



ECONOMIC & WORKFORCE DEVELOPMENT

Increasing economic opportunities for Indian Country requires a comprehensive, multi-agency approach. Many parts of Indian Country continue to experience high rates of unemployment and poverty due to shortfalls in federal oversight and barriers to private and philanthropic investment. The lack of appropriate federal funding coupled with regulatory barriers has hindered the ability of many tribes to access capital resources and workforce training programs. Honoring the federal government's trust responsibility by addressing key economic needs will further the economic drive of Indian Country through increased business and workforce development opportunities. These FY 2017 budget requests highlight appropriations that are essential to promote tribal self-determination to economic prosperity and advance the economic security of tribal nations

Key Recommendations

DEPARTMENT OF COMMERCE

Commerce, Justice, Science Appropriations Bill

Minority Business Development Agency (MBDA)

- *Provide \$35 million for the Minority Business Development Agency.*
- *Request a set-aside sufficient to reestablish Native American Business Enterprise Centers within MBDA.*

Established by Executive Order in 1971, the Minority Business Development Agency (MBDA) was created to support minority business development centers to provide business consulting and financing services. Initial funding for the MBDA was set at \$63 million but this budget has since decreased over 50 percent and the FY 2016 MBDA budget approved \$32 million. Funding the MBDA at \$35 million will assist tribes in obtaining vital business consulting, financing services, and procurement of technical assistance.

Furthermore, Congress and the MBDA should establish a set-aside sufficient to reestablish Native American Business Enterprise Centers (NABECs) at each of its MBDA Business Centers (MBCs). These funds are critically important due to the service gap created by the elimination NABECs in 2011, which consolidated its cooperative assistance grants to MBCs. MBDA must be able to sustain and expand support for Native American businesses to develop stronger private sector capabilities and contribute to the national economy. MBDA should also continue to support efforts to pursue federal contracts, direct efforts to track minority business data, and collaborate with the Office of Native American Business Development.

DEPARTMENT OF COMMERCE

Commerce, Justice, Science Appropriations Bill

Office of Native American Business Development

- *Fund the Office of Native American Business Development at a minimum of \$1.25 million as part of the Commerce Department Management Budget.*

The establishment of the Office of Native American Business Development (ONABD) was codified by the enactment of the Native American Business Development, Trade Promotion and Tourism Act of 2000, Public Law 106-464 (the 2000 Act). However since its establishment, ONABD has relied on base resources from the Minority Business Development Agency (MBDA) to coordinate federal programs for financial and technical assistance to increase business, expand trade, and support economic development on tribal lands. In its FY 2016 budget request submitted to Congress MBDA noted the absence of appropriations to support ONABD since it was created by the 2000 Act, and also the lack of appropriation to implement other aspects of PL 106-464 and the Indian Tribal Regulatory Reform and Business Development Act of 2000.

In order to carry out its mission, ONABD must receive adequate and sustained support to implement Indian policy initiatives and expand Native American business development initiatives both domestically and internationally. Funding made available through Commerce's Departmental Management budget would help ONAA's efforts, particularly given the reduced focus of MBDA on specific Native American business assistance. Supported ONABD functions would include serving as the economic development lead on Native American programs within the Department, coordination with other cabinet departments and agencies; conducting outreach to tribes, tribal enterprises and Native businesses; and business and financial management training.

SMALL BUSINESS ADMINISTRATION

Financial Services Appropriations Bill

Office of Native American Affairs

- *Fund the Small Business Administration's (SBA) Office of Native American Affairs at a minimum of \$2 million.*

The SBA's Office of Native American Affairs (ONAA) provides vital assistance to tribes and Native-owned businesses in navigating the SBA's business assistance and lending programs. In FY 2015 SBA received \$2 million for outreach and coordination with Native American communities to connect them with business tools and other important resources for tribally-owned corporations and individual Native American entrepreneurs. In its FY 2014 Annual Performance Report SBA noted the successes of its Native American outreach, which included over 70 events attended by 200 tribal communities. Maintaining a \$2 million funding level for ONAA would enable the office to continue its efforts and maximize outreach to Native people, advancing successful initiatives like its tribal and business executive training, and spurring business development with SBA loans, loan guarantees, and surety bond guarantees. Continued funding would support ONAA's efforts to engage in multi-agency workshops and Native supplier initiative events around the country, and also serve to offset the loss of funding for the Small Business Teaming Grant program.

Further, ONAA has been integral in facilitating Native contractors' participation in the SBA's 8(a) Business development program, HUB Zone, women business, veteran and service disabled veteran business, and other small business contracting programs. ONAA is a critical resource for tribally-owned and Native-owned businesses as it works to ensure these businesses gain access to capital, build capacity, generate increased revenues, create more jobs, develop tribal business codes, and strengthen the economic security of Native communities.

DEPARTMENT OF DEFENSE

Defense Appropriations Bill, Operations & Maintenance – Defense-Wide Procurement Technical Assistance Centers, Defense Logistics Agency

- *Fund the American Indian Procurement Technical Assistance Program at \$3.6 million within the \$36 million funding for the Procurement Technical Assistance Program.*

For decades, the Defense Logistics Agency (DLA) has supported the Procurement Technical Assistance Program (PTAP) by providing cooperative agreement assistance to Procurement Technical Assistance Centers (PTACs). Many of these centers are housed within educational institutions that help support their operations. Beginning in the early 1990s, DLA began to fund American Indian Procurement Technical Assistance Centers (AIPTACs) under the condition that such centers serve at least one Bureau of Indian Affairs area. Six AIPTACs now operate across the country, and each center is run by a non-profit organization that supports itself by supplementing its DLA funds with other income derived from training events and business conferences. AIPTACs offer valuable assistance to tribal and other Native-owned companies in navigating the large, complex federal procurement market, securing government contracts, and complying with extensive government procurement and other regulatory requirements. Congress has supported the continued growth of PTAP with funding growing over the past 10 years from over \$20 million to over \$32 million. Minimum PTAP FY 2017 funding should remain at \$36 million and include a \$3.6 million set-aside for AIPTACs.

DEPARTMENT OF DEFENSE

Defense Appropriations Bill, Procurement – General Provisions Indian Incentive Program

- *Fund the Indian Incentive Payment Program at a minimum of \$18 million.*

Under Section 504 of the Indian Finance Act (25 U.S.C. 1544), a contractor may receive additional compensation of five percent of the amount paid or to be paid to a Native American subcontractor or supplier under a federal contract. Since FY 1991, Congress annually has appropriated funds for the Department of Defense (DOD) to make Indian Incentive Payments (IIP) to contractors that subcontract work to Native-owned subcontractors under DOD contracts. Since FY 2009, Congress has appropriated \$15 million annually for the IIP program, but demand has always exceeded the funding made available. For outstanding payments and to encourage continued participation in the program, Congress should appropriate at least \$18 million for the IIP.

DEPARTMENT OF THE TREASURY

Financial Services Appropriations Bill

Community Development Financial Institutions (CDFI) Fund

- *Maintain a minimum of \$20 million for technical and financial assistance under the Native American CDFI Assistance (NACA) Program.*
- *Continue to waive the non-federal match requirement for the NACA financial assistance program.*

The Native Initiative of the CDFI Fund is an important program that expands access to capital for individuals and small businesses in Indian Country. Each year, the CDFI funds the Native American CDFI Assistance program, which includes financial and technical assistance components, makes awards that assist community development financial institutions in increasing their lending services and financial products, as well as to build their own internal capacity to serve their target markets. The NACA program funds Native CDFIs to provide a wide range of loans including microenterprise, small business, consumer, commercial, and affordable housing and homeownership. Native CDFIs also offer financial education and entrepreneurial development training, homebuyer education and foreclosure prevention counseling, credit counseling, small business planning, debt relief counseling, counseling to improve financial capability, match savings programs called Individual Development Accounts, and free tax preparation services in Native communities across the country. In many areas, Native CDFIs provide the only affordable alternative to predatory financial services providers.

In FY 2015, the NACA program received 60 applications for funding totaling \$37.5 million in requests, but was only able to award 43 organizations and fund \$19.6 million. With over 70 certified Native CDFIs and numerous organizations in the certification pipeline, demand for support under the NACA program is expected to continue to increase. The CDFI Fund's budget line item for NACA remained at \$12 million from FY 2009 to FY 2013, notwithstanding the industry's growth from only nine certified Native CDFIs in 2001 to 70 in 2014. Given increased demand and demonstrated impact, Congress should at a minimum maintain existing funding levels at \$20 million for the NACA Program to support current initiatives and emerging Native CDFIs and to continue specialized training and technical assistance as part of the CDFI Fund's Capacity Building Initiative. In addition, Congress should continue to waive the non-federal match requirement for NACA financial assistance. This budget-neutral provision would continue to stimulate the flow of capital in underserved Native communities and help to address the unmet capital need of \$44 billion in Native communities, as estimated by the CDFI Fund.

Congress should also allocate adequate resources to update the Native American Lending Study, now more over 13 years old, which will provide crucial data not available elsewhere on the status of financial infrastructure and lending practices across Indian Country.

DEPARTMENT OF THE TREASURY

Financial Services Appropriations Bill

Community Development Financial Institutions (CDFI) Fund

New Markets Tax Credit (NMTC) Program

- *Provide a five percent set-aside and revise 'service area' to include Indian Country.*

In 2000, Congress established the New Markets Tax Credit (NMTC) Program to spur investment in projects located in low-income communities. From 2004 through 2012, the NMTC program has made investments totaling nearly \$600 million in awards to support Native communities. Despite the considerable amount of tax credits deployed throughout the country and the potential of the program to significantly increase economic growth in Indian Country, tribal communities and tribally-focused CDEs have been left behind.

The CDFI's robust budget should include a five percent set-aside for Indian Country to ensure that Native CDEs receive NMTC allocations. To further enhance the likelihood that tax credits will be deployed in Indian Country, the service area of all participating CDEs should be revised to include Indian Country. This would ensure that CDEs are free to use allocations in any tribal project nationally in an effort to adequately serve their target populations and strengthen the capacity of the NMTC program.

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill

Office of Indian Energy and Economic Development (OIEED) Guarantees for Indian Loans, Surety Bonds, Development Bonds

- *Fund the OIEED Indian Loan Guarantee Program at a minimum of \$15 million.*

The Office of Indian Energy and Economic Development's Division of Capital Investment oversees the Indian Loan Guarantee Program and loan subsidy program, and has authority to support surety bonding for Indian contractors. The OIEED Loan Guarantee Program is the lone federal guarantee program that facilitates the process for eligible tribal and individual Native borrowers to obtain conventional lender financing for businesses and economic development projects. BIA-certified lenders are those willing and able to lend to tribes and Native businesses on reservations and which submit to tribal court jurisdiction (whereas SBA-certified lenders must adjudicate loan defaults in federal court). OIEED also operates a revolving credit facility, where the SBA has no such support. As lending conditions improve, the OIEED can readily assist Native borrowers seeking loan guarantees and lines of credit for working capital, payrolls for hiring new employees, and even assurances sufficient for sureties to provide performance bonds to tribal land other Native-owned contractors.

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill

Office of Indian Energy and Economic Development (OIEED)

- *Fund a minimum of \$25 million for OIEED, with at least \$5 million specifically to advance its energy and economic development initiatives, fund business plans and feasibility studies, and assist with model tribal leasing and environmental ordinances.*

The Department of the Interior's Office of Indian Energy and Economic Development (OIEED) promotes tribal renewable and conventional energy development and mineral resource development for the purposes of economic development. OIEED is responsible for many creative and successful initiatives that encourage energy resource development on tribal lands, spur economic and business development assistance and training, expand job and skills training opportunities, and leverage limited federal funding to provide access to capital for business development.

OIEED has received over \$20 million annually, but very little of its budget is available specifically for economic development support. However, OIEED has been increasingly effective in stretching its limited funding to launch creative and successful initiatives, including: technical assistance and capacity building workshops and support for feasibility studies to advance energy resource development on tribal lands, spur economic and business development, expand job and skills training opportunities, and improve and streamline the delivery of financing to tribes, tribal enterprises, and individual Indian-owned businesses for business development. The collaboration and direct relationship between OIEED and the Office of the Secretary has been key to OIEED's effectiveness, and therefore, the structure should always be maintained. Further, to expand upon OIEED's successful activities, there are other increased funding opportunities that would enable the OIEED to: (1) provide funding to requesting tribes through their 638 contracts for business plans or feasibility studies for business and economic development projects; (2) expand the scope and usefulness of its Indian Loan Guarantee Program; (3) expand use of the Section 477 program and other

job training initiatives and provide more technical assistance; and (4) help develop a model tribal environmental code that tribes can adapt and implement along with their new tribal ordinances governing the leasing of their tribal lands for energy and economic development projects.

Further, with additional funding, the grant program authorized under Title V of the Energy Policy Act of 2005 could be established and would provide important funding to develop tribal capacity in managerial and technical capabilities, develop energy resource integration projects, and establish and maintain environmental programs in support of energy programs. This funding would be especially useful to tribes seeking to establish leasing/environmental programs pursuant to the provisions of the HEARTH Act (PL 112-151) because such grants can be used to establish the tribal regulatory programs necessary to qualify under that Act.

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill

Community and Economic Development

- *Restore funding for the Community and Economic Development Program at a minimum of \$1.4 million.*

The Community and Economic Development Program has been unfunded since FY 2012. Recognizing that community and economic development in Indian Country require strategic planning and technical assistance for long-term programs designed to provide economic stability and jobs for surrounding communities, tribes request restored funding for this program to its FY 2011 level.

DEPARTMENT OF LABOR

Labor, HHS, Education Appropriations Bill

Employment and Training Administration, YouthBuild Program

- *Restore the YouthBuild Program funding to the minimum of \$84.5 million for FY 2017 (consistent with WIOA Section 171).*

The YouthBuild program is a workforce development program that provides significant academic and occupational skills training and leadership development to youth ages 16-24. The program recruits youth who have been adjudicated, aged out of foster care, dropped out of high school, or are otherwise at risk of not having access to workforce training. Engaging approximately 10,000 youth annually, it provides students an innovative alternative education program through personalized instruction leading them to earning their GED or high school diploma, while simultaneously helping them develop skills that will make them more competitive applicants when they enter the job market.

YouthBuild reports that since 1994, more than 120,000 YouthBuild students have built 22,000 units of affordable and increasingly green housing in rural and urban communities across the United States. Each year, YouthBuild is forced to turn away thousands of people because of inadequate funds. There are a number of tribal YouthBuild programs in several states, and Native Americans make up roughly three percent of YouthBuild participants.

Following the passage of the Workforce, Innovation, and Opportunity Act of 2014 (WIOA), Congress passed an omnibus appropriations bill that increased funding for YouthBuild activities by \$2 million over the FY 2015 request level. It is critical that YouthBuild activities funding increase in FY 2017 at a minimum of \$84.5 million.

DEPARTMENT OF LABOR

Labor, HHS, Education Appropriations Bill

Employment and Training Administration, Indian and Native American Program

- *Fund the Department of Labor's Indian and Native American Program (INAP) at a minimum of \$60.5 million.*

Reducing the education and employment disparity between Native peoples and other groups requires a concentrated effort that provides specific assistance to enhance education and employment opportunities, creates pathways to careers and skilled employment, and prepares and maintains a pathway for Native people to join the nation's middle class. The Workforce Improvement Act (WIA) Section 166 program serves the training and employment needs of over 30,000 American Indians and Alaska Natives through a network of 175 grantees funded under the Comprehensive Service Program (Adult), the Supplemental Youth Service Program (Youth), and the Indian Employment and Training and Related Services Demonstration Act of 1992, Public Law 102-477.

As the only federal employment and job training program that serves American Indians and Alaska Natives who reside both on and off reservations, it is imperative that funding levels be maintained for the WIA Section 166 program. Native citizens living on remote reservations or in Alaska Native villages experience great difficulties accessing the state and local workforce. In these areas, the WIA Section 166 program is the sole employment and training provider.

Despite the reauthorization of Indian and Native American Programs in the Workforce, Innovation, and Opportunity Act of 2014, funding of this program has not been adjusted to account for the drastic changes in the economic environment and growth in population since the 2000 Census. According to the Census, the American Indian and Alaska Native population grew 27 percent between 2000 and 2010 compared to nine percent for the general population.

The WIOA authorized the INAP to be funded at \$461,000,000 for FY 2015 and allowed for incremental increases each year until fiscal year 2020. Actual funding for INAP in FY 2015 was below the statutorily minimum required level of funding at \$46,082,000. Funding reserved for INAP grantees is provided directly to tribes from the Department of Labor, and not first disbursed to the states for later tribal distribution.

DEPARTMENT OF LABOR

Labor, HHS, Education Appropriations Bill

Native American and Employment Training Council

- *Fund the Native American Employment and Training Council at \$125,000 from non-INAP resources.*

The Workforce Investment Act also authorizes the Native American Employment and Training Council to advise the Secretary on the operation and administration of INAP, but it uses funds that are intended for Indian and Native American Program (INAP) grantees. The Secretary should use other streams of funding to support its advisory council. Without an increase in funding, many tribes are unable to access the support and training activities for employment opportunities in Indian Country.