



BUREAU OF INDIAN AFFAIRS

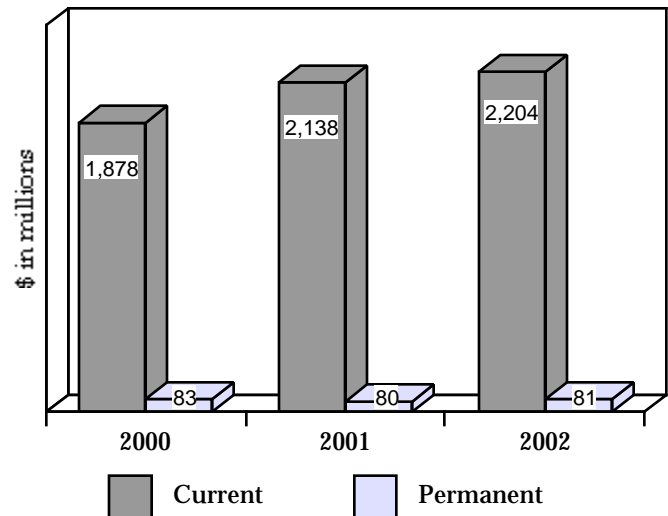
Background - In the last two centuries, the Congress has passed more Federal laws affecting Indians than any other group of people in the United States. The Snyder Act; the Indian Self-Determination and Education Assistance Act; the Indian Education Amendments of 1978; and the Indian Reorganization Act are just a few of the laws that have defined the Federal authority and obligation to provide various programs and services to Indian Country. While the Federal trust obligation lies at the heart of this special relationship, the scope of the United States' responsibilities to American Indians extends beyond basic trust obligations to include a wide range of services delivered in concert with the enhancement of Indian self-determination. The Congress has placed the major responsibility for Indian matters in the Interior Department, primarily with the Bureau of Indian Affairs.

Mission - The BIA mission is to fulfill its trust responsibilities and promote self-determination on behalf of tribal governments, American Indians, and Alaska Natives.

Program Overview - The BIA provides services directly or through contracts, grants, or compacts to approximately 1.4 million American Indians and Alaska Natives who are members of 561 federally recognized Tribes in the 48 contiguous United States and Alaska. While BIA's role has changed significantly in the last two decades in response to a greater emphasis on Indian self-determination, Tribes still look to BIA for a broad spectrum of services supported by critical and complex programs. The BIA's programs are funded and operated in a highly decentralized manner, with about 90 percent of all appropriations expended at the local level, and an increasing amount operated by Tribes and tribal organizations.

The scope of BIA's programs is extensive and covers virtually the entire range of State and local government services. The programs administered by either Tribes or BIA include: an education system for approximately 50,000 elementary and secondary students; 25 tribally controlled community colleges; social service programs; management of natural resources on nearly 56 million acres of trust land; economic development programs in some of the most isolated and economically depressed

BIA Funding

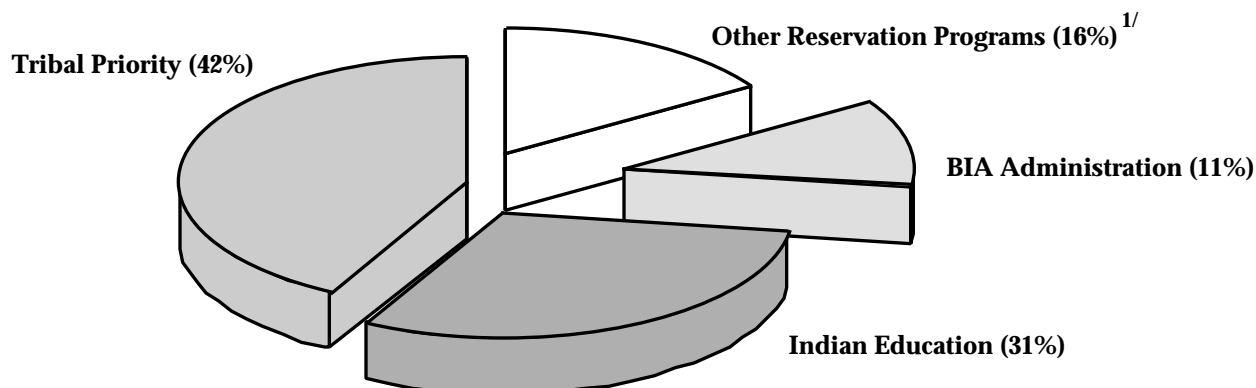


areas of the United States; law enforcement; administration of tribal courts; implementation of legislated land and water claim settlements; replacement and repair of schools; repair and maintenance of roads and bridges; and repair of structural deficiencies on high hazard dams.

Budget Overview - The BIA 2002 budget request is \$2.2 billion in current appropriations, a net increase of \$65.9 million above the 2001 enacted level. The 2002 budget emphasizes areas of priority concern to Indian Country, including: quality education within structurally sound, and adequately equipped and maintained school facilities; implementation of recently authorized Indian land and water rights settlements; and continued improvement of trust management services. As the Government Performance and Results Act requires, BIA has developed a five-year strategic plan and a 2002 annual performance plan to guide its resource allocations and program decisions, and improve accountability.

Building Safer Schools - The request for the Construction appropriation is \$357.1 million, an increase of \$514,000 over 2001. Within the total, \$292.5 million, or 82 percent, is dedicated to education construction.

OPERATION OF INDIAN PROGRAMS \$1.8 BILLION



In 2002, almost nine of every ten dollars appropriated to BIA will be provided to education, human resources, and other on-the-ground programs at the reservation level.

^{1/} Includes the following: Resources Management, Trust Services, Law Enforcement, and other Reservation Programs.

The replacement school construction program funds replacement of existing unsafe and dilapidated schools on reservations. Replacement priorities are based on a new priority list of 20 schools, published in January, 2001. The list includes the final three schools from the 1993 priority list, 10 schools added to the list in 2000, and seven schools added this year. The 2002 request provides \$122.8 million to construct replacement facilities at Wingate Elementary School in New Mexico (phase II – dormitories), Polacca Day School and Holbrook Dormitory in Arizona, Santa Fe Indian School in New Mexico, Ojibwa Indian School in North Dakota, and Paschal Sherman Indian School in Washington. Construction of the Santa Fe school will be completed in two phases. The 2002 budget funds the first phase – classrooms. These six schools have standard and code deficiencies that adversely impact students’ learning environment and safety and they are not equipped with modern educational resources. The request also provides \$5.0 million for advance planning and design of future replacement schools.

The education facilities improvement and repair program is funded at \$161.6 million, an increase of \$13.6 million over 2001, to address critical health, safety, code, and standard concerns at existing facilities. The request will fund maintenance and repair projects, reducing the backlog of needed repairs. It includes an increase of \$8.0 million to address the current maintenance needs at Indian schools, ensuring that the backlog does not continue to grow. The goal is to eliminate the current BIA school repair and maintenance backlog by 2006.

Enhancing School Operations - Since the founding of the Nation, the Congress has funded specific Indian education programs in response to treaty requirements and Federal statutes. Current Indian education programs are governed by many laws, including the Snyder Act, Johnson O’Malley Act, Elementary and Secondary Education Act, Tribally Controlled Community Colleges Act, Tribally Controlled Schools Act, and most recently, Goals 2000, the Individuals with Disabilities Education Act, and the Improving America’s Schools Act. Collectively, these laws are aimed at ensuring quality education of Indian youth and increasing long-term employment and economic opportunities on reservations.

One of BIA’s strategic goals is to provide quality educational opportunities from early childhood through adulthood. The BIA will strive to achieve this goal by meeting specific annual performance goals that address proficiency in reading and math, knowledge of native language and culture, school accreditation, daily attendance, and graduation rates.

The 2002 school operations budget supports the President’s commitment to “leave no child behind,” and shows the priority this Administration gives to providing good educational opportunities to Native American youth. The request for School Operations, which will fund operations at BIA’s 185 schools and dormitories is \$504.0 million, a program increase of \$9.1 million over 2001. The increase will ensure that schools maintain accreditation, have access to computers and other critical learning tools,

and provide funding of \$3,808 per weighted student unit. The 2002 request will continue the funding provided last year for early childhood development to implement family and child education programs at 32 sites and the pilot therapeutic residential model program at three BIA boarding schools. The therapeutic residential model program provides services to achieve positive changes in attitude, behavior, and academic performance of Indian youth attending boarding schools. This pilot program will be evaluated during 2002. The budget provides a \$1.0 million increase for operating grants to 25 tribally controlled community colleges.

Improving Trust Management - The BIA is working closely with the Office of the Special Trustee on the Secretary's ongoing Trust Management Improvement project, which is guided by the High Level Implementation Plan. The HLIP is centered on 10 current subprojects that will reform current trust systems, policies, practices, and procedures. With the exception of appraisals, which are funded in BIA, funding for BIA's HLIP subprojects (TAAMS, data cleanup, probate, policies and procedures) is requested in the Office of the Special Trustee account.

To ensure trust management improvements are sustained, the request totals \$118.4 million for several BIA trust services programs and related efforts, an additional \$14.1 million over 2001. The \$12.0 million in program increases are vital to ensuring that accumulated trust management problems being corrected under HLIP do not reoccur.

These increases include: \$1.0 million for on-going real estate services to improve real property management and ensure timely processing of transactions (sales, acquisitions, patents-in-fee, rights-of-way, and surface and sub-surface leases); \$3.0 million for real estate appraisals to ensure compliance with appraisal standards and timely completion of appraisals; \$1.5 million for probate to provide sufficient staff for probate functions; and \$1.0 million for the land titles and records offices to ensure land records are kept current.

Other program increases related to trust reform efforts include: \$1.5 million for tribal courts to address the increased caseload related to probate; \$2.0 million to conduct background investigations of bureau employees and contractors who manage trust assets and records; \$1.0 million to support the management of natural resources and increase revenues generated on trust lands; and \$1.0 million to improve information resource management and trust records security. In addition to these program increases, uncontrollable increases of \$2.1 million are provided for trust programs. The chapter on Departmental Management includes a discussion of further trust-related needs, including an \$11.0 million re-

quest in the Office of the Special Trustee account to continue the Indian land consolidation program.

Public Safety and Justice - The Department of Justice and BIA work in partnership to improve public safety and justice, largely through enhanced law enforcement services. The 2002 request includes a \$5.0 million program increase for basic detention services, such as dispatchers and detention officers, for a total request of \$160.7 million. This increase will assist Tribes with staffing and transitional costs associated with the opening of new detention centers built recently with funds from the Department of Justice. The base funds will be used for ongoing law enforcement programs in Indian Country.

Supporting Self-Determination - The budget request continues the Federal government's commitment to support Indian self-determination and strengthen the government-to-government relationship with Indian Nations. Tribes depend on Tribal Priority Allocations for basic necessities and programs critical to improving the quality of life and economic potential on reservations. The TPA gives Tribes the flexibility to prioritize funds among most TPA programs according to their unique needs and circumstances and is an important tool for accomplishing BIA's self-determination performance goals. The 2002 request funds the TPA activity at \$750.5 million, with program and uncontrollable increases of \$17.5 million over 2001. The TPA program comprises 42 percent of the 2002 proposed BIA operating budget.

The budget request includes \$130.2 million for contract support funds, which will meet approximately 88 percent of the total identified need. The budget includes a request of \$3.0 million to replenish the Indian Self-Determination Fund, which provides start-up costs and contract support for Tribes with new or expanded contracts.

Indian Land and Water Claims Settlements - This program provides payments to meet Federal requirements for legislated settlements. The budget request of \$60.9 million includes an increase of \$23.5 million for recently authorized settlements resolving long-standing claims to water and lands in California, Colorado, Michigan, New Mexico, and Utah. Within the request, \$8.0 million will fund the Colorado Ute-Animas LaPlata settlement; \$6.0 million will fund the Torres-Martinez settlement; \$5.0 million will fund the Shivwitz Band settlement; \$2.0 million will fund the Santo Domingo Pueblo settlement; and \$6.3 million will complete the Federal commitment for the *U.S. v Michigan* Great Lakes fishing settlement consent decree. In addition, the request includes \$24.7 million for the Ute Indian Rights Settlement and \$7.95 million for the Rocky Boy's Reservation Indian reserved water rights settlement.

Implementing the NAPA Study - In 1999, the National Academy of Public Administration conducted an independent study of the BIA organization and management structure. The study analyzed delivery of BIA's management and administrative services and made recommendations for reform efforts. The NAPA study identified a critical need to improve the organization's capability to provide financial management and information and human resource policy support to the Assistant Secretary - Indian Affairs. Organizational and management reforms are being implemented, including the transfer, consolidation, and reorganization of functions at the headquarter

level. Funding of \$9.0 million in 2002 maintains the level provided in 2001, allowing BIA to continue reorganization efforts and staff high priority administrative functions at the field level.

Government Performance and Results Act - The BIA will release its 2002 annual performance plan and 2000 annual performance report in tandem with updating the 2001 annual performance plan for final congressional action. In 2002, BIA will strengthen baseline data and refine tracking and reporting mechanisms to ensure timely and accurate performance information is available.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2002 Request with 2001 Enacted:

	2001 Enacted		2002 Request		Change from 2001	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Operation of Indian Programs.....	7,397	1,738,579	7,478	1,780,486	+81	+41,907
Reimbursable Programs	191	0	186	0	-5	0
Allocations from Other Agencies	927	0	927	0	0	0
Construction	270	356,618	270	357,132	0	+514
Reimbursable Programs	31	0	30	0	-1	0
Allocations from Other Agencies	605	0	594	0	-11	0
Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians.....	0	37,443	0	60,949	0	+23,506
Indian Guaranteed Loan Program Account	4	4,977	4	4,986	0	+9
Subtotal, Appropriations.....	9,425	2,137,617	9,489	2,203,553	+64	+65,936
Permanents and Other						
Operation & Maintenance of Quarters	57	5,000	57	5,051	0	+51
Miscellaneous Permanent Appropriations	343	72,028	343	73,002	0	+974
White Earth Settlement Fund	0	2,000	0	2,000	0	0
Indian Loan Guaranty & Insurance Fund Liquidating Account	0	1,000	0	1,000	0	0
Indian Direct Loan Program Account	0	79	0	0		-79
Subtotal, Permanents & Trusts	400	80,107	400	81,053	0	+946
TOTAL, BUREAU OF INDIAN AFFAIRS	9,825	2,217,724	9,889	2,284,606	+64	+66,882

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Operation of Indian Programs*

	<u>2000 Actual</u>	<u>2001 Enacted</u>	<u>2002 Request</u>	<u>Change from 2001 Enacted</u>
Tribal Priority Allocations.....	700,723	733,026	750,480	+17,454
Other Recurring Programs				
Education				
School Ops - Forward Funded.....	401,010	422,125	436,427	+14,302
Other School Operations	65,895	66,293	67,588	+1,295
Continuing Education.....	35,311	38,118	39,118	+1,000
Subtotal, Education	502,216	526,536	543,133	+16,597
Resources Management	39,830	40,320	36,295	-4,025
Subtotal, Other Recurring Progs	542,046	566,856	579,428	+12,572
Non-Recurring Programs				
Tribal Government	249	256	0	-256
Community Development	0	1,297	0	-1,297
Resources Management	31,710	31,658	30,906	-752
Trust Services	32,272	36,784	36,866	+82
Subtotal, Non-Recurring Progs	64,231	69,995	67,772	-2,223
Central Office Operations				
Tribal Government	3,068	2,601	2,649	+48
Human Services	1,289	1,296	909	-387
Community Development	849	866	886	+20
Resources Management	3,371	3,419	3,476	+57
Trust Services	2,105	2,636	3,129	+493
General Administration.....	41,955	46,918	47,056	+138
Subtotal, Central Office Ops	52,637	57,736	58,105	+369
Regional Office Operations				
Tribal Government	1,424	1,362	1,324	-38
Human Services	2,997	3,017	3,067	+50
Community Development	829	821	847	+26
Resources Management	3,225	3,300	4,365	+1,065
Trust Services	9,568	22,135	23,669	+1,534
General Administration.....	24,198	24,679	29,407	+4,728
Subtotal, Regional Office Ops.....	42,241	55,314	62,679	+7,365
Special Programs and Pooled Overhead				
Education	15,298	15,564	16,039	+475
Public Safety and Justice.....	141,165	152,652	160,652	+8,000
Community Development	4,142	4,863	3,543	-1,320
Resources Management	1,314	1,311	1,311	0
General Administration.....	75,738	80,065	80,477	+412
Subtotal, Special Programs.....	237,657	254,455	262,022	+7,567
Supplemental	8,982	1,197	0	-1,197
TOTAL APPROPRIATION	1,648,517	1,738,579	1,780,486	+41,907

* In 2000 and 2001, Education Facilities Maintenance funding (\$27,822) within the Other Recurring activity of the Operation of Indian Programs account is moved to Education Facilities Improvement and Repair in the Education activity of the Construction account. This transfer was conducted under the authority of a Secretarial Order to strengthen and clarify certain management responsibilities related to the implementation of education facility maintenance, rehabilitation, and repair programs.

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases (non-add)	[+30,754]
Tribal Priority Allocations	+17,454
<p>The 2002 TPA request includes funding increases to support BIA's mission to fulfill its trust responsibilities. A total of \$3,000 is requested for the Indian Self-Determination Fund to replenish funds for new or expanded programs contracted under the authority of the Indian Self-Determination Act. An increase of +\$11 is requested for contract support for on-going contracts. As part of the trust management reform effort underway in the Department, the request includes a total of +\$7,000 in trust-related funding as follows: Tribal Courts (+\$1,500); Real Estate Services (+\$1,000); Real Estate Appraisals (+\$3,000); and Probate (+\$1,500). A decrease of -\$2,543 is requested in the Welfare Assistance program due to a reduction in the number of eligible Indian applicants seeking this assistance. Budgeted uncontrollable costs total +\$8,611 and internal transfers total +\$1,375.</p>	
Other Recurring Programs	+12,572
<p>Education</p> <p>The BIA performance measures for Education include increasing the number of accredited schools and improving student attendance. Increases in support of these goals are +\$9,129 for the Indian School Equalization program to meet mandated teacher, counselor, and other staff requirements and +\$1,000 for the 25 Tribally Controlled Community Colleges. Included within the TCCCs requested increase is \$75 for planning grants. Budgeted uncontrollable costs total +\$6,254 and internal transfers total +\$214.</p>	
<p>Resources Management</p> <p>An increase of +\$400 is requested for the Columbia River Fisheries Management program to strengthen tribal efforts to protect and enhance salmon stocks on the Columbia River. Decreases are also requested to eliminate the Washington State Timber-Fish-Wildlife project (-\$3,041); Lake Roosevelt management (-\$630); and a one-time addition in 2001 for the Reindeer Herder Association (-\$176) to focus funding on programs of higher priority on a nationwide basis in Indian Country. Budgeted uncontrollable costs total +\$474 and internal transfers total -\$1,052.</p>	
Non-Recurring Programs	-2,223
<p>To focus funding on programs of higher priority on a nationwide basis in Indian Country and address bureau-wide priorities in Indian Country, decreases are requested in the following programs: Self-Governance grants (-\$256); Distance Learning project (-\$998); Tribal Guiding program (-\$299); Endangered Species (-\$1,029); and Alaska Legal Services (-\$146). Budgeted uncontrollable costs total +\$559 and internal transfers total -\$54.</p>	
Central Office Operations	+369
<p>An increase of +\$2,000 is requested for security background investigations as part of the Bureau's trust management reform effort. An increase of +\$1,000 is requested to improve the capabilities of information resources technology that will assist in correcting the computer and business system architecture breach as identified in <i>Cobell v Norton</i>. Budgeted uncontrollable costs total +\$589 and internal transfers total -\$3,220.</p>	
Regional Office Operations	+7,365
<p>An increase of +\$1,000 is requested for the Natural Resources program to assist in improving BIA's efforts in land management areas and +\$1,000 is requested to increase the land titles and records offices as part of overall trust management improvement reform. Budgeted uncontrollable costs total +\$1,524 and internal transfers total +\$3,841.</p>	

Amount
+7,567

Special Programs and Pooled Overhead

An increase of +\$5,000 for tribal detention programs is requested to address the opening of new detention centers becoming operational during 2002 in Indian Country. To focus funding on programs of higher priority on a nationwide basis in Indian Country, the following decreases are requested: National Ironworkers Training program (-\$521) and Crownpoint Institute of Technology (-\$897). A reduction of -\$1,000 is requested for employee displacement costs as tribal contracting/compacting has reduced the overall impact on the number of Federal employees displaced by contracting/compacting of programs by Tribes. Budgeted uncontrollable costs total +\$6,089 and internal transfers total -\$1,104.

For Operation of Indian Programs, a total of \$6,654 in uncontrollable costs is absorbed.

APPROPRIATION: Construction*

	<u>2000 Actual</u>	<u>2001 Enacted</u>	<u>2002 Request</u>	<u>Change from 2001 Enacted</u>
Education	133,199	292,341	292,503	+162
Public Safety and Justice.....	5,537	5,529	5,541	+12
Resources Management	50,573	50,534	50,645	+111
General Administration.....	8,095	8,214	8,443	+229
TOTAL APPROPRIATION	197,404	356,618	357,132	+514

* In 2000 and 2001, Education Facilities Maintenance funding (\$27,822) within the Other Recurring activity of the Operation of Indian Programs account is moved to Education Facilities Improvement and Repair in the Education activity of the Construction account. This transfer was conducted under the authority of a Secretarial Order to strengthen and clarify certain management responsibilities related to the implementation of education facility maintenance, rehabilitation, and repair programs.

Highlights of Budget Changes

Uncontrollable Cost Increases (non-add) Amount
[+1,129]

Construction +514

The Construction request supports the BIA goal related to improving the safety and functionality of facilities for clients. Within Education, the replacement school construction program request of \$127,799 will provide \$4,999 for advanced planning and design and for replacement of facilities at six schools on the 2001 priority replacement list: Wingate Elementary School (Phase II), New Mexico; Polacca Day School, Arizona; Holbrook Dormitory, Arizona; Santa Fe Indian School (Phase I), New Mexico; Ojibwa Indian School, North Dakota; and, Paschal Sherman Indian School, Washington. The requested program increase of \$13,142 for the Facilities Improvement and Repair program will focus on the backlog of health and safety deficiencies at the bureau-funded elementary and secondary schools. Of this amount, \$8,014 is requested for annual maintenance needs. Uncontrollable costs total +\$1,129 of which \$811 are budgeted and \$318 are absorbed. (See Appendix C for a complete list of projects.)

APPROPRIATION: Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians

	<u>2000 Actual</u>	<u>2001 Enacted</u>	<u>2002 Request</u>	<u>Change from 2001 Enacted</u>
White Earth Land Settlement (Admin) ..	622	625	625	0
Hoopa-Yurok Settlement Fund	245	250	250	0
Aleutian-Pribilof Church Restoration	995	1,247	0	-1,247
Indian Water Rights Settlements				
Ute Indian Water Rights Settlement ...	24,883	24,828	24,728	-100
Pyramid Lake Water Rights Settle	259	341	142	-199
Rocky Boy's Water Rights Settle.....	0	7,982	7,950	-32
(Michigan) Grt Lakes Fish Decree.....	0	1,996	6,254	+4,258
Shivwits Band Settlement.....	0	0	5,000	+5,000
Santo Domingo Pueblo Settlement	0	0	2,000	+2,000
Colorado Ute Settlement	0	0	8,000	+8,000
Torres-Martinez Settlement	0	0	6,000	+6,000
Walker River Paiute (Weber Dam)	124	174	0	-174
TOTAL APPROPRIATION	27,128	37,443	60,949	+23,506

Highlights of Budget Changes

Indian Settlements and Miscellaneous Payments	<u>Amount</u>
	+23,506

An increase is requested to implement several recently enacted settlements, including +\$4,258 for the *U.S. v Michigan* consent decree; +\$5,000 for the Shivwits Band settlement; +\$2,000 for the Santo Domingo Pueblo settlement; +\$8,000 for the Colorado Ute settlement; and, +\$6,000 for the Torres-Martinez settlement. Decreases of -\$100 for the Ute Indian Rights settlement and -\$32 for the Rocky Boy's settlement are requested. Funding for the Walker River Paiute (-\$174) was also eliminated in order to direct resources to higher tribal priorities on a nationwide basis. Decreases are requested for Pyramid Lake (-\$199) due to the completion of core provisions of the settlement, and for the Aleutian-Pribilof Church Restoration (-\$1,247) due to completion of the project as authorized.

APPROPRIATION: Indian Guaranteed Loan Program Account

	<u>2000 Actual</u>	<u>2001 Enacted</u>	<u>2002 Request</u>	<u>Change from 2001 Enacted</u>
TOTAL APPROPRIATION	4,985	4,977	4,986	+9

Highlights of Budget Changes

Uncontrollable Cost Increases (non-add)	<u>Amount</u>
	[+13]

Indian Guaranteed Loan Program

+9

Uncontrollable costs for this appropriation total +\$13 of which \$9 are budgeted and \$4 are absorbed.