

Legislative Update - April 10, 2001

(Broadcast #345)

President's FY2002 Budget Request for VA-HUD-EPA - On April 9, President Bush released his detailed FY2002 budget proposal for all federal agencies and departments. This Legislative Update provides information about funding requests for the Departments of HUD, the Treasury and EPA programs that are of major interest to Indian Country.

Housing and Urban Development

Indian Housing Block Grant - The FY2002 budget would provide level funding of \$649 million for the NAHASDA block grant program. Of this amount, \$6 million would once again be reserved for section 601 loan guarantees, which would support \$53 million in private sector loans.

Tribal Colleges and Universities Initiative - The FY2002 budget would continue to provide \$3 million for tribal colleges and universities to partner with local entities to promote community and economic development.

Community Development Block Grant - The Indian Community Development Block Grant program would receive \$69 million, \$2 million less than the FY2001 enacted level. Of the total, \$1.25 million would be allocated to support Native eDGE, which links federal agencies into a single economic development access center for Indian Country.

Law Enforcement Housing - The budget would eliminate the FY2001 appropriations language that authorized NAHASDA block grant recipients to use funds for housing and housing assistance to law enforcement officers on reservations and other Indian areas.

Tobacco Products - The budget would eliminate the FY2001 appropriations rider that prohibits the HUD Secretary from providing grants and other assistance to construct, operate, or otherwise benefit a facility which sells or intends to sell "predominantly" cigarettes or other tobacco products.

Empowerment Zones - The FY2002 budget contains \$150 million for Round II empowerment zones, which is a \$50 million cut from the FY2001 enacted level.

Program Eliminations - The budget would kill all funding for the drug elimination program and for the rural housing and economic development program. Tribes receive small amounts of funding from these programs, which were funded in FY2001 at \$310 million and \$27 million, respectively.

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Funding Levels for Key Programs (in millions)

	FY2001 Enacted	FY2002 Proposed	Change
Indian Housing Block Grant	650	650	0
Sec. 184 Loan Guarantee Program	6	6	0
Indian Community Development Block Grant	71	69	(2)
Housing Counseling (small amt to tribes)	20	20	0
Drug Elimination Grants(small amt to tribes)	310	0	(310)
Rural Housing/Economic Development (small amt to tribes)	27	0	(27)
Tribal Colleges and Universities Initiative	3	3	0
Empowerment Zones Round II	200	150	(50)

Environmental Protection AgencyFunding Levels for Key Programs (in millions)

	FY2001 Enacted	FY2002 Proposed	Change
Indian General Assistance Program	52.5	52.5	0
Water/Wastewater Grants for Alaska Natives/ Rural Areas	35	35	0
Clean Water Act Revolving Fund (tribes get 1.5% set-aside)	1,345	850	495
Safe Drinking Water Revolving Fund (small amt to tribes)	823.2	823.2	0
Superfund (small amt to tribes)	1,270	1,270	0
Underground Storage Tanks Grants (small amt to tribes)	11,918	11,918	0
Clean Water Act Sec. 319 (small amt to tribes)	237,477	237,477	0

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The FY2002 budget also proposes to eliminate the statutory one-third-of-one-percent cap on Clean Water Act Section 319 non-point source pollution grants that may be awarded to tribes. Tribes applying for and receiving Section 319 grants have grown from two in 1991 to more than 30 in 2001. This proposal, which also was made in the last several budget requests, is designed to recognize the increasing demand on the limited pool of tribal funds.

Community Development Financial Institutions (Treasury Department)

The budget proposal would gut the current Indian Country set-aside, first enacted in FY2001, that provides Community Development Financial Institutions Fund resources for training and technical assistance on eliminating barriers to capital access. The FY2001 funding level of \$5 million would be decreased to \$500,000 for FY2002. According to the conference report accompanying the FY2001 VA-HUD-EPA Appropriations Act, the funding is for loans, grants, and technical assistance to qualifying community development lenders, organizations with experience in Indian Country lending, and other appropriate organizations.

For further information, contact NCAI at (202) 466-7767.