



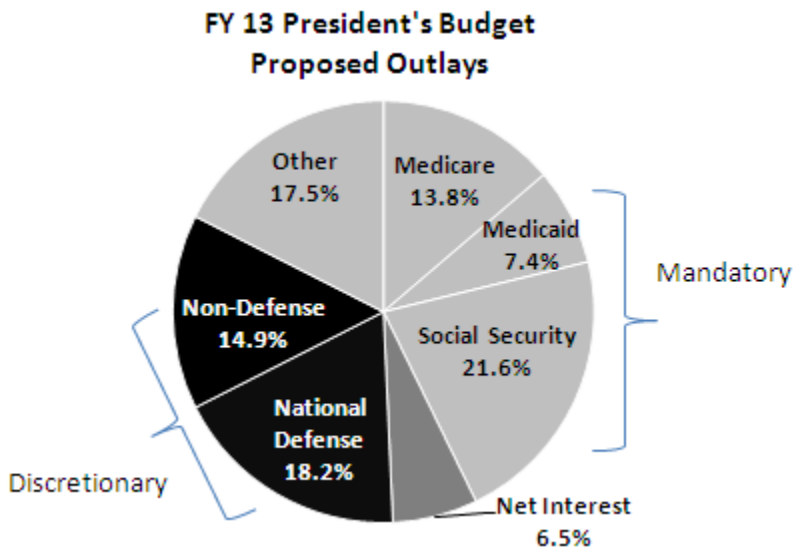
National  
Congress of  
American  
Indians

## NCAI ANALYSIS OF THE PRESIDENT'S FY2013 BUDGET REQUEST

### ADMINISTRATION RELEASES FY 2013 BUDGET

On February 13, the President released a \$3.80 trillion budget request to Congress, which is slightly more than the \$3.79 trillion estimated for FY 2012. This broadcast provides a preliminary analysis of the President's FY 2013 proposed budget as it impacts funding for Indian programs. In the coming weeks and months, the President's budget will be reviewed by Congress, and appropriations committees and subcommittees will hold hearings on the proposals. In January of this year, NCAI released its [FY 2013 tribal budget recommendations](#), which can be compared to the Administration's budget. NCAI also passed [resolutions](#) urging Congress to uphold the trust, treaty, and statutory obligations to tribes in the federal budget in the face of these fiscal deliberations.

The budget request in general increases spending for transportation and infrastructure, education, civilian scientific research, and green energy. Overall discretionary spending, the part of the budget that funds many of the trust and treaty obligations to tribes, was capped by last year's Budget Control Act at \$1.047 trillion for FY 2013. The Budget Control Act also charged a Joint Committee on Deficit Reduction to come up with \$1.5 trillion in additional deficit reduction. However, the Committee failed and automatic sequestration was triggered (across-the-board-cuts), which is scheduled to go into effect January 1, 2013. The budget request, if enacted, would replace the \$1.2 trillion sequester with a set of spending cuts that makes cuts to low priority programs and increases resources for job creation and investment.



Many tribal programs fall into the category of non-defense discretionary funding. In preparation for the President's budget, some agencies have consulted with tribes about programs in the budget. Some recommendations from Indian Country are included in the FY 2013 proposal, such as increases for contract support costs, some natural resource and environmental protection programs, public safety initiatives, and contract health services. Sustained funding for tribal self-determination is critical to the economic foundation of Indian Country. NCAI will work to ensure that the federal programs that fulfill the trust responsibilities to tribes receive bipartisan support in the upcoming appropriations process. Tribes look forward to contributing to the economic recovery, but to do so, tribes must assume their rightful place as full partners in the American family of governments. Given the historic disparity in resources for tribal governments compared to similarly situated governments, now is not the time to retreat from fulfilling the promises made to tribes.

## HIGHLIGHTS OF PROPOSED FUNDING FOR TRIBAL PROGRAMS

Below are a few highlights from NCAI's initial analysis of the President's budget. Additional department summaries are addressed below as well as links to many of the agency budget documents for even more in depth analysis.

### Economic Development and Land Restoration

- The President included language in the proposed budget to provide a no-cost economic development and jobs creation solution for restoring land to tribal governments impacted by the *Carrieri* Supreme Court decision. (p. 758 of the Budget of the United States Government, Fiscal Year 2013, [Appendix](#).)

### Increases

- The budget request for the **Indian Health Service** is \$4.422 billion, an increase of \$115.9 million over the FY 2012 enacted level.
- Approximately \$345 million is proposed for **public safety initiatives in Indian Country**, with a total of \$156.8 million set aside for tribal grant programs within the Department of Justice.
- The **Bureau of Indian Affairs** is essentially level-funded, with small increases for **Tribal Priority Allocations, contract support costs, Rights Protection Implementation, and Tribal Management and Development**, among others.
- An increase of approximately \$29 million over FY 2012 appropriations is proposed for the **Tribal General Assistance Program**. These additional funds will assist tribes in capacity building and promote protections for the environment and human health.

### Decreases

- Bureau of Indian **Education construction** is proposed to be cut to \$52.8 million. This program was funded at \$140.5 million in FY 2011 and \$70.8 million in FY 2012.
- The **Indian Guaranteed Loan Program** would decrease to \$5 million, a \$2.1 million cut.

**DEPARTMENT OF INTERIOR**

**Indian Affairs**

The FY 2013 President's budget includes \$2.5 billion in current appropriations for Indian Affairs, which is \$4.6 million or 0.2 percent below the FY 2012 enacted level. The budget proposes a total of \$897.4 million in Tribal Priority Allocations.

(dollars in thousands)	2011 Actual	2012 Enacted	Fixed Costs & Related Changes	Internal Transfers	Admin Cost Savings	Program Changes	2013 Budget Request	Change from 2012
Tribal Priority Allocations	884,167	891,070	5,719	-151	-16,106	16,904	897,436	6,366

Significant changes in Indian Affairs include an increase of \$8.8 million in **contract support** and Indian self-determination funds. Under public safety, the FY 2013 request provides programmatic increases over the FY 2012 enacted level of \$3.5 million to hire additional tribal and bureau **law enforcement personnel**, \$6.5 million to fund staff increases at newly constructed tribal and Bureau **detention centers**, and an increase of \$1 million for **tribal courts**. Under trust land management, the FY 2013 budget would provide increases in Trust Natural Resources of \$3.5 million for the **Rights Protection Implementation** program and \$2 million for the **Tribal Management and Development** program to support fishing, hunting, and gathering rights on and off reservations. The budget request would provide program increases of \$1 million for the **Forestry** program and \$500,000 for the **Invasive Species** program. An increase of \$800,000 supports greater BIA and tribal participation in the **Landscape Conservation Cooperatives**, for a total of \$1 million. **Tribal Grant Support Costs** would receive an increase of \$2 million.

(dollars in thousands)	2011 Actual	2012 Enacted	2013 Request	Change	% Change
<b>Operation of Indian Programs</b>					
Tribal Government	509,589	519,331	529,158	9,827	1.9%
Human Services	136,621	136,360	135,151	-1,209	-0.9%
Trust - Nat. Res. Management	156,082	157,245	162,109	4,864	3.1%
Trust - Real Estate Services	145,821	126,759	127,813	1,054	0.8%
Public Safety and Justice	334,090	346,223	353,882	7,659	2.2%
Comm and Econ Dev	36,856	34,810	34,333	-477	-1.4%
Executive Dir/Admin Services	258,089	251,530	239,573	-11,957	-4.8%
Indian Education	52,698	795,480	796,133	653	0.1%
Indian Arts and Crafts Board	[1,308]	[1,279]	1,279	1,279	
<b>TOTAL</b>	<b>2,329,846</b>	<b>2,367,738</b>	<b>2,379,431</b>	<b>11,693</b>	<b>0.5%</b>
<b>Construction</b>					
Education Construction	140,509	70,826	52,866	-17,960	-25.4%
Public Safety and Justice	17,864	11,311	11,306	-5	0.0%
Resources Mgmt Construction	42,075	32,959	32,733	-226	-0.7%
Other Program Construction	9,132	8,534	9,005	471	5.5%
<b>TOTAL APPROPRIATION</b>	<b>209,580</b>	<b>123,630</b>	<b>105,910</b>	<b>-17,720</b>	<b>-14.3%</b>
<b>Indian Guaranteed Loan</b>	<b>8,199</b>	<b>7,103</b>	<b>5,000</b>	<b>-2,103</b>	<b>-29.6%</b>
<b>Current BIA Appropriations</b>		<b>2,531,273</b>	<b>2,526,634</b>	<b>-4,639</b>	<b>-0.2%</b>
<b>TOTAL, BIA</b>		<b>2,744,442</b>	<b>2,634,163</b>	<b>-110,279</b>	<b>-4.0%</b>

For more budget details, view the [Indian Affairs Budget in Brief document](#) and the full Indian Affairs FY 2013 Budget Justification is available [here](#).

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Indian Health Service

The FY 2013 President's Budget request for IHS is \$4.422 billion, an increase of \$115.9 million over the FY 2012 enacted level. The request includes funds to support activities identified by the tribes as budget priorities, including increasing resources for the Contract Health Services program; funding the contract support costs shortfall; addressing essential health information technology activities; and providing routine facility maintenance. Overall, the budget request addresses the need to sustain the Indian health system, expand access to care, and continue to improve oversight and accountability in key administrative areas.

Specifically, this request includes the following:

#### **CURRENT SERVICES (+\$85.6 million)**

##### Federal Commissioned Officer Pay Costs (+\$2.4 million)

The budget request projects a 1.7 percent pay raise for Commissioned Officers.

##### Inflation for Contract Health Services (+\$34.0 million)

Inflationary costs help maintain the current level of services and offset the rising cost in providing health care. The \$34 million is the calculated need to address a 3.6 percent medical inflation rate for the Contract Health Services program.

##### Staffing and Operating Costs for New Facilities (+\$49.2 million)

This request will fund the staffing and operating costs for six newly constructed Health Centers scheduled to open in FY 2013, including three Joint Venture projects. In addition, the request will complete the funding requirements to staff and operate two Joint Venture projects scheduled to open in FY 2012.

#### **PROGRAM INCREASES / DECREASES (+\$30.3 million)**

##### Contract Health Services (+\$20 million)

The increase will provide additional health care services for the American Indian and Alaska Native population by purchasing approximately 848 inpatient admissions, 31,705 outpatient visits and 1,116 one-way transportation services. Contract Health Services (CHS) funds are necessary to purchase health care services where direct IHS and tribal health care is non-existent or unavailable and supplemental funds are needed to provide comprehensive care.

##### Health Information Technology (HIT) and Electronic Dental Record (+\$6 million)

The largest portion of the Agency's major IT investments is its HIT systems, which are a critical and necessary component for the delivery of patient care services at the numerous IHS and tribal hospitals and ambulatory clinics, and Urban Indian Health Programs serving 2.1 million American Indians and Alaska Natives. The HIT systems capture patient and performance data for statistical reporting and decision-making, and comprise the billing and collection system for third party reimbursements. The \$6 million HIT increase will support mandatory ICD-10 (International Classification of Diseases) implementation and provide \$1 million in support for the Electronic Dental Record (EDR) program. These increases will allow Indian Health Service, tribally managed, and urban Indian Health programs to improve billing for third party revenues, address the accuracy

of medical records and health information systems, improve patient safety overall and improve the quality of and access to care across the Indian health care system.

Direct Operations (+\$1.1 million)

The increase will be used to: (a) maintain improvements and reforms made to-date and to continue enhancements in the IHS' capacity for providing comprehensive oversight and accountability in key administrative areas such as: human resources, property, financial management, performance management and CHS program improvements developed through CHS consultation recommendations on improving business practices related to CHS and third party reimbursements; (b) address recent Congressional oversight and reports issued by the General Accountability Office and the Office of Inspector General which recommended improvements in management of IHS programs such as the CHS program; (c) address unfunded mandates for national initiatives associated with privacy requirements, facilities, and personnel security; and, (d) improve responsiveness to external authorities such as OMB and Congress including, but not limited to, reforms related to oversight recommendations and the implementation and continuing accountability for new permanent authorities of the reauthorization of the Indian Health Care Improvement Act.

Contract Support Costs (+\$5 million)

The increase will be applied to the Contract Support Costs shortfall associated with ongoing contracts and compacts with tribes and tribal organizations under the Indian Self Determination and Educational Assistance Act.

Maintenance and Improvement (+\$1.7 million)

The increase will be used to provide routine maintenance funding for federal and tribal healthcare facilities.

Health Care Facilities Construction (-\$3.6 million)

The FY 2013 request represents a decrease of \$3.6 million from the FY 2012 appropriated base level for Health Care Facilities Construction. The funding will be used to continue construction on health facility construction projects already underway.

Indian Health Service Programs (Dollars in thousands)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request
<b>Services</b>			
Hospitals & Health Clinics	1,762,865	1,810,966	1,849,310
Dental Services	152,634	159,440	166,297
Mental Health	72,786	75,589	78,131
Alcohol & Substance Abuse	194,409	194,297	195,378
Contract Health Services	779,927	843,575	897,562
<b>Total, Clinical Services</b>	<b>2,962,621</b>	<b>3,083,867</b>	<b>3,186,678</b>
Public Health Nursing	63,943	66,632	69,868
Health Education	16,649	17,057	17,450
Community Health Reps.	61,505	61,407	61,531
Immunization AK	1,930	1,927	1,927
<b>Total, Preventive Health</b>	<b>144,027</b>	<b>147,023</b>	<b>150,776</b>
Urban Health	43,053	42,984	42,988
Indian Health Professions	40,661	40,596	40,598
Tribal Management Grants	2,581	2,577	2,577

Direct Operations	68,583	71,653	72,867
Self-Governance	6,054	6,044	6,044
Contract Support Costs	397,693	471,437	476,446
<b>Total, Other Services</b>	<b>558,625</b>	<b>635,291</b>	<b>641,520</b>
<b>TOTAL, SERVICES</b>	<b>3,665,273</b>	<b>3,866,181</b>	<b>3,978,974</b>
<b>FACILITIES</b>			
Maintenance & Improvement	53,807	53,721	55,470
Sanitation Facilities Construction	95,665	79,582	79,582
Health Care Facilities Construction	39,156	85,048	81,489
Facilities & Environmental Health Support	192,701	199,413	204,379
Equipment	22,618	22,582	22,582
<b>TOTAL, FACILITIES</b>	<b>403,947</b>	<b>440,346</b>	<b>443,502</b>
<b>TOTAL, BUDGET AUTHORITY</b>	<b>4,069,220</b>	<b>4,306,527</b>	<b>4,422,476</b>
<b>COLLECTIONS</b>			
Medicare	196,941	198,848	198,848
Medicaid	636,779	641,863	641,863
Subtotal, M / M	833,720	840,711	840,711
Private Insurance	81,006	81,006	81,006
Total, M / M / PI	914,726	921,717	921,717
Quarters	6,288	7,500	7,500
<b>TOTAL, COLLECTIONS</b>	<b>921,014</b>	<b>929,217</b>	<b>929,217</b>
Special Diabetes Program for Indians	150,000	150,000	150,000
<b>TOTAL, DIABETES</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>TOTAL, PROGRAM LEVEL</b>	<b>5,140,234</b>	<b>5,385,744</b>	<b>5,501,693</b>

The full IHS budget justification is available [here](#).

### Substance Abuse and Mental Health Services Administration (SAMHSA)

The SAMHSA FY 2013 President's Budget request for total program level is \$3.4 billion, a \$141.9 million decrease from the FY 2012 Enacted Level. The FY 2013 request is comprised of \$3.2 billion in budget authority (a decrease of \$195.5 million from FY 2012), \$164.8 million in PHS Evaluation funds (an increase of \$35.1 million from FY 2012), \$105.0 million in ACA Prevention Funds (an increase of \$17.0 million from FY 2012), and \$1.5 million for User Fees for data and publications requests beyond the normal requests from the general public (which is new for FY 2013).

(Dollars in millions)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request
<b>SAMHSA Total Budget Authority</b>			3,152
Behavioral Health – Tribal Prevention Grants	0	0	40
AI/AN Suicide Prevention Initiative	3	3	3

Behavioral Health Tribal Prevention: Within this total, the Budget includes \$40 million for a Behavioral Health Tribal Prevention Grant. Grants will be awarded to each of the 566 federally-recognized tribes to implement strategies to prevent substance abuse and suicides. SAMHSA will coordinate with the Indian Health Service (IHS) to implement community-based prevention strategies that complement the clinical services provided by IHS-funded providers.

American Indian/Alaska Native Suicide Prevention Initiative: Although no increase has been requested, suicide remains a top priority for tribal leaders and SAMHSA will continue to offer technical assistance and training with this requested funding.

**Administration on Aging (AoA)**

The FY 2013 budget request for AoA is \$1,978,336,000, a net increase of \$7,052,000 from the comparable FY 2012 enacted level. This request builds on the FY 2012 enacted budget, proposing level funding for core areas with small increases where the need is greatest and making offsetting reductions in others. The request also includes \$10,000,000 from the Prevention and Public Health Fund (PPHF) for Chronic Disease Self-Management Programs.

(Dollars in millions)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Change
<b>Administration on Aging</b>				
Native American Nutrition & Support Services	28	28	28	--
Native American Caregiver Support Services				
Adult Protective Services	6	6	6	--
	--	--	8	+8

**Administration for Children and Families (ACF)**

The FY 2013 President’s Budget request for the ACF, including both mandatory (pre-appropriated and entitlement) and discretionary programs, is \$50 billion in budget authority – an increase of \$170 million from the FY 2012 enacted level. The FY 2013 discretionary budget request is \$16.2 billion; a decrease of \$0.3 billion below the FY 2012 enacted level.

Head Start: The President’s FY 2013 budget requests an additional \$85 million to improve the quality of services and accountability at Head Start programs across the country. Forty million dollars of this increased budget will be used to ensure that grantees meet quality benchmarks. Otherwise, they will be required to compete against other organizations in their community for continued funding.

Low Income Home Energy Assistance (LIHEAP): The Budget decreases the LIHEAP by \$450 million, leaving \$3 billion to offset home heating and cooling costs for struggling families. While the cost of natural gas – the heating fuel used by most LIHEAP households – has not risen in recent years, the cost of heating oil has been on the rise. The request also includes \$200 million in contingency funds, which will be used for home-delivered fuels and other emergencies.

Administration for Native Americans (ANA): The FY 2013 request for Native American Programs is \$48,583,000, the same as the FY 2012 enacted level. To further the Department’s commitment to strengthening tribal governments, ANA will highlight “self-governance” as a priority area and provide opportunity for programs that support family and youth projects to work together. It is intended that these projects will: (1) promote coordination among human service programs for tribal communities to strengthen the services they provide to their children, youth, and families, and (2) build the capacity and infrastructure of tribal governments to enter into self-governance compacts.

(Dollars in millions)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Change
<b>Administration for Children &amp; Families</b>	7,560	7,969	8,054	+85
Head Start	4,701	3,472	3,020	-452
LIHEAP	63	63	63	--
Promoting Safe and Stable Families	2,223	2,278	2,603	+325



Child Care and Development Block Grants	49	49	49	--
Administration for Native Americans	48	48	48	--

The HHS budget justifications are available at <http://www.hhs.gov/budget/#justification>.

## DEPARTMENT OF JUSTICE

The President’s FY 2013 Budget requests approximately \$345 million for public safety initiatives in Indian Country, with a total of \$156.8 million set aside for tribal grant programs within the Department of Justice (DOJ). While this is a significant overall decrease compared to the President’s FY 2012 DOJ request, the tribal grant program funding numbers are still more than the approximate \$123.9 million FY 2012 enacted level, demonstrating the Administration’s continued commitment to improving the criminal justice system on tribal lands.

Similar to last year’s request, the Department again proposes bill language for a **7 percent tribal set-aside** from all discretionary **Office of Justice Programs (OJP)** programs to address Indian country public safety and tribal criminal justice needs. Unfortunately, under the FY 2013 request, the 7 percent set-aside totals \$81,375,000—more than a \$20 million decrease from last year’s request. Although the details of how these funds will be administered are yet to be determined, the goal is to provide a more flexible grant structure for tribes. To offset this new policy, the Department proposes to eliminate bill language contained in prior years’ Appropriations Acts that had specific funding amounts for traditional tribal justice programs – such as tribal prison construction, tribal courts initiative, tribal alcohol and substance abuse reduction assistance, and tribal youth.

Approximately \$40.5 million is requested for tribal initiatives within the **Office of Violence Against Women (OVW)** and aimed at addressing the high victimization rates of American Indian and Alaska Native women for the crimes of domestic violence, sexual assault, dating violence, and stalking on tribal lands. Of these funds, \$35,320,000 (a \$50,000 increase over FY 2012 enacted levels) is requested for disbursement through the VAWA Tribal Government Grants Program, while \$3,605,000 would be funneled to tribal coalitions through the VAWA Tribal Coalitions Grants Program. Also within these OVW funds, the President has requested that \$500,000 be available for an Indian Country Sexual Assault Clearinghouse that will offer a one-stop shop for tribes to request free on-site training and technical assistance. The FY 2013 budget request also sustains funding for Analysis and Research on Violence Against Indian Women at \$1 million.

Unfortunately, the FY 2013 budget request for tribes under the **Community Oriented Policing Services (COPS)** program to fund tribal law enforcement expenses is funded at \$20 million, the same as the FY 2012 enacted amount but much lower than it was just two years ago. Moreover, the \$42 million that the President requested for tribes under the COPS Hiring Program in FY 2012 has been reduced to just \$15 million for FY 2013. These funds are critical for the hiring and retention of tribal law enforcement officers.

While the DOJ FY 2013 Budget Request may total less than last year’s request, it still provides tribes with more flexibility in how they spend their DOJ grant dollars. This demonstrates the Justice Department’s continued commitment to tribal self-determination and the improved administration of justice on Indian lands. It is also important to remember that Indian tribes are also eligible for funding under several non-tribal specific DOJ grant programs, such as the Adam Walsh Act Implementation Grant Program and the Second Chance/Prisoner Reentry Grant Program.

More generally, the President’s DOJ FY 2013 Budget Request: sustains national security interests; upholds traditional missions; increases focus on financial and mortgage fraud; invests in federal



prisons and detention capacity; maintains tribal, state, and local law enforcement support; streamlines programs and operations; and expands Health Care Fraud enforcement. For more information, and copies of the various DOJ Budget Request Fact Sheets, visit <http://www.justice.gov/opa/pr/2012/February/12-ag-205.html>.

## DEPARTMENT OF EDUCATION

The President's total education budget request is \$69.8 billion, an increase of \$1.7 billion, or 2.5 percent, over the FY 2012 level. In addition to sustaining reform initiatives such as Race to the Top and Investing in Innovation (i3), the FY 2013 budget request for the Department of Education is focused on three new priorities:

- (1) improving affordability and quality in postsecondary education
- (2) elevating the teaching profession to the same high status it enjoys in nations with the highest-performing education systems, and
- (3) strengthening the connections between school and work and better aligning job training programs with workforce demands.

Specific proposals include:

\$1 billion for Race to the Top: Funds would be awarded to states with a strong record of increasing college affordability and quality, which could be demonstrated in such ways as maintaining a consistent state financial commitment to higher education, operating institutions that reasonably stabilize or contain the growth in what students pay for college and measure and publicize institutional value in terms of financial returns and other outcomes, making use of data to drive policy, and improving alignment between K-12 and postsecondary education and across colleges.

\$55.5 million for a "First in the World" fund: Funding would help postsecondary institutions, including private institutions and nonprofit organizations, to develop, evaluate, or scale up innovative and effective strategies for improving college completion outcomes while lowering costs and increasing the quality and capacity of higher education.

\$5 billion in one-time funds through the American Jobs Act: The initiative would provide support to states and districts to pursue bold reforms at every stage of the teaching profession.

25-percent set-aside of Effective Teachers and Leaders State Grant funds under Title II: This increased set-aside—approximately \$617 million—would support efforts to build evidence on how to best recruit, train, and support effective teachers and school leaders; recruit and prepare effective science, technology, engineering, and mathematics teachers; and invest in efforts to enhance the teaching and school leadership professions.

\$190 million in mandatory funding for a new Presidential Teaching Fellows program: Formula grants to states that meet certain conditions to award scholarships of up to \$10,000 to talented individuals attending the most effective programs in the state.

\$8 billion over 3 years for a community college initiative: Jointly administered by the Departments of Education and Labor, the initiative would improve access to job training across the nation and support state and community college partnerships with businesses.

\$1.1 billion to support the reauthorization and reform of the Career and Technical Education (CTE) program: Currently set to expire at the end of fiscal year 2012, the Administration's reauthorization

proposal would restructure CTE to increase the rigor and relevance of what students learn in school to more closely align with the demands of the 21st century economy and workforce, while creating stronger linkages between secondary and postsecondary education.

<b>Department Education (Dollars in millions)</b>	<b>FY 2011 Actual</b>	<b>FY 2012</b>	<b>FY 2013 Request</b>	<b>Change from FY12 to FY13</b>
Impact Aid	1273	1291	1224	- 67
Indian Education Act, Title VII	127	130	130	-
Education for Native Hawaiians	34	34	34	-
Alaska Native Education Equity Assistance Program	33	33	33	-
Strengthening AN, Native HA-Serving Institutions	15	15	15	-
Strengthening Tribal Colleges and Universities (mandatory)	30	30	30	-
Tribally Controlled Postsecondary Institutions	8	8	8	-
Strengthening Native American-serving nontribal institutions (mandatory)	5	5	5	-

#### Impact Aid

The \$67 million – 5 percent – cut in Impact Aid, is the elimination of the line item for Payments for Federal Property. The justification for this elimination is that the line item payments are made to Local Education Agencies without regard to the presence of federally connected children and do not necessarily provide for educational services for such children. This cut will likely not have an effect on Indian Country.

#### Indian Education Act, Title VII

The FY 2012 appropriations act included first time funding for grants to tribal educational agencies in order to build their capacity to assume certain administrative responsibilities for ESEA programs under arrangements with state educational agencies (SEAs). These grants would be continued in FY 2013.

The Department of Education Budget justifications are available at:

<http://www2.ed.gov/about/overview/budget/budget13/justifications/index.html>.

### **DEPARTMENT OF AGRICULTURE**

In the President's FY 2013 budget request for the Department of Agriculture (USDA), the Administration has set priorities involving renewable energy, housing, utilities, infrastructure, and rural development. The \$155 billion funding level for USDA is 5 percent more than it was for FY 2012. The FY 2013 funding request mirrors USDA efforts to innovate, modernize, and increase stewardship of taxpayers' money. USDA's budget proposes to reduce or eliminate selected programs and reallocate resources to priority programs.

<b>Program (in millions)</b>	<b>FY 2011 Enacted</b>	<b>FY 2012 Enacted</b>	<b>FY 2013 Budget Request</b>
Office of Tribal Relations	1	.448	.498
Federally-Recognized Tribes Extension Program (FRTEP)	3	3	3
Expanded Food and Nutrition Education Program (EFNEP)	68	68	68
Animal Health APHIS Discretionary	878	820 Estimate	765
APHIS Mandatory	280	282	278
Native American Endowment Fund	12	12	12
Indian Fractionated Land Loans	0	10	10
Water and Waste Disposal Programs			
Direct Loans	77	70	81
Guaranteed Loans	0	1	0
Grants	439	432	415
Broadband Programs			
Direct Loans	22	6	9
Grants	13	10	13
Distance Learning and Telemedicine Programs	33	21	25

**Office of Tribal Relations:** The budget proposes \$498,000 to fund the Office of Tribal Relations in order to strengthen tribal relations and manage tribal programs, education and outreach.

**Federally Recognized Tribes Extension Program (FRTEP):** The FRTEP supports extension agents who establish programs in agriculture, community development, families, and societal issues facing Native Americans. The budget proposes \$3 million for the program to be used to develop and deploy sustainable production practices.

**Extension and Education on Tribal Lands and at 1994 Institutions:** Additionally, the budget proposes \$4.3 million for Extension Services research grants at the 1994 Institutions to conduct Expanded Food and Nutrition Education Program (EFNEP) research in a number of Native American communities through a competitive grant process. Also, \$1 million is requested for community facilities grants under the Tribal Colleges Education Equity Grants Program which is designed to promote and strengthen higher education instruction in the food and agricultural sciences at the 34 tribal colleges and universities.

**Animal Health:** The budget includes a total of \$279 million to protect the health of livestock, poultry, and other animals, compared to \$282 in FY 2012. The request includes an increase of about \$5.3 million to \$38 million for Animal Health Technical Services that support the improved animal disease traceability system, which has been developed using stakeholder input. The Budget includes a decrease from \$5 million in FY 2012 to \$4 million in FY 2013 for Equine and Cervid Health activities with a stated move to eliminate federal contributions towards addressing chronic wasting disease. While the Animal and Plant Health Inspection Services (APHIS) will continue to have the role of national coordinator regarding chronic wasting disease, surveillance, and indemnity costs will be shifted to tribes and states as they are expected to assume greater financial support for the program.

**Native American Institutions Endowment Fund:** The 2013 Budget includes the same level as the FY 2012 enacted, \$11.9 million, for an endowment for the 1994 land-grant institutions (34 tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian

expertise for the food and agricultural sciences and businesses and their own communities. At the termination of each fiscal year, the Secretary withdraws the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the fund, distributes the adjusted income on a formula basis to the 1994 land-grant institutions.

**Water and Waste Disposal Program:** The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. In FY 2013 the projected loan level is \$1 billion for direct loans. No guaranteed loans are proposed for FY 2013 due to the increase in cost for this program coupled with the low demand for these funds.

**Other Programs:** The FY 2013 budget proposes sustaining the Indian Tribe Land Acquisition Loan Program at the \$2 million level and the Indian Fractionated Land Loans program at \$10 million. The FY 2013 budget provides \$9 million in budget authority to support \$94 million in broadband loans, \$13 million for broadband grants and \$25 million for grants under the Distance Learning and Telemedicine programs.

### Nutrition

Food Nutrition and Consumer Services (in millions)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Budget Request
Special Supplemental Nutrition Program for Women, Infant, Children (WIC)	6,734	6,618	7,041
Food Distribution Program on Indian Reservations (FDPIR)	60.75	62.01	64.611

**WIC:** The President’s FY 2013 Budget requests over \$7 billion in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to support the 9.1 million individuals expected to participate in the program. WIC is critical to the health of pregnant women, new mothers, and their infants and young children.

**Food Distribution Program on Indian Reservations (FDPIR):** FDPIR provides USDA Foods to low-income households living on Indian reservations, and to American Indian households residing in approved areas near reservations or in Oklahoma. Currently, there are approximately 276 tribes receiving benefits under FDPIR through 100 ITOs and 5 State agencies. The Budget maintains funding for FDPIR and requests a small increase to account for food inflation.

### Rural Economic Programs

The Department of Agriculture FY 2013 budget includes substantial support for rural economic development programs. Funding for the Business and Industry Guaranteed Loans program is increased by \$10 million to \$821 million. This program provides protection against loan losses so that lenders are willing to extend credit to establish, expand, or modernize rural businesses

**Rural Business Enterprise Grants (RBOG) Program:** Funding for rural projects that finance and facilitate development of small and emerging rural businesses is increased from \$24 million to \$30 million, while the Rural Business Opportunity Grants program, with its \$1 million set aside for tribal communities is no longer funded – a total loss of \$2 million.

**Rural Economic Development Program:** The FY 2013 budget maintains the FY 2012 allocations for Direct Loans at \$33 million and Grants at \$10 million. A new program – the Rural Microentrepreneur Assistance Program proposes startup funding in FY 2013 of \$22 million to be used to establish reserves for relending to microentrepreneurs for training, operational support, business planning, and market development assistance, with a FY 2013 funding allocation of \$3.4 million to support approximately \$22.5 million in loans. Additionally, the Guaranteed Loans funded under the Rural Energy for America Program show an increase in funding from \$6 million in FY 2012 to \$19 million in FY 2013.

### Natural Resources and Environment

Program (in millions)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Budget Request
Wildlife Habitat Incentives (WHIP)	50	50	73
Watershed Rehabilitation Program	18	15	0
Environment Quality Incentives Prog	1,238	1,400	1,403
Conservation Security Program	204	197	182
Conservation Stewardship Program	601	769	972

**Conservation Security Program:** The Conservation Security Program was established in the 2002 Farm Bill and is a voluntary program that provides financial and technical assistance on tribal and private agricultural working lands to support ongoing conservation stewardship. The program provides payments to producers who maintain and enhance the condition of natural resources. The program was not reauthorized in the 2008 Farm Bill; the FY 2013 Budget includes \$182 million for the Conservation Security Program to service existing contracts.

**Conservation Stewardship Program (CSP):** The FY 2013 request for this program increased by more than \$200 million to \$972 million. The 2008 Farm Bill replaced the Conservation Security Program with a new Conservation Stewardship Program which is distinguished from the old program in that it encourages participants to undertake new conservation activities in addition to maintaining and managing existing conservation activities. Also, the new program operates under an annual acreage limitation rather than a funding cap. The proposed budget of nearly \$1.0 billion will allow CSP to enroll 12 million new acres during 2013 in addition to servicing prior year contracts.

**Environmental Quality Incentives Program (EQIP):** EQIP funding has been maintained at \$1.4 million in FY 2013. The purpose of EQIP is to provide assistance to landowners who face serious natural resource challenges that impact soil, water and related natural resources, including grazing lands, wetlands, and wildlife habitat. The plan is to reduce the deficit by targeting funding to high priority areas with the highest conservation benefit, which are typically on smaller farms. Agricultural Water Enhancement Program (AWEP), is also under EQIP, is funded at \$60 million, the same level authorized in the 2008 Farm Bill, for FY 2012. AWEP promotes the conservation of ground and surface water and the improvement of water quality.

**Watershed Rehabilitation Program:** Under the Watershed Protection and Flood Prevention Act, assistance is provided to communities to address the rehabilitation of aging local dams. The FY 2012 enacted level included \$15 million for the Watershed Rehabilitation Program. No funding is requested in the FY 2013 budget request, reflecting the Administration's position that the maintenance, repair, and operation of these dams are the responsibility of local project sponsors. The FY 2013 Budget also proposes no mandatory funding for this program in 2013; the \$165 million currently available is proposed to be permanently eliminated

**Wildlife Habitat Incentives Program (WHIP):** The program develops habitat for upland wildlife, wetland wildlife, threatened and endangered species, fish, and other wildlife. The FY 2013 request assumes extension of WHIP and proposes a funding level of \$73 million, while proposing to permanently cancel funds exceeding this amount in FY 2013.

## DEPARTMENT OF COMMERCE

The President's FY 2013 budget places a strong emphasis on job creation, advanced manufacturing and promoting exports, and foreign direct investment. The budget outlines a number of funding proposals focused on manufacturing and improving the competitiveness of small and medium firms in manufacturing and service industries as well as creating a nationwide interoperable wireless network for public safety.

**Business Development:** The Minority Business Development Agency budget of \$29 million is a small reduction from \$30 in FY 2012 million. In comparison, the Economic Development Administration funding was reduced from \$457 million to \$220 million, reflecting the Agency's continuing move to close all 5 National Enterprise Centers, citing duplicative coverage with the Agency's MBDA Service Centers.

### **National Oceanic and Atmospheric Administration (NOAA)**

The President's FY 2013 budget proposes \$800 million for the National Marine Fisheries Service. NOAA proposed no funds for the Fisheries Finance Program (FFP) account. Established to cover the cost of financing direct loans, NOAA noted that these loans do not require an appropriated subsidy. The FY 2013 President's Request includes an additional \$50 million for the Pacific Coastal Salmon Recovery Fund.

### **Telecommunications**

The President's FY 2013 budget proposes a 10-year National Wireless Initiative that would provide \$10 billion from anticipated spectrum auction proceeds to help build an interoperable public safety broadband network and recommends the provision of additional spectrum for public safety use. This will help tribal first responders communicate with one another and correspond with state and federal agencies more effectively. Start-up funding of \$50 million is also proposed for a new Public Safety Broadband Corporation with responsibility for ensuring the public safety broadband network is built, deployed, and operated in consultation with tribal, federal, state, and local public safety entities.

The National Telecommunications and Information Administration (NTIA) received \$47 million with an additional \$27 million for NTIA to continue to administer and monitor over \$4 billion in active projects under the Broadband Technology Opportunities Program. The budget proposes \$1.2 million to support NTIA's continuing work to identify 500 megahertz of spectrum for wireless broadband use.

### **Research and Innovation**

The President's FY2013 budget proposes \$648 million for the National Institute of Standards and Technology – an increase of \$81 million from FY 2012 – to support multiple research efforts and support, including research in advanced manufacturing, health IT, telemedicine, Smart Grid, environmental monitoring, and cloud computing.

### **International Trade**

The FY 2013 Budget requests \$517 million for the International Trade Administration – a 14 percent increase over FY 2012 – designed to strengthen the efforts of the National Export Initiative meet the President’s goal of doubling U.S. exports by the end of 2014, including improving U.S. trade promotion and trade enforcement.

### ENVIRONMENTAL PROTECTION AGENCY

Although the Environmental Protection Agency’s (EPA) FY 2013 budget decreased approximately \$105 million overall from FY 2012, much of the tribal set asides received increased funding. Recognizing tribes and states as the primary implementers of environmental programs the EPA continued funding its State and Tribal Assistance Grants program, which accounts for 40 percent of the EPA’s budget request and is the largest percentage of the EPA’s budget request. Tribes received an increase of approximately \$29 million over FY 2012 appropriations to the Tribal General Assistance Program. These additional funds will assist tribes in capacity building and promote protections for the environment and human health.

EPA (Dollars in thousands)	FY2011 Enacted	FY2012 Enacted	FY2013 Request	FY13 - FY12
Clean Water State Revolving Fund	1,963,434	1,466,456	1,175,000	-291,456
Drinking Water State Revolving Fund	1,101,828	917,892	850,000	-67,892
Alaska Native Villages	10,327	9,984	10,000	16
Tribal Air Quality Management	14,366	13,252	13,566	314
Tribal General Assistance Grants	69,331	67,631	96,375	28,744
Section 106 Water Pollution Control (tribes)	252,138	238,403	265,264	26,861
Tribal Integrated Solid Waste Mgmt (RCRA)		0	0	0
Tribal Capacity Building	13,893	13,736	15,062	1,326

For more information on the EPA budget visit  
<http://www.epa.gov/planandbudget/annualplan/fy2013.html#FY13budget>

### DEPARTMENT OF ENERGY

The Department of Energy overall FY 2013 budget request of \$27.2 billion is a small increase over the FY 2012 enacted level. Part of this increase requires a significant restructuring of programs to streamline and cut those that are not working or no longer needed. For tribally specific programs, the Department of Energy requested a 25.3 percent increase for the Office of Indian Energy Policy and Programs. This increase brings the OIEPP closer to the statutory maximum of \$20 million, a request included in the NCAI FY 2013 Tribal Budget Request document. The Tribal Energy Program request included a 30 percent cut and will seek to develop tools for leveraging existing public and private financing for deployment of tribal energy projects. One-hundred and thirty nine million dollars was requested for the Weatherization Assistance Grants Program which is contained within the Weatherization and Intergovernmental Activities. This large increase over the enacted Weatherization Assistance Grants Program budget from last year (which was \$68 million) will expand certified training programs for workers in the arena of residential energy retrofits with the intention of making weatherization jobs a lasting part of the economy.

FY 2011	FY 2012	FY 2013
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	Enacted	Enacted	Request
Tribal Energy Activities	10,000,000	10,000,000	7,000,000
Office of Indian Energy Policy and Programs	1,477,000	2,000,000	2,506,000
Weatherization & Intergovernmental Activities (national in scope)	231,300,000	128,000,000	195,000,000

For the more Energy budget information, use this link: <http://www.cfo.doe.gov/crOrg/cf30.htm>.

### FEDERAL COMMUNICATIONS COMMISSION

President Obama's FY 2013 budget request announced an increase of two percent over current funding levels for the Federal Communications Commission. The President's proposed FY 2013 budget for the FCC is \$347 million and included provisions to accelerate wireless broadband deployment, construction of a national broadband public safety network, and permanently extending the FCC's authority to engage in the process of auctioning spectrum licenses. The Administration also called for the authority to repurpose the D block spectrum to create a national broadband network for first-responders. This D block spectrum is currently licensed for television and government agencies.

The request includes an increase of \$300,000 for the FCC's Office of Native Affairs and Policy (FCC-ONAP) compared to its base funding levels from FY 2012. This office is tasked with advancing the agenda for the entire FCC's tribal consultation efforts. This increase to the base funding of FCC-ONAP will enable the office to continue its consultation activities in rural and remote locations throughout Indian Country.

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The funding levels for the Indian housing programs within the Department of Housing and Urban Development are maintained at current level funding from enacted FY 2012 appropriations levels. The Department is aware that housing conditions in Indian Country are impacted by housing overcrowding and have great housing needs.

	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Enacted	Requested FY 2013
(\$ in millions)				
Native American Housing Block Grant	635	690	650	650
Indian Housing Loan Guarantee Fund	8	7	6	7
Indian Community Development Block Grant	62	65	60	60

For more details on the HUD budget visit <http://portal.hud.gov/hudportal/HUD?src=/fy2013budget>.

### DEPARTMENT OF LABOR

Employment and Training Administration (dollars in thousands)	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Change: FY13-12
Workforce Investment Act (WIA): Indian and Native American Program	52,758	47,652	52,758	+5,000

*Workforce Investment Act (WIA):* The President's FY 2013 budget requests over \$52 million for the Indian and Native American Program (INAP), which is authorized by section 166 of the Workforce Investment Act (WIA). This is the same as FY 2011 enacted level and an increase of \$5,000,000 over the FY 2012 amount. At this funding level, the program expects to serve 32,000 unemployed, under-employed, and under-skilled Native American adults. The INAP serves American Indians,

Alaska Natives, and Native Hawaiians through a network of 178 grantees through the Comprehensive Service Program (Adult) and Supplemental Youth Service Program (Youth).

### SMALL BUSINESS ADMINISTRATION

The President’s FY 2013 budget decreases the funding for the Office of Native American Affairs (ONAA) for its outreach initiatives to \$0.85 million – a reduction from \$1.25 million in FY 2012. ONAA will continue outreach to Native American tribes and Native American, Alaska Native and Native Hawaiian entrepreneurs to ensure access to key SBA programs including entrepreneurial development, lending, and contracting. Specifically, \$722,500 is planned for contractual services to fund the Native American entrepreneurial development initiative; the Native American veterans outreach series; and the tribal UCC development initiative, in conjunction with the Federal Reserve Bank of San Francisco. ONAA also plans collaboration programs with Treasury, tribal colleges and universities and small business development centers to encourage tribal outreach initiatives.

### DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) President’s budget request for FY 2013 envisions critical investments in infrastructure that are vital to the nation’s economic success. Included in the budget is a new six-year \$476 billion surface transportation reauthorization proposal to improve the nation’s transportation infrastructure. The President’s budget also seeks to fully pay for the transportation investment through gas tax and other revenues and from the savings from the Overseas Contingency Operation reductions, a decrease of military operations.

Additional changes included in the DOT’s FY 2013 budget is the consolidation of 55 surface transportation programs within the Federal Highway Administration to five core programs: (1) Highway Safety Improvement Program; (2) National Highway Program; (3) Livable Communities Program; (4) Federal Allocation Program; and (5) Research, Technology and Education Program. A major change has also been to rename the Indian Reservation Roads Program (IRR) and has been changed to the **Tribal Transportation Program (TTP)**, this will encompass the former IRR Bridge Program, planning, and a new safety program for TTP roads. The amount requested for FY 2013 for Tribal Transportation Program is \$600 million with gradual step increases for each fiscal year up to \$785 million for FY 2018.

The President has requested for Federal Transit Administration Tribal Transit Grant Program to be allocated at \$15 million for FY 2013.

(\$ in millions)	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Estimate	Requested FY 2013
<b>Federal Highway Administration</b>				
<i>Federal Allocation Funding</i>				
<i>Tribal Transportation Program</i>				
Indian Reservation Roads Program	450	450	450	(--)
Indian Reservation Bridge Program	14	14	14	(--)
<b>Federal Transit Administration</b>				
Tribal Transit Grant Program	15	15	15	15

For more details on the DOT budget, visit [http://www.dot.gov/budget/2013/dot\\_budget\\_highlights\\_fy\\_2013.pdf](http://www.dot.gov/budget/2013/dot_budget_highlights_fy_2013.pdf).

### DEPARTMENT OF THE TREASURY

The President's FY 2013 budget increases the Department of the Treasury's (Treasury) budget by 8.5 percent over the FY 2012 levels to \$16.1 billion. While overall funding for the Community Development Financial Institutions Fund was reduced by 12.38% from \$146 million to \$128 million, funding for the Native American CDFI Assistance (NACA) Program remained at \$12 million, reflecting no change from FY 2012. Through the NACA program, the CDFI fund makes monetary awards to increase the number and capacity of existing or new Native CDFIs that provide access to credit, capital and financial services in American Indian, Alaska Native, and Native Hawaiian communities. Additionally, the FY 2013 budget language reinstates the requirement for matching funds for Small and Emerging CDFI Assistance (SECA) Program applicants and Financial Assistance (FA) applicants for the Native American CDFI Assistance Program (NACA Program). This means that all SECA and NACA FA awards will be in the form of grants for this fiscal year.

Other programs in the Treasury FY 2013 budget of interest to tribes include the Healthy Food Financing Initiative, providing up to \$25 million to support increased availability of affordable, healthy food alternatives in underserved and low-income communities through the use of Federal grants, below market-rate loans, loan guarantees and tax credits. In addition, the FY 2013 request includes \$15 million for the Bank Enterprise Award, which provides funding to federally-insured banks to invest in CDFIs to increase their lending and financial services in economically distressed communities. Additionally, within the total funding for the CDFI fund, up to \$20 million is requested for the new Bank on USA Program, which promotes access to affordable and appropriate financial services and basic consumer credit products for the approximately 25 percent of Americans who are unbanked or under-banked (i.e., having a bank account but also using alternative service providers such as check cashers or payday lenders). Given almost 45 percent of Native people are unbanked or under-banked, this program could benefit Indian Country.