

**STATEMENT OF
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ASSISTANT SECRETARY – INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
BEFORE THE SUBCOMMITTEE ON
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE**

**HEARING ON
THE 2025 PRESIDENT’S BUDGET REQUEST FOR INDIAN
AFFAIRS PROGRAMS**

May 15, 2024

Good afternoon, Chair Merkley and members of the Subcommittee. Thank you for the opportunity to provide a statement on the President’s Budget Request for Fiscal Year 2025 (FY 2025) for Indian Affairs. The FY 2025 budget request for Indian Affairs programs totals \$4.6 billion, which is an increase of \$651 million over the FY 2024 Enacted level of funding.

As the Assistant Secretary for Indian Affairs, I oversee the numerous programs within the Bureau of Indian Affairs (BIA), the Bureau of Indian Education (BIE), and the Bureau of Trust Funds Administration (BTFA) along with other programs within the immediate Office of the Assistant Secretary for Indian Affairs (IA or Indian Affairs). All of these programs play important roles in carrying out Federal trust, treaty, and other responsibilities to 574 federally recognized Indian Tribes. Programs serve more than two million American Indians and Alaska Natives in Tribal and Native communities. The BIA provides direct services and funding for compacts and contracts for Tribes to provide Federal programs for a wide range of activities necessary for strong Tribal communities, including natural resource and land management, public safety, and social service programs, among many others in Indian Country. BIE manages and serves a school system of 183 schools, funds 29 Tribal Colleges and Universities (TCUs) and two Technical Colleges, delivering educational services and resources to approximately 40,000 K-12 students, as well as thousands of pre-school children and post-secondary college students. The BIE also operates two post-secondary schools. The BTFA is responsible for the financial management of approximately \$8.8 billion of Indian trust funds held in about 4,200 Tribal accounts (approximately \$7.2 billion) and about 411,000 Individual Indian Money (IIM) Accounts (approximately \$1.5 billion). Indian Affairs programs are built on strong and productive government-to-government relations with Tribes.

The FY 2025 budget request continues to invest in programs that are a foundation of Indian Country’s strength. The request for the individual organizations is as follows: IA/BIA - \$2.9 billion, an increase of \$485.1 million above FY 2024 Enacted; BIE - \$1.5 billion, an increase of \$154.6 million above FY 2024 Enacted; and BTFA - \$111.3 million, an increase of \$11.3 million above FY 2024 Enacted.

The funding requested is an important step forward to meet our obligation to Tribes. To support fully meeting our obligation to Tribes, the President signed Executive Order 14112 (EO), *Reforming Federal Funding and Support for Tribal Nations to Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination*. The EO directs Federal agencies to increase their deference to Tribal decision-making, streamline application processes for Tribes to obtain funding, and remove some restrictions and cost-sharing requirements, consistent with applicable law or to recommend changes to existing law. The EO also directs the establishment of a one-stop Tribal funding clearinghouse and requires agencies to measure and report annually on Tribe-related funding need shortfalls. We have already established an initial clearinghouse and will continue to expand its contents and make it more user friendly to utilize for Tribes. I look forward to reporting to you on our further progress to meet the requirements of the EO.

Before I dive into the details of the budget, I want to stress the importance of mandatory funding proposals for Indian Affairs and underline my focus on management improvements. Regarding mandatory funding, Contract Support Costs, payments for 105(l) Tribal leases and Water Rights Settlements costs are growing, legally required payments. These three programs should have mandatory funding to align with the mandatory legal requirements associated with each. If the funding associated with these programs is not transitioned to mandatory funding, it could force cuts to other critical operations such as law enforcement and school operations.

Regarding continual management improvements, I want to let you know that our Indian Affairs leadership team is focused on operational improvements. One key area of focus is on improving recruitment and retention of staff in critical areas such as law enforcement, awarding officials and realty staff. Another area is infrastructure investment, this includes exploring opportunities to address the growing number of 105(l) leases to process and data improvements related to facility improvement and repair and construction. We have also focused on improving timelines for land into trust status and other realty activities. In each of these areas, we are looking at these issues from multiple angles, including appropriate resources and staffing levels, process improvement and better use of technology. Now I will turn to highlights for the FY 2025 budget.

Strengthen Tribal Communities

Tiwahe means family in the Lakota language and symbolizes the interconnected-ness of all living things and one's personal responsibility to protect family, community, and the environment. To empower federally recognized Tribes to realize this potential, IA launched the Tiwahe Initiative in FY 2015. The Tiwahe Initiative is an extensive and bold approach to furthering Indian self-determination. The Tiwahe Initiative fosters systemic change in the delivery of services to children and families through the integration of Tribal practices, customs, values, and traditions. Each participating site's Tiwahe Initiative plan offers Tribes the flexibility to design programming and services to address the gaps and needs of their individual communities. To date, the Tiwahe Initiative has focused on improving collaboration and coordination across core programs like social services, Indian Child Welfare Act (ICWA), recidivism, housing, and job placement and training. The 2025 Budget requests an increase of \$28.6 million to expand the Tiwahe program by extending that coordination to include Healing

to Wellness Courts and economic development needs as well as supporting the participation of new Tribes while sustaining the existing 10 Tiwahe Tribes.

Federal Boarding School Initiative

The BIA is uniquely positioned to assist in the effort to recover the histories of Federal Indian boarding schools. In 2023, as part of the Secretary's Federal Boarding School Initiative (BSI), Secretary Haaland and I completed a 12-stop Road to Healing tour, during which we traveled to locations across the country giving Indigenous boarding school survivors the opportunity to share their stories and connect with trauma-informed support. The 2025 budget includes \$7.0 million to continue the Secretary's BSI and its comprehensive review of Federal boarding school policies. This funding will continue to implement recommendations laid out in the May 2022 Federal Boarding School Initiative Investigative Report Volume 1, including continued historical research and documentation, and work to identify and protect the remains of those identified. The funding will also support an oral history project to document and make accessible the experience of the generations of Indigenous children who attended the Federal boarding school system. Through the BSI, the Department is seeking to work with Tribal Nations to begin the long healing process through transparency and accountability.

Protect Indian Country

The BIA Office of Justice Services (OJS)-administered public safety and justice programs fund law enforcement, corrections, and court services to support safe Tribal communities and schools serving Indian Country youth. These programs safeguard life and property, enforce laws, maintain justice and order, and ensure detained American Indian and Alaska Native offenders are held in safe, secure, and humane environments. These programs also directly support the Administration's commitments to Indian Country, by increasing safety on Tribal lands and tackling the crisis of violence against Native women, children, and the elderly.

The 2025 budget includes \$651.2 million for Public Safety and Justice (PS&J) operations, an increase of \$95.7 million above the 2024 Enacted level. Operational funding supports the expanding Tribal needs in policing, detention, and Tribal courts. The budget includes a \$33.5 million program increase in Criminal Investigations and Police Services, specifically targeted to increase the number of officers and investigators on the ground in Indian Country. A program increase of \$2.0 million is also requested to enhance functions within the OJS Professional Standards Directorate, including recruitment and retention initiatives, development and evaluation of law enforcement policies, program reviews, and training.

The 2025 budget also includes \$16.5 million to address the crisis of Missing and Murdered Indigenous People. The Missing and Murdered Unit engages in cross-departmental and interagency collaboration to identify gaps in information sharing and data collection to more effectively investigate these cases. As part of the proposed expansion to the Tiwahe Initiative, the budget includes a program increase of \$1.9 million for the Office of Tribal Justice Support to provide technical assistance to Tribes looking to develop and operate Healing to Wellness courts. These courts serve as alternatives to incarceration and provide a culturally appropriate forum to

support those within the criminal justice system by assisting in addressing underlying behavioral health and substance abuse issues.

The recently released 2021 Tribal Law and Order Act report identified a total funding need of \$3.5 billion for law enforcement, detention/corrections, and Tribal Court needs. (*see*: https://www.bia.gov/sites/default/files/media_document/2021_tloa_report_final_508_compliant.pdf). The total requested increase for law enforcement is an important step forward.

Economic Opportunities

The 2025 budget funds the Community and Economic Development activity at \$43.0 million, a \$12.5 million increase above the 2024 Enacted level, to advance economic opportunities in Indian Country. Job Placement and Training is funded at \$13.9 million to assist Tribal members in obtaining job skills and finding and retaining jobs. Economic Development projects are funded at \$24.5 million and include a request for an additional \$11.5 million investment in Native language revitalization, which is crucial to preserve endangered languages, promote self-determination, and strengthen Tribal communities. A \$1.2 million program increase in Community Development Oversight is requested to support the implementation of Native language activities, the administration of the Native American Business Incubators program, and oversight of other grant programs.

Manage Trust Resources and Lands

Tribal sovereignty and economic development cannot be achieved without addressing land needs. The FY 2025 budget continues to invest in Indian Land Consolidation with a request of \$11 million to address fractionation and incorporate lessons learned from previous programs. This program has been especially important since the Land Buy-Back Program for Tribal Nations (LBBP), established as part of the Cobell Settlement, ended in November 2022. If the land consolidation program is not funded at a sufficient funding level, all the gains from reducing fractionation from LBBP funding could be lost by 2038, and we project that Indian Country will be back to the same level of fractionated interests as of 2012, preventing Tribes from effectively using large land areas. (*see*: U.S. Department of the Interior, “*Ten Years of Restoring Land and Building Trust 2012-2022, Land Buy-Back Program for Tribal Nations*,” pg. 1 (December 2023)) The Land Consolidation program continues to be complimented by the \$2 million provided for land acquisitions within Trust Real Estate Services through the Operation of Indian Programs account in FY 2024 enacted.

Trust Natural Resource Management

The budget includes \$359.3 million, a \$37.0 million increase over the 2024 Enacted amount, for critical trust natural resources activities and investing in climate resilience and environmental justice. Of that amount, \$48.8 million is provided for the Tribal Climate Resilience program. This program includes the Climate Relocation Grant program, which is funded at \$13.5 million, \$4.0 million more than the 2024 Enacted amount, to provide relocation, managed retreat, and protect-in-place support for critically vulnerable communities. Also included in the request is

\$26.8 million for the Tribal Climate Adaptation Grant program, which helps Tribes better assess and address their growing adaptation needs. The Tribal Climate Resilience program also includes \$7.8 million for Tribal youth corps programs. The Tribal youth corps program is an important jobs initiative to tackle climate change on the ground, ensure a living wage, and provide skills and a pathway to employment. These funds will also support Tribes in developing science, obtaining tools, training, planning, and implementing actions to build resilience into resource management, infrastructure, and community development activities. The budget supports the America the Beautiful initiative by honoring Tribal sovereignty and supporting the Trust Natural Resources priorities of Tribal Nations.

Included in the budget request are two new elements of the Tribal Climate Adaptation program. First, it includes a \$500,000 increase to fund the BIA's role in the National Seed Strategy. This funding will advance critical scientific requirements by supporting botanists and ethnologists who will seek out Indigenous knowledge to incorporate into restoration practices. The funding will also support co-developed climate adaptation and resilience best management practices for seed production and use in restoration. Second, in support of the White House national strategy to prioritize nature-based solutions (NBS) that benefit people and nature, advance equity, are evidence informed, integrate continuous improvement, and advance collaboration/co-stewardship opportunities, the BIA is requesting \$250,000 to establish a Resource NBS expert to implement the NBS roadmap and strategies. The BIA will develop and maintain a tool for Tribes and decision makers that allows access to data needed to invest in protecting, sustainably managing, and restoring natural ecosystems.

The budget also includes \$41.0 million to support Agriculture and Range efforts and \$33.6 million for Energy and Minerals activities, which includes investment in the deployment of clean energy in Tribal communities. IA views renewable energy as one of many tools available to American Indians and Alaska Natives to create sustainable economies on Indian land; many Indian reservations are well positioned to access or provide a stable source of competitively priced, low-carbon clean energy. These efforts also support the Justice40 Initiative, ensuring that at least 40 percent of the overall benefits from certain Federal investments are delivered to disadvantaged communities.

Construction

The 2025 budget includes \$154.8 million for BIA Construction activities. The funding supports replacement and deferred maintenance projects to address needs at PS&J facilities. It also includes the irrigation rehabilitation program, which addresses critical deferred maintenance and construction needs at BIA-owned and operated irrigation facilities, including 17 Indian irrigation projects. The Safety of Dams program is responsible for 141 high-hazard dams on 42 Indian reservations. The Construction program also addresses needs at regional and agency offices serving Tribal programs and operations in Indian Country.

Within Construction activities, the budget includes \$10.0 million to address water-quality issues at BIA-owned water infrastructure, including systems of concern identified by EPA. In addition, \$1.4 million is included to support the Administration's governmentwide goal to accelerate the

use of zero-emission vehicles (ZEVs) to enable a clean transportation future. Funds will be used to acquire ZEVs, install solar panels and related charging infrastructure, and perform planning and integration to support the initiative across Indian Affairs.

Contract Support Costs and Tribal Grant Support Costs

Contract Support Costs funding is critical for Tribal sovereignty, enabling Tribes to assume responsibility for operating Federal programs by covering the costs to administer the programs. The budget proposes to reclassify Tribal Contract Support Costs from discretionary to mandatory funding beginning in 2026 while estimating \$426.2 million in discretionary funding needs in 2025 to fully cover projected requirements.

The BIE 2025 request includes \$100.7 million in Tribal Grant Support Costs. These funds provide operating and staffing resources to Tribes who choose to operate BIE-funded schools. Nearly 70 percent of all BIE-funded K-12 schools are operated by Tribes.

Payments for Tribal Leases

Section 105(*l*) of the Indian Self Determination and Education Assistance Act (ISDEAA) provides that Tribes and Tribal organizations carrying out Federal functions under a self-determination contract or self-governance compact may enter into a lease agreement with the Department for the Tribally owned or rented facility used to carry out those functions. This critical Tribal sovereignty payment is allowing IA to get Tribes closer to meeting the full cost of program implementation and improving their facilities. The 2025 budget proposes to reclassify 105(*l*) lease agreement requirements from discretionary to mandatory funding beginning in 2026 while estimating \$120.0 million in discretionary funding needs in 2025 to fully cover projected requirements. The budget also includes an increase of \$2.2 million in Executive Direction which will help fund additional staff to meet the growing level of requests of Tribes. The annual number of Tribal lease requests currently exceeds 600. This funding for additional staff is critical to meet this demand in a timely manner.

Land and Water Claims Settlements

Tribal land and water rights settlements ensure that Tribes have access to land and water to meet domestic, economic, and cultural needs. The 2025 budget proposes \$45.9 million for the Settlements account. The 2025 funding request covers the continuing implementation of the White Earth Reservation Land Settlement Act (Public Law 99–264) and Truckee River Operating Agreement (Public Law 101–618). The request also includes initial funding of \$45.0 million for Federal payments authorized in the Hualapai Tribe Water Rights Settlement Act of 2022 (Public Law 117–419). The Hualapai settlement authorizes discretionary appropriations of \$317.0 million plus indexing to the Tribe for the construction of the Hualapai Water Project and other domestic water supply infrastructure on the Hualapai Reservation. Payments to satisfy the settlement must be made by April 15, 2029.

The Administration is interested in working with Congress to find a solution to meet Federal

commitments regarding current and future Indian water rights settlements, including the Hualapai settlement. The 2025 President's Budget proposes legislation to provide robust mandatory funding for Indian Water Rights Settlements, building on the Indian Water Rights Settlement Completion Fund (IWRSC), established in the Bipartisan Infrastructure Law (Public Law 117–58). The IWRSC went a long way in clearing the backlog of settlement obligations and the Department has allocated over \$2.4 billion of the \$2.5 billion appropriated. However, more remains to be done. At this time, there are four Indian water settlements pending before Congress and a number of other water settlements are in negotiation and may be introduced soon. The proposal would provide the fund \$2.8 billion: \$250.0 million annually over 10 years for existing and future water rights settlements and \$34.0 million a year over 10 years for on-going requirements implemented by the Bureau of Reclamation associated with the operation, maintenance, and repair costs of the Ak Chin Indian Water Rights Settlement Project, the Animas-La Plata Project (Colorado Ute Settlement), the Navajo Gallup Water Supply Project, and annual responsibilities under the Columbia and Snake River Salmon Recovery Project (Nez Perce Settlement).

Foster Tribal Student Success

The 2025 budget for the BIE is \$1.5 billion in current appropriations, a \$154.6 million increase from the 2024 Enacted level. The budget includes key investments to strengthen the BIE's autonomy as a Federal agency and improve local services for Tribally controlled and bureau-operated schools while also advancing equity for historically underserved Tribal communities.

The United States has a trust and treaty responsibility to provide eligible Indian students with a quality education. The BIE serves as a capacity builder and service provider to support Tribes in delivering culturally appropriate education with high academic standards to allow students across Indian Country to achieve success. Funding for the BIE supports classroom instruction, student transportation, Native language development programs, cultural enrichment, gifted and talented programs, behavioral health and wellness services, school safety, security, and education technology investments. The BIE operates two postsecondary institutions, administers grants for 29 Tribally controlled colleges and universities, funds two Tribal technical colleges, and supports multiple scholarship programs for highly qualified Native American students.

The 2025 budget invests in improved educational opportunities and service delivery for Native American students from their earliest years through college. Under the BIE, the FY 2025 budget includes \$310 million for Education Construction activities, supporting critical school construction, deferred maintenance for schools and TCUs, and new employee housing and repair to support teacher recruitment and retention in underserved communities. With the 2025 budget request and Great American Outdoors Act Funding anticipated through 2025, the BIE expects to support the planning, design, and construction work at four BIE schools and address inflationary cost increases at schools funded in prior years. As the BIE continues to strengthen delivery of services to underserved communities as an independent bureau, the 2025 request includes a \$6.3 million program increase in Education Program Management, which includes additional support for critical grant specialists, facilities specialists, and education information technology specialists. To ensure current and additional resources are well targeted, the BIE has developed

and recently completed Tribal consultation across Indian Country regarding its 2024-2029 strategic plan, which will be published this summer. The BIE strategic plan creates a roadmap for the future to support Tribes in educating their youth and to deliver a world-class and culturally appropriate education.

Trust Fund Management

The 2025 budget includes \$111.3 million, an \$11.3 million increase from 2024 Enacted, to support Tribal and Individual Indian Money financial functions managed by the Bureau of Trust Funds Administration (BTFA). The BTFA was established within the Office of the Assistant Secretary – Indian Affairs in 2020 to house the ongoing financial trust management functions of the Office of the Special Trustee for American Indians. Trust funds include payments from judgment awards, settlements of claims, land-use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income. Trust financial management functions include receipting, investing, disbursing, reconciling, and reporting of trust funds on behalf of individual Indians. We appreciate Congress’s full recognition of BTFA as a bureau in the FY 2024 Enacted Appropriation, which will allow the organization to focus on its mission of serving Indian Country.

Conclusion

This FY 2025 budget request maintains strong and meaningful relationships with Native communities, strengthens government-to-government relationships with federally recognized Tribes, promotes efficient and effective governance, and supports nation-building and self-determination. The request delivers community services, restores Tribal homelands, fulfills commitments related to water and other resource rights, executes fiduciary trust responsibilities, supports the stewardship of energy and other natural resources, creates economic opportunity, expands access to early childhood, K-12, and post-secondary education, and assists in supporting community resilience in the face of a changing climate.

Thank you for the opportunity to appear before you today. I am happy to answer any questions the Subcommittee may have.