

**STATEMENT OF
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BEFORE THE COMMITTEE ON INDIAN AFFAIRS UNITED STATES SENATE
ON THE PRESIDENT’S
FISCAL YEAR 2015
BUDGET REQUEST FOR INDIAN PROGRAMS IN THE
DEPARTMENT OF THE INTERIOR**

MARCH 26, 2014

Good afternoon, Chairman Tester, Vice Chairman Barrasso, and members of the Committee. Thank you for the opportunity to provide a statement on behalf of the Department of the Interior (Department) on the President’s Budget Request for Fiscal Year (FY) 2015 that was presented to Congress on March 4, 2014. The FY 2015 budget request for Indian Affairs programs within the Department totals \$2.6 billion, which is \$33.6 million more than the FY 2014 enacted level.

As the Assistant Secretary for Indian Affairs, I have the responsibility to oversee the numerous programs within the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), along with other programs within the immediate Office of the Assistant Secretary for Indian Affairs. The Office of the Assistant Secretary for Indian Affairs, BIA, and BIE programs expend over 90 percent of appropriated funds at the local level. Of this amount, over 62 percent of the appropriations are provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs and schools. In sum, tribal self-determination and self-governance programs have eclipsed direct service by the BIA and BIE to Indian people. Indian Affairs’ programs serve the more than 2.0 million American Indian and Alaska Natives living on or near Indian reservations.

The FY 2015 President’s Request supports continuing efforts to advance self-governance and self-determination, promote efficient and effective governance, prudently manage tribal natural resources, build stronger economies and self-sufficiency and maintain safer Indian communities. In November 2013, President Obama hosted the fifth annual White House Tribal Nations Conference. The event included thirteen Cabinet members and dozens of senior Administration officials who met with representatives from the 566 federally recognized Tribes on a wide range of issues including advancing the Nation to Nation relationship, economic development, housing, excellence in education, energy, infrastructure, law enforcement, cultural protection, natural resources, and Native American youth.

Our funding priorities are guided, in part, by careful coordination with Tribes through a regional-to-national planning process through the Tribal Interior Budget Council. In addition, input from tribal leaders gained since the first White House Tribal Nations Conference has helped guide the Administration’s priorities and decision making processes. These and other sources of tribal input have informed legislative and programmatic initiatives and funding priorities in the 2015 budget, including full funding for contract support costs.

To insure the continued success of tribal self-determination and self-governance, the 2015 President's budget request proposes to continue full funding for contract support costs. It includes a request for \$251.0 million, an increase of \$4.0 million above the 2014 enacted level. Based on the most recent analysis, the requested amount will fully fund the estimated 2015 contract support need. The availability of contract support cost funding is a key factor in tribal decisions to assume responsibility for operating Federal programs, furthering tribal self-determination and self-governance. The Interior Department fully funded estimated contract support costs in 2014. The Bureau of Indian Affairs will continue to consult with Tribes to develop streamlined mechanisms and a long-term approach to advancing these shared goals.

To further enhance the Nation-to-Nation relationship, Indian Affairs is continuing its comprehensive look at the regulations addressing how Indian groups apply for and receive Federal recognition as an Indian Tribe. The Department is reviewing comments recently received and plans to proceed with a proposed rule for publication in the Federal Register. After another round of consultations and a formal comment period, Indian Affairs plans to publish the final rule in 2014 or early 2015. In addition, the 2015 budget proposes language to clarify the Department's authority to take Indian land into trust and amend the Indian Reorganization Act of 1934, thereby reducing significant delays in processing land into trust applications

Supporting Indian Families and Protecting Indian Country

Supporting Indian families and ensuring public safety are top priorities for the President and tribal leaders. As part of the President's commitment to protect and promote the development of prosperous tribal communities, BIA proposes the Tiwahe Initiative, a new effort to support community and cultural awareness in Indian Country. Child abuse and neglect are serious and persistent problems among Indian populations in the United States. The impact of child maltreatment in many Indian communities has been devastating. It has disrupted extended family support networks and broken up families through placements outside the community.

Children living in poverty are far more likely to be exposed to violence and psychological trauma, both at home and in the surrounding community. Indian communities are plagued by high rates of poverty, substance abuse, suicide, and violent crime. The U.S. Census Bureau recently reported that between the years 2007 and 2011, 23.9 percent of the American Indian and Alaska Native population lived in poverty; a figure that exceeded the national poverty rate of 14.3 percent.

The 2015 budget includes a comprehensive and integrated approach to the interrelated problems of poverty, violence, and substance abuse faced by Indian communities. The proposed increase of \$11.6 million for social services, child welfare and job training programs will support the initiative by providing culturally appropriate services with the goal of empowering individuals and families through health promotion, family stability, and strengthening tribal communities as a whole. In its initial phase, the Tiwahe Initiative will expand BIA's capacity in current programs that address Indian children and family issues and job training needs.

To promote public safety and community resilience in Indian communities, the 2015 budget maintains resources to build on recent successes in reducing violent crime and implements a new

goal to lower repeat incarceration in Indian Country. The goal of the pilot program is to lower rates of repeat incarceration at the three targeted reservations of Red Lake, Ute Mountain, and Duck Valley by a total of three percent by September 30, 2015. To achieve this goal, BIA will implement a comprehensive “alternatives to incarceration” strategy, that seeks to address underlying causes of repeat offenses, including substance abuse and social services needs, by utilizing alternative courts, increased treatment opportunities, probation programs, and interagency and intergovernmental partnerships with tribal, Federal, and State stakeholders.

Supporting Sustainable Stewardship of Trust Resources

The BIA’s trust programs assist Tribes in 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. These programs assist tribal landowners in optimizing the sustainable stewardship and use of resources, providing many benefits such as revenue, jobs, and the protection of cultural, spiritual, and traditional resources.

Taking land into trust is one of the most important functions Interior undertakes on behalf of Indian Tribes. Homelands are essential to the health, safety, social, cultural, and economic welfare of tribal governments. In 2013, Interior acquired 32,148 acres of land in trust on behalf of Indian Tribes and individuals and approved 438 fee-to-trust applications. The Administration has set an ambitious goal of placing more than 500,000 acres of land into trust by the end of the Obama Administration. To that end, BIA has processed more than 1,500 land-into-trust applications, accepting more than 240,500 acres in trust on behalf of Tribes since 2009. To put that in context, that figure equals more than 375 square miles. The BIA intends to build on this progress to meet or exceed the 500,000 acre goal.

The BIA is striving to increase the economic utilization of Indian lands. In addition to implementing the Helping Expedite Responsible Tribal Homeownership Act provisions for tribal leasing approval, Indian Affairs continues to implement other new Federal leasing regulations finalized in early 2013. The updated regulations encourage and accelerate economic development in Indian Country. The revised regulations reformed the former antiquated, one-size-fits-all Federal surface leasing regulations for Tribes and individual Indians. The rule defines specific processes, with enforceable timelines, through which BIA must review leases and permits. The regulation establishes separate, simplified processes for residential, business, and renewable energy development, so that, for example, a lease for a single family home is distinguished from a large solar energy project.

The 2015 budget will continue funding resource stewardship with expanded science and technical support started in 2014, including research, analysis, and technical support activities for the development of alternative and conventional energy sources, sustainable management of natural resources such as land, water, oceans, endangered and invasive species, and climate adaptation and resilience. In addition, the Indian Affairs budget proposes \$35.7 million for Indian land and water settlements in the 2015 budget, which is equal to the 2014 enacted level.

Advancing Indian Education

Native American youth are the most precious resource of any Tribe, and educating our youth is vital to the well-being of Indian Country. The 2015 budget request for the Bureau of Indian Education is \$794.4 million, \$5.6 million above the 2014 enacted level. Included within this funding request are programs that will advance the Department's continuing commitment to American Indian education.

A thriving educational system for American Indian students is essential for the long-term health and vitality of Native American communities and is a critical component of the broader initiative to strengthen tribal communities. In 2013, Secretary Jewell and Secretary of Education Arne Duncan convened an American Indian Education Study Group to address needed reforms to American Indian elementary and secondary education and seek higher levels of academic achievement.

The Study Group is overseen by myself, as Assistant Secretary for Indian Affairs, and includes representatives from BIE, Department of Education, leading academics, and Department of Defense educational system. Foundational issues the group is evaluating include: the creation of a relevant curriculum; the need for retention and recruitment of effective teachers; the application of appropriate teaching practices; and addressing the student achievement gap. The work will be done in concert with President Obama's initiative to support tribal self-determination. The group has traveled the Country to listen to BIE and tribal school employees, parents, and students directly impacted by the BIE system. They will conduct tribal consultations to gather tribal views and input on recommendations for improving educational outcomes in schools. The President's budget proposes to include Indian education in the Opportunity, Growth and Security Fund. The Fund would support incentives to promote improvements in educational outcomes at schools funded through the Bureau of Indian Education.

Land Buy-Back Program for Tribal Nations

Throughout 2013, the Land Buy-Back Program continued to implement the land consolidation portion of the Cobell Settlement Agreement. In the Settlement, \$1.9 billion was set aside to consolidate fractionated ownership of land interests held in trust or restricted status across Indian Country. Under the terms of the Settlement, the Department of the Interior has until November 2022 to expend the funding to acquire fractional interests at fair market value from willing sellers. Fractionation has been identified as a key impediment to economic development and is a significant factor in the complexity and cost of managing the Indian Trust. Lands acquired through the program will remain in trust or restricted status and are immediately consolidated for beneficial use by the tribal nation with jurisdiction. Some of the beneficial uses of consolidated land include energy development, farming, cultural preservation, and timbering.

In December 2013, the Department made initial purchase offers for fractional interests at three locations: Pine Ridge Reservation, Makah Indian Reservation, and Rosebud Reservation. In 2014, the Land Buy-Back Program has extended offers to additional individual owners with

fractional interests at these locations and will send offers to owners at other locations. Purchasing interests at fair market value from willing sellers ultimately strengthens tribal sovereignty by increasing tribal land bases. As a result of Buy-Back offers, tens of thousands of acres have been consolidated and millions of dollars in payments have gone to willing sellers. The program is focusing on the most fractionated locations and using a detailed mass appraisal method where feasible to achieve the most cost-effective acquisition of fractional interests.

Other Bureau funding in the Department

As this Committee is aware, all the departments within the Executive Branch of our federal government potentially have at least one or more bureaus or programs that provide funding in support of Native Americans and Tribes. The Department of the Interior (Department) is no different. The Department's FY 2015 budget includes \$612 million for programs in other bureaus, not in Indian Affairs, in support of Native Americans and Tribes. This reflects an increase of \$42 million or 7.4 percent from 2014 enacted levels. When added together with the Indian Affairs budget, the total request for Indian programs is \$3.2 billion. This is an increase of \$76 million or 2.5 percent over 2014 enacted levels.

Listed below are a few highlights of the programs outside the Indian Affairs budget that support Tribes and American Indians and Alaska natives, these include:

- Wildland Fire: The Wildland Fire budget includes \$200.1 million for emergency and non-emergency Fire Programs. The Tribal initiative includes additional \$52.3 million in funds for Fire Preparedness, Fuel Management, and the Resilient landscapes program.. Funds will support contract support costs, workforce development, firefighter and support personnel, and to maintain veteran crews.
- The Bureau of Land Management (BLM) budget includes \$16.9 million for programs such as Alaska conveyance, oil and gas, and coal and other minerals to support Native Americans.
- The Fish and Wildlife Service (FWS) budget includes \$10.7 million for a wide-range of activities including fish hatchery maintenance and Tribal Wildlife Grants.
- The National Park Service (NPS) budget includes \$13.5 million for Native American programs including grants for Historic Preservation Fund and the Native American Grave Protection programs.
- The United States Geological Service (USGS) budget includes \$7.6 million for Tribal Science Partnerships which includes an increase of \$2.8 million for Tribal Science Partnerships.
- The Office of Surface Mining (OSM) budget includes \$2.1 million for programs with Crow, Hopi, and Navajo tribes.
- The Office of the Special Trustee (OST) includes \$139.0 million for programs that manage Indian funds held in trust by the Federal Government.
- The Office of Natural Resources Revenue (ONRR) budget includes \$35.0 million for the management of royalty assets from Indian trust properties, an increase of \$1.0 million.

- The Bureau of Reclamation (BOR) budget includes \$186.5 million for Native American programs including \$112.0 million for Indian Water Rights Settlements.

Conclusion

This FY 2015 budget supports the Administration's objectives to strengthen tribal nations through economic development, protect Indian communities through public safety and justice programs and social services, improve Indian education to secure the long-term health and vitality of Indian Country, and improve the government-to-government relationship between tribal nations and the United States. The 2015 budget request maintains the President's commitment to meet our obligations to tribal nations while exercising fiscal responsibility and improving government operations and efficiency.

Chairman Tester and Members of the Committee, thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.