

# Executive Summary

TIBC Budget Subcommittee -- Proposed FY20 Tribal Budget Submission Meeting  
DOI Main Building -1849 C Street, NW Washington, DC - Trust Conference Room 4621  
March 7-8, 2019

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## GENERAL

- This meeting was open to all TIBC body members and notice was sent through via email on February 22. ([see attached for list of attendees/participants](#))
- Tribal representatives chose to work off *FY17 Enacted Budget (\$2,859,765,000) as baseline.*
- For the Top 10 priorities, Tribal representatives chose to use the National roll up of Regional submissions to ensure all Regional submissions had equal weighting and impact. Due to a tie in the National roll up, the Top 10 priorities became the Top 11 priorities.
- The budget formulation process workgroup continues its work to strengthen and improve the BIA Budget Process (target completion/implementation FY2021).
- The Consolidated Tribal Government Program (CTGP), Self-Governance Compacts (SGC), and Human Service Design (HSD) are funding mechanisms; they are NOT Tribal programs. However, these funding mechanisms are currently reflected as TPA. Therefore, an inflation adjustment was applied to these funding mechanisms for FY2020.
- The handling of CTGP, SGC, and HSD requires much greater in depth discussion and examination that time allows for this FY2020 process. Therefore, this issue will be reexamined as part of the budget formulation process workgroup effort.
- Recognizing that process improvements and clarity have not yet been achieved, the following guiding principles were used for FY2020, as discussed at the recent TIBC meeting (November 8-9).
  - ✓ Provide Increases to FY2020 TIBC Priority Rankings (based on National Roll Up of Regional Priority Submissions).
  - ✓ Hold Tribal Programs and Services Harmless by Protecting Base Budgets for Core Tribal Programs – accomplished through the application of a 2.1% inflation adjustment for FY20 to current service funding levels ([see attached for full list of TPA & TPA-like Programs](#)).
  - ✓ Restoring any cuts proposed in the President's Budget
  - ✓ For any proposed Federal cost savings (\$19.5 million/8.5% reduction for FY20), we took the position that these federal cost savings should be applied to underfunded Tribal Programs.
  - ✓ BIE Tribal Grant Support Costs treated the same as Contract Support Costs by making an adjustment when programs and services are adjusted since they are based on costs associated with Administering programs and services.  
*\*Note: exclusion of BIE Tribal Grant Support Costs was a Congressional oversight. Additionally, despite their indication of favorable intent, the BIE did not take part in priority process and as such is failing Indian Country.*
  - ✓ Settlements must be honored, but should come from Department of Treasury as opposed to the BIA Budget.

- ✓ It is the intent of the Tribal participants to ensure that all Tribal Nations benefit equally from the increases applied to the Top 11 priorities (top 11 programs/dollars currently reflect as individual program line items AND are rolled into CTGP, SGC, and HSD funding mechanism lines. For FY20 there was not time to separate the top 11 programs from the CTGP, SGC, and HSD funding mechanisms (which may be necessary to ensure equality without overly complicated proration).

### **Below Target (-5%)**

Consistent with existing TIBC directive and position, Tribal representatives will not engage in a funding decrease exercise given the current critical underfunding of the BIA budget. For the purpose of this exercise, Tribal representatives took the step to maintain Tribal program line items at FY2017 enacted levels and forced the 5% decrease scenario to be absorbed 100% by Executive Direction and Administrative Services.

*\*Note: While this step was taken to protect Tribal program funding, Tribal representatives recognize the importance of funding ED and AS budget line items in order for the U.S. (trustee) to properly carry out and execute any all non-divisible and non-contractible/compactible services as part of its trust/treaty responsibilities and obligations to Tribal Nations.*

*Also, the Budget Subcommittee notes that in the budget scenarios, the TIBC does not endorse any reorganization efforts, which still require consultation.*

### **Scenario At Target (no change, +2.2% above the FY17 baseline when including the settlements re-allocation & Executive Direction reductions)**

In this budget scenario, Tribal representatives were to develop a budget that absorbed fixed costs (\$9,654,000) and had no increases. Tribal representatives chose to zero out settlements (\$45 million) and apply the reductions proposed in the FY 2019 President's budget to Executive Direction and Administrative Services (\$19.5 million), which allowed for a 2.2% actual increase to relative to the FY17 enacted baseline. The rationale for zeroing out settlements is that this obligation should be fulfilled via the Department of Treasury. The rationale for applying the President's proposed reduction of \$19.5 million dollars to Executive Direction and Administrative services, with the exception of Executive Direction TPA and Administrative Services TPA, is that tribal programs, TPA and TPA-like programs, cannot take any more reductions. With applying the Administrative cuts (\$19.5 million) and re-allocating settlements (\$45 million), the "no change" scenario actually allowed an increase of \$64 million in program increases to TPA like programs, or 2.2% above the FY 2017 enacted amount for the BIA budget.

This scenario held Tribal Programs and Services Harmless by Protecting Base Budgets for Core Tribal Programs – accomplished through the application of a 2.1% inflation adjustment for FY20 to maintain current service funding levels. The remainder of the \$64 million increase was applied to the top 11 programs with an additional 2.55% increase. Thus the top 11 programs would receive a total increase of 4.65% above the FY17 enacted amount in the 5% increase scenario.

*\*CSC adjustments were made to account for any correlating increases*

	<u>Share of 2.2% Increase (% of the \$64M Increase)</u>	<u>% Increase Over FY17</u>	<u>Dollar increase over FY17</u>
<b>Top 10 (11) Priorities</b>	<b>42.61%</b>	<b>4.65%</b>	<b>\$27,530,000</b>
Social Services	3.77%	4.65%	\$2,434,000
Tribal Court	2.21%	4.65%	\$1,430,000
ICWA	1.36%	4.65%	\$881,000
Aid to Tribal Government	1.95%	4.65%	\$1,261,000
CI & P	14.54%	4.65%	\$9,393,000
Scholarships & Adult Ed	2.94%	4.65%	\$1,617,000
Road Maintenance	2.18%	4.65%	\$1,409,000
JOM	1.06%	4.65%	\$687,000
Housing Improvement Program	.70%	4.65%	\$452,000
Detentions/Corrections	6.95%	4.65%	\$4,488,000
Welfare Assistance	5.38%	4.65%	\$3,477,000
<b>TPA/TPA Like- Inflation Adjustment</b>	<b>60.27%</b>	<b>2.10%</b>	<b>\$33,124,000</b>
TPA Programs	27.18%	2.10%	\$14,939,000
TPA-Like Programs	33.09%	2.10%	\$18,185,000
<b>Contract Support Costs/Education Grants</b>			
CSC/Tribal Grant Support Costs	10.02%	1.81%	\$6,472,000

**Above Target (+5%; +6.9% including points 1, 2, 3 below)**

In this scenario, Tribal representatives were to develop a +5% budget. Tribal representatives again chose to zero out settlements to apply to TPA and TPA-like programs and apply the President's proposed budget decreases to Executive Direction, which resulted in a 6.9% actual increase for tribal programs. In sum, the increase was achieved by: (1) a proposed 5% increase over FY17, (2) zeroing out settlements with the philosophy that this obligation should be fulfilled via the Department

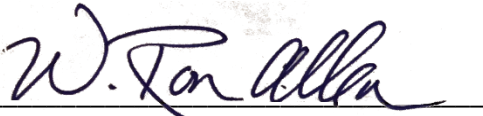
of Treasury (\$45 million), (3) applying the President's proposed reduction of \$19.5 million dollars to Executive Direction and Administrative services, with the exception of Executive Direction TPA and Administrative Services TPA. Overall, this resulted in an increase of \$197.94 million over FY17.

*\*CSC adjustments were made to account for any correlating increases*

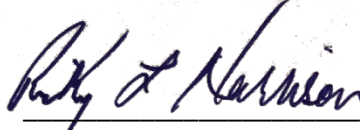
	<u>Share of 6.9% Increase (% of the \$197.94M Increase)</u>	<u>% Increase Over FY17</u>	<u>Dollar increase over FY17</u>
<b>Top 10 (11) Priorities</b>	<b>78.36%</b>	<b>26.20%</b>	<b>\$155,107,000</b>
Social Services	6.93%	26.20%	\$13,714,000
Tribal Court	4.07%	26.20%	\$8,057,000
ICWA	2.51%	26.20%	\$4,964,000
Aid to Tribal Government	3.59%	26.20%	\$7,104,000
CI & P	26.74%	26.20%	\$52,924,000
Scholarships & Adult Ed	4.60%	26.20%	\$9,113,000
Road Maintenance	4.01%	26.20%	\$7,940,000
JOM	1.96%	26.20%	\$3,871,000
Housing Improvement Program	1.29%	26.20%	\$2,544,000
Detentions/Corrections	12.77%	26.20%	\$25,285,000
Welfare Assistance	9.90%	26.20%	\$19,590,000
<b>TPA/TPA Like- Inflation Adjustment</b>	<b>16.74%</b>	<b>2.10%</b>	<b>\$33,124,000</b>
TPA Programs	7.55%	2.10%	\$14,939,000
TPA-Like Programs	9.19%	2.10%	\$18,185,000
<b>Contract Support Costs/Education Grants</b>			
CSC/Tribal Grant Support Costs	10.94%	6.05%	\$21,654,000

**CERTIFICATION**

This Executive Summary report came before the Tribal leader caucus attending the Tribal Interior Budget Council in Washington, DC on March 21, 2018 and was passed unanimously.



W. Ron Allen, Co-Chair  
Tribal/Interior Budget Council



Rick Harrison, Co-Chair  
Tribal/Interior Budget Council