



June 14, 2005
Broadcast #05-053

Interior Bill Leads FY06 Appropriations Movement – On June 9, the Senate Appropriations Committee approved the Senate Interior spending measure. The bill, like the House version, includes numerous restorations of decreases proposed in the Administration’s budget request, such as for education construction, Johnson O’Malley, welfare assistance, tribal colleges, and Indian Health Services facilities construction. The House passed its Interior bill on Thursday, May 19 by a vote of 329-89, with slightly higher increases than the Senate version. Both chambers blocked the BIA’s proposal to restructure the Bureau’s budget structure and called for increased consultation with tribes. A detailed breakdown of the Senate Committee’s recommended levels compared to the House and Administration’s request is attached and highlights of bill provisions follow. If you have any questions, contact Amber Ebarb at aebarb@ncai.org or call 202-466-7767.

Bureau of Indian Affairs Summary

The Senate Committee recommends a total of \$1.971 for the Operation of Indian Programs, \$46.9 million above the budget request, \$45 million above the FY 2005 enacted level, and \$21.6 million below the House recommendation.

Budget Restructuring – “While the aim of the restructuring is reportedly to align similar programs, concern has been raised that the new structure is less transparent, particularly when tracking Tribal Priority Allocations. Furthermore, the Committee is unhappy with the level of consultation with tribes prior to the circulation of the new budget proposal. If the Bureau wishes to propose this restructuring again in fiscal year 2007, the Committee expects a higher level of consultation with tribes and will not adopt the change without their support” (S. Rept. 109-80).

Means Testing Discussion – Also at the June 7th mark up by the Senate Interior Subcommittee, Senator Domenici (R-NM) called for a change in the distribution of federal funding to tribes. Specifically, Domenici stated, “I think it's time to look at perhaps a new formula that gives those who don't have the benefit of casinos a larger share of the government's assistance,” and that “gaming tribes are getting the same amount of money distributed to them under old formulas.” These statements allude to the concept of means testing, an initiative which was also raised by Senator Slade Gorton in the FY 1999 Interior Appropriations bill but was defeated by tribes. NCAI continues to oppose means testing tribal programs that are funded as part of the United States’ trust responsibility. Refer to NCAI Action Alert #05-052 for more information on this topic.

Tribal Priority Allocations – The Senate Committee recommends \$775,407,000 for TPA, an increase of \$5,864,000 above the FY 2005 enacted level and \$15,258,000 above the budget request. Increases above the budget request include \$8,838,000 for Johnson O’Malley and \$6,420,000 for welfare assistance.

Contract Support Cost Discussion – The Committee expressed concern over the Bureau’s proposed bill language and subsequent change to the allocation of Contract Support Costs, which would split \$5,000,000 into a separate account for Direct Contract Support Costs. “Numerous tribes have expressed concern that this proposal would reduce flexibility in allocating funds to meet current contract costs. The Committee is concerned that tribes weren’t given adequate notice of this change and tribes have expressed frustration in the Bureau’s unwillingness to consider other options. The Bureau is expected to work with tribes to develop an updated policy on the payment of Contract Support Costs that is widely accepted amongst the tribal community and includes additional funding for Direct Costs rather than allocating them from within an already anemic budget allocation for Indirect Contract Support Costs” (S. Rept. 109-80).

Other Recurring Programs – The Committee recommends \$621.3 million for Other Recurring Programs, an increase of \$8.4 million above the FY 2005 level and \$18.99 million above the budget estimate. Changes to the budget estimate include: increases of \$12.5 million for operating grants and \$500,000 for technical assistance to support Tribally Controlled Community Colleges; \$210,000 for fish hatchery maintenance; \$5,784,000 for the following Tribal Management/Development programs: the Alaska Sea Otter Commision (\$98,000), the Wetlands/Waterfowl Management program (\$600,000), the Upper Columbia United Tribes (\$320,000), the Bering Sea Fisherman’s Association (\$790,000), the bison program (\$3,000,000), Lake Roosevelt Management program (\$630,000), and the Chugach Regional Resources Commission (\$346,000).

Also, the managers included directions for the BIA to provide the Senate Appropriations Committee a comprehensive report identifying all hatcheries by region, examining the hatcheries’ value to local recovery efforts, and identifying unmet needs and cost for maintenance and rehabilitation.

Non-Recurring Programs – The Senate Committee recommends \$7.475 million for Non-Recurring Programs, a decrease of \$5.5 million below the FY 2005 enacted level, and an increase of \$5.15 million above the budget request. Changes from the budget request in this area include increases of \$500,000 for the Rocky Mountain Technology Foundation’s Native American Patient Advocate Program, \$750,000 for the Rural Alaska fire program, \$1,500,000 for the Information Technology Resource Facility at Salish and Kootenai Tribal College, \$400,000 for the Alaska Legal Services program, and \$2,000,000 to restore the administration’s reduction to the Water Management and Planning program.

Special Programs/Pooled Overhead – The Senate Committee recommends \$310,831,000 for this category, an increase of \$24.57 million above the FY 2005 level and \$7.5 million above the budget estimate. Increases above the budget estimate include: \$3.5 million for the United Tribes Technical College, \$450,000 for the United Sioux Tribes Development Corporation, \$1.8 million for the Crownpoint Institute of Technology, \$1.25 million for the Western Heritage Center’s Distance Learning and tribal histories project, \$400,000 for the Lakota Water Economic Development Expansion, and \$100,000 for the Rocky Mountain Tribal Educational Symposia proposed by the Montana-Wyoming Tribal Leaders Council.

The Committee notes and fully supports the increases of \$12,202,000 for law enforcement activities, and \$1,163,000 for post-secondary schools and education scholarships.

Bureau of Indian Affairs (in thousands)	FY05 Enacted	FY06 Request	FY06 House Committee	FY06 Senate Committee	Change: FY06 Request
BIA Operation of Indian Programs					
Tribal Priority Allocations	769,543	760,149	778,069	775,407	+15,258
Other Recurring Programs	612,919	602,301	636,337	621,295	+18,994
Non-Recurring Programs	75,985	65,325	67,691	70,475	+5,150
Central Office Operations	140,021	151,534	151,534	151,534	–
Regional Office Operations	41,362	41,590	41,590	41,590	–
Special Programs/Pooled Overhead	286,261	303,331	317,516	310,831	+7,500
Total – Operation of Indian Programs	1,926,091	1,924,230	1,992,737	1,971,132	+46,902
BIA Construction					
Education	263,372	173,875	225,875		
Public Safety and Justice	7,381	11,777	11,777		
Resources Management	40,289	38,272	38,272		
General Administration	2,126	2,136	2,136		
Construction Management	5,961	6,077	6,077		
Total – BIA Construction	319,129	232,137	284,137	267,137	+35,000
Indian Land and Water Claims Settlements					
Miscellaneous Payments To Indians	44,150	24,754	34,754	24,754	–
Indian Guaranteed Loan Program	6,332	6,348	6,348	6,348	–

Construction

The Senate Committee recommends \$267,137,000 for construction, \$35,000,000 over the budget request. “The Committee reluctantly notes this amount is significantly below the enacted level. While Indian school construction and replacement remains a high priority, at the time of preparation of this report the school replacement construction account held approximately \$200,000,000 in unobligated balances. The Committee is disturbed by the decrease in funding for school replacement, but compelling needs in other Native American programs prevent the Committee from fully replacing the budget request’s reduction to this account.”

Increases to the budget request include \$15 million for Replacement School Construction, \$10 million for Education Facilities Improvement and Repair and \$10 million for Indian Irrigation Rehabilitation under Resources Management Construction.

Office of Special Trustee

The Senate Committee recommends \$195.93 million for OST, same as the House recommendation, \$77.8 million below the budget request and \$1.96 million below the level enacted last year, with the decrease for historical accounting. “The Committee continues to recognize the Federal Government’s responsibility to improve Indian trust management and continues to support the Department’s effort in this regard. However, due to ongoing litigation and uncertainty as to whether the Department’s Historical Accounting plan will be fully accepted by the court, the Committee is unable to fund the budget request and has instead placed emphasis on other Indian programs and Departmental functions” (S. Rept. 109-80).

Indian Land Consolidation – The Senate Committee recommends \$34.5 million for Indian land consolidation, the same as the budget request, the FY 2005 enacted level, and the House recommended level.

Office of Special Trustee (in thousands)	FY05 Enacted	FY06 President’s Request	FY 2006 H. Rept. 109-80	FY 2006 Senate Committee	Change: FY05 Request
Office of Special Trustee	193,540	269,397	191,593	191,593	-77,804
Indian Land Consolidation Program	34,514	34,514	34,514	34,514	–

Indian Health Service

Indian Health Services – The Senate Committee recommends \$2,732,323,000 for Indian health services, an increase of \$135,831,000 above the FY 2005 enacted amount and \$25,000 above the budget request and House recommended level. The increase is provided to increase bse funding for the InMed program at the University of North Dakota to \$775,000. In agreement with the budget request, the Senate Committee recommends operational increases of \$29,301,000 for pay and benefits, \$30,850,000 for the staffing of new facilities, \$5,000,000 for contract support costs, \$31,498,000 for population growth and \$42,212,000 for medical inflation.

Indian Health Facilities – The Senate Committee recommends \$335,643,000 for Indian health facilities, a decrease of \$52,931,000 from the FY 2005 enacted level, an increase of \$19,975,000 above the budget request, and a decrease of \$35,131,000 below the House allowance. Changes to the budget request include increases of \$975,000 for maintenance and improvement, and \$2,000,000 for facilities and environmental support. A proposed increase of \$17,000,000 for health facilities construction will provide a total amount of \$20,326,000 for Fort Belknap, MT staff quarters (\$3,326,000), Phoenix Indian Medical Center, AZ (\$8 million), Barrow Hospital, AK (\$5 million), Nome Hospital, AK (\$3 million), Mobile Dentist Units (\$1 million).

Regarding the Pause in Construction – “Both the budget request and the Committee recommendation for health facilities construction for fiscal year 2006 contain substantially lower funding levels than amounts

provided in previous years. The administration has proposed a pause in construction while attempting to bolster health services funding to more adequately reflect the level of need throughout Indian country. In large part, the Committee concurs with this temporary arrangement, particularly since the Service, in consultation with the tribes, is still in the midst of revising its construction priority system. The Committee understands that this situation is temporary and, therefore, expects to see a more aggressive construction schedule planned in future budget requests. In the meantime, the Committee strongly urges the Service to complete its revisions and issue a new policy for construction priorities that better accommodate tribal needs. The Committee notes that the Service has been studying this issue at length for several years and, therefore, should be in a position to complete its work in the very near future” (S. Rept. 109-80).

Item	2005 Appropriation	Budget estimate	H. Rept. 109-80	S. Rept. 109- 80	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Indian Health Services							
Clinical Services:							
Subtotal, Clinical Services	2,090,642	2,208,715	2,208,715	2,208,715	118,073		
Preventive Health:							
Subtotal, Preventive Health	110,381	118,859	118,859	118,859	8,478		
Urban health projects	31,816	33,233	33,233	33,233	1,417		
Indian health professions	30,392	31,503	31,503	31,528	1,136	25	25
Tribal management	2,343	2,430	2,430	2,430	87		
Direct operations	61,649	63,123	63,123	63,123	1,474		
Self-governance	5,586	5,752	5,752	5,752	166		
Contract support costs	263,683	268,683	268,683	268,683	5,000		
Medicare/Medicaid Reimbursements:							
Hospital and clinic accreditation	-598,662	-648,208	-648,208	-648,208	(+49,546)		
Total, Indian Health Services	2,596,492	2,732,298	2,732,298	2,732,323	135,831	25	25
Indian Health Facilities							
Maintenance and improvement	49,204	49,904	54,904	50,879	1,675	975	-4,025
Sanitation facilities	91,767	93,519	93,519	93,519	1,752		
Construction facilities	88,597	3,326	50,132	20,326	-68,271	17,000	-29,806
Facilities and environmental health support	141,669	150,959	150,959	152,959	11,290	2,000	2,000
Equipment	17,337	17,960	21,260	17,960	623		-3,300
Total, Indian Health Facilities	388,574	315,668	370,774	335,643	-52,931	19,975	-35,131
TOTAL, INDIAN HEALTH SERVICE	2,985,066	3,047,966	3,103,072	3,067,966	82,900	20,000	-35,106

TITLE II—ENVIRONMENTAL PROTECTION AGENCY							
State and Tribal Assistance Grants (STAG)							
Infrastructure assistance:							
Infrastructure assistance: Alaska Native villages	44,640	15,000	15,000	40,000	-4,640	25,000	25,000
Subtotal, Infrastructure assistance	2,032,489	1,649,000	1,769,000	2,040,000	7,511	391,000	271,000
Categorical grant: Tribal air quality management	10,743	11,050	11,050	11,050	307		
Categorical grant: Tribal general assistance program	61,504	57,500	57,500	57,500	-4,004		
Subtotal, State and Tribal Assistance Grants (excluding categorical grants)	2,438,757	1,779,500	2,076,500	2,331,000	-107,757	551,500	254,500