



Analysis of the FY 2019 President’s Budget

February 13, 2018

The Administration sent its proposed fiscal year (FY) 2019 budget to Congress on February 12, 2018. Congress will ultimately decide what to do with the many proposals in the President’s budget, and input from tribal leaders on spending levels, reorganization plans, and reclassifications will be important for Congress to hear. Some tribal program funding would be reduced or eliminated in the proposed budget, however increases are proposed for Indian Health and Justice programs. This analysis provides a preliminary look at how the President’s budget would impact tribes and the federal trust responsibility.

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OVERVIEW OF BUDGET REQUEST

As NCAI reported last week, the budget agreement, the Bipartisan Budget Act, raised the limits on defense and non-defense appropriations in FY 2018 and 2019 that were set by the 2011 Budget Control Act, which most members of Congress considered too low to meet national needs. The deal is similar to the two-year agreements reached in 2013 and 2015, however this deal provides the largest increase compared to sequestration levels and actually adds funding *above* the original pre-sequester caps. The agreement fully repealed sequestration for two years and added \$57 billion in new non-defense funding above the sequester caps.

The proposed FY 2019 President’s budget would accept the extra defense funds approved by Congress as part of the Bipartisan Budget Act, but would accept just a fraction for non-defense increases, and instead it proposes many cuts, including for many, although not all, tribal programs.

Before the budget caps deal, the Administration had planned for total base discretionary spending of \$1.11 trillion in FY 2019 budget authority, about a 2% increase over the fiscal 2017 enacted level. But the \$1.11 trillion amount does not account for last week’s budget spending deal that added more than \$150 billion to discretionary spending caps in FY 2019. The Office of Management and Budget instead

outlines how to handle the increased funding through an addendum sent to House Speaker Paul D. Ryan that would increase nonemergency discretionary funds by about 9% over FY 2017.

For non-defense programs (where tribal programs are funded), the Administration proposes spending only \$10 billion of the roughly \$67 billion extra that last week's agreement freed up for FY 2019. With the remaining funds under the nondefense cap, the proposed budget would reprogram \$10.8 billion in mandatory health care funding to discretionary. The budget proposes to make the Special Diabetes Program for Indians a discretionary program instead of mandatory, for instance. This means that if Congress wants to finance such programs, appropriators would have to include them in their new spending allocations.

Outlook for Passage

The Director of the Office of Management and Budget characterized the FY 2019 budget request as a "messaging document." For instance, the request does not ask for Congress to spend all of the amount of funding that was increased under the non-defense discretionary spending cap with the Bipartisan Budget Act. The White House budget assumes a steep decrease in non-defense discretionary spending after FY 2019, proposing roughly \$1.5 trillion through FY 2028 and another \$1.7 trillion in mandatory spending cuts. The cuts assume repeal of health insurance subsidies under the 2010 health care law (PL 111-148, PL 111-152) and over \$500 billion in Medicare reductions, but none of these specific proposals seem likely to be enacted by Congress.

SUMMARY OF MAJOR CHANGES

Even though the budget request may be considered a messaging document, the proposals are important to review. Some of the proposed eliminations include:

Eliminations

- Indian Community Development Block Grant (in HUD)
- Low Income Home Energy Assistance Program (LIHEAP)
- Indian and Native American Program (INAP in DOL)
- Tribal Energy Loan Guarantee Program
- Eliminations within BIA include
 - Small and Needy Tribes
 - Housing Improvement Program
 - Tribal Climate Resilience
 - Alaska Native Programs
 - Johnson O'Malley Program

Major Reductions

- Native American Housing Block Grant cut from \$654 million to \$600 million, or -8.2%
- Bureau of Indian Affairs cut by \$453 million, or -15.2%
 - Major Reductions in BIA include
 - Social Services cut by \$19 million, or -37%
 - Indian Child Welfare Act cut by \$5 million, or -27%
 - Welfare Assistance cut by \$8.4 million, or -11%
 - Rights Protection Implementation cut by \$14.7 million, or -37%
 - Job Placement and Training cut by \$4.4 million, or -35%

Proposed Increases

- Indian Health Service Clinical Services, increase of \$353 million to expand direct health care services.
- IHS would receive \$150 million for Opioid multi-year competitive grants based on need; this is out of the \$10 billion proposal for opioid funding.
- In the Department of Justice, the budget proposes:
 - \$115 million for Indian tribes through a 5% set-aside from the Crime Victims Fund for providing services to crime victims. Indian tribes have never directly received funding from the Crime Victims Fund;
 - A 7% set-aside from across the Office of Justice Programs totaling \$93.8 million for tribal assistance. This compares to a 7% set-aside from certain OJP and OJJDP programs for FY 17 and is a significant increase in funding overall over FY 17 levels.

New Proposals

Interior Public Lands Infrastructure Fund: The 2019 budget proposes legislation to launch the Administration's Public Lands Infrastructure Fund to address repairs and improvements in national parks, national wildlife refuges, and Bureau of Indian Education-funded schools. The Department of the Interior proposes to increase revenue from Federal energy leasing and development over 2018 budget projections and keep 50% of additional revenue that is not allocated for other purposes, for Department infrastructure needs.

The receipts would be derived from energy mineral leasing, such as oil, gas and coal, under the Mineral Leasing Act and Outer Continental Shelf Lands Act, as well as solar, wind, and geothermal development on public lands and offshore areas. Receipts above the 2018 baseline would be deposited into the Fund for 10 years and capped at a total of \$18 billion. The proposed budget estimates the initiative would result in \$6.8 billion in expenditures from the Fund over 10 years. The other 50% of increased revenues will go to the Treasury to support deficit reduction.

Infrastructure Plan: The President's FY 19 Budget Request was accompanied by the President's infrastructure plan. The plan aims to incentivize \$1.5 trillion in infrastructure investment over the next 10 years, with a direct federal investment of \$200 billion. Consistent with this desire to leverage non-federal funds, the President's plan includes new proposals and adjustments to existing programs. With respect to Indian Country, the President's plan expressly states that some funds will be set aside from the Rural Infrastructure Program for tribal infrastructure. However, the plan does not provide a specific amount or percentage that will be set aside. Additionally, the plan only mentions tribes a few times while it references state and local government frequently. So, it is unclear to what extent tribes would share in other advantages put forth in the President's plan.

Particularly notable is the focus on expanding and modifying tax-exempt bonds. Indian Country has long sought tax-exempt bond parity and there is legislation in the House and Senate that would help accomplish this goal. In order to benefit from these enhanced financing mechanisms in the President's infrastructure plan, tribes need to have the same authority to issue tax-exempt governmental and private activity bonds as state and local governments.

The President's plan would also streamline the real property disposal process. The goal of these provisions is to get federal property to market quicker by eliminating requirements like the public benefit conveyance requirements in title 40 of the U.S. Code. Title 40 has provisions allowing surplus federal property to be transferred to tribes. Therefore, additional detail would be helpful to determine tribal impacts.

The President has proposed significant streamlining to infrastructure permitting processes. This includes measures like consolidating project reviews to one agency making a single approval decision, imposing a 21-month NEPA deadline, delegating decision-making authority to states, limiting injunctive relief under NEPA, and reducing statute of limitations periods significantly. These streamlining measures do not indicate how tribes will be included in decision-making processes, if at all. Moreover, provisions that seek to consolidate federal review into the purview of a single agency can impact the ability of tribes and other federal agencies to protect tribal treaty and other reserved rights.

The plan also includes workforce development provisions related to Pell grants, the Perkins Career and Technical Education program, the Federal Work Study program, and licensing requirements.

BUREAU OF INDIAN AFFAIRS

The 2019 President’s budget for Indian Affairs is \$2.4 billion in current appropriations, a 15.6% decrease from the FY 2018 CR level. Nearly every line item in the BIA budget would see reductions in the FY 2019 budget request. One increase would be \$2.5 million to fight the opioid epidemic, to “expand BIA capacity to address the increase in drug-related activities through interdiction programs to reduce drug use, distribution, and drug related crime.”

Eliminations within BIA include:

- Small and Needy Tribes
- Housing Improvement Program
- Tribal Climate Resilience
- Alaska Native Programs
- Johnson O’Malley Program

Major reductions in BIA include:

- Social Services cut by \$19 million, or -37%
- Indian Child Welfare Act cut by \$5 million, or -27%
- Welfare Assistance cut by \$8.4 million, or -11%
- Rights Protection Implementation cut by \$14.7 million, or -37%
- Job Placement and Training cut by \$4.4 million, or -35%

Overall, Human Services programs would fall by 27%, Natural Resource programs by 23%, Public Safety and Justice by 9%, and the Bureau of Indian Education by 16%. One small detail suggests that \$900,000 will be dedicated to an Interior reorganization.

Operation of Indian Programs (Dollars in thousands)	2017 Actual	2018 CR	2019 Request	Change	% Change
Tribal Government					
Aid to Tribal Government (TPA)	27,118	26,934	24,326	-2,608	-10%
CTGP (TPA)	75,429	74,917	72,634	-2,283	-3%
Self-Governance Compacts (TPA)	162,346	161,244	157,790	-3,454	-2%
New Tribes (TPA)	160	159	1,120	961	604%
Small and Needy Tribes (TPA)	4,448	4,418	0	-4,418	-100%
Road Maintenance (TPA)	30,307	30,101	28,318	-1,783	-6%
Tribal Government Program Oversight	8,377	8,320	7,326	-994	-12%
Subtotal, Tribal Government	308,185	306,093	291,514	-14,579	-5%

Human Services					
Social Services (TPA)	52,343	51,988	32,864	-19,124	-37%
Welfare Assistance (TPA)	74,773	74,265	65,794	-8,471	-11%
Indian Child Welfare Act (TPA)	18,946	18,817	13,696	-5,121	-27%
Housing Program (TPA)	9,708	9,642	0	-9,642	-100%
Human Services Tribal Design (TPA)	254	252	259	7	3%
Human Services Program Oversight	3,137	3,116	2,745	-371	-12%
Subtotal, Human Services	159,161	158,080	115,358	-42,722	-27%
Trust - Natural Resources Management					
Natural Resources (TPA)	4,953	4,919	4,866	-53	-1%
Irrigation Operations and Maintenance	12,905	12,817	9,134	-3,683	-29%
Rights Protection Implementation	39,661	39,392	24,737	-14,655	-37%
Tribal Management/Dev Pgm	11,266	11,189	8,660	-2,529	-23%
Endangered Species	2,685	2,667	1,306	-1,361	-51%
Tribal Climate Resilience	9,956	9,888	0	-9,888	-100%
Integrated Resource Info Program	2,996	2,976	2,576	-400	-13%
Agriculture and Range	30,769	30,560	27,977	-2,583	-8%
Forestry	54,155	53,787	48,872	-4,915	-9%
Water Resources	10,450	10,379	8,567	-1,812	-17%
Fish, Wildlife and Parks	15,203	15,100	11,436	-3,664	-24%
Resource Mgmt Prgm Oversight	5,993	5,952	5,293	-659	-11%
Sub, Trust Nat Resources Management	200,992	199,626	153,424	-46,202	-23%
Trust - Real Estate Services					
Trust Services (TPA)	8,185	8,129	6,368	-1,761	-22%
Navajo-Hopi Settlement Program	1,166	1,158	1,167	9	1%
Probate (TPA)	12,039	11,957	10,995	-962	-8%
Land Title and Records Offices	13,981	13,886	12,610	-1,276	-9%
Real Estate Services	37,070	36,818	34,913	-1,905	-5%
Land Records Improvement	6,441	6,397	6,113	-284	-4%
Environmental Quality	15,904	15,796	13,263	-2,533	-16%
Alaskan Native Programs	1,420	1,410	0	-1,410	-100%
Rights Protection	13,365	13,274	9,145	-4,129	-31%
Trust - Real Estate Services Oversight	13,521	13,429	10,910	-2,519	-19%
Subtotal, Trust - Real Estate Services	123,092	122,254	105,484	-16,770	-14%
Public Safety and Justice					
Law Enforcement	353,556	351,156	326,649	-24,507	-7%
Tribal Courts (TPA)	30,753	30,544	22,110	-8,434	-28%
Fire Protection (TPA)	1,426	1,416	1,372	-44	-3%
Subtotal, Public Safety and Justice	385,735	383,116	350,131	-32,985	-9%
Community and Economic Development					
Job Placement and Training (TPA)	12,504	12,419	8,028	-4,391	-35%
Economic Development (TPA)	1,801	1,789	1,737	-52	-3%
Minerals and Mining	25,304	25,132	24,119	-1,013	-4%
Community Development Oversight	2,235	2,220	1,942	-278	-13%
Sub, Comm Econ Development	41,844	41,560	35,826	-5,734	-14%
Exec Dir, Adm Services	228,824	227,270	209,409	-17,861	-8%

Bureau of Indian Education					
Elementary and Secondary (fw funded)	575,155	571,250	511,788	-59,462	-10%
Elementary/Secondary Programs	140,540	139,586	114,128	-25,458	-18%
Post Secondary Programs (fw funded)	77,207	76,683	72,128	-4,555	-6%
Post Secondary Programs	63,561	63,130	20,524	-42,606	-67%
Education Management	35,050	34,812	23,282	-11,530	-33%
Subtotal, Bureau of Indian Education	891,513	885,461	741,850	-143,611	-16%
TOTAL APPROPRIATION (w/o rescission)	2,339,346	2,323,460	2,002,996	-320,464	-14%
Rescission of Prior Year BA	-3,400	-3,400	0	3,400	-100%
TOTAL OIP (w rescission)	2,335,946	2,320,060	2,002,996	-317,064	-14%

For more information, visit https://www.doi.gov/sites/doi.gov/files/uploads/fy2019_bib_bh081.pdf

INDIAN HEALTH SERVICE

The Indian Health Service budget (IHS) request for FY 2019 is \$5.4 billion for the Indian Health Service (IHS), which is \$413 million or eight percent above the FY 2018 Continuing Resolution.

(Dollars in millions)	2017	2018	2019	19-18
Services				
Clinical Services	3,359	3,336	3,689	353
Hospitals and Health Clinics (non-add)	1,935	1,922	2,190	268
Accreditation Emergencies (non-add)	29	29	58	29
Purchased/Referred Care (non-add)	929	923	955	32
Preventive Health	160	159	89	-70
Public Health Nursing (non-add)	79	78	87	9
Health Education (non-add)	19	19	--	-19
Community Health Representatives (non-add)	60	60	--	-60
Other Services	176	175	168	-6
Tribal Management Grant Program (non-add)	2	2	--	-2
Direct Operations (non-add)	70	70	73	3
Contract Support Costs/4	800	800	822	22
Subtotal, Services and Contract Support Costs	4,494	4,469	4,768	299
Facilities				
Health Care Facilities Construction	118	117	80	-38
Sanitation Facilities Construction	102	101	102	1
Facilities and Environmental				
Health Support	227	225	229	3
Maintenance and Improvement	76	75	76	1
Medical Equipment	23	23	20	-3
Subtotal, Facilities	545	542	506	-36
Diabetes Grants				
Discretionary Budget Authority	--	--	150	150
Total, Budget Authority	5,040	5,011	5,424	413
Funds From Other Sources				
Health Insurance Collections	1,194	1,194	1,194	--
Rental of Staff Quarters	9	9	9	--
Diabetes Grants				
Current Law Mandatory	147	75	--	-75
Proposed Mandatory Law	--	75	--	-75

Subtotal, Diabetes Grants	147	150	--	-150
Subtotal, Other Sources	1,349	1,352	1,202	--
Total, Program Level	6,389	6,363	6,626	263
Additional Opioids Allocation			150	150
Total with Additional Opioids Allocation/5			6,776	513

1/ Reflects FY 2017 enacted, post required and permissive transfers and rescissions.

2/ Reflects the annualized level of the Continuing Resolution (P.L. 115-96) and directed or permissive transfers (where applicable). Excludes an anomaly of \$13 million for staffing and operating costs for newly-constructed health care facilities (P.L. 115-96)

3/ The Budget requests a total of \$159 million for staffing and operating costs of new and replacement facilities and \$95 million for current services, which is allocated across several funding lines.

4/ The total estimated Contract Support Costs amount of \$800 million is reflected in the FY 2018 funding level.

5/ This funding is part of the \$10 billion proposal to combat the opioid epidemic and address serious mental illness.

Behavioral Health and the Opioid Epidemic

To combat behavioral health disparities in Indian Country, the FY 2019 Budget requests a total of \$340 million for Mental Health, Alcohol and Substance Abuse programs, which is an increase of \$30 million above the FY 2018 Continuing Resolution.

The Budget provides \$10 billion in new resources across HHS to combat the opioid epidemic and address serious mental illness. This includes an initial allocation of \$150 million in IHS to provide multi-year competitive grants based on need for opioid abuse prevention, treatment, and recovery support in Indian Country.

Special Diabetes Program for Indians

The Budget requests \$150 million for the Special Diabetes Program for Indians. However, it shifts SDPI funding from mandatory to discretionary.

For more information visit <https://www.hhs.gov/sites/default/files/fy-2019-budget-in-brief.pdf>.

OTHER HEALTH AND HUMAN SERVICES AGENCIES

Substance Abuse and Mental Health Services Administration (SAMHSA)

The Fiscal Year (FY) 2019 President's Budget provides a program level of **\$3.5 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA)**, which is a reduction of \$688 million below the FY 2018 Continuing Resolution. In addition, the Budget provides \$1.2 billion to SAMHSA for a variety of new and expanded efforts to fight the opioid crisis. When accounting for these resources, the total for SAMHSA is \$4.8 billion, which is an increase of \$552 million above the FY 2018 Continuing Resolution. The Budget focuses on improving the Federal response to the opioid crisis and in helping health systems serve those with serious mental illness more effectively.

The Budget includes \$221 million for substance abuse prevention efforts, which is \$1 million below the FY 2018 Continuing Resolution. This total also includes \$62 million, the same as the FY 2018 Continuing Resolution, for grant programs to fight underage drinking, expand the availability of opioid overdose-reversing drugs, and to expand tribal behavioral health services.

Administration for Children and Families (ACF)

ACF's Administration for Native Americans promotes economic independence by providing competitive grant funding for community-based projects, and training and technical assistance to Federally recognized Tribes, American Indian and Alaska Native organizations, Native Hawaiian organizations, and Native populations throughout the Pacific Basin. The FY 2019 Budget includes \$52 million to support these activities, the same level as the FY 2018 Continuing Resolution.

ACF provides formula grants to help state and tribal public welfare agencies expand services, such as by supporting at-risk families and, when appropriate, allowing children to remain with their families or return to them in a timely manner. Funds also support safety and consistent placement for children in foster care and permanency for children in adoptive families. Competitive funding is provided to remove barriers to adoption, especially for the adoption of children with special needs. The Budget provides \$326 million for these activities, an increase of \$2 million above the FY 2018 Continuing Resolution.

The Child Support Program is a joint Federal, state, tribal, and local partnership that operates under title IV-D of the Social Security Act with the vision that children can count on their parents for the financial, medical, and emotional support they need to be healthy and successful even when they live in different households. The program functions in 54 States and territories, and 63 tribes. The Federal child support program seeks to ensure financial and emotional support for children from both parents by locating non-custodial parents, establishing paternity, and establishing and enforcing child support orders. The Budget requests \$4.4 billion in budget authority in FY 2019 for Child Support Enforcement and Family Support Programs. The Tribal Child Support Program oversaw 59 comprehensive tribal IV-D programs, and an additional four start-up tribal programs.

For the Personal Responsibility Education Program, the Budget doubles the set-aside for the Tribal Personal Responsibility Education Program to \$6.5 million.

Temporary Assistance for Needy Families (TANF)

The Budget proposes \$15.1 billion for the Temporary Assistance for Needy Families State and Territory Family Assistance Grants, which reflects a 10% reduction from the FY 2018 level.

DEPARTMENT OF JUSTICE

The President's budget proposal for FY 2019 includes funding for several tribal programs at DOJ. Specifically, funding in the bill includes:

- \$115 million for Indian tribes through a 5% set-aside from the Crime Victims Fund for providing services to crime victims. Indian tribes have never directly received funding from the Crime Victims Fund;
- a 7% set-aside from across the Office of Justice Programs totaling \$93.8 million for tribal assistance. This compares to a 7% set-aside from certain OJP and OJJDP programs for FY 17 and is a significant increase in funding overall over FY 17 levels;
- \$10 million for Community Oriented Policing Services Tribal Law Enforcement. In FY 16, this was funded at \$30 million. For FY 17, the Attorney General has the discretion to take up to 7% from COPS programs overall for tribal assistance. The FY 19 budget proposal eliminates the COPS Office and merges the program into the Office for Justice Programs (OJP).

- an estimated \$39.25 million for the Office on Violence Against Women’s (OVW) Grants to Tribal Governments Program through statutory set-asides from other appropriated programs. This is a slight increase over FY17 funding levels.
- an estimated \$6.739 million for OVW’s Tribal Coalitions Program through statutory set-asides from other OVW appropriations. This is a slight decrease from FY17 funding levels.
- an estimated \$3.5 million for OVW’s Tribal Sexual Assault Services Program through statutory set-asides from other OVW appropriations. This is the same level of funding as FY 17.
- \$4 million for implementation of Special Domestic Violence Criminal Jurisdiction. This is the same level of funding as FY 17.
- \$1 million for research on violence against Native women. This is the same level of funding as FY 17.
- \$500,000 for the National Indian Country Clearinghouse on Sexual Assault. This is the same level of funding as FY 17.

DEPARTMENT OF HOMELAND SECURITY

The President’s Budget for FY 2019 includes \$46 billion for discretionary spending, an 8% increase from 2017 enacted levels, for the Department of Homeland Security (DHS). It focuses heavily on border security, including the pursuit of and detainment of undocumented migrants.

The Budget includes \$1.6 billion for the construction of a border wall; \$782 million to hire 2,750 new officers and agents at the U.S. Customs and Border Protection (CBP) and the U.S. Immigration and Customs Enforcement (ICE); and \$2.5 billion to detain up to 47,000 undocumented migrants daily.

The Budget also provides \$1.9 billion to the Federal Emergency Management Administration (FEMA) to support its grant programs for state and local governments, and \$6.9 billion to FEMA’s Disaster Relief Fund to assist with responses to and recovery from emergencies and major disasters.

Finally, it includes \$7.7 billion to support the Transportation Security Administration (TSA). This amount is intended to help TSA improve its technology and hire additional workers.

DEPARTMENT OF EDUCATION

The President has requested for the Department of Education FY 2019 \$59.9 billion in discretionary funding—a decrease of \$8 billion or 12% from FY 2018 enacted level. The budget request reflects the support the Department’s commitment to spending taxpayer’s dollar wisely and increasing education freedom for families.

The President has requested several eliminations of federal programs for FY 2019. Included in the elimination is the Alaska Native Education program. The budget request states the program duplicates services that may be funded through other federal elementary and secondary programs. The other elimination is the Native Hawaiian Education program. The justification provided states this program duplicates other federal elementary and secondary programs.

Indian Education Programs

As the below table shows, the Department of Education has requested mostly level funding for all Indian education programs, and elimination of two programs.

Department Education (Dollars in millions)	FY 2016	FY 2017	FY 2018	FY 2019 Requested
Impact Aid	\$1305.6	\$1303.1	\$1319.6	\$734.6
Indian Student Education (Title VII)	\$143.9	\$143.7	\$164.9	\$164.9
<i>Grants to Local Education Agencies</i>	\$100.4	\$100.2	\$100.4	\$100.4
<i>Special Programs for Indian Children</i>	\$38.0	\$37.9	\$58.0	\$58.0
<i>National Activities</i>	\$5.6	\$5.6	\$6.6	\$6.6
Native Hawaiian Student Education	\$32.4	\$33.4	\$33.4	----
Alaska Native Education Equity Assistance Program	\$31.5	\$32.4	\$32.2	----
Strengthening AN/NH-Serving Inst (mandatory)	\$14.0	\$14.0	\$14.0	\$15.0
Strengthening AN/NH-Serving Inst (discretionary)	\$13.8	\$14.0	\$14.0	\$15.0
Strengthening TCUs (mandatory)	\$28.0	\$27.9	\$28.0	\$30.0
Strengthening TCUs (discretionary)	\$27.6	\$27.6	\$27.5	\$27.6
Tribally Controlled Posts and Technical Institutions	\$8.3	\$8.3	\$8.2	\$8.3
Strengthening NA-Serving Non-tribal Inst (Mand.)	\$4.7	\$4.7	\$4.7	\$5.0
Strengthening NA-Serving Nontribal Inst (Disc.)	\$3.3	\$3.3	\$3.3	----
Voc Rehab State Grants (Indian Set-Aside)	\$43	\$43	\$43	\$43.8

ENVIRONMENTAL PROTECTION AGENCY

The President's FY19 Request would cut the current EPA budget of over \$8 billion to \$6.1 billion. There would also be a reduction in force of more than 3,000 employees, from approximately 15,400 to 12,250.

State and Tribal Assistance Grants would be cut by \$573.7 million, reducing funding from an FY18 CR level of \$3.5 billion to an FY19 level of \$2.9 billion. This would include reductions of: \$16.8 million for Infrastructure Assistance in Alaska Native Villages; \$20.8 million for Tribal General Assistance Grants; and \$3.8 million for Tribal Air Quality Management Grants.

The President's Request includes a \$9.466 million increase for the Clean Water State Revolving Fund program, bringing the FY19 total to nearly \$1.4 billion. Additionally, EPA continues to request the greater of a 2% or \$30 million to be set aside for tribes. The 2% set-aside is consistent with recent appropriations bills.

The Office of Management and Budget also issued an addendum to the President's FY19 Request in light of the recent budget deal. The addendum includes an additional \$397 million to the State and Tribal Assistance Grants account for the Clean Water and Drinking Water State Revolving Funds. It indicates that the additional funding would go toward wastewater and storm water infrastructure.

Regional ecosystem protection efforts called Geographic Programs that include the Great Lakes, Puget Sound, and various watersheds will be cut from the FY18 CR level of \$432 million to \$37.3 million in FY19.

DEPARTMENT OF ENERGY

(Dollars in millions)	FY 2017 Enacted	FY 2018 Est.	FY 2019 Request	FY2019 v. FY2017
Office of Indian Energy Policy and Programs (DA)	18	10	10	-8
Tribal Indian Energy Loan Guarantee Program	9	9	0	-9

The Office of Indian Energy Policy and Programs provides technical assistance, education and capacity building, and financial assistance to tribal governments. It also coordinates activities across the Department, and works with tribes, tribal organizations, and other agencies to promote tribal energy initiatives.

In FY19, the Department of Energy will receive \$10 million to fund the Office of Indian Energy Policy and Programs. This marks a significant budgetary cut of \$8 million dollars compared to FY2017 levels. An \$8 million dollar reduction further limits the services and amount of resources available to tribes who are planning energy and infrastructure projects. Limitations on tribal energy development continue to be problematic for many tribes due to a lack of access to capital, capacity issues, and the complicated legal and regulatory structure governing the use of Indian lands.

The Tribal Indian Energy Loan Guarantee Program, which was authorized by the Energy Policy Act of 2005, received an appropriation for the first time in FY17. Congress provided \$8.5 million for the loan guarantee and \$500,000 for administrative expenses. The President’s Request would eliminate funding for this program. The [Major Savings and Reforms](#) document states:

Tribal Energy—Originally authorized in 2005, the program was first appropriated funding in 2017. Rules detailing how the program would be implemented have not been promulgated; however, the program authorization is redundant with loan and loan guarantee programs administered by other agencies with missions to serve Tribal entities. The Budget proposes to eliminate this program and cancel all unobligated balances.

NATIONAL PARK SERVICE

The FY19 budget request includes a 7% cut to the overall National Park Service budget, with specific cuts to cultural programs, land acquisition and the Centennial Challenge, a grants program that leverages philanthropic dollars. It also includes flat funding for park operations. The Historic Preservation Fund would be reduced, and Grants-in-Aid to Indian Tribes would be cut by \$4.7 million in the request. The Native American Graves Protection and Repatriation Grants would be cut by \$1.6 million.

	2017 Actual	2018 CR	2019 Request	Change	% Change
Grants-In-Aid to Indian Tribes	10,485	10,414	5,738	-4,676	-45%

DEPARTMENT OF AGRICULTURE

The President’s total FY 2019 request for the U.S. Department of Agriculture (USDA) is \$139 billion—a decrease of \$ 6.2 billion from the FY 2018 level—with about \$122 billion associated with mandatory programs that provide services as required by law and \$18 billion in discretionary programs, including: The Supplemental Nutrition Assistance Program (SNAP, Women, Infant, and Children (WIC) nutrition program, food safety, rural development loans, and other services. Over 71% of the total FY 2018 budget request goes to nutrition assistance, 22% for farm, conservation, and commodity programs and 4% for forestry.

Among the highlights of the FY 2017 USDA budget:

- Proposes overall USDA budget decrease of \$6.2 from 2018 estimated levels of spending.
- 27.4% (\$12,086,000) decrease in SNAP Benefits and proposing to create work requirements people living to counties with higher than 10 % unemployment.
- Budget increases in USDA Departments like: Food Safety Inspection Service, Rural-Business Cooperative Service, Natural Resources Conservation Service, Wildfire Activities, Farm Production and Conservation Business Center.
- No change in funding levels for the Food Distribution Program on Indian Reservations (\$153,000,000).

Tribal Colleges and Universities (TCUs)

As the table below shows, the Department of Agriculture has requested level funding for all TCU programs operated through the USDA National Institute of Food and Agriculture:

Department of Agriculture (Dollars in millions)	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Request
Federally Recognized Tribes Extension Program (FRTEP)	3	3	3
1994 Institutions Research Program	1.8	1.8	1.4
Native American Endowment Account	5	5	5
1994 Institutions Extension Program	4	4	4

The funding level for Federally Recognized Tribes Extension Program (FRTEP) and the 1994 Institutions Research and Extension Programs remains at the same funding level.

Agriculture

Department of Agriculture (Dollars in millions)	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Request
Office of Tribal Relations	.502	.502	.501
Rural Utilities Service (Discretionary Programs)	8.7	8.7	7.4
Rural Housing and Community Facilities (Grants & Loans*)	27	27	35
Water and Waste Disposal Program (Grants)	509	509	0
Fractionated Land Loans	10	11	0
Indian Land Acquisition Loan Program			
Loan Authorizations	2	2	20
Loan Subsidies	0	2.5	0

*USDA is only requesting money for grants for the Rural Housing and Community Facilities in FY 2017 due to the high cost subsidy cost of the guaranteed loan program.

Office of Tribal Relations

The budget proposes a large increase of \$501,000 to fund the Office of Tribal Relations (OTR) to support communication and consultation activities with federally recognized tribes, enhance OTR's to provide support and outreach to the Council on Native American Farming and Ranching, as well as other requirements established by law. The 2014 Farm Bill made OTR a permanent installation under the Office of Secretary.

Highly Fractionated Indian Land Loan Program & Indian Land Acquisition Loan Program

The President did not request funding for the Highly Fractionated Indian Land Loan Program.

Rural Housing and Community Facilities

Through its Rural Housing and Community Facilities programs, USDA supports single family and multi-family housing acquisition through loan guarantees and direct loans. Combined with home repair funds and farm labor housing financing, these programs are designed to support very-low and low-income borrowers. The USDA is changing the amount of funding for loan guarantees and direct loans in each category to promote those products that bear lower administrative costs for USDA. The same is true of the Community Facilities Programs that provide funding for a wide range of essential community facilities, with priority given to health and public safety facilities and education facilities. The FY 2018 budget requests a total \$29 million.

Water and Waste Disposal Program

The Water and Waste Disposal Program provides financing for rural communities of 10,000 or less to establish, expand or modernize water treatment and waste disposal facilities. These facilities provide safe drinking water and sanitary waste disposal for residential users, and help communities thrive by attracting new business. Priority is given to public entities serving areas with a population of less than 5,500 that are applying for loans to restore a deteriorating water system or to improve, enlarge or modify an inadequate waste facility.

Economic Development

While all funding through USDA affects and supports economic development, we focus below on a few programs that enable tribes to build resources that improve the ability of businesses and communities to succeed and to create jobs.

Department of Agriculture (Dollars in millions)	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Request
Rural Business and Industry Guaranteed Loan Program	24	36	0
Foreign Agriculture Service, Market Access Program	192	185	200
Rural Business Development Grants (RBDG)	24	24	0
Telecommunications Programs - Treasury Loans	345	12	173
Telecommunications Programs - FFB Loans	345	345	517
Distance Learning and Telemedicine – Grants	22	22	24
Broadband Programs			
<i>Direct Loans</i>	20	27	30
<i>Grants</i>	10	10	23

Rural Business and Industry Guaranteed Loan Program

This program provides protection against loan losses so that lenders are willing to extend credit to establish, expand, or modernize rural businesses. Funding for the B&I program will focus on supporting

high-priority areas of the Administration such as access to capital markets in rural areas, local and regional food systems, bio-based businesses, and renewable energy development. USDA is shrinking its loan guarantee offerings, often in favor of direct loans, due to the cost of the programs.

Market Access Program

Under the Market Access Program (MAP), funds are used to reimburse participating organizations for a portion of the cost of carrying out overseas marketing and promotional activities, such as consumer promotions. MAP has a brand promotion component that provides export promotion funding to 600-800 small companies annually. MAP was extended in the 2014 Farm Bill.

Rural Business Development Grants

The Rural Business Development Grants (RBDG) program was created by the 2014 Farm Bill to consolidate the Rural Business Opportunity Grants and the Rural Business Enterprise Grants programs.

Telecommunications

The FY 2019 Budget request of \$517 an increase of \$172 million. This programs provides telecommunications projects for the improvement and construction of telecommunication facilities that meet broadband standards, although they are not meant to be used for all broadband purposes.

Broadband, Distance Learning and Telemedicine

The President requested \$24 million for the Distance Learning and Telemedicine program. The broadband program provides financing to support new or improved broadband access across rural America. The Distance Learning and Telemedicine Grant Program is designed specifically to assist rural communities that would otherwise be without access to learning and medical services over the Internet.

Nutrition

The funding for the Food Nutrition and Consumer Services programs includes both WIC and the Food Distribution Program on Indian Reservations (FDPIR). Both are important programs for the services they provide, the people they feed and the jobs they bring to our communities.

Department of Agriculture (Dollars in millions)	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Request
Supplemental Nutrition Assistance Program (SNAP)	78,418	78,480	73,218
Special Supplemental Nutrition Program for Women, Infant, Children (WIC)	6,350	6,350	5.750
Food Distribution Program on Indian Reservations (FDPIR)	103	153	153

Supplemental Nutrition Assistance Program (SNAP) The budget proposes to cut the SNAP Program by \$17 billion in 2019 and more than \$129.2 billion over the next decade. The Trump Administration has announced it will change the SNAP program into a food delivery system for eligible SNAP participants who receive at least \$90 a month in SNAP benefits. This policy change would affect roughly 38 million people out of the 40.8 million people utilize SNAP each month. SNAP is the largest program in the domestic hunger safety net.

Special Supplemental Nutrition Program for Women, Infants, Children (WIC) The Budget proposes \$5.750 billion for the WIC Program which is a decrease from 2018 levels.

Food Distribution Program on Indian Reservations (FDPIR)

FDPIR provides USDA foods to low-income households living on Indian reservations, and to American Indian households residing in approved areas near reservations or in Oklahoma. Currently, there are approximately 276 tribes receiving benefits under FDPIR through 100 Indian Tribal Organizations (ITOs) and 5 state agencies. The FY 2018 request is at the same levels as last year's funding.

Natural Resources and Environment

The increase and redirection of the budgets for the programs in this area focus on conservation practices as well as a restoration to create habitat and restore environments for wildlife and land management.

Department of Agriculture (Dollars in millions)	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Request
Environmental Quality Incentives Program (EQIP)	1,551	1542	1,614
Regional Conservation Partnership Program	93	93	100
Agricultural Conservation Easement Program	466	234	250
Watershed Rehabilitation Program	12	12	0
Small Watershed Rehabilitation Program	8	6	3
Conservation Security Program	5	0	0
Conservation Stewardship Program	1,149	1,334	1,645

Environmental Quality Incentives Program (EQIP)

The purpose of EQIP is to provide assistance to landowners who face serious natural resource challenges that impact soil, water and related natural resources, including grazing lands, wetlands, and wildlife habitat.

Conservation Stewardship Program (CSP)

The Conservation Stewardship Program encourages participants to undertake new conservation activities in addition to maintaining and managing existing conservation activities.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The President's FY 2019 Budget request for the Department of Housing and Urban Development (HUD) provides \$41.24 billion in discretionary funding.

Native American Housing Block Grant

The President has requested \$600 million for the Native American Housing Block Grants, a \$54 million decrease over enacted appropriations level for FY 2018. The budget includes proposed clarification language on unexpended funds and HUD has the ability to still find a tribe who has not spent funds even though a tribe was accruing funding for future use. In addition, there is proposed language that will give HUD the authority to recapture misallocated HUD funds by requiring the Native American Housing Block Grant grantee to pay the excess funds back to HUD. Lastly, HUD proposes to revise the Native American Housing Block Grant hearing process for suspected misappropriations of fund and to enable HUD to begin hearing procedure in 60 days and the ability to suspend funds until hearing is complete.

Native Hawaiian Housing Block Grants

HUD did not request funding for the Native Hawaiian Housing Block Grants for FY 2018, a decrease of \$2 million over FY 2019 enacted funding level.

Indian Housing Loan Guarantee Program (Section 184)

HUD did not request funding for Section 184 Program for FY 2019, a decrease of \$7.2 million over FY 2018 enacted funding level. The Department's justification for no request is Section 184, carry over from prior subsidy budget authority that will be sufficient to guarantee \$880 million in loans.

Native Hawaiian Loan Guarantee Fund (Section 184A)

HUD did not request funding for Section 184A for FY 2019, and it was not funded for FY 2018 enacted funding level. The Department's justification for no request for Section 184A, it will carry over prior loan guarantee authority sufficient to guarantee up to \$23.3 million in loans for FY 2019.

Indian Community Development Block Grant

There was no request of funding levels for the Indian Community Development Block Grant for FY 2019, a \$60 million decrease from enacted FY 2018. HUD did not request funding for Community Development Block Grant as well. HUD justification for not requesting funding is the program is duplicative of other HUD programs such as the Native American Housing Block Grants and other federal programs.

Training and Technical Assistance

There was no funding request for training and technical assistance programs for NAHASDA. This is a decreased of \$3.6 million from enacted FY 2018.

(\$ in millions)	FY 2017 Enacted	FY 2018 Enacted	Requested FY 2019
Native American Housing Block Grant	\$654	\$654	\$600
Title VI Loans Program Account	\$.994	\$2	\$2
Native Hawaiian Housing Block Grants	\$2	\$2	---
Indian Housing Loan Guarantee Fund (Section 184)	\$7.5	\$7.2	---
Native Hawaiian Loan Guarantee Fund (Section 184A)	---	---	---
Indian Community Development Block Grant	\$60	\$60	---
Training & Technical Assistance	\$2	\$3.6	---
National & Regional Organization	\$3.5	\$2.9	---

DEPARTMENT OF TRANSPORTATION

The President requested for U.S. Department of Transportation (DOT) FY 2019 a \$76.5 billion budget a \$500 million decrease from FY 2017. The President is requesting \$45 billion for Federal-aid Highway Program for FY 2019 and \$1.13 billion for Federal lands and Tribal Programs for FY 2019, to improve and provide multimodal access to community services. In addition, the budget includes the \$950 million is requested for the Nationally Significant Freight and Highway Projects Program. The Departments budget provided information on the accountability efforts through regulatory reform, and streamlining of infrastructure permitting,

(\$ in millions)	FY 2017 Enacted	FY 2018 Enacted	Requested FY 2019
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Federal Highway Administration			
Federal –Aid Highway-Federal Lands and Tribal Transportation Program: Tribal Transportation Program	\$475	\$485	\$495
Federal Transit Administration			
Section 5311 (c) Public Transportation on Indian Reservations (Tribal Transit Grant Program)	\$35	\$35	\$35
National Highway Traffic Safety Administration			
Highway Traffic Safety Grant (Section 402)- Indian Highway Safety Program (<i>Administered by Bureau of Indian Affairs</i>)	\$4.8	\$5	\$5.4

DEPARTMENT OF COMMERCE

The Budget requests \$9.8 billion for the Department of Commerce, a \$546 million or 6% increase from the 2017 enacted level. However, the Budget would eliminate the Economic Development Administration. The Budget also proposes to reduce funding for the Minority Business Development Agency from \$34 million in FY17 (\$33.769 FY18 CR) to \$10 million in FY19.

Under the President’s FY19 Request, the National Marine Fisheries Service would receive approximately \$837.3 million, which is reduction of approximately \$152.7 million from the FY17 enacted level. Additionally, the FY19 Request would eliminate funding for the Pacific Coastal Salmon Recovery Fund (\$64.9 million in FY17) and the Coastal Zone Management Grants and Regional Coastal Resilience Grants. Fisheries Habitat Restoration would be reduced from \$52.1 million in FY17 to \$47.9 in FY19.

DEPARTMENT OF LABOR

The President's proposed FY 2019 budget zeroes out funding for the Department of Labor's Division of Indian and Native American Programs (DINAP). DINAP is a vital workforce development division specifically dedicated to working with tribal nations and Native organizations -- specifically Workforce Innovation and Opportunity Act (WIOA) Section 166 grantees -- to support the provision of quality employment and training services to unemployed and low-income Native people.

DEPARTMENT OF THE TREASURY

The Budget requests \$12.3 billion in discretionary resources for the Department of the Treasury’s domestic programs, a \$392 million or 3% decrease from the 2017 enacted level.

Of great concern to Indian Country is the Budget’s proposal to eliminate funding for Community Development Financial Institutions (CDFIs) through the CDFI Fund. In FY17, Congress appropriated \$15.5 million for the Native American CDFI Assistance (NACA) Program, which, according to the Treasury Department, translates to \$15.395 million in annualized CR funding for FY18. **The President’s FY19 Request would eliminate funding for the NACA program** and the three other discretionary CDFI grant programs. However, it requests \$14 million for the CDFI Fund to provide oversight of existing commitments and administration of the CDFI Fund’s other programs, including the New Markets Tax Credit program. This is a reduction of \$12 million from the FY17 enacted level of \$26 million.

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