



National
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President's FY 2019 Budget Request

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Agenda

- Bipartisan Budget Act
- BBA Impact on FY 2018 and FY 2019
- FY 2019 Details
 - Bureau of Indian Affairs
 - Indian Health Service
 - Housing and Urban Development
 - Department of Justice
 - Treasury and Labor



Bipartisan Budget Act

Opportunity for Tribes and NDD Programs

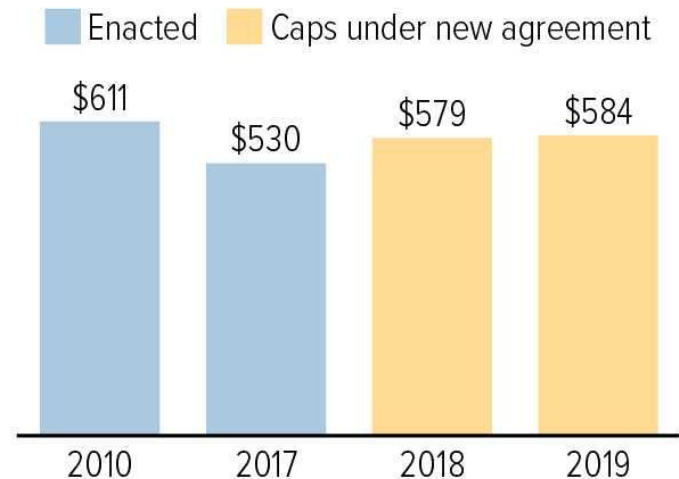
- The Bipartisan Budget Act raised the limits on defense and non-defense appropriations in FY 2018 and 2019 that were set by the 2011 Budget Control Act.
- Similar to 2013 and 2015 two-year deals
 - Except BBA deal adds funding above the original pre-sequester caps
 - Fully repeals sequestration for two-years and adds new NDD funding above caps
 - Raises NDD cap by \$63 billion in FY18 and \$68 billion in FY19
 - Abides by the parity principle

Bipartisan Budget Deal in Context

- These increases do not expand appropriated programs beyond historical levels.
- Returns funding to where it was in 2010, before the multiple rounds of budget cuts.
- Adjusted for inflation, the new cap on non-defense appropriations in 2018 would still be 5.3 percent below the comparable 2010 level.
- If adjusted for population growth as well as inflation, it would be 11.0 percent below the 2010 level.

Non-Defense Discretionary Funding Increases Under Bipartisan Deal Yet Remains Below 2010 Level

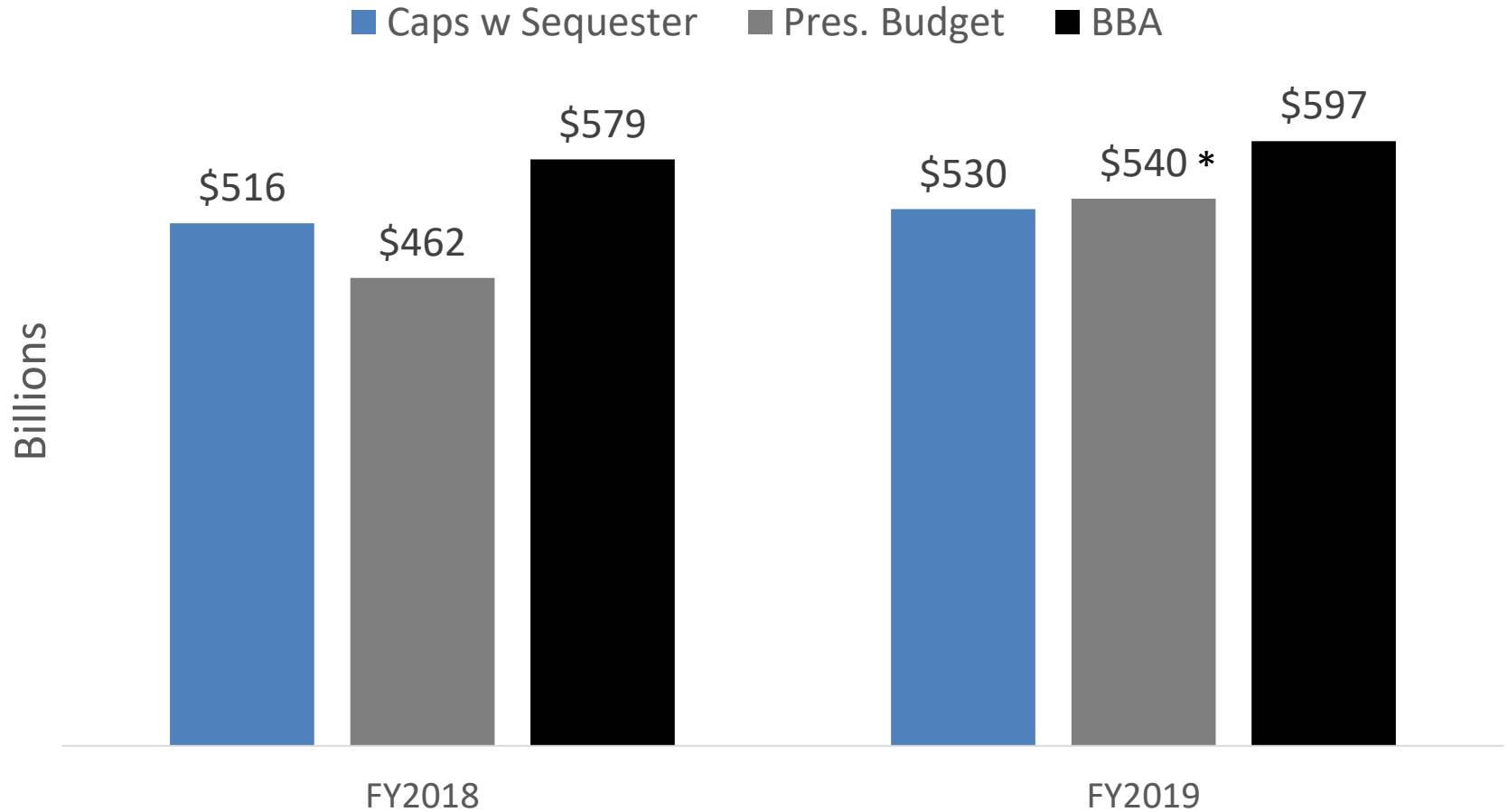
In billions of 2018 dollars



Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office, Office of Management and Budget, and announced agreement for 2018 and 2019

NDD in President's Budget Compared to Bipartisan Budget Act



* Reflects the levels in the addendum to the Trump budget

Outlook for Passage

- The Director of the Office of Management and Budget characterized the FY 2019 budget request as a “messaging document.”
- It does not spend all of the funding that was increased under the non-defense discretionary spending cap with the Bipartisan Budget Act.
- The White House budget assumes a steep decrease in non-defense discretionary spending after FY 2019, proposing roughly \$1.5 trillion through FY 2028 and another \$1.7 trillion in mandatory spending cuts. The cuts assume repeal of health insurance subsidies under the 2010 health care law (PL 111-148, PL 111-152) and over \$500 billion in Medicare reductions, but none of these specific proposals seem likely to be enacted by Congress.

Congressional Response

- Congressman Don Young (AK)
 - “This may be my President, but this is not my budget.”
- Senator Merkley (OR)
 - “The budget cut almost half a billion dollars out of the BIA. I think there will be bipartisan rejection of that. We know that we all need to be a better partner of Indian Country.”
- Bipartisan agreement that the proposed reductions will be countered and addressed during the Congressional appropriations cycle.

FY 2019 Indian Country Budget

HEALTHCARE | BUDGET REQUEST

Figure 7: 2016 IHS Expenditures Per Capita and Other Federal Health Care Expenditures
 Note: "Other" refers to Indian Health Service expenditures for facilities.

Category	Expenditure (\$)
Indian health spending per beneficiary	\$12,744
National health spending per capita	\$9,390
Medicare medical spending per person	\$9,404
Medicaid spending per resident	\$7,491
IHS health care per person	\$6,479

Source: The National Tribal Budget Association's Recommendations to the Senate Budget Committee

CURRENT SERVICES

Maintaining current funding levels so that existing services can be provided is a funding priority for tribal leaders. These base costs, which are necessary to maintain the status quo, are not fully funded before any real program expansion can begin. Any funding decreases will impact the ability of health care services and putting the state of emergency facing the IHS. To address these needs, additional funding is necessary.

Table 1 - FY 2019 Tribal Recommended Income to Private Care

FY 2019 NATIONAL TRIBAL RECOMMENDATION	Funding
CURRENT SERVICES & BINDING OBLIGATIONS	
Current Services	
Federal Pay Costs	

54 | FISCAL YEAR 2019 INDIAN COUNTRY BUDGET REQUEST

**Honoring the Promises,
Building Strong Nations**

Indian Country FY 2019 Budget Request

A PUBLICATION OF THE NATIONAL CONGRESS OF AMERICAN INDIANS

CONCLUSION | BUDGET REQUEST

Figure 2: Probability to Reaching the Top Income Quintile from the Bottom Quintile

Legend: 0-10%, 10-20%, 20-30%, 30-40%, 40-50%, 50-60%, 60-70%, 70-80%, 80-90%, 90-100%

Source: Congressional Budget Office

...the economic engine of their region, especially in rural areas. In Washington state, 29 tribes have more than \$2.5 billion in the state's economy while employing nearly 30,000 Native and non-Native workers and paid more than \$100 million into the regional economy in 2011 and created 5,000 jobs in government services. Tribes across the United States are making similar contributions to their regions, through tourism, law, enterprise, sales, and issues that make up their governmental revenue. Tribal trust and treaty promises to tribes would positively impact not only revenue but also surrounding regional, other rural, economic. Given the low historical base of funding for tribal health care, economic improvement and government success are needed.

RESPONSIBILITY

...based economic growth in Indian Country must be multi-faceted. For instance, tribes are responsible for economic growth via good governance and legal infrastructure, such as commercial codes of law, and the growth puzzle still solves supporting basic physical infrastructure and fulfilling the trust responsibility, such as public safety and education.

...ing of tribal law enforcement and justice systems is well-documented. Most recently, the report in 2016 estimating that to provide a minimum base level of services to all federally recognized tribes, \$1 billion is needed for tribal courts, and \$222.6 million is needed for tribal law enforcement. \$1 billion is needed for tribal courts, and \$222.6 million is needed for tribal law enforcement. \$1 billion is needed for tribal courts, and \$222.6 million is needed for tribal law enforcement. \$1 billion is needed for tribal courts, and \$222.6 million is needed for tribal law enforcement.

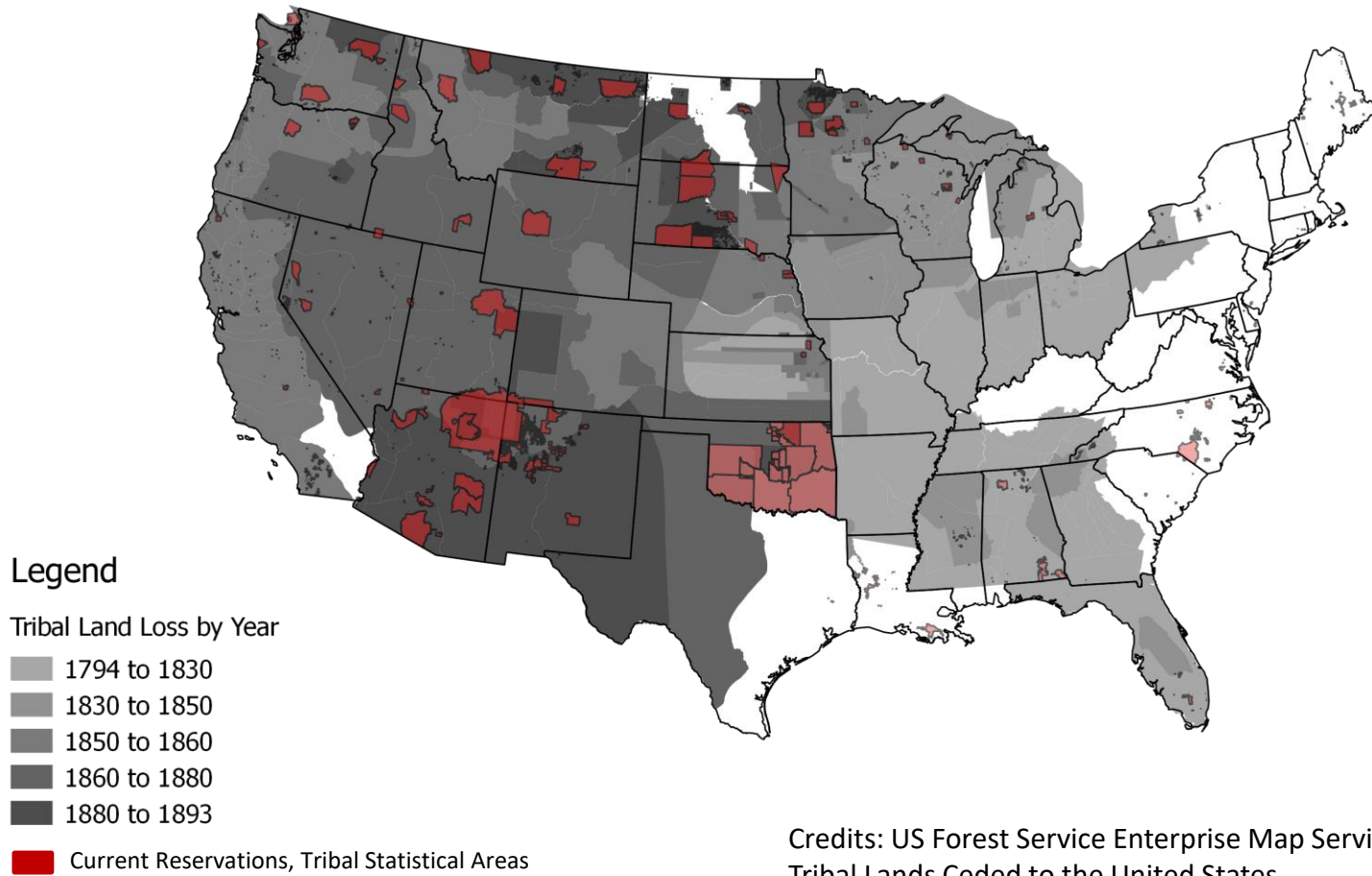
...tribal courts at a dismal level.

...BUDGET REQUEST

Treaty and Trust Responsibility

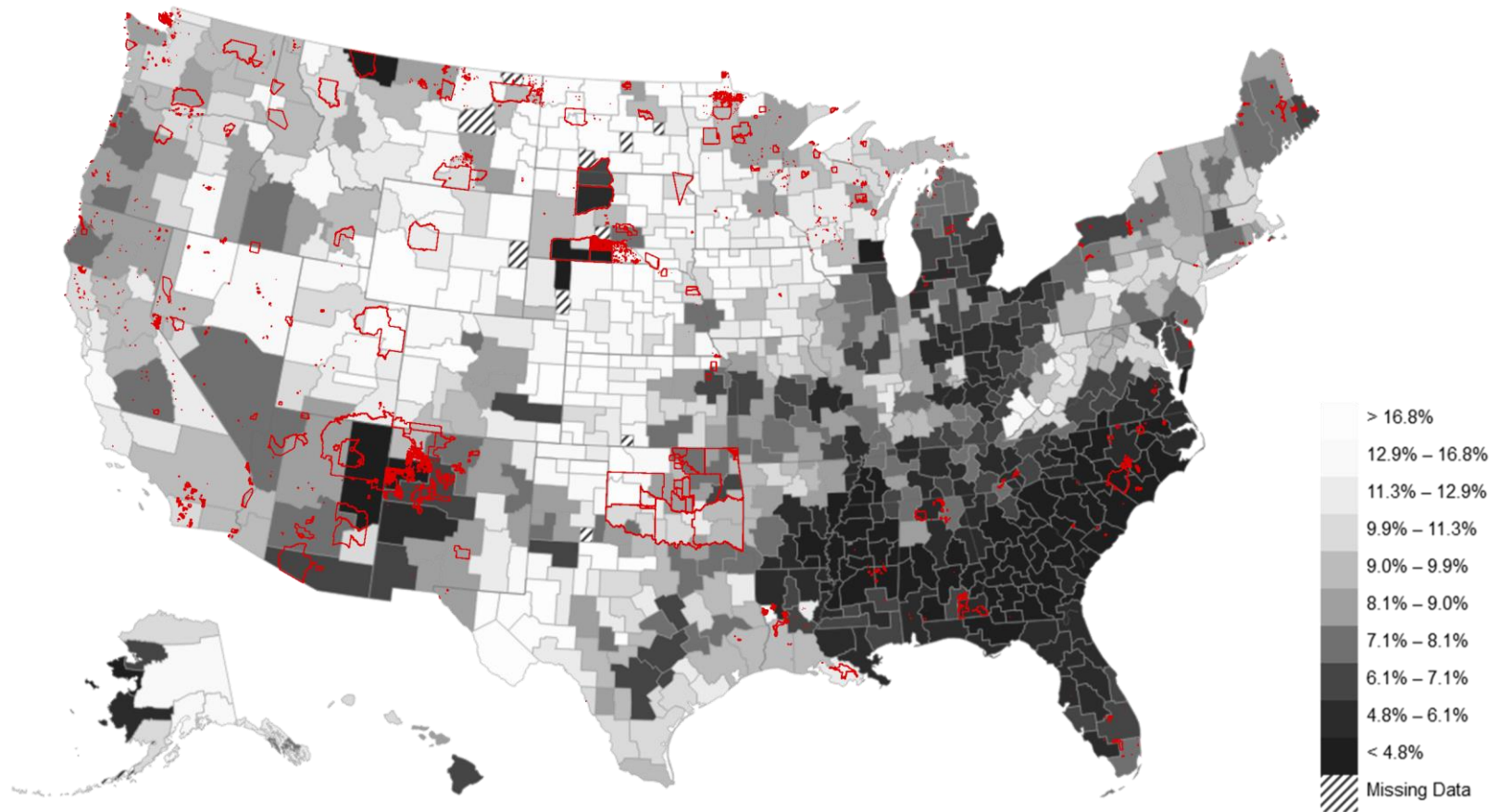
- For a nation that bases its greatness to a significant degree on its rule of law, treaties and intergovernmental agreements carry paramount importance.
- In 1884, Supreme Court Justice Samuel Miller remarked:
 - “A treaty is primarily a compact between independent nations. It depends for the enforcement of its provisions on the interest and the honor of the governments which are parties of it.”

Our Nations, Our Promises



Credits: US Forest Service Enterprise Map Services Program,
Tribal Lands Ceded to the United States

Probability of Reaching the Top Income Quintile from the Bottom Quintile



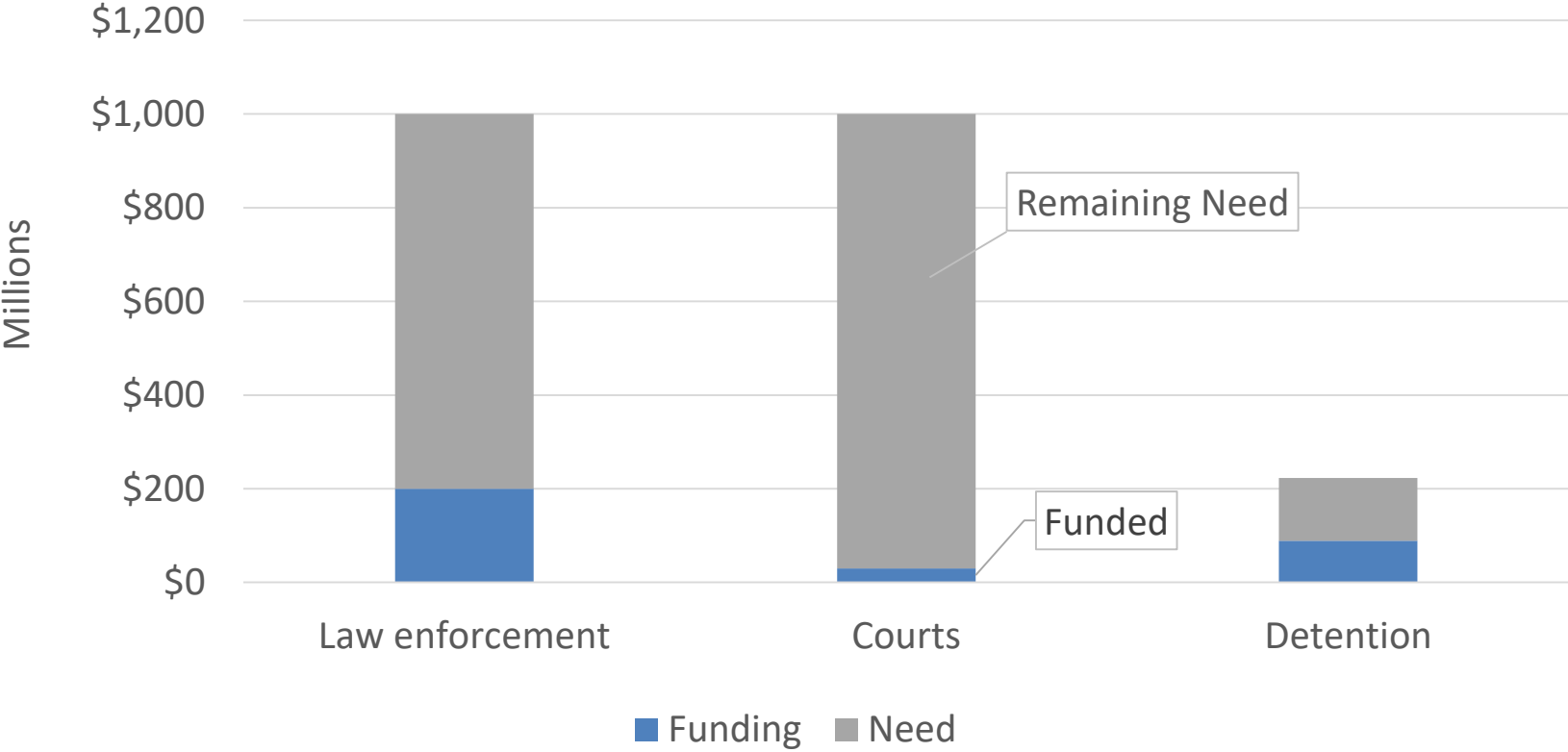
Source: Chetty, 2014, Appendix Figure VI.B. Darker areas signify lower upward mobility.

Fiscal Trust Responsibility

- Solutions for facilitating economic growth in Indian Country must be multi-faceted. For instance, tribes are working to create a positive business environment via good governance and legal infrastructure, such as commercial codes and courts.
- However, some pieces of the growth puzzle still rely on improving basic physical infrastructure and fulfillment of other fundamental aspects of the trust responsibility, such as public safety and education.

Examples of Significant Need

Tribal Public Safety Funding Need





Major Reductions

- Native American Housing Block Grant cut from \$654 million to \$600 million, or -8.2%
- Bureau of Indian Affairs cut by \$453 million, or -15.2%
 - Major Reductions in BIA include
 - Social Services cut by \$19 million, or -37%
 - Indian Child Welfare Act cut by \$5 million, or -27%
 - Welfare Assistance cut by \$8.4 million, or -11%
 - Rights Protection Implementation cut by \$14.7 million, or -37%
 - Job Placement and Training cut by \$4.4 million, or -35%



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Eliminations

- Indian Community Development Block Grant (in HUD)
- Low Income Home Energy Assistance Program (LIHEAP)
- Indian and Native American Program (INAP in DOL)
- Tribal Energy Loan Guarantee Program
- Eliminations within BIA include
 - Small and Needy Tribes
 - Housing Improvement Program (\$10 million)
 - Tribal Climate Resilience
 - Alaska Native Programs
 - Johnson O'Malley Program (\$15 million)
 - Scholarships and Adult education (\$35 million)



Proposed Increases

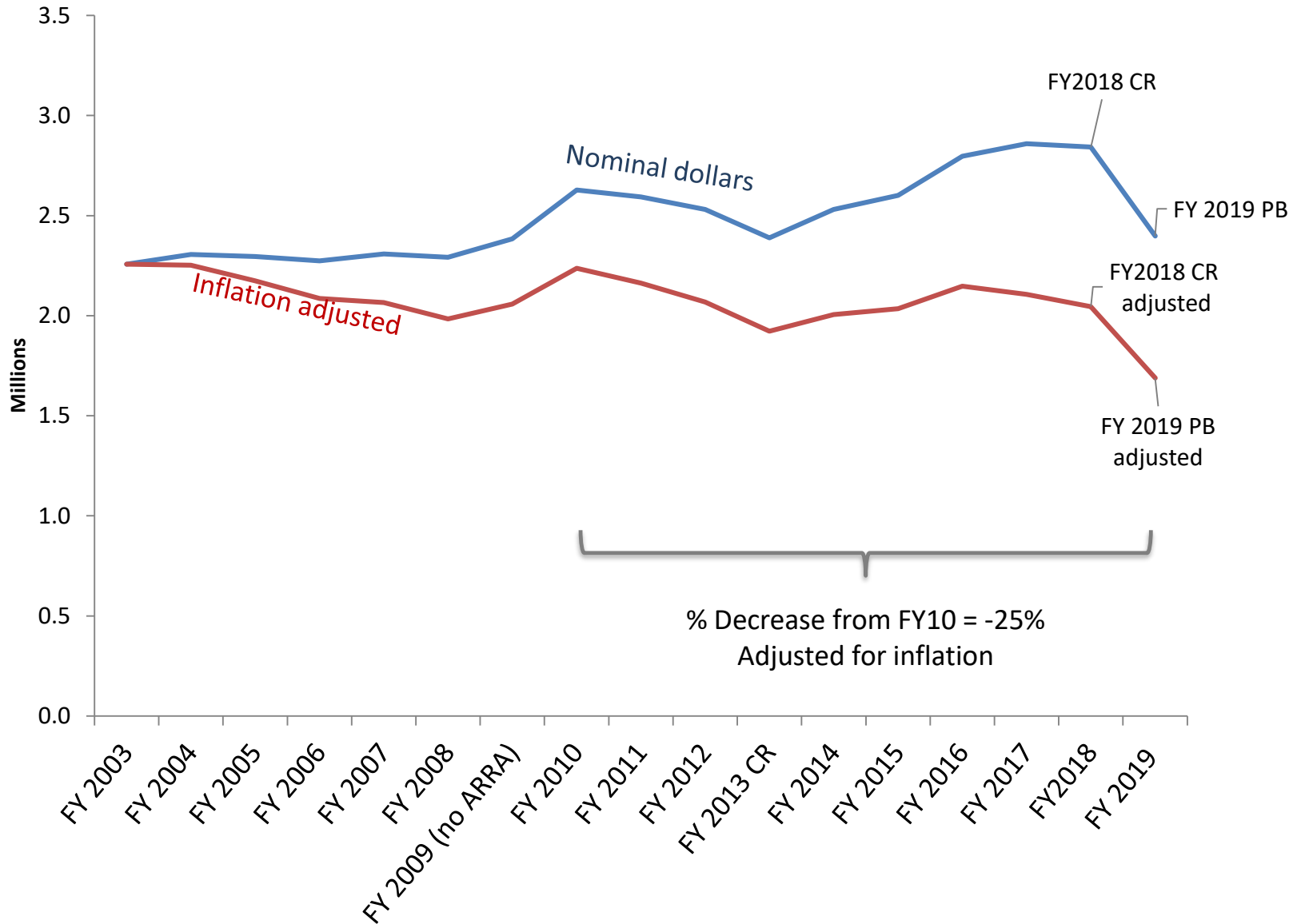
- Indian Health Service Clinical Services, increase of \$353 million to expand direct health care services.
- IHS would receive \$150 million for Opioid multi-year competitive grants based on need; this is out of the \$10 billion proposal for opioid funding.
- In the Department of Justice, the budget proposes:
 - \$115 million for Indian tribes through a 5% set-aside from the Crime Victims Fund for providing services to crime victims. Indian tribes have never directly received funding from the Crime Victims Fund;
 - A 7% set-aside from across the Office of Justice Programs totaling \$93.8 million for tribal assistance. This compares to a 7% set-aside from certain OJP and OJJDP programs for FY 17 and is a significant increase in funding overall over FY 17 levels.

Bureau of Indian Affairs

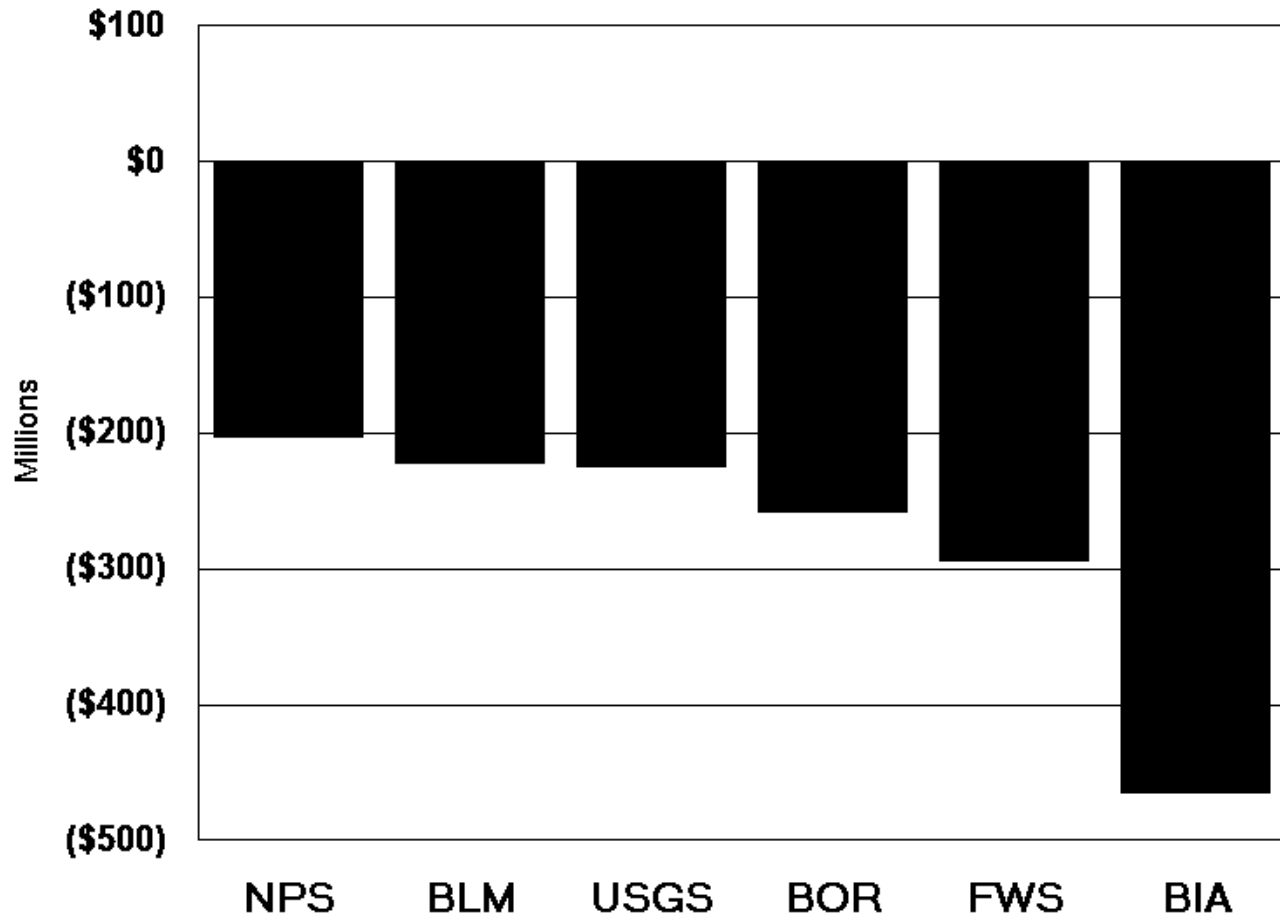
FY 2019 Details

BIA/BIE Funding FY 2003 - 2019

FY19 request for BIA is \$2.4 billion, \$443.9 million below FY18 CR, -15.6%

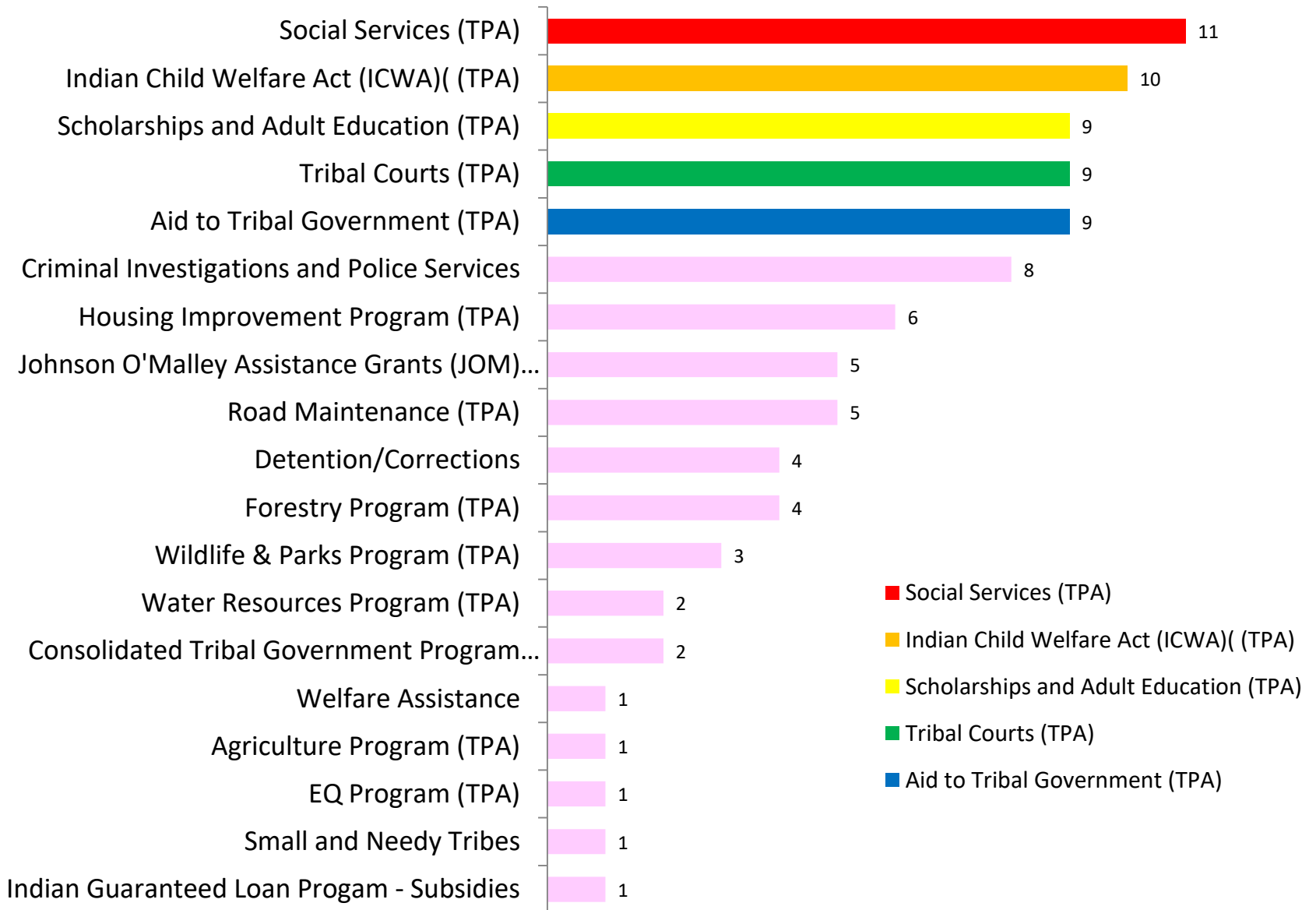


2019 PB Proposed Cuts Over 2017 Enacted

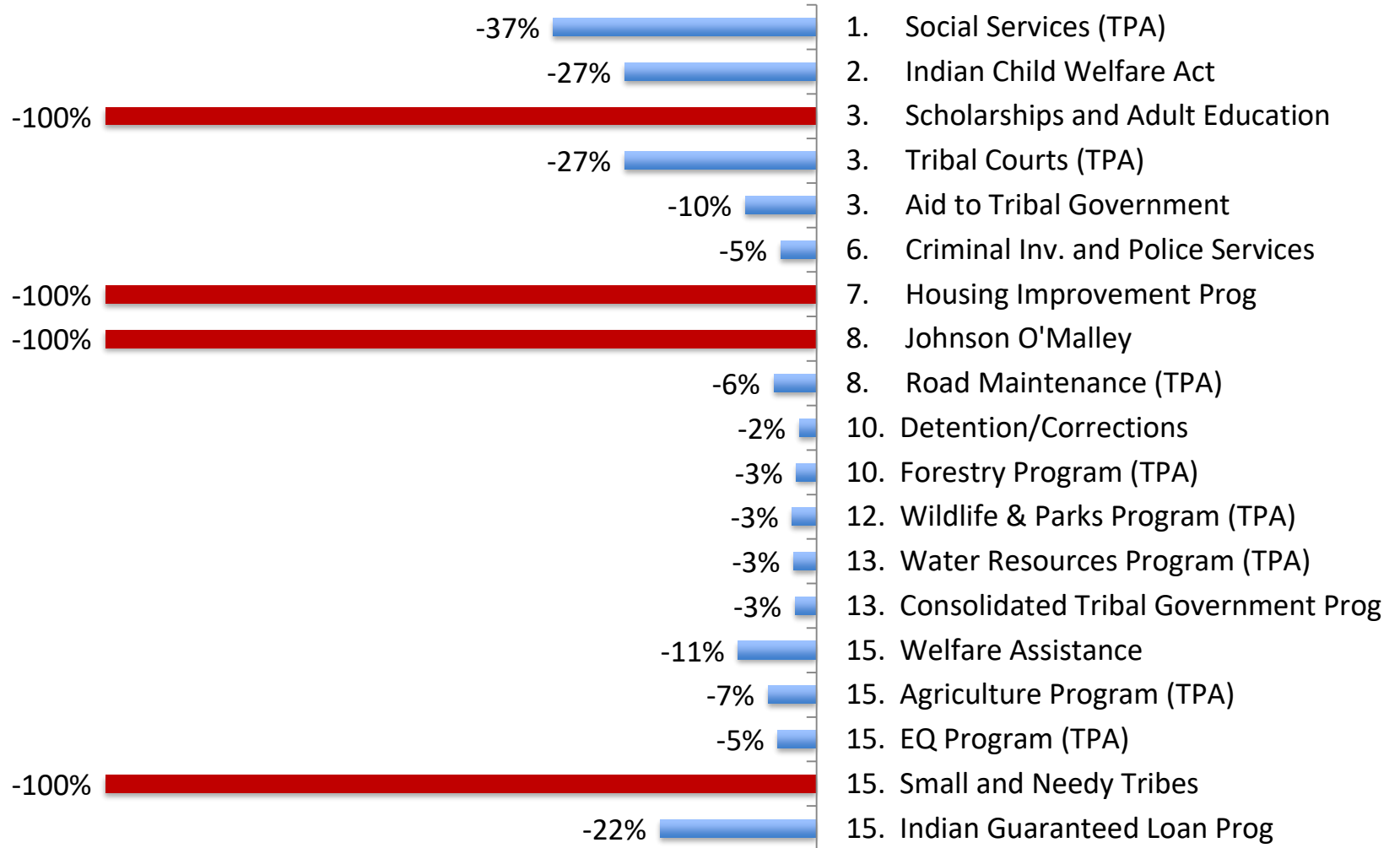


Source: Red Lake Tribe, Dave Conner, Tribal Interior Budget Council

2019 PRIORITY RANKING RESULTS - ALL REGIONS



Proposed Reductions to Top Priorities





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Indian Health Service

- Indian Health Service (IHS)
 - \$5.4 billion, \$413 million over FY 2018 CR
 - 8% increase over the current FY 2018 CR
 - Proposal also cuts or eliminates several important programs at IHS
 - Compares to \$6.4 billion in FY 2019 recommended by IHS Tribal Budget Formulation Workgroup



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SDPI

- Proposes to move SDPI from mandatory to discretionary
- Congress would provide funding to SDPI through the annual appropriations process
- Proposal moves in opposite policy direction – tribes have been calling for making the entire IHS budget mandatory instead of discretionary



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Opioids

- President's Budget includes \$10 billion to combat the opioid epidemic.
- IHS would receive \$150 million "to provide multi-year competitive grants based on need for opioid abuse prevention, treatment, and recovery support in Indian Country."
 - Competitive grants are not the best way to administer this funding, formula would be



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Cuts in IHS, FY 2019 PB

- Eliminations
 - the Community Health Representatives program (\$60 million) and the
 - health education program (\$19 million).
 - Tribal management grants (\$2 million).
- Reductions
 - cuts health facilities construction by \$38 from \$117 million.
- Justification: "to prioritize direct health care services and staffing and operating costs for new and replacement facilities."



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ACA Proposed Changes

- FY 2019 budget request proposes to make major changes to programs authorized under the ACA.
 - Medicaid spending would be replaced with a block grant to states leading to the elimination of the ACA's Medicaid expansion and cuts in Medicaid over the next decade.
 - Medicaid provides supplemental resources to the IHS budget.
 - The budget would also eliminate subsidies for the ACA's health insurance marketplace.



SNAP

- The budget proposes to cut the SNAP Program by 22% over the next decade.
- The Administration has announced it will change the SNAP program into a food delivery system for eligible SNAP participants who receive at least \$90 a month in SNAP benefits.
- Approximately 25% of AI/AN households current utilize SNAP, but in some Tribal communities over 50% of households are recipients of the program.

Labor and Treasury

- The President's proposed FY 2019 budget zeroes out funding for the Department of Labor's Division of Indian and Native American Programs (DINAP).
- CDFIs
 - Community Development Financial Institutions (CDFIs) through the CDFI Fund. In FY17, Congress appropriated \$15.5 million for the **Native American CDFI Assistance (NACA)** Program.
 - **The President's FY19 Request would eliminate funding for the NACA program** and the three other discretionary CDFI grant programs.

Opportunities for Advocacy

- May 9, 10th, Interior AI/AN Public Witness Hearing Dates
 - Deadline to request: April 6
- March 21, Senate Committee on Indian Affairs Hearing on the President's Budget

The U.S. House of Representatives
**COMMITTEE ON
APPROPRIATIONS**
Chairman Rodney Frelinghuysen

*"No money shall be drawn from
Appropriations made by Law"*

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Press Releases

Interior and Environment Subcommittee Announces American Indian and Alaska Native Public Witness Hearing Dates and Instructions for Providing Written Public Testimony

Washington, March 12, 2018 -

The Subcommittee on Interior, Environment, and Related Agencies will hold American Indian and Alaska Native public witness hearings on Wednesday, May 9, and Thursday, May 10, 2018.

No other outside public witness hearings are scheduled at this time. However, as in the past years, written testimony from tribes or other organizations will be accepted in accordance with the guidelines below. All testimony will be reviewed by the subcommittee and will be included in the public record. Click [here](#) to view the fiscal year 2018 testimony, or visit: <https://www.gpo.gov/fdsys/pkg/CHRG-115hrg26533/pdf/CHRG-115hrg26533.pdf>

The deadline to submit requests to testify is **Friday, April 6, 2018**.

The deadline to submit written testimony is **Friday, May 18, 2018**.

Please find further instructions for submitting a request to testify or written testimony to the Subcommittee by [clicking here](#).

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Questions?

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