

**BIA/Tribal Budget Advisory Council  
May 23, 2006  
Crowne Plaza  
Silver Spring, MD**

**Opening Prayer,**  
Roland Johnson

**Tribal Co-Chair, Introductions, Joe Garcia**

**Roll Call**

**Jim Cason, Opening Remarks.**

He said ultimately we have to put together a message for Congress and OMB. Our priorities are mixed messages. He thanked the budget subcommittee, who've been active between the last meetings. We'll do some fine tuning at this meeting of the work the budget subcommittee has been doing. If we have a situation where the budget's going up, our decisions are much easier. He thanked the representatives for attending. The end product of this work should not be construed as endorsement. He asked for help with priorities so that we're thoughtful in prioritizing. We have to anticipate to how the other players in the budget will react. We're walking a fine line to find additional investment and offering offsets. There's some expectation that Indian Country will be effective in Congress. The risk is that Congress doesn't restore what we cut. We have an overall target to meet that is set by OMB. The process involved is that we, sitting here at the table, don't control all the parts of the budget puzzle. If you have an endpoint in mind, we can be an advocate in the process. Our objective overall is to make sure we have programs that work well. If we have to take some cuts somewhere, let's prioritize core programs. We need to find the best cost benefit ratio possible. In the past, we've nickel-and-dimed all our programs and not had well performing ones.

**Pat Ragsdale**

He mentioned the series of hearing held by the Senate Committee on Indian Affairs highlighting some upsetting conditions in Indian Country. One explored Indian Child Welfare, one the meth crisis, and one youth suicide. He said he was astounded to hear the stats on youth suicide – more Indian youth commit suicide or have suicide ideations. We all need to keep this in mind. He's asked some of his staff to work on community health strategies. He acknowledged that we don't have the resources. In the 90's, DOJ sponsored a survey of law enforcement and found a \$200 million need. The study called for transferring Indian Country law enforcement to DOJ, but tribal leadership and DOJ opposed the idea. Indians have been able to adapt to our situations and to survive – that's one thing we can do. We haven't come all this way to succumb to crime, despair and violence. Senator McCain at a last hearing called the situation in Indian Country a tragedy.

President Thomas asked how what we say makes a difference. He asked why JOM is cut. He asked where we find meaningful impacts to the budget for what we say here.

Cason said, collectively, we face a situation with JOM. We can put JOM back into the budget. We know that OMB is going to cut it out. Ed asked why JOM is repeatedly cut by OMB. OMB believes that other funding provides for students going to public schools and has decided that JOM is not a priority. In their view, that program is being met by other programs available. If we put in JOM to our planning budget, OMB will take it out, and we won't have any say with the \$20 million or so that makes up JOM. If we take out JOM, capital hill will likely restore it and we keep the \$20 million. This strategy has worked so far.

### **Ross Swimmer, Opening Remarks**

He discussed improving benefits for beneficiaries. He expressed gratefulness for support from the tribes in addressing trust issues, such as whereabouts unknown. He said he's encouraging tribes to be involved in trust operations. OST's budget is smaller than what the Administration proposed. Congress would like to see Cobell settled and is not willing to fund a historical accounting.

### **Ron Allen, Self-Governance Advisory Council**

He said self-governance tribes share the same concerns as our sister tribes at this meeting. He brings the same message to the table: is the Administration going to support advancing self-determination. Our concern is that our budget is being slowly eroded and that the priorities of the administration are different.

Approval of Agenda, Ed Thomas moved to approve agenda, seconded. Agenda adopted.

### **Status of FY05/FY06**

Mary Jane Miller, PowerPoint presented.

#### Budget Timeline chart

#### FY 2005 Funding Issues (Chart)

#### FY05/06 Execution Status, Operation of Indian Programs (chart)

#### FY05 Shortfalls

(Charts)

#### FY06 update

*Cobell* attorney fees

- return of construction funding from sag-chip,
- used to restore \$2 M in attorney fees and .1% atb

March report due to OMB comparing FY06 to FY05 execution:

- good news, we are ahead of last.
- OMB wants to use slow execution to justify reductions.

FY06 shortfalls

ENAN – II and FTS 2000	4980
GSA and Direct Rentals	4393
Litigation Spt, Attney Fees, Rolls	700
Unempl Comp (awaiting bill)	1300
Tribal Justice Support	740
Div of Self-Det.	800
Regional Awarding Officials	1800
DRD Trust Shortfall	200
Various Reg and CO req	1614
<b>Total</b>	<b>16527</b>

Sources for Shortfalls

1.5% mgmt holdback:	10,423
tribal courts IIM	4604
IMARS delay	1500
<b>Total</b>	<b>16527</b>

FY06/FY07 execution status (Chart)

May goal, 67%, we're at 77% as of 5/18/06

FY06 execution construction status. April goal 58%

YTD Allotted	461,900
Not Suballotted	262922
YTD Suballotted	198978
Total Obligated	73381
% obligated of allotted	16%
% obligated of sub	37%

A question was posed on shortfall in welfare assistance. He asked about how tribes can provide input to shortfalls. Mary Jane Miller said regional directors should input requests on behalf of tribes.

A question was asked how we use carryover money for UTTC or CIT. A question was asked how we can be aware of carryover balances. Certain projects are dear to tribes just as some projects are dear to the administration. How to tribes have opportunity to provide input.

Jim Cason said UTTC and CIT situations are similar to JOM. We know OMB will cut these two, due to statutory limitations. The Tribal Colleges act limits one tribal college per reservation.

Jackie said another challenge in this situation is that higher education needs a larger pie to let these colleges in. We need congressional language to fix this situation.

FY 2007 budget update.

The decrease in elementary and secondary ed by \$3.3 due to carry-over: Source is unidentified, probably take against ed facility operations (non-forward funding)

New staffer intentionally didn't put money in bill

Public safety and justice:

Approved 1.7 M to expand law enforcement.

Denied 2.7 M increase for det

Denied the 1.5 M for tribal justice support

Ken Davis said \$8 million of carryover balances came straight out of TPA.

A suggestion was made that OMB should attend the meetings here. Jim Cason said we've been bringing the budget subcommittee to meet with OMB. We at least have a beginning dialogue. Ken Davis said obligations for TPA are skewed. Before we had two year spending authority, people at the field level would dump money into 638 contracts.

Ron Allen asked about the status of the withheld money. He asked how the money can be spent. We don't want to lose money because we aren't obligating it. He also asked about the commitment to the data process and the timeliness for which the CSC money is released. The delay getting CSC out to tribes causes hardship. Jim said the 8.5% was withheld from the beginning from Central/Regional office ops. The reason was to give BIA flexibility to realign budget and staff. If you look at where staff is in the organization and what funds are in the budget for staff, there's not a clear alignment. They want to be clear about who's paid for what. He doesn't have a time line. Ron said it would be helpful to see a proposal. He said the timeliness of this holdback is important.

CSC process is laid out in a federal register notice. We need the needs assessment report in late July. Next year all of the CSC will go out at the beginning of the year, now that we have a signed CSC policy.

Ken Davis asked if carryover can be redistributed. Approval is up to Congress for amounts over \$500,000. BIA also has to submit a quarterly reprogramming report.

**FY07 Strategy on the Hill**

We'll have to spend much of our energy on the Senate side. Hopefully we'll hold both areas when we go to the conference. We should go down the list of where we want funds restored. We should identify our list of restorals. You saw it happen on the House side with Norm Dicks with Fish and Timber organization. We may have only a two month window to have an impact on the 07 strategy. Congress will be out soon since this is an election year. Art Senclair said it is ultimately up to Congress and up to tribes to restore these programs. It's important to put as many faces on programs. TPA is not tangible and harder to advocate for. NCAI will send out a list of talking points. Senate will come back after the memorial day recess. Contact local offices of members of congress, which also have lots of say in that it's on the ground. Bring in tribal court judges, etc. Look for every opportunity to put a face to the issue. DC staff is much different than the local staff. Ask your member of congress to weigh in with influential members of Congress, if they're not on the target list. Ron said we need to be focused on our message. We have hung out hat on these four priorities: public safety and justice, education, natural resource development, and contract support. Interior came through in BIA contract support. IHS is also in the same appropriations bill. Ron said we've been meeting with OMB examiners. We need to meet with Janet Irwin, Austin Smith, Clay Johnson III. We need to meet up the ladder with OMB. When you get activities regularly put back in the budget in Congress, but why doesn't OMB put it in. This is a shell game, but we still need OMB and Lynn Scarlett. Maybe we just put them on the agenda. Joe Garcia said it's not only a matter of priorities, but we need to talk about the differences in strategies depending on the issue. JOM is different than tribal colleges. Where we know about the differences, we can apply the strategy over the differences. We can't undermine our own approach. Ron said we have an overall strategy and then certain components on the Hill, depending on what

We need to look up the interests of members of Congress. The question is how we ratchet it up. If we only make .5% increase, we're still behind.

Jim Cason said Interior has an mbo system. Do we have assignments for specific tribal chairman to follow up with meetings. Jim said we have a handful of champions and people sitting on the side of the road. He asked how we can broaden the base. We should broaden the advocacy base. Art Senclair said last meeting we established a strategy committee. That was going to be established and we do need to follow through. Jackie said we do have a system of tracking the meetings and we're trying to make this work for budget like we do for other

Lately it has been important to meet with new members of congress. We've also reached out to other groups. We've been working some of the religious organizations. We have larger legislative strategy and media strategy. Part of the problems is that we have to get the responses back from tribal leaders. We need to know of meetings of tribal leaders with members of congress. We're looking at a new SCIA leadership. Ron Allen said we are establishing the vehicle to provide incentive for tribal leadership to become more active. We've identified the tribes in jurisdictions of appropriators. Joe Garcia will ask who will step up and meet with members of Congress. We will try to figure out who will schedule meetings. We will also identify the areas of need.

A question was asked whether we hit the budget resolution that sets the overall allocations. Jackie said we do need to hit this area. Jim Cason said the first target is to hit the marks in the Senate. Ron Allen said we should try to work out meetings using the contacts of Josh Bolten now in the White House. We should affect the budget resolution as well.

## **FY 2008 Budget, Mary Jane Miller Powerpoint**

### **Questions:**

Ron noted that the problem the budget subcommittee had with the first FY08 budget from the department was that it nickle and dimed TPA. That's why we proposed cutting larger items that we can find champions on the Hill to restore. Ed said why can't we just take a 2.9% from TPA? Ron said we have a task before us, a 2.9% decrease. Our angle is to create a budget that is easier for tribes to increase overall in the end with Congress. The budget subcommittee put forward the best budget.

Jim Cason said numbers are funny things. 2.9%. We are talking about a net strategy – new investments offset by programs that we can win back in congress.

Ed asked why all the offsets are mostly taken from TPA. Ron said we attempted to take the fixed costs out, but OMB and the department wouldn't allow it. If we took a 2 % across the board, congress would accept it. It's easier to lobby for programs with faces than percentages. Ed said maybe we should zero out Central office. Cason said we tried to pursue a strategy that will result in a larger budget number in the end. Ron asked where is our best risk? The budget will die by erosion.

Leslie Lohse said we should focus in on certain programs. Leslie said we will need the commitment from all of the areas to fight for these programs. If we have that commitment from tribal leaders, then we can go forward with this strategy.

Jim Cason suggested the group be thoughtful of our environment. We're talking very candidly about how to manage the budget process, including departmental budget office, OMB, and Congress. Our behavior is going to be we met the 2.9% target. Our task in delivering that package is to internally encourage Tom Weimer to find offsets from other bureaus. We don't know how that process will turn out. We're nowhere close in knowing the end result of the budget process. He cautioned everyone to be thoughtful in how we describe this discussion. We can't act presumptively. We can have strategies, but we can't presume. We should be humble and thoughtful.

Kelly Haney asked if Congress always accepts the budget it receives from the President. Jim Cason said there are government-wide planning targets for outyears. The goal is to halve the deficit and to also fund entitlements. Within that budget for discretionary

dollars, there is some latitude but with little differentiation among the programs. Now we're saying we've prepared a budget and we don't

Brenda asked about the fixed cost increases formula. Fixed costs are based on mandated pay raises, inflation, etc. We have to offset fixed costs each year. A point was made that

### **OST Budget Presentation, PowerPoint presentation**

Economic Development, Energy Program  
Presentation by Bob Middleton

### **Jerry Gidner, Contract Support Costs presentation**

The CSC Policy has been signed, dealing with indirect and direct. FY07 will be the first year of implementation. The money is in three different pools.

Pool 1: ISDF, tribes with new contracts. Those that come in will receive a pro rata distribution.

Pool 2: Bulk of CSC dollars for ongoing contracts. Previously this was spent pro rata. Now, for the new policy, 06 is the base year. Tribes will get the same amount as the previous year. Tribes will know how much money they are getting.

Pool 3: If we get more money in CSC, this will go to tribes that are furthest from their funding level.

BIA will be doing indirect cost negotiations.

Next steps: implementation plan. Self-governance tribes brought up some issues last week.

Unless there's a change in the amount of programs a tribe is contracting, the base stays the same.

Tim Martin asked if the workgroup will be formalized for working on the implementation of the CSC policy. Martin asked for the workgroup to be formalized to help with the training of the awarding officials.

There is a formal group that works with IHS CSC. Jim Cason suggested we use the same group – many of the members are the same as the BIA group.

Tim Martin asked about Pool 1. To date, everyone has been at pro rata. But with the calculation of 15% of wages. In anticipation of the policy with the new and expanded. Will the 15% pay its own indirect cost?

Cason said the policy doesn't build any incentives in it for cost containment. Since we have really tight budgets, we'll be taking a look at the issue of managing indirect costs. Some tribes operate at 20% and some at 150%. This is tomorrow's problem.