Indian Affairs Fiscal Year 2012 Budget Request Reflects
President’s Commitment to Fiscal Discipline
While Strengthening Tribal Nations

WASHINGTON – President Obama’s proposed fiscal year 2012 budget request for Indian Affairs, which includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), is $2.5 billion – a $118.9 million decrease from the FY 2010 Enacted/FY 2011 Continuing Resolution (CR) levels. Included in the reduction are the elimination of a one-time increase in 2010 to forward fund tribal colleges ($50 million) and the completion of Public Safety and Justice construction projects ($47 million). The Budget also excludes $14.5 million in non-recurring funding for completed water rights settlements. Nevertheless, Indian Affairs still had to make some tough decisions, and the request reflects the President’s commitment to fiscal responsibility while meeting the Nation’s responsibilities to the 565 federally recognized American Indian and Alaska Native Tribes through the Interior Department’s Strengthening Tribal Nations initiative.

“The President’s budget request for Indian Affairs recognizes the need to uphold our responsibilities to Indian Country,” said Assistant Secretary-Indian Affairs Larry Echo Hawk. “Indian Affairs’ constitutional relationship with the Tribes and its unique Federal responsibilities to the American Indian and Alaska Native people are the heart of our mission. By making these tough choices now, we can continue to make the vital investments needed to sustain economic growth and recovery in Indian Country while maintaining our core functions. We will continue to support the President’s efforts through the prudent management of the Federal dollars we are entrusted with as we work to strengthen Tribal Nations.”

Strengthening Tribal Nations Initiative

The 2012 budget proposes a Strengthening Tribal Nations initiative that builds on the Administration’s commitment, expressed through meetings with tribal leaders in 2009 and 2010, to improve conditions in Indian Country. The initiative continues efforts to enhance the safety of
tribal communities, improve trust resource management and make gains in Indian education, all with the ultimate goal of greater self-determination for Tribal Nations.

The request includes $89.6 million in targeted increases for the Strengthening Tribal Nations initiative in the areas of Advancing Nation-to-Nation Relationships ($42.3 million), Protecting Indian Country ($20.0 million), Improving Trust Land Management ($18.4 million) and Advancing Indian Education ($8.9 million).

Under Advancing Nation-to-Nation Relationships, the FY 2012 budget request furthers the goal of self-determination through increases in funding for: Contract Support ($29.5 million) so that Tribes operating BIA-funded programs can meet administrative costs without decreasing program funds; Small and Needy Tribes ($3.0 million) to fund Tribes with populations of 1,700 members or less at a minimum level necessary to run viable tribal governments; Social Services ($2.0 million) for additional social workers to service tribal communities; and Improved Management ($7.8 million) to support the BIA’s work helping Tribes manage and be accountable for Bureau-funded but tribally operated programs.

The total FY 2012 budget request for BIA Law Enforcement is $354.7 million with targeted increases for Protecting Indian Country of $20.0 million in funding for: Detention Center and Law Enforcement Operations ($15.5 million) for existing and newly constructed BIA and tribal facilities and to increase law enforcement capacity to fight crime; Detention Center Maintenance ($1.0 million) for operation and maintenance of new detention facilities opening in 2011; Tribal Courts ($2.5 million) to support the enhanced capabilities given to tribal courts under the Tribal Law and Order Act of 2010; and to create the Conservation Law Enforcement Officers program ($1.0 million) that will enable Tribes to employ law enforcement officers for the protection of their natural resources.

The FY 2012 budget request supports Improving Trust Land Management through increases in funding for: New Energy Frontier ($3.5 million) to support renewable and conventional energy development projects on tribal trust lands; BIA participation in DOI’s Cooperative Landscape Conservation initiative ($200,000); Trust-Natural Resources Management ($7.7 million) to assist Tribes in managing, developing and protecting their trust lands and assets; and Safety of Dams ($3.8 million) to help the BIA address dam safety deficiencies and ensure public safety near high hazard dams in Indian Country.

The total FY 2012 budget request for BIE is $795.6 million with targeted increases for Advancing Indian Education of $8.9 million in funding for: Indian School Equalization Program Adjustments ($3.9 million) to implement safety and security programs at 10 BIE-funded schools; School Environmental Audits ($2.0 million) to support the implementation of a comprehensive environmental management program for BIE-funded schools; and Tribal Grant Support Costs ($3.0 million) so that Tribes operating BIE-funded programs can meet administrative costs without decreasing program funds.

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Reductions, Tough Choices and Efficiencies

Program decreases of $43.4 million include Real Estate Projects ($11.2 million), Land Records Improvement ($8.5 million), Probate Backlog ($7.5 million), Minerals and Mining Projects ($2.0 million) and Central Office oversight across all program areas ($14.2 million).

Program eliminations of $7.9 million include Litigation Support/Attorneys fees ($2.1 million), Community Development training ($1.4 million), Residential Education Placement Program ($3.8 million) and the Juvenile Detention Education Program ($620,000).

Program completions of $64.4 million include ending the one-time forward-funding in 2010 for tribal colleges and universities ($50.0 million), and fulfillment of the Federal commitment for Settlements ($14.5 million).

Administrative reductions of $22.1 million consist of administrative savings for fleet vehicles, information technology, strategic sourcing, travel, transportation and relocation, printing and reproduction, advisory and assistance services, and supplies and materials.

With the signing on December 8, 2010, by President Obama of the Claims Resolution Act of 2010, which includes the Cobell v. Salazar settlement agreement, the FY 2012 budget request does not include $3.0 million for the Indian Land Consolidation Program as the agreement includes a $1.9 billion fund to continue efforts to reduce the number of fractionalized land interests.

Construction is funded at $105.0 million, or $120 million below the FY 2010 Enacted/FY 2011 CR levels; however, this includes a transfer of $57.3 million from Construction to OIP (Operation of Indian Programs) for facility maintenance with no reduction to the activity. Construction decreases include the following: Construction Program Management ($500,000); Education Replacement Schools ($8.9 million); Public Safety and Justice New Facilities ($41.5 million); Public Safety and Justice Employee Housing ($5.0 million); and the Navajo Indian Irrigation Project ($9.0 million).

The budget also includes reduced funding for the Indian Guaranteed Loan Program by $5.0 million to a requested level of $3.1 million. The primary focus of the program in 2012 will be to better facilitate the use of existing loan programs by American Indian and Alaska Native Tribes and individuals through improving collaboration with other Federal agencies. In addition, a result-oriented evaluation will be undertaken to gage the overall effectiveness of the program.

The FY 2012 budget request funds Indian Land and Water Claims Settlements at $32.9 million, a reduction of $14.5 million from the FY 2010 Enacted/FY 2011 CR levels. This amount includes the sixth of seven required payments for the Nez Perce/Snake River Water Rights Settlement ($9.5 million), the third of five payments for the Shoshone-Paiute Tribes of the Duck Valley Reservation Water Settlement ($12.0 million), the third payment for the Navajo -Continued-
Nation Water Resources Development Trust Fund ($6.0 million), funding to support the implementation of the enacted Navajo-Gallup Water Settlement ($4.4 million) and $1.0 million for other Indian land and water settlements.

Indian Affairs’ responsibility to the federally recognized American Indian and Alaska Native Tribes is rooted in Article I, Section 8, of the United States Constitution and Federal law. It is responsible for the management, development and protection of Indian trust land and natural resources on 55 million surface acres and 57 million acres of subsurface mineral estates of tribal and individual Indian trust lands, providing for public safety and justice in Indian Country, and promoting tribal self-determination and self-governance. Through the BIE, it funds 183 elementary and secondary day and boarding schools, of which two-thirds are tribally operated, located on 63 reservations in 23 states and serving approximately 41,000 students. It also provides funding to 27 tribal colleges and universities and two tribal technical colleges, operates two post secondary institutions of higher learning and provides higher education scholarships to approximately 32,000 students.