**STATEMENT**
**OF**
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**BEFORE**
**THE COMMITTEE ON INDIAN AFFAIRS**
**UNITED STATES SENATE**
**ON THE PRESIDENT'S**
**FISCAL YEAR 2016 BUDGET REQUEST FOR INDIAN PROGRAMS IN THE DEPARTMENT OF THE INTERIOR**

**February 25, 2015**

Good afternoon, Chairman Barrasso, Vice Chairman Tester, and members of the Committee. Thank you for the opportunity to provide a statement on behalf of the Department of the Interior on the President's Budget Request for Fiscal Year 2016 presented to Congress on February 2, 2014. The FY 2016 budget request for Indian Affairs programs within the Department totals $2.9 billion, which is $323.5 million more than the FY 2015 enacted level.

As the Assistant Secretary for Indian Affairs, I have the responsibility to oversee the Bureau of Indian Affairs and the Bureau of Indian Education, along with other programs within the immediate Office of the Assistant Secretary for Indian Affairs. The Office of the Assistant Secretary for Indian Affairs, BIA, and BIE programs expend over 90 percent of appropriated funds at the local level. Of this amount, over 68 percent of the appropriations are provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs and schools. In sum, tribal self-determination and self-governance programs have eclipsed direct services provided by the BIA and BIE. Indian Affairs' programs and funding serve 566 federally recognized tribes and more than two million American Indian and Alaska Native people.

The 2016 President's budget supports an all-of-government approach to addressing Federal responsibilities and tribal needs. Coordination of this work across the Federal government is being carried out through the White House Council on Native American Affairs, established by Executive Order on June 26, 2013, by President Obama, and chaired by the Secretary of the Interior. The Council has worked diligently to break down silos in Federal agencies and increase coordination on programs and budgets. As a result of this all-of-government approach, the Administration's support for Tribal Nations goes well beyond the budget of Indian Affairs at Interior, or the Indian Health Service at the Department of Health and Human Services. Together, the IA and IHS represent less than one-half of the Administration's overall budget request for tribal programs.

The President's budget seeks increases across more than 20 Federal departments and agencies serving Indian Country. In total, the budget proposes $20.8 billion, a $1.5 billion or 8% increase over the 2015 enacted level, across a wide range of Federal programs that serve Tribes including education, social services, justice, health, infrastructure, and stewardship of land, water, and other natural resources. These increases support improved access to Federal programs and resources,

particularly focused on youth through the Administration's newly established Generation Indigenous initiative. Investments like these will provide real and sustainable improvements in Indian Country.

Our funding priorities are guided, in part, by careful coordination with Tribes through a regional-to-national planning process through the Tribal Interior Budget Council. In addition, input from Tribal leaders gained from the annual White House Tribal Nations Conference has helped guide the Administration's priorities and decision-making processes. These and other sources of Tribal input have informed legislative and programmatic initiatives and funding priorities in the 2016 budget, including full funding and a mandatory proposal for contract support costs.

The Indian Affairs budget provides significant increases across a wide range of Federal programs that serve Tribes and supports improved access to Federal program and resources. Indian Affairs plays a unique and important role in carrying out the Federal trust responsibility and in serving Tribes. The budget capitalizes on the central role of Indian Affairs in coordinating with other agencies by proposing to create a one-stop shop approach for facilitating tribal access to Federal funds and programs across the U.S. government.

**Creating Opportunities for Native Youth**

The 2016 budget includes key investments to support the launch of Generation Indigenous, an initiative focused on addressing barriers to success for Native American youth. This initiative takes an integrative, comprehensive, and culturally appropriate approach to help improve lives and opportunities for Native American youth. Multiple Federal agencies, including the Departments of the Interior, Education, Housing and Urban Development, Health and Human Services, Agriculture, Labor, and Justice, are working collaboratively with Tribes to implement education reforms and address issues facing youth.

In today's global economy, a high quality education is no longer just a pathway to opportunity—it is a prerequisite to success. President Obama set out a vision for a 21st century education system, grounded in both high academic standards and tribal values and traditions. The Indian Affairs' budget proposes a $1.0 billion investment in Indian education to support a comprehensive transformation of the Bureau of Indian Education. The proposal recognizes the progress in self-governance in Indian education reflected in the fact Tribal Nations have contracted to run more than two-thirds of Federal Indian schools. The multi-year transformation process will improve the BIE's ability to support Tribes in educating their youth and help them provide a world-class and culturally appropriate education across Indian Country. The budget invests in improving educational opportunities and quality from the earliest years through college. The budget request supports this transformation with increased investments totaling $93.9 million to improve outcomes in the classroom; provide improved instructional services and teacher quality; promote enhanced language and cultural programs; enhance broadband and digital access; and provide funds to Tribes to encourage creative solutions to school transformations. The budget includes an education construction increase of $58.7 million to replace the Little Singer Community and Cove Day schools in Arizona and to plan for future schools to be replaced. The increase also includes $11.9 million to address major facility repair

needs. To foster public private-partnerships that will support improving student experiences at BIE-funded schools, the 2016 budget proposes appropriations language enabling the Secretary to activate the National Foundation for American Indian Education. The proposed bill language will initiate a foundation focused on fundraising to create opportunities for Indian students in and out of the classroom.

Budget increases across other Federal agencies through the Generation Indigenous initiative will support educational outcomes and provide wrap-around services in the areas of behavioral and mental health, substance abuse, and job training.

The President's budget also requests an additional $3.0 million to support youth participation in BIA natural resources programs that focus on the protection, enhancement, and conservation of natural resources through science, education, and cultural learning. Tribal youth will benefit from the mentoring and positive role models provided by tribal personnel who work on the ground to manage and protect vital trust resources. Programs aimed at tribal youth will pay future dividends by opening future job opportunities, instilling respect for resources, and developing an appreciation of the importance of natural resources to tribal cultures and livelihoods. The request will support approximately 60 new tribal youth projects and training programs throughout Indian Country and supplement existing training programs within the forestry, water, and agriculture programs. In addition, the BIE budget includes a $4.6 million increase for scholarships for post-secondary education, with a focus on recipients seeking degrees in the fields of science, technology, engineering, and mathematics. Making advanced education opportunities available for tribal members is a high priority for Tribes, who see education as the path to economic development and a better quality of life for their communities through an educated and skilled tribal member workforce.

**Supporting Indian Families and Protecting Indian Country**

President Obama knows our youth must be well served in the classroom, but it is also important to support Indian families and ensure public safety in their communities. Children need a safe environment when they go home from school. That is why the President's budget request is committed to promoting prosperous tribal communities and addressing problems of poverty, violence, and substance abuse. As part of the President's commitment to protect and promote the development of prosperous tribal communities, BIA will continue the Tiwahe initiative. The initiative promotes a comprehensive and integrated approach to supporting family stability and strengthening tribal communities by addressing interrelated issues associated with child welfare, domestic violence, substance abuse, poverty, and incarceration. Tiwahe means "family" in the Lakota language. The Tiwahe initiative directly supports the Generation Indigenous initiative, which is focused on addressing barriers to success for Native youth, by leveraging BIA programs in concert with other Federal programs that support family and community stability and cultural awareness.

Child abuse and neglect continue to be serious and persistent problems among Indian populations in the United States. The impact of child maltreatment in many Indian communities has been devastating. It has disrupted extended family support networks and broken up families

through placements outside the community. Children living in poverty are far more likely to be exposed to violence and psychological trauma, both at home and in the surrounding community. Many Indian communities face high rates of poverty, substance abuse, suicide, and violent crime. The U.S. Census Bureau recently reported that between the years 2007-2011, 23.9 percent of the American Indian and Alaska Native population lived in poverty—a figure that exceeded the national poverty rate of 14.3 percent.

Solutions lie in addressing the interrelated problems of poverty, violence, and substance abuse faced by many communities through a comprehensive, culturally appropriate approach to help improve the lives and opportunities of Indian families. This requires coordination of social service programs, taking steps to maintain family cohesiveness, preparing family wage earners for work opportunities, and providing rehabilitative alternatives to incarceration for family members with substance abuse issues. The proposed increase of $6.0 million for social services programs will support the Tiwahe initiative by providing culturally appropriate services with the goal of empowering individuals and families through health promotion, family stability, and strengthening tribal communities as a whole. The budget also includes $4.0 million for Law Enforcement Special Initiatives and $5.0 million for tribal courts to implement a comprehensive strategy for providing alternatives to incarceration and increases in treatment opportunities across Indian Country. The BIA will work with the Departments of Justice and Health and Human Services to provide comprehensive suicide prevention training to police officers and work with tribal courts to identify and make mental health services and support more widely available.

To promote public safety and community resilience in Indian communities, the 2016 law enforcement budget builds on recent successes in reducing violent crime and expands efforts to lower repeat incarceration in Indian Country, which is a Department priority goal. In 2016, a pilot program to lower rates of repeat incarceration will be expanded from three sites to five, with the goal of reducing recidivism by at least three percent within these communities by September 30, 2017. To achieve this goal, BIA will implement comprehensive alternatives to incarceration strategies that seek to address underlying causes of repeat offenses—including substance abuse and social service needs—by utilizing alternative courts, increased treatment opportunities, probation programs, and interagency and intergovernmental partnerships with tribal, Federal, and State stakeholders.

The Violence Against Women Reauthorization Act expands the jurisdiction of tribal law enforcement and justice systems to domestic violence altercations in Indian Country. The BIA Office of Justice Services is providing technical assistance to Tribes to change tribal legal codes to reflect provisions contained in the reauthorization of the Violence Against Women Act that provide stronger protections and safety for vulnerable populations. The BIA is also implementing training for direct service law enforcement program staff in the areas of law enforcement, social services, victim services, and courts and is making this training available to Tribes operating these programs under self-determination contracts and compacts.

**Tribal Nation-Building**

Programs run by Tribes through contracts with the Federal government support tribal nation-building and self-determination. The 2016 President's budget request for contract support costs

is $277.0 million, an increase of $26.0 million above the 2015 enacted level.

Based on the most recent analysis, the requested amount will fully fund estimated 2016 contract support costs. The budget also includes—for the first time—a new proposal to fully fund BIA and Indian Health Service contract support costs as mandatory funding, beginning in 2017. The BIA and IHS will continue to work together with Tribes and consult on policies to address long-term programmatic and funding goals to advance tribal self-determination.

Tribal leaders and communities need access to quality data and information as they make decisions concerning their communities, economic development, land and resource management, and other decisions. The ability to access and analyze data to support such decisions is critical to understanding the benefits and impacts of policy and program decisions. The collection and analysis of data by the Federal government is also critical to ensuring Federal agencies and programs are delivering effective services to Tribes to meet tribal needs and deliver on Federal responsibilities. The budget includes a total increase of $12.0 million to help address long-standing concerns Tribes have expressed with the quality of data in Indian Country. This funding will enable Interior to work with Tribes to improve Federal data quality and availability, work with the U.S. Census Bureau to address data gaps for Indian Country, and create an Office of Indian Affairs Program Evaluation and Data to support effective, data-driven, tribal policymaking and program implementation.

To deliver on an all-of-government approach to Indian Country, the BIA budget proposes an increase of $4.0 million to establish a One-Stop Tribal Support Center to make it easier for Tribes to find and access the hundreds of services available to Tribes across the Federal government. The One-Stop Tribal Support Center will include an online portal and services to support Tribes in accessing Federal resources at the regional and local levels. The Center will make it easier for Tribes to find services and receive consistent information across Federal programs. Initially, the Center will focus on programs that serve Native American youth, in support of the Generation Indigenous initiative and to pilot this new approach to serving needs in Indian Country.

The BIA budget also includes $4.5 million to establish an Indian Energy Service Center to facilitate energy development in Indian Country. It is imperative that tribal efforts to permit energy development on reservation lands are met expeditiously. Income from energy is one of the larger sources of revenue generated from trust lands, with royalty income climbing to $1.1 billion in 2014. Delays in energy development can result in delayed profits to Indian mineral rights owners. The Indian Energy Service Center will expedite leasing, permitting, and reporting for conventional and renewable energy on Indian lands, and—importantly—provide resources to ensure development occurs safely, the environment is protected, and risk is managed appropriately by technical assistance to support assessment of the social and environmental impacts of energy development. The Center will be composed of staff from BIA, the Office of Natural Resources Revenue, Bureau of Land Management, and Office of the Special Trustee for American Indians—all of which have responsibilities related to tribal energy development. Working with the Department of Energy's Tribal Energy Program, the Center will provide a full suite of energy development-related services to Tribes nationwide and meet current demands for services. The Center will coordinate and enhance BIA's ability to process

leases, BLM's responsibility for Applications for Permit to Drill approval and monitoring, ONRR's responsibilities for royalty accounting, and will institute streamlined processes, standardized procedures, and best practices for all types of energy at various locations and bureaus.

**Sustainable Stewardship of Trust Resources**

The BIA's trust programs assist Tribes in the management, development, and protection of Indian trust land and natural resources on 55 million surface acres and 57 million acres of subsurface mineral estates.

Taking land into trust is one of the most important functions Interior undertakes on behalf of Tribes. Homelands are essential to the health, safety, social, cultural, and economic welfare of tribal governments. The Administration set an ambitious goal of placing more than 500,000 acres of land into trust by the end of 2016. To that end, BIA processed more than 1,835 land-into-trust applications, accepting more than 281,755 acres in trust on behalf of Tribes since 2009. In 2014, Interior acquired 41,685 acres of land in trust on behalf of Tribes and individuals and approved 290 fee-to-trust applications. The BIA intends to meet or exceed the 500,000-acre goal in 2016.

In December 2014, BIA announced a final rule that will allow the Department to accept land into trust for federally recognized Alaska Tribes. Previously, Interior regulations allowed tribal nations in the continental United States to seek to place lands into trust, but did not allow the same for federally recognized Alaska Tribes. Taking land into trust for a tribal nation makes the land eligible for certain Federal programs that can further tribal sovereignty and economic development related to agriculture, energy, infrastructure, and health and housing programs. The new rule confirms the Secretary's pre-existing statutory authority to consider applications to take land into trust in Alaska and confirms this authority will be exercised.

The BIA budget includes a total increase of $6.9 million for Trust Real Estate Services activities to bolster the stewardship of trust resources. The expanded capacity will address the probate backlog, land title and records processing, geospatial support needs, and database management. To foster utilization of tribal lands, BIA published a proposed new rule on June 17, 2014, to update BIA regulations—which were last revised more than 30 years ago—that govern rights-of-way across Indian land. The revised regulations are designed to result in faster timelines for BIA approval and ensure consistency with recently promulgated BIA leasing regulations. In addition, the proposed regulations would make the process more efficient and transparent, increase flexibility in compensation and valuations, and support landowner decisions on land use.

**Supporting Climate Resilience in Indian Country**

Tribes throughout the U.S. are already experiencing the impacts of a changing climate including drought, intensifying wildfires, changes in plants and animals important to subsistence and cultural practices, impacts to treaty and trust resources, and coastal erosion and sea level rise. In November 2014, the State, Local, and Tribal Leaders Task Force—established under Executive Order 13653 Preparing the United States for the Impacts of Climate Change-- formally released

recommendations to the White House. These recommendations called on the Federal government to partner with Tribes in planning, preparing, and responding to the impacts of climate change.

Responding to these recommendations, which included input from hundreds of tribal leaders, the budget provides a total of $50.4 million, a $40.4 million increase over 2015, across nine BIA trust resource programs to support tribal communities in preparing for and responding to the impacts of climate change. Funds will provide support for Tribes to develop and access science, tools, training, and planning; and to implement actions that build resilience into resource management, infrastructure, and community development activities. Funding will also support Alaska Native Villages in the arctic and other critically vulnerable communities in evaluating options for the long-term resilience of their communities.

Tribal lands, particularly in the West, on the Coasts, and in Alaska, are on the frontline of climate change, yet many of these communities face immense challenges in planning and responding to the far-reaching impacts of climate change on infrastructure, economic development, food security, natural and cultural resources, and local culture. Some communities are already experiencing increasingly devastating storms, droughts, floods, sea-level rise, and threats to subsistence resources. Strengthening access to information and resources, including technical and financial assistance to address the combined and cumulative effects, are among the highest priorities for supporting climate change adaptation and resilience. Examples of projects that may be funded include training, studies, scenario planning, natural resource and infrastructure projects, public awareness and outreach efforts, capacity building, and other projects. Criteria for tribal funding will be developed and prioritized in consultation with the Tribes and the interagency White House Council on Native American Affairs subgroup on environment and climate change.

**Indian Water Rights**

The 2016 budget request for Indian water settlements continues to demonstrate the Administration's strong commitment to resolve tribal water rights claims and ensure Tribes have access to water to meet domestic, economic, cultural, and ecological needs. Many of the projects supported in these agreements bring clean and potable water to tribal communities, while other projects repair crumbling irrigation and water delivery infrastructure on which tribal economies depend. These investments improve the health and well-being of tribal members and preserve existing economies and, over the long-term, bring the potential for jobs and economic development.

The FY 2016 budget request for technical and legal support and for tribal water rights settlements totals $244.5 million, an increase of $73.0 million over 2015. This includes a total of $40.8 million for Interior-wide technical and legal support and $203.7 million for settlement implementation. Of the request for settlement implementation, $136.0 million is funded in the Bureau of Reclamation and $67.7 million in BIA. In 2016, Interior will complete the funding requirements for the Taos Pueblo Indian Water Rights Settlement Act.

To strengthen the Department's capacity to meet its trust responsibilities and more effectively partner with Tribes on water issues, the 2016 budget includes a $16.9 million increase across the

budgets of BIA, Reclamation, BLM, the Fish and Wildlife Service, and U.S. Geological Survey. This funding will support a more robust, coordinated, Interior-wide approach to working with and supporting Tribes in resolving water rights claims and supporting sustainable stewardship of tribal water resources. Funds will strengthen the engagement, management, and analytical capabilities of the Secretary's Indian Water Rights Office; increase coordination and expertise among bureaus and offices that work on these issues; and increase support to Tribes.

**Conclusion**

This FY 2016 budget maintains strong and meaningful relationships with Native communities, strengthens government-to-government relationships with federally recognized tribes, promotes efficient and effective governance, and supports nation-building and self-determination. The 2016 budget request delivers community services, restores tribal homelands, fulfills commitments related to water and other resource rights, executes fiduciary trust responsibilities, supports the stewardship of energy and other natural resources, creates economic opportunity, expands access to education, and assists in supporting community resilience in the face of a changing climate.

Thank you for the opportunity to appear before you today. I am happy to answer any questions the Committee may have.