIA's budget justification which provides a more complete breakdown of budget categories.

I will be happy to answer any questions.

Tribal Priority Allocations (TPA)
TPA provides the principal source of funds for local units of Tribal Government, most of which are small and lack independent resources to meet the increasing costs of Tribal government operations. Because of Congressional funding levels in 1996 and 1997, Tribal governments are falling increasingly behind in their ability to maintain services to Indian communities and families. Tribes depend on TPA funds for basic necessities and services such as child welfare, scholarships, Tribal courts, natural resource management, and other programs critical to improving the quality of life and the economic potential of the reservations. The Congress has given the Tribes the flexibility to prioritize the limited funds among TPA programs according to their unique needs and circumstances. TPA supports the goals of Indian self-determination by providing Tribes with the choice of programs provided as well as the means of delivery, either by the Tribe or the Bureau.

Beginning with FY 1998, TPA comprises nearly half of the Bureau's operating budget. For FY 2001, the TPA activity is funded at $761.2 million, an increase of $60.5 million over the FY 2000 Enacted level, which will help Tribes address some of the unmet needs in these basic programs.

This budget submission includes $5 million for the Indian Self Determination Fund to replenish funds for new and expanded programs contracted under the authority of *Public Law 93-638*, as amended. The moratorium imposed by the Congress for FY 1999 on any new or expanded contracts, compacts or grants under the *638* authority stalled the ability of the Bureau to fulfill its mission of promoting self- determination on behalf of Tribes. Increased Tribal contracting/compacting activity in FY 2000 (due to the lifting of the moratorium) is expected to continue throughout FY 2001.

An increase of $3.5 million is requested for Contract Support over the 2000 Enacted level for on-going self-determination agreements. It is estimated that 88 percent of need will be met in FY 2001 at this level of funding. The Bureau covered 88 percent of need in FY 1999 and expects to cover 90 percent of need in FY 2000.

An increase of $1.5 million is requested for Tribal Courts, a necessary component to ensuring the success of the *Presidential Initiative on Law Enforcement in Indian Country*. In FY 2000, the Congress provided a $20.0 million increase to address the woefully inadequate law enforcement resources in Indian Country. With this second year investment in the multi-year *Initiative*, it continues to open the door to halting the escalating crime rates in Indian Country. While Bureau and Tribal law enforcement personnel take the criminals off the street, it is also important to handle the increased demand for judicial services to keep the criminals off the street. Funding for Tribal Courts goes hand in hand with ensuring that Indian Country law enforcement efforts are strengthened by adequate court systems. Funds will also be used to implement provisions of *Public Law 103-176*, the Indian Tribal Justice Act.

An increase of $1.0 million is requested for Adult Care Facility Rehabilitation to bring four Bureau-funded adult long-term care facilities on the Navajo Reservation to standard condition. Once the standard is attained, the facilities are eligible for funding of their operation and maintenance costs

from the State Medicare, Medicaid, and other programs. The initial investment of $1 million will result in a potential savings to the Bureau which can be utilized for other high priority needs. An increase of $16.1 million is requested for the Housing Improvement Program (HIP) to serve low-income eligible Indian families or individuals. The Bureau has revised the HIP methodology to concentrate on serving those most in need, regardless of the category of HIP services they may require. This will allow the Bureau to serve an estimated 437 additional families for a total of about 985 families served.

An increase of $2.2 million is requested for Scholarships to increase Tribes' ability to provide assistance to their Indian youth seeking to improve their futures through increased education. Along these lines, the Bureau is requesting an increase of $5.1 million for the Road Maintenance program. Part of the challenges to obtaining an education in Indian Country is the basic ability for students to be able to get to school as many reservation roads are a monumental challenge due to rough surfaces and at times impassable roads caused by insufficient funding. The Road Maintenance program is the only Bureau program which preserves the Bureau's system of roads and bridges that provide access to reservation lands, not only to schools, but to jobs and health care facilities. While the Department of Transportation's Highway Trust Fund provides funds for road construction, it does not provide funds for road maintenance.

To support the Trust Fund Improvement Project, the Bureau's TPA request includes a total of $13.8 million in Trust Services funding for FY 2001 as follows: Trust Services, General ($1.6 million); Real Estate Services ($7.0 million); Real Estate Appraisals ($2.2 million); and, Probate ($3.0 million).

In FY 2001, the Bureau will continue to operate as a highly streamlined and decentralized agency with maximum resources going to Tribal programs. The Bureau anticipates that more than half of the FY 2001 operating budget will be spent directly by Tribes that elect to operate various Bureau programs under self-determination contracts, grants, or self-governance compacts.

Since the founding of the Nation, the Congress has funded specific Indian education programs in response to treaty requirements and Federal statutes. Current Indian Education programs are governed by a number of laws including the Snyder Act, the Johnson O'Malley Act, the Elementary and Secondary Education Act, the Tribally Controlled Community Colleges Act, the Tribally Controlled Schools Act, the Education Amendments of 1978, Goals 2000 and the Improving America Schools Act. Collectively, these laws are aimed at ensuring quality education for Indian youth and improving the long-term employment and economic opportunity on reservations.

Other Recurring Programs

The prominent theme for the new millennium described by the President is the education of our children. The Bureau is responsible for the only major domestic elementary and secondary education system operated by the Federal Government. As such, it is incumbent that this system reflects the high standards President Clinton has set for all education. In support of this Presidential priority, the Bureau's FY 2001 budget request includes a significant investment in Indian education. The request for School Operations, which will fund 185 schools and dormitories serving more than 50,000 elementary and secondary students in 23 States, is $506.6 million, an increase of $39.7 million over the FY 2000 Enacted level. The increase will ensure that schools can deliver quality education and provide safe and adequate transportation for an estimated increase in enrollment.

Included in the increase is $6.8 million to expand the number of sites for the Early Childhood Development FACE program and $8.2 million for implementation of the Therapeutic Residential Model pilot program at selected Bureau dormitories. Increases are also proposed in facilities operations and administrative cost grants to encourage the continuation of schools going into grant status and under Tribal control.

The budget increases operating grants to the 25 Tribally controlled community colleges by $2.9 million over FY 2000. The colleges have been successful in providing Indian youth with college degrees and futures of professional employment. They also promote entrepreneurship on reservations.

An increase of $500,000 is also requested for Alaska Subsistence activities to meet the Secretary's responsibilities in implementing a recent court-ordered Federal subsistence fishery program in the State of Alaska. This is a multi-agency, cross-cutting activity to establish fishing seasons and regulations covering approximately 102,000 miles of rivers and streams and about half of Alaska's inland waters.

Non-Recurring Programs

To meet the Bureau's long-term goal of improving the quality of life in Tribal communities, $2.0 million is requested to establish Technical Assistance Grants to provide technical assistance to Tribes and individual Indians to establish, acquire or expand for-profit businesses on or near reservations. Investment today in helping Tribal communities to become more resourceful will facilitate and strengthen Tribal self determination. Additionally, an increase of $5.3 million is requested for Real Estate Services to strengthen the Bureau's trust management functions.

Central Office Operations

An increase of $500,000 is requested for the Trust Services line item to strengthen the Bureau's trust management programs at the Headquarters level. To continue implementation of the recommendations of the National Academy of Public Administration (NAPA), an increase of $4.0 million is requested in FY 2001 to continue implementation of the recommendations at the Central Office level and to begin to provide resources to Field sites.

Regional Office Operations

An increase of $13.7 million is proposed for trust management improvement efforts at the Regional level: Trust Services, General ($1,900,000); Real Estate Services ($5,000,000); Land Titles and Records Offices ($4,800,000); and Land Records Improvement ($2,000,000).

Special Programs and Pooled Overhead

To continue the momentum forward for the *Presidential Initiative to Improve Law Enforcement in Indian Country*, a program increase of $16.0 million is requested for the third year of this multi-year initiative. The rate of violent crime victimization of American Indians is higher than that of other U.S. racial or ethnic subgroups and more than twice the national average. Continued infusion of monies is necessary to improve the quality of life on Indian reservations. A program increase of $115,000 is requested for the Indian Police Academy to expand its training courses to respond to the influx of new trainees hired under the *Initiative*. To offset the Congressionally-mandated earmark of funds for enforcement activities, an increase of $100,000 is requested for the Indian Arts and Crafts Board. To strengthen the efforts of the Crownpoint Institute of Technology, an increase

of $1.3 million is requested in FY 2001. To improve the reporting capabilities and improve overall educational abilities, the Bureau is requesting an increase of $3.0 million for the School Statistics Initiative. An additional $500,000 is requested for the American Indian component of the Early Childhood Longitudinal Study, a partnership effort with the Department of Education. To respond to priority needs of Tribes on a nationwide basis, the Bureau is proposing to eliminate funding for the National Ironworkers Training Program.

Construction

The Bureau's request for the Construction appropriation is $365.9 million, of which $300.5 million, or 82 percent, is dedicated to education construction. This is the largest request for education construction, with an additional $167.3 million, or 126 percent, over the FY 2000 enacted level. The Bureau will continue the emphasis on Tribal contracting for projects, providing support from the Bureau's Office of Facilities Management and Construction until the Tribes and Agencies are fully trained to take over the construction contracting challenge.

The Replacement School Construction program funds replacement of older, unsafe, and dilapidated schools on reservations. More than 50,000 Indian students attend 185 Bureau-owned or -funded schools in eligible Indian communities. School replacement priorities are based on a new priority list of 13 schools, which is comprised of the last 3 uncompleted schools from the old priority list published in 1993 and 10 new schools. In 2001, a total of $126.149 million is requested for Advanced Planning and Design ($5,000,000) and to complete construction of the first 6 schools — several that serve multiple Tribes, on the new priority list:

Tuba City Boarding School, Arizona
Second Mesa Day School, Arizona
Zia Day School, New Mexico
Baca Community School, New Mexico
Lummi Tribal School, Washington
Wingate Elementary School, New Mexico

These six schools have structural and code deficiencies that threaten student safety and are not equipped with modern educational tools. Up to $30 million of the replacement school construction funding may be used for Tribal participation in the President's FY 2001 School Construction Modernization Initiative. These funds may be used by Tribes or Tribal consortia to ensure the repayment of principal on school modernization or other taxable bonds. Tribes that issue bonds to lenders could claim a tax credit for the life of the bond in lieu of interest. Any of the six schools slated for replacement in 2001 could exercise this option.

The education facilities improvement and repair program is funded at $174.3 million, an increase of $104.0 million over 2000 enacted, to address critical health and safety concerns at existing education-related facilities. This request will fund maintenance and major and minor repair projects to reduce the significant backlog of needed repairs.

For the second year, the budget requests no new funding for Public Safety and Justice construction within the Bureau request. New detention centers on reservations will receive funds from the Department of Justice's appropriation as part of the *President's Initiative on Law Enforcement in Indian Country*.

Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians
This program provides payments to meet Federal requirements for legislated settlements. The FY 2001 budget request includes $34.026 million for payments for settlements resolving long standing Tribal claims to water and lands. Of this amount, $8 million is proposed for the Rocky Boy's Indian Water Rights Settlement for compact administration, economic development, and future water supply activities. The majority of the remaining funds are proposed for the Ute Indian Water Rights Settlement, $24.9 million, to maintain the payment schedule as required by law.