



Economic & Workforce Development

Increasing economic opportunities and infrastructure development in Indian Country requires a comprehensive, multi-agency approach. Indian Country continues to face daunting challenges, especially high rates of unemployment and poverty, due to shortfalls in federal obligations and barriers to private and philanthropic investment. Adequate federal funding, coupled with reduced regulatory burdens, can advance tribes' efforts to access capital resources and workforce training programs. Honoring the federal government's trust responsibility by addressing key economic needs will further the economic drive of Indian Country through increased business and workforce development opportunities. These FY 2019 budget requests set forth appropriations that are essential to empowering self-determined tribal efforts to seed economic prosperity and advance the economic security of tribal nations.

Key Recommendations

DEPARTMENT OF COMMERCE

Commerce, Justice, Science Appropriations Bill Minority Business Development Agency (MBDA)

- *Provide \$39 million for the Minority Business Development Agency.*
- *Continue the initiative to provide MBDA support for American Indian/Alaska Native (AI/AN) Business Centers.*

Established by Executive Order in 1971, the Minority Business Development Agency (MBDA) was created to support minority business development centers that provide business consulting and financing services. Initial funding for the MBDA was set at \$63 million, and MBDA funded Native American Business Enterprise Centers (NABECs). Over time, the MBDA's funding level

has decreased roughly 50 percent. Providing funding of at least \$39 million will enable the MBDA to continue supporting its MBDA Business Centers (MBCs), and dedicating a significant portion of that amount to AI/AN business centers will ensure tailored assistance to tribal nations, tribal enterprises and other Native American-owned businesses. Congress should set aside sufficient funds within the MBDA budget to continue grant support for entities qualified to provide the business, financing, and procurement technical assistance services that Native American businesses need to develop stronger private sector capabilities and contribute to the national economy. MBDA should also continue to support federal contract awards to Native American contractors, track Native American as well as minority business data, and collaborate with the Office of Native American Business Development.

DEPARTMENT OF COMMERCE

Commerce, Justice, Science Appropriations Bill Office of Native American Business Development

- ***Fund the Office of Native American Business Development at a minimum of \$2 million as part of the Commerce Department Management Budget.***

The establishment of the Office of Native American Business Development (ONABD) was codified by the enactment of the Native American Business Development, Trade Promotion and Tourism Act of 2000, Public Law 106-464 (the 2000 Act). However since its establishment, ONABD has relied on base resources from the Minority Business Development Agency (MBDA) to coordinate federal programs for financial and technical assistance to increase business, expand trade, and support economic development on tribal lands. For example, the FY 2016 budget request for the MBDA noted the absence of appropriations to support ONABD since it was created by the 2000 Act, and also the lack of appropriations to implement other aspects of PL 106-464 and the Indian Tribal Regulatory Reform and Business Development Act of 2000.

In order to carry out its mission, ONABD must receive adequate and sustained support to implement and expand Native American policy and business development initiatives both domestically and internationally. Funding ONABD through Commerce's Departmental Management budget would fulfill Congress' intent for this Office to direct Commerce's broad authorities to expand business development, trade promotion, and tourism within Indian Country, and externally, facilitate the regulatory reforms determined necessary to enhance such economic development and commercial expansion. Supported ONABD functions would include: serving as the economic development lead on Native American programs within the Department; coordinating with other cabinet departments and agencies; conducting outreach to tribal nations, tribal enterprises, and Native businesses; and enhancing business and financial management training.

SMALL BUSINESS ADMINISTRATION

Financial Services Appropriations Bill Office of Native American Affairs

- ***Fund the Small Business Administration's (SBA) Office of Native American Affairs at a minimum of \$2 million.***

The SBA's Office of Native American Affairs (ONAA) provides vital assistance to tribal nations; Alaska Native Corporations (ANC) and Native individual-owned businesses in navigating the SBA's business assistance, procurement-related, and lending programs. Recent FY budgets have provided SBA line-item funding of \$2 million for "Native American Outreach" to facilitate ONAA's outreach to and coordination with tribal communities and businesses to connect them with business tools and other important resources for tribal and AND-owned corporations and individual Native American entrepreneurs. For example, the SBA's FY 2014 Annual Performance Report noted the successes of its Native American outreach, including over 70 events attended by 200 tribal communities. Maintaining a \$2 million funding level for ONAA would enable the Office to continue its efforts and maximize outreach to Native people, advance successful initiatives like its tribal and business executive training and its participation in multi-agency workshops and Native supplier initiative events around the country. ONAA also can be

instrumental in spurring business development with SBA loans, and initiating review of the extent to which SBA loan guarantees are used in financing business loans in Indian Country and ways to increase such usage.

Further, ONAA has been integral in facilitating Native American contractors' participation in the SBA's 8(a) Business Development Program, HUB Zone, women business, veteran and service disabled veteran business, and other small business contracting programs. ONAA is a critical resource for all types of Native-owned businesses as it works to ensure these businesses gain access to capital, build capacity, generate increased revenues, create more jobs, develop tribal business codes, and strengthen the economic security of Native communities.

DEPARTMENT OF DEFENSE

Defense Appropriations Bill, Operations & Maintenance – Defense-Wide Procurement Technical Assistance Centers, Defense Logistics Agency

- ***Fully fund the American Indian Procurement Technical Assistance Program at \$4.5 million within the \$42.3 million funding for the Procurement Technical Assistance Program.***

For decades, the Defense Logistics Agency (DLA) has supported the Procurement Technical Assistance Program (PTAP) by providing cooperative agreement assistance to Procurement Technical Assistance Centers (PTACs). Many of these centers are housed within educational institutions that help support their operations. Beginning in the early 1990s, DLA began to fund American Indian Procurement Technical Assistance Centers (AIPTACs) that serve more than one Bureau of Indian Affairs (BIA) area. Six such AIPTACs have operated across the country, all non-profit entities that must raise operational funds and the private match for the cooperative assistance funding they receive from DLA. AIPTACs offer valuable assistance to tribal and other Native-owned companies in navigating the large, complex federal procurement market, securing government contracts, and complying with extensive government procurement and other regulatory requirements. The FY 2019 funding set-aside of \$4.5 million for AIPTACs is commensurate with the amount authorized per Statewide PTAC and per AIPTAC (even though the service area of each AIPTAC is much larger than just one state). Congress has supported the continued growth of PTAP, funding the program at over \$42.3 million for FY 2019. PTAP funding for FY 2020 should increase or at least remain level and maintain the \$4.5 million set-aside for AIPTACs. In addition, the Department of Defense should consider restructuring PTAP and related programs to ensure that AIPTACs are able to serve all states, as currently only about half of the country is being serviced.

DEPARTMENT OF DEFENSE

Defense Appropriations Bill, Procurement – General Provisions Indian Incentive Program

- ***Fund the Indian Incentive Payment Program at a minimum of \$25 million.***

Under Section 504 of the Indian Finance Act (25 U.S.C. 1544), a contractor may receive additional compensation of five percent of the amount paid or to be paid to a Native American subcontractor or supplier under a federal contract. Since FY 1991, Congress annually has appropriated funds for the Department of Defense (DOD) to make Indian Incentive Payments (IIP) to contractors that subcontract work to Native-owned subcontractors under DOD contracts. For FY 2009-2018, Congress appropriated \$15 million annually for the IIP program, but demand has always exceeded the funding made available. To cover already approved, but still unfunded IIP requests, and to encourage continued participation in the program, for FY 2019 Congress provided \$25 million and specified the funding “shall be available for the incentive payments authorized by” 25 U.S.C. 1544. For FY 2020, Congress should approve the same funding level and mandatory language regarding its usage.

DEPARTMENT OF THE TREASURY

Financial Services Appropriations Bill Community Development Financial Institutions (CDFI) Fund

- *Provide a minimum of \$20 million for technical and financial assistance under the Native American CDFI Assistance (NACA) Program.*
- *Make permanent the waiver of the non-federal match requirement for the NACA financial assistance program.*

The Native Initiative of the CDFI Fund is an important program that expands access to capital for individuals and small businesses in Indian Country. Each year, the CDFI funds the Native American CDFI Assistance (NACA) program, which includes financial and technical assistance components. The NACA program makes awards that assist community development financial institutions (CDFIs) in increasing their lending services and financial products, and in building their own internal capacity to serve their target markets. Native CDFIs provide a wide range of loans to microenterprises, small businesses, consumers, and for housing and homeownership. Native CDFIs also offer financial education and entrepreneurial development training, homebuyer education and foreclosure prevention counseling, credit counseling, small business planning, debt relief counseling, counseling to improve financial capability, match savings programs called Individual Development Accounts, and free tax preparation services in Native communities across the country. In many areas, Native CDFIs provide the only affordable alternative to predatory financial services providers.

For FY 2018, the NACA program received 53 applications for Financial Assistance and Technical Assistance funding totaling \$33.6 million, but the CDFI Fund was only able to award 38 organizations with funding that totaled \$15.1 million.⁸² With more than 73 certified Native CDFIs and many more in the certification pipeline, demand for support under the NACA program is expected to continue to increase. The CDFI Fund's budget line item for NACA remained at \$12 million from FY 2009 to FY 2013, notwithstanding the industry's growth from only nine certified Native CDFIs in 2001 to 70 in 2014. Given continued increasing demand and demonstrated impact, Congress should strive to increase the current annual allocation to at least \$20 million for the NACA Program for FY 2020 to support current initiatives and emerging Native CDFIs and to continue specialized training and technical assistance as part of the CDFI Fund's Capacity Building Initiative. In addition, Congress should continue to waive the non-federal match requirement for NACA financial assistance. This budget-neutral provision would continue to stimulate the flow of capital in underserved Native communities and help to address the unmet capital need of \$47 billion in Native communities.⁸³

DEPARTMENT OF THE TREASURY

Financial Services Appropriations Bill Community Development Financial Institutions (CDFI) Fund New Markets Tax Credit (NMTC) Program

- *Provide a 10 percent set-aside and revise 'service area' to include Indian Country.*

In 2000, Congress established the New Markets Tax Credit (NMTC) Program to spur investment in projects located in low-income communities. According to the CDFI Fund, for every \$1 invested by the federal government, the NMTC Program generates over \$8 in private investment.⁸⁴ Unfortunately, however, NMTC Program funding "has rarely made its way into Indian Country." Between 2014 and 2017, as an example, only one Native CDE received a funding allocation of \$20 million of the \$15 billion made available during that period.⁸⁵ Considering the far greater value of tax credits that have been deployed throughout the country, and the program's potential for significantly increasing economic growth in Indian Country, steps must be taken to ensure that tribal communities and tribally-focused CDEs receive a greater share of these valuable tax credits.

The CDFI Fund's robust budget should include a 10 percent set-aside for Indian Country to ensure that Native CDEs (which can include Native CDFIs) receive NMTC allocations commensurate with the tremendous need for greater business and economic development in Native communities across the country (alternatively, Treasury could accord all tribal applicants an extra five

“priority” points to make them more competitive in the application process, thereby increasing their chances of receiving NMTC investments). To enhance the likelihood that tax credits will be deployed in Indian Country, the service area of all participating CDEs should be revised to include Indian Country, so that CDEs are free to use allocations in any tribal project nationally, or the set-aside should be allocated to CDEs dedicated to serving Indian communities as their target populations.

DEPARTMENT OF ENERGY

Energy and Water Appropriations Bill National Nuclear Security Administration (NNSA)

- *Minority Serving Institutions Partnership Program (MSIPP) Tribal College Initiative*

Report language is needed to accompany the FY 2019 Energy and Water Development, and Related Agencies, Appropriations bill designating \$5 million of the funds appropriated for the Department of Energy, National Nuclear Security Administration (NNSA) Minority-Serving Institutions Partnership Program (MSIPP), specifically for the Tribal Colleges and Universities (TCUs) Advanced Manufacturing Network Initiative. Now in its third year, the AIHEC/TCU Advanced Manufacturing Network Initiative is an innovative advanced manufacturing training and education program involving five TCUs that prepares an American Indian advanced manufacturing workforce – through certificate and four-year degree programs – and is creating reservation-based economic and employment opportunities through design, manufacture, and marketing of high-quality products in partnership with tribal nations, major industry, and the National Laboratories. Full funding of the project will allow AIHEC to engage more TCUs as well as National Laboratory and industry partners, establishing a technically skilled workforce and manufacturing base in Indian Country prepared to support the engineering and technology needs of the nation.

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill Office of Indian Energy and Economic Development (OIEED) Guarantees for Indian Loans, Surety Bonds, Development Bonds

- *Fund the OIEED Indian Loan Guarantee Program at a minimum of \$25 million.*

The Office of Indian Energy and Economic Development’s Division of Capital Investment oversees the Indian Loan Guarantee Program and loan subsidy program, and has authority to support surety bonding for Indian contractors. The OIEED Loan Guarantee Program is the key federal guarantee program that facilitates the process for eligible tribal and individual Native borrowers to obtain conventional lender financing for businesses and economic development projects that will have an economic impact on a Native American community or BIA service area. BIA-certified lenders are those willing and able to lend to tribal nations and Native businesses on reservations and which submit to tribal court jurisdiction (whereas SBA-certified lenders must adjudicate loan defaults in federal court). OIEED also operates a revolving credit facility (the SBA has no such support). As lending conditions have improved, demand has far outstripped what the program can guarantee Native borrowers seeking private loans. This successful program represents an impressive return of \$15 in private sector lending for every \$1 in federal funds backing the guarantees. In response to persistent calls from Indian Country to fortify this key program, the House markup of the Interior-Environment bill signed off on FY 2019 funding of nearly \$20 million for the program, and an aggregate cap of \$329 million of guaranteed private sector loan financing (more than doubling previous caps). This level of guarantee support should be continued for FY 2020 to accelerate financing of business, economic, energy and infrastructure projects, support lines of credit for working capital and payrolls for hiring new employees, and even provide assurances sufficient for sureties to issue performance bonds to tribal or other Native-owned business contractors performing infrastructure and other construction contracts.

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill Office of Indian Energy and Economic Development (OIEED)

- ***Fund a minimum of \$25 million for OIEED, with at least \$5 million specifically to advance its energy and economic development initiatives, fund business plans and feasibility studies, and assist with model tribal leasing and environmental ordinances.***

The Department of the Interior's Office of Indian Energy and Economic Development (OIEED) promotes tribal renewable and conventional energy development and mineral resource development for the purposes of economic development. OIEED is responsible for many creative and successful initiatives that encourage energy resource development on tribal lands, spur economic and business development assistance and training, expand job and skills training opportunities, and leverage limited federal funding to provide access to capital for business development.

OIEED has received over \$20 million annually, but very little of its budget is available specifically for economic development support. However, OIEED has been increasingly effective in stretching its limited funding to launch creative and successful initiatives, including: technical assistance and capacity building workshops and support for feasibility studies to spur economic and business development, expand job and skills training opportunities, and improve and streamline the delivery of financing to tribal nations, tribal enterprises, and individual Indian-owned businesses for business development. The collaboration and direct relationship between OIEED and the Office of the Secretary has been key to OIEED's effectiveness, and therefore, the structure should always be maintained. Further, to expand upon OIEED's successful activities, there are other increased funding opportunities that would enable the OIEED to: (1) provide grants to tribal nations for feasibility studies for business and economic development projects; (2) expand the scope and usefulness of its Indian Loan Guarantee Program; (3) fund tribal nations to explore adoption of the Model Secured Transaction Agreement (MTSTA), enhance codes that tribal nations have already adopted, and work with host states to develop agreements to use state registries to record liens/financing statements arising from tribal codes.

Further, with additional funding, the grant program authorized under Title V of the Energy Policy Act of 2005 could be established and would provide important funding to develop tribal capacity in managerial and technical capabilities, develop energy resource integration projects, and establish and maintain environmental programs in support of energy programs. This funding would be especially useful to tribal nations seeking to establish leasing/environmental programs pursuant to the provisions of the HEARTH Act (PL 112-151) because such grants can be used to establish the tribal regulatory programs necessary to qualify under that Act.

DEPARTMENT OF LABOR

Labor, HHS, Education Appropriations Bill Employment and Training Administration, YouthBuild Program

- ***Maintain YouthBuild Program funding at a minimum of \$89 million for FY 2020 (consistent with WIOA Section 171).***

The YouthBuild program is a workforce development program that provides significant academic and occupational skills training and leadership development to youth ages 16-24. The program recruits youth who have been adjudicated, aged out of foster care, dropped out of high school, or are otherwise at risk of not having access to workforce training. Engaging approximately 10,000 youth annually, it provides students an innovative alternative education program through personalized instruction leading them to earning their GED or high school diploma, while simultaneously helping them develop skills that will make them more competitive applicants when they enter the job market.

YouthBuild reports that since 1994, more than 148,000 YouthBuild students have built 32,000 units of affordable and increasingly green housing in rural and urban communities across the United States. Each year, YouthBuild is forced to turn away thousands of people because of inadequate funds. There are a number of tribal YouthBuild programs in several states, and Native Americans make up roughly three percent of YouthBuild participants.

It is critical that Congress fund the YouthBuild program at a minimum of \$89 million for FY 2020, and that Native youth receive program support from this funding pool that is commensurate with their percentage of the eligible participant population as well as their identified needs.

DEPARTMENT OF LABOR

Labor, HHS, Education Appropriations Bill

Employment and Training Administration, Indian and Native American Program

- ***Fund the Department of Labor's Indian and Native American Program (INAP) at a minimum of \$60.5 million.***

Reducing the education and employment disparity between Native peoples and other groups requires a concentrated effort that provides specific assistance to enhance education and employment opportunities, creates pathways to careers and skilled employment, and prepares and maintains a pathway for Native people to join the nation's middle class. The Workforce Innovation and Opportunity Act (WIOA) Section 166 program serves the training and employment needs of nearly 30,000 American Indians and Alaska Natives through a network of 121 grantees funded under the Comprehensive Service Program (Adult) and the Supplemental Youth Service Program (Youth) alone.

As the only federal employment and job training program that serves American Indians and Alaska Natives who reside both on and off reservations, it is imperative that funding be maintained at an adequate level for the WIOA Section 166 program. Native citizens living on remote reservations or in Alaska Native villages experience great difficulties accessing the state and local workforce. In these areas, the WIOA Section 166 program is the sole employment and training provider.

Despite the reauthorization of Indian and Native American Programs through WIOA in 2014, funding of this program has not been adjusted to account for the drastic changes in the economic environment and growth in the Native American population since the 2000 Census. According to the Census, the American Indian and Alaska Native population grew 27 percent between 2000 and 2010 compared to nine percent for the general population. Accordingly, the federal government should increase funding for DINAP and WIOA commensurate with this expanded need (and also do the same for other vital Native American workforce development and related grant programs such as the BIA's Job Placement and Training, Department of Education's Adult and Vocational Education, Tribal TANF, and Tribal Vocational Rehabilitation programs, to name a few). Such increases should be based not only on the significantly expanded size of the service population, but also increases in the cost of services such as tuition for post-secondary educational institutions. Congress should reject outright the proposal to eliminate the stand-alone funding mechanisms for the WIOA Section 166 and PL 102-477 workforce development programs in favor of formula funding for Native people in need of such programming, which would effectively amount to a decrease of nearly \$50 million in funding support for this population.

DEPARTMENT OF LABOR

Labor, HHS, Education Appropriations Bill

Native American and Employment Training Council

- ***Fund the Native American Employment and Training Council at \$125,000 from non-INAP resources.***

The Workforce Innovation and Opportunity Act also authorizes the Native American Employment and Training Council to advise the Secretary on the operation and administration of INAP, but it uses funds that are intended for Indian and Native American Program (INAP) grantees. The Secretary should use other streams of funding to support its advisory council. Without an increase in funding, many tribes are unable to access the support and training activities for employment opportunities in Indian Country.