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Interior's Assistant Secretary for Indian Affairs Eddie F. Brown said today the President's fiscal year 1993 Budget of $1.88 billion for the Bureau of Indian Affairs (BIA) will continue to strengthen the foundation established last year by President Bush and Interior Secretary Lujan to reform the delivery of key social, financial, and natural resource programs to American Indians.

"In continuing to reform the delivery of services for American Indians and Alaska Natives, this budget emphasizes and aids in the shift of responsibilities and resources from the BIA to tribes in order to provide them with the authority, flexibility, and resources to set and implement their own goals and priorities and directly administer Indian programs," Brown said.

"The President's 1993 Budget request sustains and augments by $15.3 million the Tribal Horizons initiative begun in 1992. It is designed to enhance self-determination, emphasize education and improve the management and accountability of the BIA.

The 1993 budget request for BIA contains increases that enhance the efforts already underway to support the goal of Indian Self-determination through economic development, self-governance and welfare reform. Self-determination allows each tribe to establish overall goals and plans, to make decisions on funding priorities, and to operate more programs under contracts, grants, self- governance compacts, or other financial arrangements.

The budget estimate for 1993 of $1.88 billion includes miscellaneous permanent appropriations, revolving funds and trust accounts. For BIA's operating programs, the 1993 budget request is $1.21 billion which is a decrease of $12 million from the comparable 1992 enacted amount.

A key element of the Tribal Horizons initiative is an emphasis on tribal self-determination and priority setting through the Indian Priority System (IPS) whose funding priorities for programs are set locally, at the reservation and agency level. The share of the IPS as a percentage of the total BIA budget will increase from 23 percent to 35 percent -- from $356.8 million to $488.1 million. The 1993 budget proposes to shift the Welfare Grant and Johnson O'Malley (JOM) programs into the IPS.

Moving the General Assistance program to the IPS will be combined with regulatory modifications to allow tribes to establish their own welfare approaches as is currently done by state governments. Based on the concept of government-to-government relationships and self-determination, individual tribes will be provided the opportunity to tailor welfare programs to their individual situations and objectives, rather than using the single nationwide approach.

Shifting the JOM program which funds supplemental education programs for Indian children in public schools to the IPS, will allow tribes in the future to set their own priorities among this program and all other programs on the IPS. Included in the total IPS funds request is $30.7 million for the self-governance compacts whereby the 16 participating tribal governments are afforded all feasible opportunities for the direct management and funding of programs administered by the Department which benefit their tribal members.

Programmatically, the IPS includes an increase of about $1.3 million which would be used for various programs such as law enforcement, social services, forestry, and other program priorities as determined at the local level.

The Self-Determination element of Tribal Horizons also includes increases for Indian Child Welfare grants and for an advisory board on BIA reorganization. The funds for Indian Child Welfare would continue to address the problem of child abuse and neglect in Indian country. The budget proposes to increase the Indian Child Welfare program by $1.7 million to $18.5 million. Continuing the initiative begun in 1992, funds will be distributed under a formula based on tribal population of children. Grant funds can be used for day care operations, parent training, legal representation of children, developing and implementing welfare codes, temporary child custody, and other intervention and prevention activities. An increase of $0.5 million would fund the annual costs of the Joint Tribal/BIA/Interior Advisory Task Force on BIA reorganization. In the past year, the Task Force has proved to be a highly effective forum for tribal leaders and Departmental officials to discuss BIA reorganization proposals.

Economic Development is a new category within Tribal Horizons. In large measure, it is an initiative being proposed within existing funding levels, but with a change of focus and greater concentration of BIA's relevant management resources, including loan programs, technical assistance, and job training. Major components of this initiative are:

- creation of a new Office of Economic Development in BIA within existing funds and an interagency work group to identify, coordinate, and develop Federal policies and programs throughout the Government that are or can be adapted to promote economic development of reservations;
- improving the administration of the Loan Guarantee program;
- making more extensive use of the Buy. Indian Act and exploring international and other promising market opportunities;
- targeting the BIA and other infrastructure programs within the Federal Government to promote economic development;
- providing technical assistance to improve Indian business decision-making and the reservation climate for business; and
- targeting job training to serve industry and market needs

Specific program elements include:

Indian Guaranteed Loan Program: This program is new to the Tribal Horizons initiative in the 1993 budget. The requested amount of $9.8 million will fund new loan guarantee commitments of $68.8 million in 1993, an increase of $12.4 million (+22 percent) over the amount funded in 1992. The BIA is emphasizing the Guaranteed Loan program and commercial lending by private banks as a means of financing more Indian enterprises and supporting Indian economic development. The BIA will continue to guarantee commercial loans at up to 90 percent of principal and, where necessary, provide interest subsidy payments for up to five years to encourage more lending by the private sector.

Technical Assistance to Indian Enterprises: This program is also a new addition to Tribal Horizons in 1993 and, along with Community and Economic Development Grants and the Guaranteed Loan program, will provide resources to encourage and support economic development in Indian country. The budget proposes an increase of $2.0 million for this program over the 1992 enacted level of $1.0 million. Indian tribes and individually owned businesses can use these funds to hire technical expertise

to expand their capacities in areas important to their economic development efforts, such as business plans, accounting systems, obtaining financing, or market evaluations.

To complement the economic development initiative, the recently enacted Intermodal Surface Transportation Efficiency Act of 1991 (P.L. 102-240) more than doubles the amount of funding available to the BIA from the Federal Highway Trust Fund for road construction on Indian lands. In addition, BIA is permitted to use up to 15 percent of road construction funds for road sealing. A total of $1.114 billion is authorized between 1992 and 1997 for construction, with $159 million authorized in 1992 and $191 million authorized each year from 1993 through 1997. Road maintenance funding will continue at $29.3 million in 1993. These newly enacted authorization levels greatly expand BIA's road construction and sealing programs which were funded at $80.0 million and $11.4 million in 1992, respectively.

More than 31 percent of the President' 1993 Budget request for direct appropriations for BIA is tor it’s elementary and secondary education programs. The request increases basic school funding through the Indian School Equalization Program (ISEP) by $7.0 million for a total of $209 million; more than doubles the amount for Early Childhood Development to $6.3 million; increases the rehabilitation of BIA schools by $1.9 million for a total of 51.5 million and adds $1.7 million to initiate an Innovi1tive School Grants program.

Increases in the ISEP formula will be used to address projected increases in enrollment and school expansions. Funding for student transportation costs will increase by $1 million to a total of $20 million for the additional students and to cover increased rate-per-mile costs. One feature of the Early Childhood Development program is the training of parents to function as teachers of their preschoolers. For three-to-four-year olds, emphasis will be placed on preschool activities that enhance readiness for classroom education. Parents will attend parental skill classes or classes geared toward obtaining a GED diploma or meeting other adult education goals.

The $1.7 million for Innovative School Grants will be awarded to at least five American Indian schools in conjunction with their communities to create new partnerships among Indian communities, educators, tribal leaders, and entrepreneurs, and will emphasize innovative and proven strategies in the areas of learning and school organizations. BIA has a considerable backlog of repair work in its schools and the increase in this program to $51.l million will be used in its facilities improvement and repair program.

A requested increase of $6.7 million will assist the Bureau in continuing the significant progress improving its management and accountability. In September 1991, BIA successfully converted to a new accounting system. Special emphasis will continue to be placed on improving financial management, trust funds management, data processing, procurement, personnel, and other management problems. In the last year the BIA has reduced gross cash imbalances by $400 million, produced timely and internally consistent Treasury reports, implemented new internal control policies and procedures, and completed problem analysis studies pre1paratory to undertaking a variety of other corrective actions. $4.7 million of the increase will assist in · continuing to improve the management of the more than $2 billion in tribal and individual trust funds and to audit and reconcile the trust accounts.

The increases in the Operation of Indian Programs account are partially offset by reductions in natural resource development (-$20.9 million); trust responsibilities (-$4.5 million): and discontinuance of the Business Development Grant program (-$6.9 million). The first two reductions reflect a funding level insufficient to continue budget increases added by congress in FY 1992. The focus for economic development activities is being shifted from the grant program to the guaranteed loan program in order

to make more use of private sector financing.

Funds are included in the construction account to complete the construction of the Pinon Community School Dormitory in Arizona which will house 500 students and to provide replacement classroom space for the Many Farms High School in Arizona. The construction account reflects decreases of $37 million below the FY 1992 level for irrigation project construction, $22.7 million for buildings and utilities, $6.5 million for the Housing Improvement program, and $12.4 million for road construction and maintenance. The reduction in road maintenance will be more than offset by the funds available to the Bureau of Indian Affairs from the Highway Trust Fund which allows the BIA to use 15 percent of the allocation from the Department of Transportation for road sealing projects.

A reduction of $55.9 million in the request for Miscellaneous Payments to Indians reflects the fact that full funding has been made available in prior years to complete the Federal Government's obligation in - funding several water rights settlement acts.

Included in the budget request is $31.7 million to meet the Secretary's obligations in various settlement agreements. These include: $8.0 million for the second installment of the $25.0 million Zuni Indian Resource Development Fund; $8.0 million for the Fallon Paiute Shoshone Tribal Settlement Fund; $8.0 million for the Pyramid lake Paiute Settlement; $5.0 million to implement various portions of the Fort Hall Indian Water Settlement Act; and $1.5 million for the final payment in the Aleutian-Pribiloff Restitution.