



NCAI Analysis of the President's FY2018 Budget Request

Administration Releases FY 2018 Budget

The Administration released its proposed FY 2018 Budget on May 23, 2017. With the release of the President's FY 2018 budget, Congress faces a choice on how to fund discretionary programs: (1) continue to provide partial relief from the 2011 Budget Control Act's (BCA) sequester, (2) allow sequestration to take full effect for the first time, or (3) significantly deepen sequester cuts to non-defense programs while eliminating it for defense as proposed in the President's budget.

Appropriators plan to start writing spending bills without a budget resolution in place or an agreement on overall spending limits. The House Appropriations Committee announced the first markup, the Military Construction-VA Subcommittee. Without a budget resolution, the Appropriations Committee does not have an overall limit for discretionary spending that it can use to allocate money among the 12 subcommittees. A decision to use the spending caps imposed by a 2011 deficit-cutting law (PL 112-25) would lead to protests from many lawmakers of both parties who say the caps are too low. The 2011 Budget Control Act set an overall cap on discretionary spending of \$1.065 trillion for fiscal 2018, a \$5 billion cut from this year's level.

See this [budget advocacy toolkit](#) for more information. Contact Amber Ebarb (aebarb@ncai.org or 202-466-7767) at NCAI if you have questions about this analysis.

Larger Themes of Administration's Proposed Budget

On May 23, the Administration released its detailed FY 2018 budget request. Themes in this budget include shifting federal costs to other governments (including tribes, states, and localities). The President's budget states that it will "lay a new foundation that trusts States to help manage America's health care" (2018 Budget, p. 5). The proposal would repeal the Affordable Care Act's (ACA) Medicaid expansion coverage to low-income adults and convert the underlying Medicaid program into a per capita cap or block grant while cutting it deeply. States would face even deeper Medicaid cost-shifts than the House-passed ACA repeal bill.

Similarly, the FY 2018 budget would cut the Supplemental Nutrition Assistance Program (SNAP) by more than \$193 billion over the next ten years (a 25% cut) by shifting costs to states, cutting eligibility for millions, and reducing benefits. The budget would restrict time limit waivers to areas with at least 10% unemployment. The areas that would no longer qualify for waivers from time-limited assistance include high-unemployment and economically hard hit areas such as southern Alaska and the Navajo Nation in Arizona.

The **Community Development Block Grant** would be eliminated, with the justification that "State and local governments are better positioned to address local community and economic development needs" (Major Savings and Reforms, p. 49). The Low Income Heating Energy Assistance Program would be eliminated. The **Social Services Block Grant** would be eliminated "to return the provision of social services back to State and local governments as well as the private sector" (2018 Budget, p. 12).

Large Disinvestment in Non-Defense Discretionary Programs

The President's budget reduces non-defense discretionary programs by \$54 billion below the sequestration level for FY 2018 and by \$1.6 trillion over the next decade – which would take this spending category to its lowest level as a percent of GDP in sixty years.

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs, Bureau of Indian Education

The FY 2018 budget for Indian Affairs would be \$2.48 billion, a decrease of \$371.7 million below the FY2017 Omnibus level, a decrease of about 13%. Compared to the FY 2017 annualized CR, the cut is 10.9%.

- **Operation of Indian Programs** would receive \$2.1 billion in the President’s Budget, a decline of 11% compared to the FY 2017 Omnibus level and 8% compared to the FY17 CR.
- **Tribal Priority Allocations** would be cut by 12.7% relative to the FY17 CR level.
- **Bureau of Indian Education (BIE)** would be cut by \$105.1 million, 11.8% less than the FY17 Omnibus and \$64.3 million and 7.6% less than the FY17 CR.

Eliminations

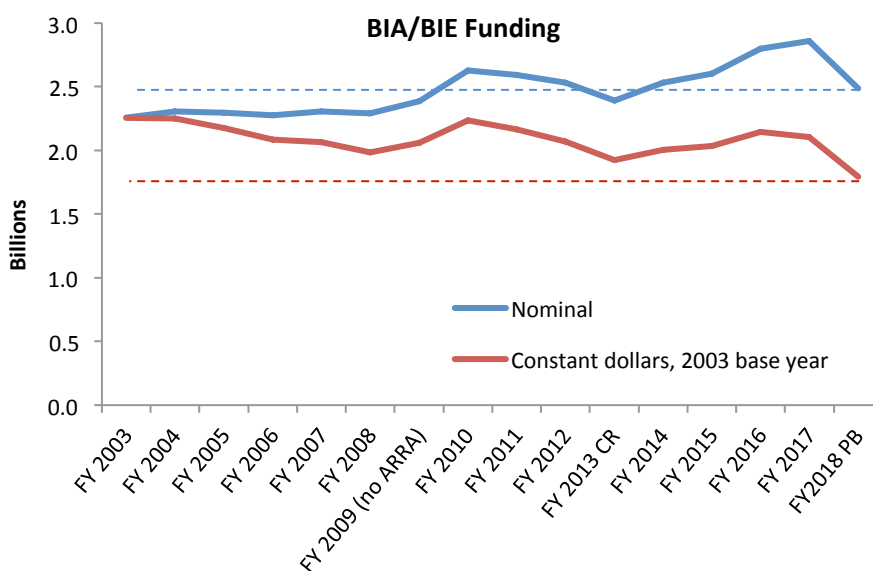
The President’s budget would eliminate a number of programs, including:

- **Housing Improvement Program**, \$8 million eliminated
- **Tribal Climate Resilience**, \$9.9 million eliminated
- **Alaska Native Programs**, \$1 million eliminated
- **Small and Needy Tribes**, \$1.8 million eliminated
- **Special Higher Education Scholarships**, \$2.7 million eliminated
- **Science Post Graduate Scholarship Fund**, \$2.4 million eliminated
- **Juvenile Detention Center Education program**, \$499,000 eliminated
- **Replacement School Construction**, \$45.4 million eliminated
- **Replacement Facility Construction**, \$11.9 million eliminated

Reductions

Significant reductions (compared to the FY17 CR level) include:

- **Social Services**, a cut of \$10.1 million, or 22.4%, to a total of \$34.9 million
- **Rights Protection Implementation**, a cut of \$8.9 million, or 24%, to a total of \$28.6 million
- **Endangered Species Act**, a cut of \$1.3 million, or 51.4%, for a total of \$1.3 million
- **Trust Services**, a cut of \$6.6 million, or 44.5%, for a total of \$8.3 million
- **Scholarships & Adult Education**, a cut of \$6.2 million, or 19.8%, for a total of \$25.2 million
- **ISEP Program Adjustments**, a cut of \$2.4 million, or 45%, for a total of \$2.9 million
- **Education Program Enhancements**, a cut of \$5.8 million, or 48%, for a total of \$6.3 million
- **Tribal Education Department Grants**, a cut of \$1 million, or 50%, for a total of \$1 million
- **Early Childhood and Family Development**, a cut of \$7.7 million, or 50%, for a total of \$7.9 million
- **Johnson O’Malley**, a cut of \$4.6 million, or 31%, for a total of \$10.2 million



If this budget were enacted for BIA, the overall funding provided for BIA would be lower than any level in the last 15 years, when adjusted for inflation. The 2017 BIA funding level is 6% below the

comparable 2010 level after adjusting for inflation. In 2018, those cuts would grow to 20%. These reductions are untenable and absolutely break the trust responsibility to Indian tribes.

Human Services

The President's budget includes \$123.9 million for Human Services, a program reduction of \$23.3 million from the 2017 CR and \$35.2 million less than the FY17 Omnibus (22% cut), in programs that provide social services, welfare assistance, and Indian Child Welfare Act protections. The reductions largely reflect elimination of funding for pilot programs for the Tiwahe initiative. The President's budget would also eliminate the Housing Program (-\$8 million).

Public Safety and Justice

The President's budget proposes \$326 million for Law Enforcement, a reduction of \$21.4 million, or a 6% cut compared to the FY17 CR. Proposed reductions include \$3 million for the pilot program to reduce recidivism, which was completed in 2017 and \$10 million provided to conduct tribal courts assessments located in P.L. 83-280 States. Tribal Courts would be reduced by \$6 million, which eliminates increases provided under the Tiwahe initiative.

	2016 Actual	2017 CR	2018 Request	Change	% Change
Tribal Government					
Aid To Tribal Government	24,833	24,786	25,127	341	1.4%
CTGP	77,088	76,942	72,224	-4,718	-6.1%
Self-Governance Compacts	162,321	162,012	156,634	-5,378	-3.3%
New Tribes	464	463	160	-303	-65.4%
Small and Needy Tribes	1,845	1,842	0	-1,842	-100.0%
Road Maintenance	26,693	26,642	28,148	1,506	5.7%
Tribal Govt Program Oversight	8,273	8,257	8,014	-243	-2.9%
Subtotal, Tribal Government	301,517	300,944	290,307	-10,637	-3.5%
Human Services					
Social Services	45,179	45,093	34,987	-10,106	-22.4%
Welfare Assistance	74,791	74,649	70,794	-3,855	-5.2%
Indian Child Welfare Act	15,641	15,611	14,918	-693	-4.4%
Housing Program	8,021	8,006	0	-8,006	-100.0%
Human Services Tribal Design	246	246	243	-3	-1.2%
Human Services Program Oversight	3,126	3,120	3,007	-113	-3.6%
Subtotal, Human Services	147,004	146,725	123,949	-22,776	-15.5%
Trust - Natural Resources Management					
Natural Resources	5,168	5,158	4,829	-329	-6.4%
Irrigation Ops and Maintenance	11,398	11,376	14,009	2,633	23.1%
Rights Protection Implementation	37,638	37,567	28,625	-8,942	-23.8%
Tribal Mgmt/Development Program	9,263	9,245	9,276	31	0.3%
Endangered Species	2,684	2,679	1,302	-1,377	-51.4%
Tribal Climate Resilience	9,955	9,936	0	-9,936	-100.0%
Integrated Resource Info Program	2,996	2,990	2,815	-175	-5.9%
Agriculture and Range	30,751	30,692	28,822	-1,870	-6.1%
Forestry	51,914	51,815	49,013	-2,802	-5.4%
Water Resources	10,367	10,348	8,534	-1,814	-17.5%
Fish, Wildlife, and Parks	13,646	13,620	12,414	-1,206	-8.9%
Resource Mgmt Program Oversight	6,066	6,055	5,823	-232	-3.8%
Subtotal, Trust - NR Management	191,846	191,481	165,462	-26,019	-13.6%
Trust - Real Estate Services					
Trust Services	15,043	15,014	8,328	-6,686	-44.5%
Navajo-Hopi Settlement Program	1,160	1,158	1,177	19	1.6%
Probate	11,928	11,905	11,869	-36	-0.3%
Land Title and Records Offices	13,905	13,879	13,478	-401	-2.9%
Real Estate Services	36,837	36,767	35,570	-1,197	-3.3%
Land Records Improvement	6,439	6,426	6,109	-317	-4.9%
Environmental Quality	15,792	15,762	13,208	-2,554	-16.2%
Alaskan Native Programs	1,017	1,015	0	-1,015	-100.0%
Rights Protection	11,845	11,822	9,284	-2,538	-21.5%
Real Estate Services Oversight	13,520	13,495	13,023	-472	-3.5%

	2016 Actual	2017 CR	2018 Request	Change	% Change
Subtotal, Trust - Real Estate	127,486	127,243	112,046	-15,197	-11.9%
Public Safety and Justice					
Law Enforcement	347,976	347,315	325,965	-21,350	-6.1%
Tribal Courts	28,173	28,119	21,984	-6,135	-21.8%
Fire Protection	1,274	1,272	1,365	93	7.3%
Subtotal, Public Safety, Justice	377,423	376,706	349,314	-27,392	-7.3%
Community and Economic Development					
Job Placement and Training	11,445	11,423	10,897	-526	-4.6%
Economic Development	1,794	1,790	1,725	-65	-3.6%
Minerals and Mining	25,153	25,106	24,709	-397	-1.6%
Community Development Oversight	2,227	2,223	2,133	-90	-4.0%
Subtotal, Comm and Econ Dev	40,619	40,542	39,464	-1,078	-2.7%
Executive Dir. Admin Services	229,662	229,225	215,592	-13,633	-5.9%
Bureau of Indian Education					
Elementary and Secondary Programs (forward funded)	553,458	552,406	520,044	-32,362	-5.9%
Elementary and Secondary Programs	134,263	134,008	123,871	-10,137	-7.6%
Post Secondary Progs (fwd funded)	74,893	74,750	72,689	-2,061	-2.8%
Post Secondary Programs	64,602	64,480	45,721	-18,759	-29.1%
Education Management	25,151	25,103	24,047	-1,056	-4.2%
Subtotal, BIE	852,367	850,747	786,372	-64,375	-7.6%
TOTAL APPROPRIATION OIP	2,267,924	2,263,613	2,082,506	-181,107	-8.0%
Contract Support					
Contract Support	272,000	272,000	236,600	-35,400	-13.0%
Indian Self-Determination Fund	5,000	5,000	5,000	0	0.0%
TOTAL APPROPRIATION, CSC	277,000	277,000	241,600	-35,400	-12.8%
Construction					
Education Construction	138,245	137,982	80,187	-57,795	-41.9%
Public Safety, Justice Construction	11,306	11,285	10,416	-869	-7.7%
Resources Mgmt Construction	34,488	34,422	40,696	6,274	18.2%
Other Program Construction	9,934	9,915	11,963	2,048	20.7%
TOTAL, Construction	193,973	193,604	143,262	-50,342	-26.0%
Indian Water Claim Settlement	49,475	49,381	13,999	-35,382	-71.7%
Indian Loan Guarantee	7,748	7,733	6,692	-1,041	-13.5%
Total, BIA/BIE	2,796,120	2,791,331	2,488,059	-303,272	-10.9%

The next table shows the overall BIA/BIE budget compared to the FY 2017 Omnibus level instead of the 2017 CR.

	FY16	FY17 Omnibus	2018 Request	Change	% Change
Total BIA/BIE	2,796,120	2,859,765	2,488,059	-371,706	-13.0%

Construction

The President's budget proposes an additional \$2.5 million for the Safety of Dams program and \$1.8 million for dam maintenance and an additional \$1.5 million for irrigation projects rehabilitation. The irrigation rehabilitation program addresses critical deferred maintenance and construction work on BIA-owned and operated irrigation facilities, with a focus on health and safety concerns.

Education Construction: The budget proposes \$80.2 million for Education Construction, \$57.8 million below the 2017 CR. The Budget in Brief states that available funding will continue completion of replacement schools on the 2004 school replacement list and design for the ten schools on the 2016 school replacement list. The FY 2018 proposed budget would temporarily suspend funding for Replacement School and Replacement Facility construction programs while the program focuses on management of the 2016 school replacement list.

For more information, visit: <https://www.doi.gov/budget/appropriations/2017/highlights>