

Indian Affairs/Tribal Interior Budget Council Budget Subcommittee Meeting  
April 13-14, 2015 Via Webex/Teleconference, & Conference with ASIA Washburn on April 16, 2015

The purpose of this meeting was to provide further consultation and input on development of the Indian Affairs FY 2017 budget. We participated in this budget process, under authorization of the Tribal Interior Budget Council (TIBC), in part because this Administration has provided unprecedented access to Indian Affairs leadership and the budget development process, and we believe this has resulted in recent budget submissions that reflect tribal priorities better than previous Administrations. Congress may not have enacted many of our priorities, but you have listened to us, and we are thankful.

The present budget exercise was difficult because it included scenarios with two different BIA budget baselines – FY 2015 enacted and FY 2016 proposed, a difference of \$323 million. Completing the exercise necessitated budget cuts, but the TIBC has enacted several resolutions opposing any cuts to Indian Affairs programs. The TIBC budget subcommittee is therefore not authorized to recommend any cuts to Indian Affairs programs, especially at the tribal level, nor do we support such cuts.

### **Over-Arching Issues**

**Sequestration:** Unfortunately, we began this budget exercise with a 5% across the board cut already imposed by sequestration in FY 2013 – 2015, and now proposed for FY 2016 as well. This is unsupported, and is in addition to another 8% in across the board rescissions imposed on BIA and tribes since FY 2000. These rescissions were permanent cuts to base programs that we believe many in Congress thought were just one-year cuts. In all budget scenarios, the first order of business was to restore sequestration cuts to TPA and certain other recurring tribal programs first, and where feasible, additional programs including Regional Office programs which support Direct Service tribes.

**Contract Support Costs (CSC):** TIBC and the budget subcommittee agree that full funding of CSC must be provided, but not at the expense of other BIA programs. The current FY 2017 estimated need for CSC we've heard is \$302 million. It was not possible to use this number in all budget scenarios, because it would force reductions in other programs. And for budget scenarios that were above the FY 2016 target, a CSC amount above \$302 million was necessary.

**Focus On Tribal Core Programs:** Much of our efforts in this budget exercise focused on restoring cuts, and providing increases, to tribal TPA and other recurring tribal programs. These programs provide critical government services, and pay the wages of staff performing those services, in Indian Country. Many of these programs have not seen a funding increase in decades. Recently, the focus of BIA budget requests has been on targeted increases and initiatives or "grant type" programs. We believe the focus for the FY 2017 budget should be on increases to TPA and other recurring tribal programs.

**Fixed Costs and Pay Costs:** For this budget exercise, BIA was instructed by OMB to use a Fixed Cost placeholder amount of \$5.2 million for all Fixed Costs, including tribal and BIA Pay Costs, which is by far the lowest amount ever suggested. By comparison, in FY 2008 the Administration budgeted \$42 million for BIA Fixed Costs and Pay Costs. Pay Costs have been only partially funded for the last 15 years. To provide a 2% COLA for tribal and BIA employees in FY 2017, approximately \$20 million is required (\$8 million for tribal Pay Costs and \$12 million for BIA Pay Costs). There has been much said recently, including by the Administration, that America's economy is strong in all sectors save one – *worker pay*, and ASIA Washburn and Secretary Jewell should remind the Administration of this, and advocate that the Administration provide a realistic funding level.

**Budget Scenario 1: Low Target (1.5% below FY 2015 Enacted Level)**

Under this exercise, we needed to develop FY 2017 budget recommendations at 1.5% below the FY 2015 enacted level of \$2,601,498,000. The first requirement was to replace the FY 2013 sequestration cuts at the tribal level, as these cuts crippled tribes and must be restored in the FY 2017 budget request. Tribal representatives restored the sequestration cuts to TPA budget lines and certain other recurring tribal programs, which amounted to approximately \$85 million. Because Criminal Investigations & Police Services and Detention/Corrections include recurring public safety dollars for P.L. 93-638 tribes, Direct Service tribes (Agency level) and Self Governance tribes, and which were formerly designated as TPA dollars, we included these programs in the restoration of sequestration cuts in every budget scenario. We further note that when funds are increased for Criminal Investigations & Police Services and Detention/Corrections, the increases should always be prioritized and equitably distributed primarily to P.L. 93-638 tribes, Direct Service tribes (Agency level) and Self Governance tribes.

Because the FY 2015 enacted BIA budget is \$323 million below the FY 2016 proposed budget, it was an impossible task to achieve the target funding level. Virtually all BIA Central and Regional Office programs had to be zeroed out, and some non-TPA tribal programs as well.

Indian Land and Water Settlements must be paid; however, as in prior years, we propose for all budget scenarios, removing Indian Land & Water Claim Settlements from the BIA's budget request. Tribes have long held that such settlement payments should come out of the United States Treasury Judgment Fund and not the BIA's budget. We also agree that tribal interests in Klamath Basin Restoration must be maintained, but we do not believe that the BIA should be required to pay about \$6 million each year to support restoration activities. The Restoration effort should be funded by other Interior agencies, such as the Fish and Wildlife Service, which receives hundreds of millions of dollars in Endangered Species funding. Historically, the Fish and Wildlife Service has provided only a modest level of funding for tribes and this would be a great opportunity for them to step up to the plate as they amend their Native American policy and reaffirm their commitment to tribes.

Total funding level proposed: \$2,509,000,000

**Budget Scenario 2: Medium Target (5.1% below FY 2016 Budget Request)**

Under this scenario, we needed to develop FY 2017 budget recommendations at 5.1% below the FY 2016 requested budget of \$2,924,968,000. We retained the restoration of sequestration cuts to TPA and other tribal programs, and expanded sequestration restoration to most budget lines except for Central Office programs.

It was extremely difficult to achieve the Medium Target while protecting tribal program funding, without making significant cuts to Central Office programs. A number of programs that were zeroed out or cut under Budget Scenario 1 were restored, including Wildlife & Parks and Forestry Projects, BIE ISEP funds, and Regional Office programs. Central Office programs had to be significantly cut on a percentage basis in order to achieve the target.

Total funding level proposed: \$2,720,000,000

### **Budget Scenario 3: High Target (Level of the FY 2016 Budget Request)**

Under this scenario, we needed to develop FY 2017 budget recommendations at a target level equal to the FY 2016 requested budget. We retained the restoration of sequestration cuts to TPA, and expanded sequestration restoration to most budget lines except for Central Office programs.

CSC were proposed at the full estimate of \$302 million. Fixed Costs were doubled, from \$5.1 million to \$10.2 million. Most Central Office programs were restored to the FY 2016 requested level, with the exception of Information Technology, Intra-Governmental Payments, and Rentals/GSA, which were restored at the 50% level.

Total funding level proposed: \$2,924,968,000

### **Budget Scenario 4: Above High Target (Over the FY 2016 Budget Request)**

Under this scenario, we needed to develop FY 2017 budget recommendations at a target level above the FY 2016 requested budget. The restoration of sequestration cuts under the previous scenarios was retained. CSC were increased by 5% above the High Target level and Fixed Costs were proposed at \$10.2 million..

The strategy for this budget scenario was for a modest FY 2017 budget increase overall, or, about 10% above the total FY 2016 budget request. An emphasis was placed on increases for tribal programs, TIBC budget priorities, and programs the Administration could support as initiatives.

Increases of 10% above the High Target level were proposed for TPA and other tribal programs. However, increases of 20% above the High Target level were proposed for the 10 highest ranked TIBC priorities including Scholarships, Aid to Tribal Government, Courts, Criminal Investigations and Police Services, Social Services, ICWA, Road Maintenance, HIP, JOM, and Wildlife & Parks Projects. In addition there were a number of other critical programs the budget subcommittee recommended for 20% increases above the High Target level. Many of these programs have not increased in decades and include Small and Needy Tribes, Welfare Assistance, Natural Resources TPA, Rights Protection Implementation, Tribal Management Development, Endangered Species, Agriculture TPA, Forestry TPA, Water Resources TPA, and Wildlife & Parks TPA.

We make special note that there have been a number of Trust Natural Resources funding increases recently, which we appreciate, and which are distributed by way of "grants". But with few exceptions, Natural Resources Base funding that goes to tribes to carry out their conservation responsibilities have not seen an increase in funding in more than 20 years. This fact makes it extremely difficult for tribes to continue to effectively manage their reservation natural resources, and we ask that attention be focused in this area. The primary Trust Natural Resources programs which provide Recurring and Base funding to tribes across the country include Wildlife and Parks TPA, Tribal Management/Development, Natural Resources TPA, Forestry TPA, and Water Resources TPA. In addition, Rights Protection Implementation funds are for important, court-ordered management activities, which support off-reservation treaty rights of 49 tribes and other intertribal management efforts.

Initiative related increases include \$22 million above the High Target Level for Road Maintenance. A recent analysis completed by BIA and tribal representatives determined that the documented Road Maintenance Deferred Maintenance Backlog is currently \$203 million above the FY 2015 enacted level. Tribes across the country greatly appreciate, and have signaled strong support for, the Administration's Tiwahe Initiative. Even Congress has signaled its support, by largely funding the

President's FY 2015 Tiwahe request. Therefore, the budget subcommittee has proposed increases of 30% above the High Target level for all Tiwahe programs including Social Services, ICWA, HIP, Law Enforcement Special Initiatives including Alternatives to Incarceration, Courts, Job Placement and Training, and BIE's Early Childhood Development program. To assist with new land into trust efforts in Alaska, and to support other land buy back, fee to trust, and probate initiatives, the budget subcommittee proposed increases above the High Target Level of \$2.9 million for Probate TPA, \$1.5 million for Land Title and Records Offices, \$5.6 million for Real Estate Services TPA, and \$2.2 million for Land Records Improvement.

Total funding level proposed: \$3,217,500,000

#### **Budget Scenario 5: Tribal Request (Over the FY 2016 Budget Request)**

Under this budget scenario, we developed FY 2017 budget recommendations at a target level above the FY 2016 requested budget. The restoration of sequestration cuts under the previous scenarios was retained. CSC were increased by about 10% above the Above High Target Level, and Fixed Costs were proposed at \$24.7 million, with \$20 million of this proposed for tribal and BIA Pay Costs.

The strategy for this budget scenario was for a modest FY 2017 budget increase overall, about 10% above the Above High Target Level. An emphasis was placed on increases for TPA programs, TIBC budget priorities, and programs the Administration could support as initiatives.

The budget subcommittee proposed an additional 10% increase above the Above High Target Level for all TPA programs and for the 10 highest ranked TIBC priorities.

Initiative related increases include \$118 million above the Above High Target Level for Road Maintenance. We previously mentioned Road Maintenance is funded at about \$203 million below documented need, and the proposed increase would make a significant advancement toward meeting that need. In further support of the Administration's Tiwahe Initiative, the budget subcommittee proposes an increase of 10% above the Above High Target Level, plus, an additional amount of \$5 million each for Social Services, ICWA, HIP, Courts, and Job Placement and Training, and an additional \$2.5 million each for Law Enforcement Special Initiatives and BIE's Early Childhood Development program.

Total funding level proposed: \$3,540,175,000

#### **Conclusion**

The BIA, coupled with IHS, funds the core government service functions that provide for the health and safety of people living in Indian communities. Grants can augment, but they cannot replace, BIA core Tribal government program funding.

The FY 2013 sequestration cuts of 5.04%, on top of an additional 8% in permanent rescissions since FY 2000, has caused immediate and severe damage to tribes' abilities to protect human life. If sequestration cuts are not restored, the safety and living standards of tribal members living in Indian communities will further diminish. It will require decades to reverse the third world living standards that sequestration and permanent rescissions have imposed on Indian Country.

It is extremely important to tribes that the FY 2017 BIA budget continues to build upon the President's robust FY 2016 budget request, with significant increases focusing on supporting tribes' TPA and other recurring programs. Only BIA funding provides for the critical government services needed to keep

our people safe. Only BIA supports the day to day governmental operations of tribes, and provides the funds that pay the wages of our cops, firefighters, social workers, child welfare workers, resource managers, and snow plow drivers. BIA funding is essential for tribes to operate programs that promote the safety and well-being of tribal citizens.

Once again, we thank you for the opportunity for consultation at this level on the FY 2017 BIA budget process, which is unique to this Administration. Within the budget constraints that BIA has experienced, we believe that recent budget submissions have gone the extra mile to address tribal priorities. The FY 2017 budget will be President Obama's last. We are optimistic that the Administration will propose another significant budget increase, which focuses on tribal TPA and other recurring programs. Thank you.

List of Meeting Participants:

BIA:

Mark Kimball  
George Bearpaw  
Peter Probst  
Leroy Bohling  
Cheryl Sakiestewa  
Philip Gleeson  
Leroy Bohling  
Helen Riggs

Tribal:

Ron Allen  
Amber Ebarb  
Dave Conner  
Arbin Mitchell  
Gary Hayes  
Sam Thomas  
Jimmie Mitchell  
Rick Harrison  
Jennifer McLaughlin  
Brenda Fields

