NCAI Update on the FY 2018 Budget Resolution and Appropriations

The House voted to approve the FY 2018 budget resolution on a vote of 216-212 on Thursday October 26th. The non-binding budget resolution, which had been amended by the Senate, allows for annual deficits to grow by $1.5 trillion over the coming decade to help pay for tax cuts.

Impact on Future Federal Funding: By 2027, under the Senate plan, overall non-defense discretionary funding would be 18 percent below its 2017 level and 29 percent below its 2010 level, after adjusting for inflation. This would impact funding for the Bureau of Indian Affairs, Indian Health Service, Indian Housing Block Grant, and Department of Justice tribal funding, among others.

Protecting Federal Treaty and Trust Obligations: NCAI recently passed a resolution calling for Full Funding of the Federal Trust Responsibility and Ensuring the United States has the Revenue to Finance Federal Commitments in Tax Legislation (Res. #MKE-17-012). Due to insufficient funding and services by federal agencies, Native communities have suffered severe social, economic, and environmental harms at a rate far in excess of other communities. Indian tribes across the nation have been forced to spend large amounts of scarce tribal funds to support the services that should have been provided or paid for by the United States. Deficit-financed tax cuts that lead to potential austerity cuts would affect all Americans, but would disproportionately impact American Indians and Alaska Natives who rely on federal funding of the trust responsibility as well as social programs.

Key Asks: NCAI urges Congress to consider the impacts to American Indians and Alaska Natives if the federal budget is cut in the future to reduce deficits caused by tax cuts. The cuts to federal treaty and trust obligations coupled with cuts to mandatory programs such as Medicaid and SNAP could leave tribes and tribal people worse off, even with some tax reductions.   NCAI urges Congress to uphold, in any tax legislation, the federal treaty and trust obligations that are funded in the appropriations process, as well as ensure that the U.S. Government has the revenue to finance existing federal commitments and meet critical national needs now and in the future.

FY 2018 Appropriations: The FY 2018 budget resolution that was passed assumes defense and non-defense discretionary spending at sequester-reduced Budget Control Act levels for FY 2018, but provides for adjustments to those caps if a bipartisan budget deal is enacted. The federal government is currently operating under a stopgap continuing resolution (PL 115-56), which extends current funding through December 8. Lawmakers must raise spending caps for fiscal year 2018 above the levels included in the Budget Control Act of 2011 (PL 112-25). If negotiations to increase FY 2018 spending levels do not occur by December 8th, a continuing resolution for some amount of time will be required. While Senate Majority Leader McConnell stated that bipartisan negotiations on the FY2018 spending caps are on track, with the Republican focus on tax reform instead of appropriations, a continuing resolution may be needed.

The House of Representatives passed a $1.23 trillion omnibus spending package on September 14, 2017 that would fund the government for the fiscal 2018 year. The omnibus violates the Budget Control Act statutory cap on defense spending by $72 billion. If the House omnibus were to become law, it would trigger across-the-board cuts to defense programs, known as a sequester, of about 13 percent. Democrats in the Senate oppose the bill's funding for a proposed border wall. The House Omnibus bill as it stands is unlikely to pass the Senate however.

Interior Appropriations in the Omnibus

Overall, the House Omnibus spending bill restores cuts to the [Bureau of Indian Affairs](#) and Indian Health Service that were proposed in the Administration's budget request, but provides funding level with FY 2017 amounts.

BIA/BIE: For the Bureau of Indian Affairs/Bureau of Indian Education, the House Omnibus bill would provide an increase of $10.9 million above the FY2017 enacted level for a total of $2.87 billion in FY 2018. The total amount the bill would provide is $382.7 million more than requested in the President's budget.

The Omnibus bill restores most of the cuts proposed for tribal programs in the Interior spending bill that were put forward in the Administration's FY 2018 budget request. For instance, the House bill restores all of the cuts that were proposed for the Tiwahe initiative. Cuts were restored for social services, housing improvement, ICWA. Similarly, many natural resource programs that were proposed to be cut in the President's budget were restored, such as Rights Protection Implementation, Tribal Climate Resilience, Forestry, Water Resources, and Fish-Wildlife-Parks. In Trust Real Estate services, all proposed cuts are restored except for central oversight. Same with Public Safety and Justice, all cuts were restored, including law enforcement and Tribal Courts.

Overall, the House Omnibus bill increases Operation of Indian Programs by about 1% ($21.5 million) above the FY 2017 enacted levels and 13.4% ($278.4 million) above what the President proposed. The House bill also provides $10.2 million more than enacted in FY 2017 for construction, about a 5% increase, and provides $58.9 million more than the President's budget (41.1% more).

Indian Health Service: The House bill provides an increase of $397.5 million over the FY 2017 enacted amount for total budget authority for the Indian Health Service, about a 2% increase. The bill provides $397.6 million more than requested in the FY 2018 Administration's budget.

Key Ask on Appropriations: NCAI urges Congress to reject the proposed cuts to the Bureau of Indian Affairs and Bureau of Indian Education, which violate the federal treaty and trust obligations to Indian tribes and to instead provide for increases to BIA in the Senate version of the FY 2018 Interior-Environment spending bill.