



National Congress of American Indians

NCAI News

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President Bush Releases FY 2003 Budget

President Bush today released a \$2.13 trillion budget that provides major funding increases for the war on terrorism and homeland security. The entire document is available online at <http://www.whitehouse.gov/omb/budget/index.html>.

The following provides a brief summary of the budget request by agency, and some preliminary details about the BIA and IHS requests. NCAI staff is currently reviewing the 1,200-page budget and is compiling information as it is released by the different Cabinet agencies. As such, we will provide more information in the coming days.

Overview

The President said his budget "provides the resources to combat terrorism at home, to protect our people and preserve our constitutional freedoms." The proposal contains \$2.13 trillion, a 3.7 percent increase from current spending, with the majority of the boost going to defense and homeland security initiatives.

The budget, which projects a \$106 billion deficit for FY 2002 and a \$80 billion deficit for FY 2003, proposes \$344 billion to extend the 10-year tax cut approved by Congress and \$591 billion in new tax cuts over 10 years.

To help pay for these increases, the budget includes \$9 billion in spending cuts ranging from highway spending to environmental and worker training programs to Congressional earmarks.

Discretionary Budget Authority By Agency (dollars in millions)

Agency	FY 2002	FY 2003 Proposed	Change
Agriculture	19,386	19,348	(38)
Commerce	5,206	5,192	(14)
Defense	327,688	365,979	38,291
Education	48,500	50,310	1,710
Energy	20,893	21,847	954
Health and Human Services	58,221	63,674	5,453

Agency	FY 2002	FY 2003 Proposed	Change
Housing and Urban Development	29,415	31,441	2,026
Interior	10,236	10,236	0
Justice	21,461	21,318	(143)
Labor	12,185	11,329	(856)
Transportation	58,216	52,805	(5,411)
Treasury	15,167	15,936	769
Veterans Affairs	23,826	25,556	1,730
Environmental Protection Agency	7,903	7,617	(286)
Federal Emergency Management Agency	3,058	6,550	3,602
National Science Foundation	4,789	5,028	239
Small Business Administration	762	779	17

Bureau of Indian Affairs

Operation of Indian Programs – The BIA request includes \$1.858 billion for the operation of Indian programs, a \$59.2 million increase over the FY 2002 enacted level. Outside of trust management activities (described below), the largest increase is for school operations, which would receive an additional \$18.8 million, for a funding level of approximately \$453 million. A \$3 million increase is proposed for contract support costs, for a total funding level of \$133.2 million. Finally, \$3 million is requested to operate new detention centers and \$1.7 million is requested to implement the Administration’s energy plan.

Trust Reform/Management – The budget includes an \$84 million increase for trust management and reform activities. This includes a \$49 million proposed increase for the Office of Special Trustee, for a total request of \$161 million, and a \$35 million increase for BIA trust program operations and services at headquarters, regional, and tribal levels, for a total request of \$153 million.

Construction – The budget includes \$346.3 million for BIA construction, a \$10.8 million reduction from the current funding level. Within the total are \$164 million for school maintenance and repairs and \$120 million to construct six replacement schools. The current school repair and replacement backlog is approximately \$942 million.

Privatization of Indian Education Programs – Citing poor academic performance of BIA system students, the budget proposes to “reevaluate BIA’s role in the education of American Indian students.” As such, it states that the BIA will hold tribal consultation meetings and then solicit private entities to manage BIA system schools that do not elect to contract themselves through self-determination grants.

Indian Guaranteed Loan Program – The requested half-million-dollar increase would expand the current program by 10 percent.

Indian Health Service

Indian Health Services – The budget includes \$2.514 billion for Indian health services, a \$124 million increase over the current funding level. For contract support costs, a \$2.5 million increase is proposed, for a total funding level of \$270.73 million, of which only \$2.5 million may be used for new or expanded contracts or compacts (compared to \$20 million in FY 2002).

IHS Facilities – The budget includes \$370.48 million for facilities, an increase of slightly less than \$1 million.

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