

Middle Class Economics: Standing with Indian Country

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

SUPPORTING TRIBAL SOVEREIGNTY AND NATION BUILDING

"The United States shares a sacred bond with our Native nations. We have a sacred responsibility to all our young people, including Native youth. Every day that I have the honor to serve as your President, I will do everything I can to meet that responsibility, and honor that trust, and to do right by your nations, and your children and future generations." - President Obama, 2014 White House Tribal Nations Conference

The Budget strongly supports tribal nation building and Federal treaty and trust responsibilities to Native Americans through a wide range of direct services and funding for programs administered by tribes. More than 20 Federal departments and agencies and all 566 Federally recognized tribes collectively provide services to more than two million American Indian and Alaska Native (AI/AN) peoples. The Budget proposes \$20.8 billion, a \$1.5 billion (8%) increase over the 2015 enacted level, across a wide range of Federal programs that serve Tribes including education, social services, justice, health, infrastructure, and stewardship of land, water, and other natural resources. These increases support improved access to Federal programs and resources, particularly focused on youth through the Administration's newly-established Generation Indigenous initiative.

A One-Stop Approach to Federal Programs and Services. The Budget supports an "all of government" approach to addressing Federal responsibilities and tribal needs. Coordination of this work across Federal agencies is being carried out through the White House Council on Native American Affairs, established by Executive Order on June 26, 2013, by President Obama and chaired the Department of the Interior (DOI). DOI and its Bureau of Indian Affairs (BIA) play an important role in carrying out the Federal trust responsibility and in serving tribes. The Budget for BIA overall provides \$2.9 billion, a \$323 million (12%) increase over the 2015 enacted level. The Budget capitalizes on the role of BIA as a broad ranging provider of Federal services by proposing to create a

one-stop shop approach for facilitating tribal access to Federal funds and programs across the U.S. government.

Tribal leaders and communities need access to quality data and information as they make decisions concerning their communities, economic development, and land and resource management. The Budget includes an increase of \$12 million for BIA to work with Tribes and other Federal agencies such as the U.S. Census Bureau, to help address long-standing concerns Tribes have expressed with the quality of data in Indian Country.

Promoting Tribal Self-Determination through Federal Contracting. The Budget fully funds estimated Contract Support Costs (CSCs) for tribes that administer programs funded through the Bureau of Indian Affairs and Indian Health Service. This includes \$277 million for BIA (a \$26 million increase over the 2015 enacted level) and \$718 million for IHS (a \$55 million increase over the 2015 enacted level). The Budget also includes a new long-term proposal to fully fund CSC by reclassifying both BIA and Indian Health Service (IHS) CSC to mandatory funding beginning in FY 2017.

SUPPORTING NATIVE YOUTH THROUGH GENERATION INDIGENOUS

An "All of Government" Approach to Addressing Native Youth Issues. The Budget supports a new and integrated approach to addressing barriers to success for Native youth. The Generation Indigenous, or "Gen-I", initiative takes a comprehensive, culturally appropriate approach to help improve the lives of and opportunities for Native youth. Multiple agencies, including the Departments of the Interior, Education (ED), Housing and Urban Development (HUD), Health and Human Services (HHS), Agriculture (USDA), Labor (DOL) and Justice (DOJ), are working collaboratively with Tribes to implement education reforms and address issues facing Native youth. The Budget enhances this work through new and increased investments, including: (1) \$34.2 million at DOI to extend broadband internet and computer access to all BIE-funded schools and dormitories; (2) \$10 million at HUD and \$8 million at DOI to address teacher housing needs; (3) \$50 million at HHS to provide youth-focused behavioral, mental health, and substance abuse services; and (4) \$53 million for Native Youth Community Projects at ED to support community-driven, comprehensive strategies to improve college and career-readiness of Native youth. These new investments will build on current efforts to better coordinate and demonstrate results from across the Federal government to serve Native youth.

Transforming the Bureau of Indian Education. The Budget supports a comprehensive redesign and reform of the Bureau of Indian Education (BIE) to provide students attending BIE-funded schools with a world-class education, and transform the agency to serve as a capacity-builder and service-provider for Tribes in educating their youth. Total funding for BIE elementary, secondary and post-secondary schools is \$904 million, an increase of \$94 million (12%) over the 2015 enacted level. The Budget supports this transformation with investments to: increase opportunities and improve outcomes in the classroom; provide excellent instructional services and teacher quality; promote enhanced Native language and cultural curricula and programming; enhance Broadband and digital access; and provide grants to incentivize creative solutions to school transformations. The Budget also includes a \$59 million increase over the 2015 enacted level for education construction to improve school infrastructure and facilities and to replace the Little Singer Community and Cove Day schools.

Investing in Tribally Driven Education. The Budget makes a series of investments to improve educational opportunities and quality for of all our Nation's schools, which will provide significant benefits for the nearly 475,000 Native students enrolled in those schools. Namely, the Budget provides

\$15.4 billion, a \$1 billion increase, for the Department of Education's Title I program, its largest K-12 grant program and the cornerstone of our commitment to supporting low-income schools with the funding necessary to provide high-need students with access to an excellent education. The Budget provides \$750 million for Preschool Development Grants, a substantial increase of \$500 million over 2015 to help States, BIE, and Tribal Educational Agencies develop and expand high-quality preschool programs in targeted communities. The Budget also significantly expands the Department of Education's new Native Youth Community Projects initiative from \$3 million to \$53 million, to better support comprehensive, community-driven strategies to improve college and career-readiness of Native youth.

SUPPORTING STRONG COMMUNITIES AND FAMILIES

Supporting Strong and Resilient Families through the Tiwahe (Family) Initiative. As part of the President's commitment to tribal communities, the Budget proposes \$122 million for the Tiwahe Initiative, a \$15 million increase over the 2015 enacted level. The Tiwahe initiative, in concert with support provided by other Federal programs, takes a comprehensive and integrated approach to addressing the interrelated problems of poverty, violence, and substance abuse in tribal communities. Through this initiative, social services and job training programs are integrated and expanded to address child and family welfare, job training, education, and incarceration issues, with the goal of promoting family stability and strengthening tribal communities.

Social Services for Indian Country. The Budget provides robust funding and significant increases for social services in Indian Country, including a total of \$903 million at HHS, a \$191 million increase over 2015. This includes \$830 million for programs serving tribes within HHS's Administration for Children and Families, a \$132 million (19%) increase over the 2015 enacted level, with \$231 million for Head Start, \$183 million for Tribal TANF, \$43 million for Tribal Child Support, \$202 million for Child Care programs, \$54 million for child welfare programs, \$50 million for the Administration of Native Americans, and \$130 million for other programs serving tribes. This also includes \$39 million for SAMHSA (a \$25 million increase over the 2015 enacted level) and a new \$25 million program in IHS for youth behavioral health.

At the Department of Housing and Urban Development (HUD), the Budget includes up to \$15 million to implement a demonstration of the Jobs-Plus model in Indian Country. Jobs-Plus, which combines job training with financial incentives to encourage work, has been shown to boost the annual incomes of public housing residents by \$1,300 on average.

Improving Access to Health Care. The Budget includes \$5.1 billion for the Indian Health Service (IHS), \$461 million above the 2015 enacted level, to strengthen Federal, tribal, and urban programs that serve more than two million American Indian and Alaska Native people at more than 650 facilities in 35 states. In the 2016 Budget, Contract Support Costs are funded within the IHS budget at the estimated full cost of \$718 million. The Budget includes a proposal to reclassify Contract Support Costs as a mandatory appropriation beginning in FY 2017. The Budget also provides increased resources to purchase health care services outside of the Indian health system when services are not available at IHS-funded facilities. To increase access to health care services and improve the Indian health system, the Budget also provides increased funding for construction and staffing of new and replacement health clinics.

Public Safety and Alternatives to Incarceration. The Budget provides \$419 million (a \$102 million increase over the 2015 enacted level) for Department of Justice public safety initiatives in Indian Country and \$364 million for Public Safety and Justice programs funded by the BIA (a \$12 million increase over the 2015 enacted level). DOJ funding is provided for additional grants to address criminal justice issues, including tribal victims of violence, and for supporting the Office of Tribal Justice. BIA Justice funding continues investments in reducing violent crime in Indian Country and supports continued implementation of a strategic goal to reduce repeat incarceration in targeted communities through a comprehensive "alternatives to incarceration" strategy, which seeks to address underlying causes of repeat offenses, including substance abuse and social service needs through tribal and Federal partnerships.

Infrastructure and Housing. The Budget provides \$660 million for HUD's Native American Housing Block Grant program. This program provides Tribes with funding for vital housing activities, such as construction, rehabilitation, and operations, to help address housing needs in Native American communities. In addition, the Budget provides \$80 million for HUD's Indian Community Development Block Grant (ICDBG) program. This competitive program provides funds to Tribes for activities such as improving housing stock, developing community facilities, making infrastructure improvements, and expanding job opportunities. The Budget proposes up to \$10 million in ICDBG funds to be used to help tribes attract and retain high-quality teachers in Indian Country by improving the availability and physical condition of teacher housing. The Budget also includes \$50 million (a \$37 million increase over the 2015 enacted level) to expand USDA's rural community facilities grant program, which can be used to support initiatives such as Generation Indigenous. The Budget includes \$2.2 billion in community facilities direct loans which allow Native American communities to apply for funds for a variety of purposes such as community centers, job training centers or fire houses. In addition, community facilities tribal college grant funding is doubled from \$4 million to \$8 million in 2016.

SUPPORTING SUSTAINABLE STEWARDSHIP OF TRUST RESOURCES

The Budget strongly supports the sustainable stewardship of tribal trust lands, natural resources, and the environment in Indian Country, including the protection and restoration of ecosystems and important landscapes, stewardship of land, water, ocean, and energy resources, resilience in the face of a changing climate, and clean and sustainable energy development. The Budget provides \$376 million for the BIA to support tribes in managing resources and for trust real estate services, representing a \$65 million increase over the 2015 enacted level for stewardship of fisheries, wildlife, forests, water, and tribal lands.

Community Resilience in the face of a Changing Climate. The Budget provides \$50 million for BIA to support tribal communities in preparing and responding to the impacts of climate change, a \$40 million increase over the 2015 enacted level, Tribes throughout the U.S. are already experiencing the impacts of a changing climate, including drought, intensifying wildfires, changes in plants and animals important to subsistence and culture, and coastal erosion and sea level rise. This funding will support tribes in developing science, tools, training, planning, and implementation of actions to build resilience into infrastructure, resource management, and community development activities. Funding will also support Alaska Native Villages in the Arctic in evaluating options for the long-term resilience of their communities.

Protecting and Sustaining Rights and Access to Water. The DOI Budget provides a total of \$244 million for work supporting Indian water rights settlements and management, an increase of \$73

million over the 2015 enacted level. These investments demonstrate the Administration's ongoing commitment to resolving tribal water rights claims and ensuring that Tribes have access to use and manage water to meet domestic, economic, cultural, and ecological needs. This includes investments to improve DOI's capacity to work with and support Tribes in the resolution of their water rights claims, develop sustainable water sharing agreements, and support water management activities.

Building Tribal Capacity to Protect Environment and Health. The Budget strongly supports the improvement of environmental and human health outcomes for the 566 Federally recognized Tribes. In 2016, EPA will provide \$96 million for the Tribal General Assistance Program, a \$31 million increase over the 2015 enacted level, to build and enhance the capacity of Tribes to implement environmental regulatory programs and address environmental and public health needs in Indian Country, including safe drinking water, sanitation, adequate waste facilities, and other environmental safeguards.

Supporting Clean and Sustainable Energy Development and Efficiency in Indian Country. To improve the permitting of conventional and alternative energy and to support assessment of the social and environmental impacts of energy development on tribal lands, the Budget funds a new DOI Indian Energy Service Center at \$5 million. The Department of Energy's Office of Indian Energy also includes \$16 million for its Tribal Energy Program to provide technical and financial assistance designed to help Indian Tribes and Alaska Native Villages and corporations overcome barriers to deploying small to medium-scale renewable energy generation projects (used for heat and electric power), as well as energy efficiency projects that result in reduced or stabilized energy costs, and more efficient use of energy. The program will support clean energy development, energy efficiency improvements, electrification projects, remote community renewable energy hybrid systems, microgrid deployment, water-energy project support, and other greenhouse gas emission mitigating technologies for Indian Tribes. For the first time, the Budget also provides \$11 million for a new Tribal Energy Loan Guarantee program to support the deployment of small to medium-sized energy generation projects. This program will provide much-needed capital to support energy security and economic development on Indian lands. DOI and DOE will work together to implement these energy programs.