



USET SPF Policy and Legislative Affairs Updates

USET/USET SPF Impact Week Meeting

March 9, 2026

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Budget and Appropriations Update

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FY 2026 Appropriations – Where did we leave off?



Political disagreement on extending ACA tax credits and holding Admin accountable for spending = longest government shutdown ever, lasting 43 days

- September 24, 2025: Office of Management and Budget instructions all federal agencies to prepare reduction in force (RIF) lists in event of shutdown

H.R. 5371 FY 2026 Continuing Appropriations and Extensions Act

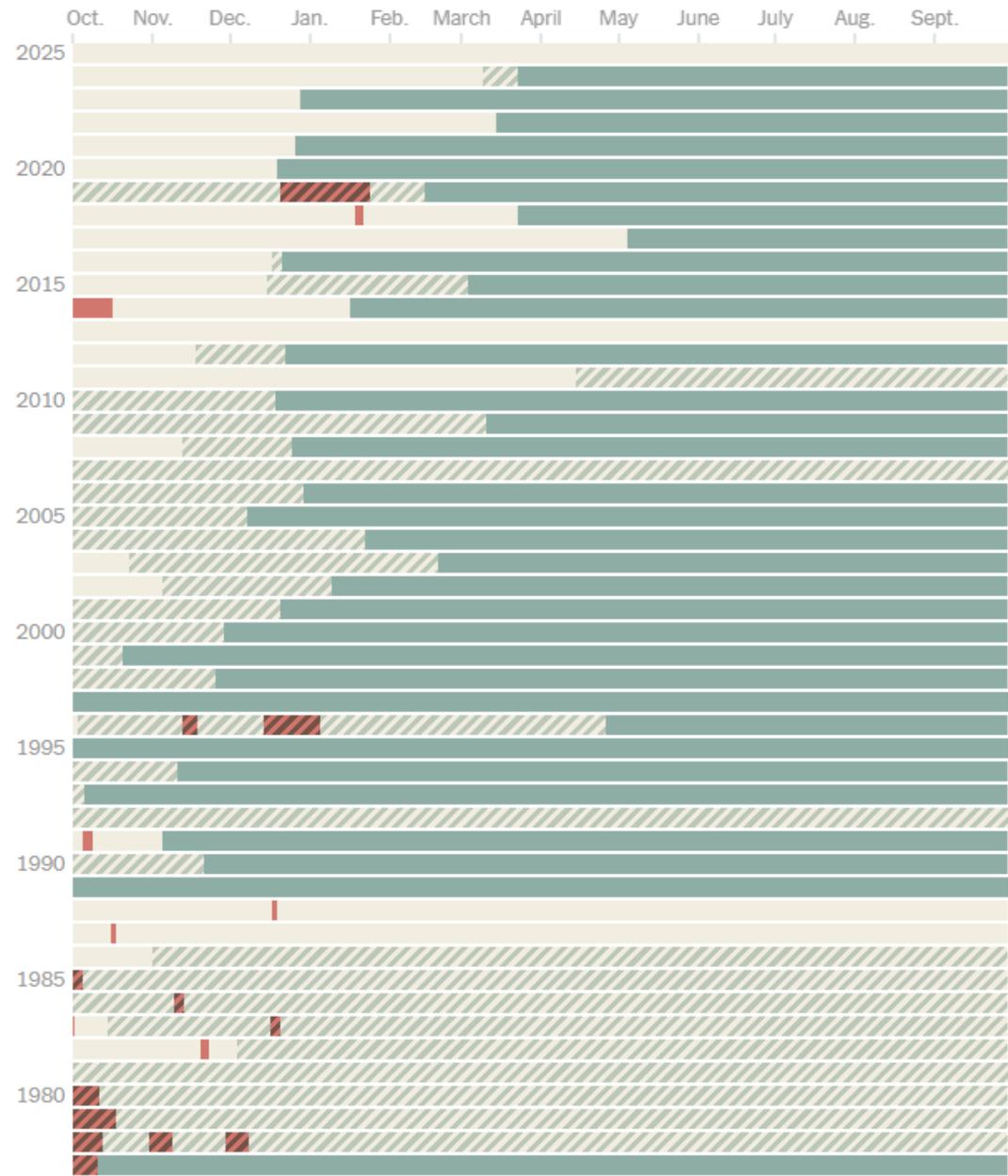
- Clean continuing resolution through January 30, 2026, full year approps for 3 bills
 - Provides retroactive pay
 - Prohibits reductions in force
- Deal with Senate Dems to hold vote on extending ACA Premium Tax Credits
 - Affordable Care Act premium tax credits expired on December 31, 2025, no solution in sight

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How the federal government has been funded each fiscal year

■ Regular appropriations ■ Continuing resolutions ■ Funding lapses and shutdowns
▨ Mixed funding ■ Partial lapse



Source: NY Times

Government Shutdown – Advocacy Cont.



October 29, 2025: Senate Indian Affairs Committee Oversight Hearing, “Impacts of Government Shutdowns and Agency Reductions in Force on Native Communities”

USET SPF Testimony:

- Shutdown’s Impact on Indian Country
- Impacts of Reductions in Force
- CTS Advocacy
- Support for Indian Programs Advance Appropriations Act and expansion of advance approps
- Mandatory funding for federal Indian agencies and programs, as well as broader reexamination of funding mechanisms

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Brookings Report



RESEARCH

The government shutdown shows the need to reform how the federal government funds Native American Tribes and communities

Robert Maxim, Liz Malerba, Glencora Haskins, and Danika Grieser
October 28, 2025



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FY 2026 Appropriations – Current Status



- H.R. 6938 - Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act
 - Signed into law January 23, 2026
 - Admin reorganization and reprogramming restrictions
- H.R. 7148 - Consolidated Appropriations Act
 - Signed into law February 3, 2026
 - Contains Labor-HHS, DoD, THUD, FSGG, and State, Health Extenders
 - \$200 million/1 yr extension of SDPI
- Dept. of Homeland Security = Shutdown after WH and Sen. Dems failed to reach agreement on ICE limitations
 - Sen. Markwayne Mullin (R-OK) to replace DHS Secretary Noem

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FY 2026 Appropriations – Current Status

Cont.



Agency	President's Request	FY 2026 Approps Bill	Bill v. President's Request	Bill v. FY 2025 Enacted %
Indian Health Service	\$7.98 Billion	\$8.05 Billion	+\$76.1 Million	+\$76.1 Million
Bureau of Indian Affairs	\$1.77 Billion	\$2.49 Billion	+\$717 Million	+\$15.5 Million
Bureau of Indian Education	\$916 Million	\$1.37 Billion	+\$450 Million	flat

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FY 2027 Appropriations – Status



- President's Budget Request – Expected end March
- House Interior Appropriations AI/AN Public Witness Hearings
 - President Francis to testify March 17th
 - Regional priorities, advocacy around Admin approach to funding, and fundamental long-term change



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Economic Development

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Treasury Approves Two Long-Awaited Rules



General Welfare Exclusion

- Deference to Tribal decision-making, ambiguities resolved in favor of Tribal Nations
- Use of any revenue to fund GWE programs, including gaming revenue
- Allowance of uniform payments and no need requirement
- Defers to Tribal Nations in defining “lavish or extravagant”
- Audits remain suspending pending finalization of IRS agent training

Tribally Chartered Entities

- Confirms that wholly-owned TCEs share the tax status of Tribal government – not subject to income tax
- Liability protections for Tribal Nations from employment and excise taxes
- Commits to separate consultation on partially-owned entities



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Treasury Database Proposal – ARPA COVID Relief Recipients



Federal register notice: Proposes to create a new system of records regarding 'individual beneficiaries' of American Rescue Plan Act programs (SLFRF, HAF, SSBCI, LATCF, etc.) for compliance, audits, fraud, waste, and abuse.

Concerns:

- Lack of Tribal consultation
- Administrative burden
- Potential for retroactive enforcement
- Open-ended use of data/privacy

Coalition for Tribal Sovereignty comments – 3/6

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Tribal Tax and Investment Reform Act

S. 2022 (Cortez-Masto, Mullin, Murkowski)/H.R. 7705 (Moore, Schweikert)



- Provisions:

- Repeal essential govt function test for bond issuance
- Parity in Tribal pension and employee benefit plans
- Parity for Tribal foundations and charities
- Parity in child support enforcement
- New Markets Tax Credit for Tribal statistical areas - \$175M/yr set-aside
- Explicit inclusion of Tribal Nations in Low-Income Housing Tax Credit
- Confirm GWE benefits are not income for SSI
- Extend and update Indian Employment Tax Credit
- Exclude IHS student loan repayment and scholarships from taxable income

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8(a) Program Audits and Rulemaking



Following media 'exposés,' multiple federal agencies have initiated audits of SBA's 8(a) Program:

- Small Business Administration
 - Initiates Mandatory Data Call, December 2025
 - Suspends 1,000 contractors, January 2026
 - Submits 'Fraud, Waste, and Abuse Reforms' Proposed Rule to OMB, February 2026
- Treasury Department
 - Announces Department-Wide Investigation, November 2025
- Department of Defense
 - Announces review of all small business sole-source and set-aside contracts over \$20 million.
- Multiple Congressional hearings



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Health

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IHS Proposed Realignment



November & December 2025 DTLLs announce Tribal consultation on realignment of the Indian Health Service, proposing:

- new Division of Health Care Operations to be divided into 3 Regional Groups (containing 3-5 Area Tribal Relations Offices)
- Transitioning Area Offices to Tribal Relations Offices
- (ISDEAA) negotiation activities at Area level, but oversight will be at HQ
 - ALNs will be in teams that may/may not be at Area office

USET SPF Letter re: Need for Consultation in our Area 12/10

- Provided talking points, template comments

Next steps??

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Rural Health Transformation Program



- Included in OBBBA in response to Senate concerns re: Medicaid cuts and impacts on rural hospitals
- Provides \$50 billion to states to promote access to rural health care services from FY 2026 – 2030
 - 50% distributed among all approved states
 - 50% allocated by CMS based on various rural factors
- CMS FAQ: “Formal Tribal consultation is not required,” but states must certify that they have collaborated with Tribal partners
 - Tribal Nations may be subgrantees or partners

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CMS Fraud Inquiries



June 6, 2025, President Trump issued a Presidential Memorandum on *Eliminating Waste, Fraud, and Abuse in Medicaid*

- HHS OIG Audit initiated 2/17/26 to “determine whether the [s]tate agency claimed Medicaid AI/AN services that are eligible for reimbursement at the enhanced 100 percent FMAP rate in accordance with [f]ederal and [s]tate requirements”
 - OIG estimates audit will run through FY 2028
- CRUSH RFI re: deterring fraud in CMS programs
- 6-month Moratorium on New DME Supplier Enrollments 2/27/26
- \$259 million in Medicaid funding to MN deferred

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Culture & Heritage/Natural Resources

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Infrastructure Permitting



Trump Admin priority: Simplifying, streamlining, expediting permitting, esp. energy development

- Several executive orders/actions, incl. “Unleashing American Energy”
 - Revise regulations governing permitting and domestic energy production, utilize all available authorities to increase domestic energy production and expedite/complete existing projects
 - Revoke CEQ authority to promulgate regs, direct CEQ to issue NEPA guidance
- CEQ issues interim final rule rescinding NEPA regs, effective 4/11/25
 - To be replaced with encouragement that agencies voluntarily use 2020 Trump-era NEPA reg
 - Federal agencies begin to ‘streamline’ NEPA processes: DOI, USACE, DOT, DOE, NOAA, FCC etc.

Congress seeks to “improve” permitting processes

- H.R. 4776 Standardizing Permitting and Expediting Economic Development (SPEED) Act passes House 12/18
 - Narrows scope of NEPA – both applicable circumstances and scope of review
 - Limits agency changes and judicial review
 - Presumption on Tribal trust resources – promoting development of Tribal resources

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USET SPF Position on Infrastructure Development



“The United States must commit to assist in the rebuilding of the sovereign Tribal Nations that exist within its domestic borders..... At the same time, any infrastructure build-out, in Indian Country and beyond, must not occur at the expense of Tribal consultation, sovereignty, sacred sites, or public health.”

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ACHP Review of NHPA Section 106



Advisory Council on Historic Preservation – Vice Chair indicates desire to begin reviewing and considering revisions to the existing Section 106 regulations:

- Defining the undertaking and establishing the area of potential effects
- Assessing indirect and cumulative effects
- Managing review/scope of review for long linear projects with limited federal involvement
- Managing timelines for review.

USET SPF Letter to ACHP – March 6th

- Importance of preserving Tribal input
- Improve through earlier engagement with Tribal Nations, deference on Tribal lands
- Need for consultation on changes

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Education

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Interagency Transfers of Dept. of Education Programs



March 2025 – President Trump signs Executive Order Dismantling U.S. Department of Education

November 2025 – Ed Secretary McMahon signs six interagency agreements transferring Dept. Ed programs to 4 federal agencies

- Native American programs to be transferred to DOI and DOL
 - DOI: Title VI, Native Hawaiian/Alaska Native Education, Tribal Colleges & Universities programs, Native CTE, Native Vocational Rehabilitation, Native Languages, PD, Demonstration Grants, STEP, etc.
 - DOL: Title I, Title II, Title III, Title IV, Impact Aid, McKinney-Vento, and other ESEA programs
 - Staff and funding to be transferred, Ed. retains hiring responsibility

Single 4-hour Tribal consultation after transfers already approved

- USET SPF comments March 6th

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Agriculture

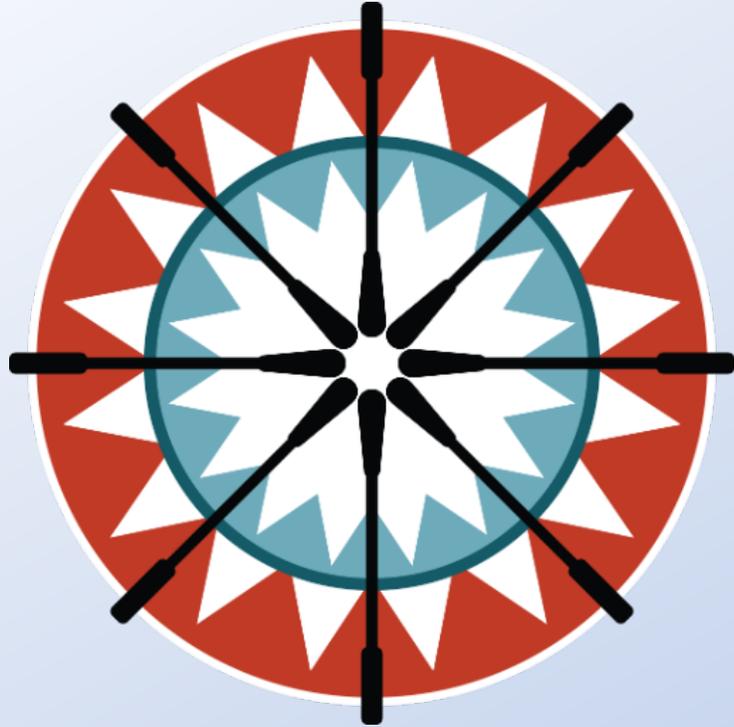
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Farm Bill Reauthorization



- Authorizes agricultural programs every 5 years
- Expired on September 30, 2023 → Extended through September 30, 2024 in November CR → Extension through Sept. 2025/Dec. 2025
- Tribal priorities:
 - Expansion of 638 and addition of self-governance for FDPIR, SNAP, and forestry
 - Greater access to programs and funding
- March 3rd: House Agriculture Committee marks-up ‘skinny bill’: *Farm, Food, and National Security Act of 2026*

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Coalition for Tribal Sovereignty

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About the Coalition for Tribal Sovereignty (CTS)



- Nonpartisan collaboration of **37** plus inter-Tribal policy-focused non-profit **organizations** from across United States.
- **Engages collectively** with federal law and policy makers regarding actions taken by **Trump Administration**.
- Offers framework that enables Tribal organizations to build **consensus** on **key messages**, thereby allowing them to speak with one powerful, consistent **voice**.



CoalitionForTribalSovereignty.Org

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What Are the Guideposts for Messaging?



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TRIBAL SOVEREIGNTY

- CTS goals are to: (1) offer strong educational foundation; and (2) proactively secure seat at table to influence policy decisions.
- Stand firm in our principles.
- Preserve legal arguments so we can broadly protect relatives and services.
- Give Administration officials benefit of doubt.
- Help them understand why Indian Country programs are different, both legally and factually, to convince them to insulate those programs from harm.
- Turn their attention toward pursuing shared priorities together.

What Are the Overlapping Priorities?



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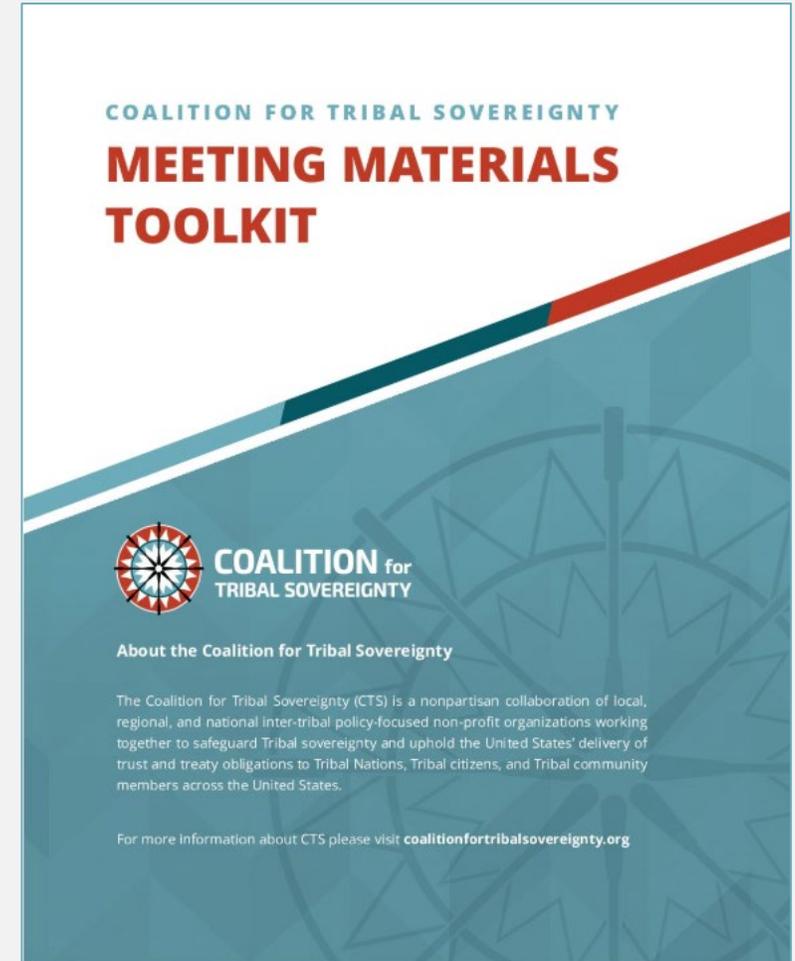
- Bold, new era of federal Indian law and policy.
- Supercharge Tribal self-governance.
- Reduce burdensome limitations and reporting requirements for Tribal funding.
- Engage Tribal Nations as partners via Tribal consultation for efficient and cost-effective decision-making.
- Enhance Tribal control over our lands to develop robust economies.
- Reform tax code so Tribal Nations may raise government revenue.
- Help Tribal Nations bring criminals to justice.
- Protect religious freedom and expression.

CTS Meeting Materials Toolkit



COALITION for
TRIBAL SOVEREIGNTY

- Talking points educating Administration about why Tribal programs should be insulated.
- Briefing paper on legal foundations supporting why Tribal programs are unique.
- Briefing paper on shared priorities between Administration and Indian Country.
- Briefing paper on good things Trump Administration helped accomplish for Indian Country in first term.
- Briefing paper on how Indian Country's successes benefit surrounding communities economically.
- Briefing paper on Tribal consultation best practices.

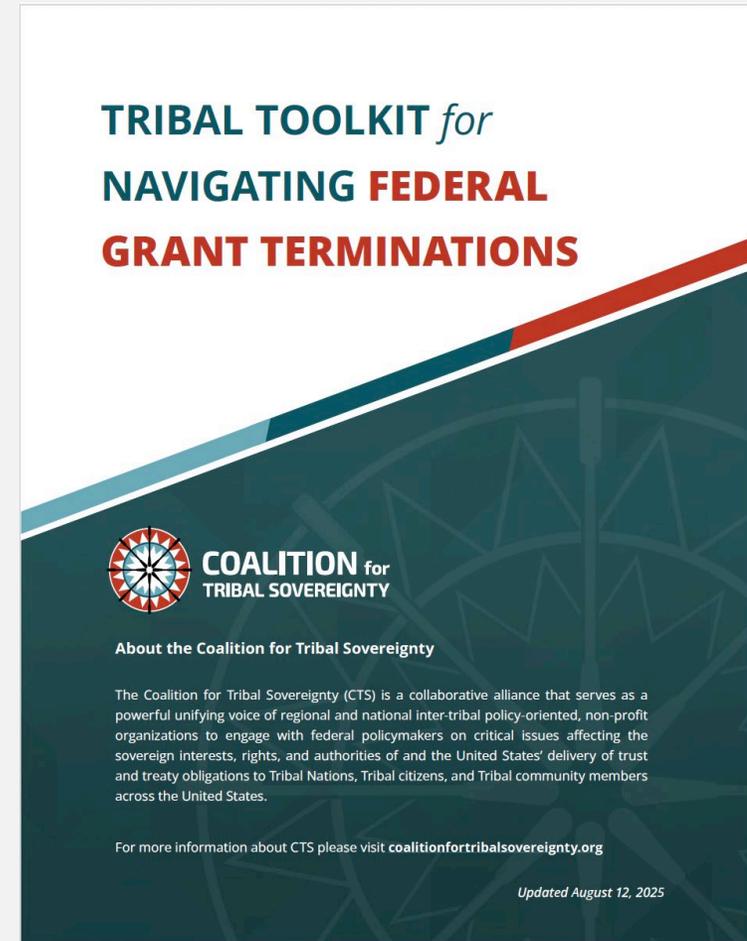


Toolkit for Navigating Federal Grant Terminations



COALITION for
TRIBAL SOVEREIGNTY

1. Current best practices for managing federal grants
2. What to do if you receive grant termination notice
 - Explains anatomy of termination notice, what options are for responding, general timeline for submitting appeal, and key considerations for deciding whether to appeal.
3. Administrative appeal vs. litigation
 - Explains these two different paths, including pros and cons.
4. What to do after you appeal your grant termination
 - Explains how to use grant appeal letter as advocacy tool with congressional representatives, agency leadership, and other key stakeholders / decisionmakers.
5. How to close out your grant
 - Explains what to do if your grant is not reinstated and considerations for maximizing recovery of termination and closeout costs.





Questions??

Liz Malerba

USET SPF Director of Policy and Legislative Affairs

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