



## SERVING TRIBAL COMMUNITIES

*Our young country is home to an ancient, noble, and enduring native culture, and my Administration recognizes the defining principles of tribal sovereignty and the right to self-determination.*

*President George W. Bush, November 2, 2005*

To advance the quality of life for tribal communities, the 2007 budget includes \$2.2 billion for programs in the Bureau of Indian Affairs. The budget provides funding to strengthen Indian self-determination, enhance education programs, continue to address the repair and replacement of BIA elementary and secondary schools, improve facility conditions at BIA funded detention centers, and resolve land and water claims.

### STRENGTHENING INDIAN SELF-DETERMINATION

The ability of Tribes to contract or compact for BIA operated programs remains a key factor in strengthening Indian self-determination and fostering strong and stable tribal governments. The Indian Self-Determination Act requires BIA to provide tribal contractors with contract support costs, which include payment of indirect costs, as determined through negotiation between tribal representatives and Interior's National Business Center. Contract support funds pay a wide range of administrative and management costs, including finance, personnel, maintenance, insurance, utilities, audits, communications, and vehicle costs. Full funding of contract support costs encourages tribal contracting and promotes progress in achieving Indian self-determination.

The BIA budget proposes an increase of \$19.0 million to fully fund indirect costs for contracting Tribes. This increase is partially offset by a \$971,000 reduction in the Indian Self-Determination Fund due to the available carryover funds to meet estimated needs in 2007.

### IMPROVING INDIAN EDUCATION

Rigorous educational programs help ensure a viable and prosperous future for tribal communities and American Indians. Providing Indian students with a quality education prepares them to compete in a dynamic economy. Comprising 184 elementary and secondary schools and dormitories, the BIA school system educates almost 48,000 students. The BIA also operates two schools of higher education and administers operating grants for 24 tribal colleges. Schools with Indian students also receive funding from the Department of Education and other sources.

Since 1990, several changes have occurred in the BIA elementary and secondary school system that impact BIA educational services. Tribes currently operate two-thirds of BIA funded schools, double the number in 1990. In addition, the Government Performance and Results Act and No Child Left Behind Act stimulated the development of new standards for student achievement and management accountability. The Adequate Yearly Progress accountability system under the No Child Left Behind Act measures student proficiency in math, reading, and language arts. The BIA is accountable for helping BIA funded schools achieve AYP targets and achieving AYP in all BIA funded schools remains a top BIA objective. Student performance at BIA schools, while improving, remains lower than national averages. In school year 2004-2005, 30 percent of BIA schools met the AYP measure.

*One of the most important ways to ensure a successful future is through education. Over the past four years, my administration has provided more than \$1 billion for the Construction and renovation of Bureau of Indian Affairs schools. We also offer direct assistance for educator and counselor training to help make sure every classroom has a qualified teacher and every student has the tools he or she needs to succeed. As we work with tribal leaders to provide students with a superior education that respects the unique culture and traditions of the community, we can help ensure every child has the opportunity to realize their dreams.*

*President George W. Bush, November 2, 2005*

*The Department is committed to improving American Indian education and providing students with high quality education. The No Child Left Behind Act is the President's commitment that all public schools will provide students with high quality education, and students and parents should be able to expect that this Administration will meet the President's commitment to our schools. Full and successful implementation of the the Act will require a strong partnership between the Department and every bureau funded school and its community.*

*Associate Deputy Secretary James Cason, September 9, 2005*

In response to changing management responsibilities, BIA worked with Tribes and tribal school boards to develop a Program Improvement and Accountability Plan to improve the effectiveness of the education services provided in the Bureau funded school system. The plan identifies six major objectives such as achieving AYP and improving communication. The tasks to achieve the objectives include hiring, training, and retaining highly qualified staff to achieve AYP and ensuring parent and community involvement to improve communications. The milestones necessary to accomplish these objectives include teacher certification and performance evaluations and developing a survey with parental input to assess parental involvement. The status of these tasks and milestones are reported quarterly and then shared with the Department of Education.

The 2007 BIA budget includes an increase of \$2.5 million to realign education offices and meet the staffing requirements identified in the Program Improvement and Accountability Plan. The restructured education program will provide the oversight capacity necessary to ensure that all schools make progress in student achievement. The new organizational structure establishes new leadership positions and realigns BIA education offices in the field and in headquarters

to a more centrally coordinated organization. The additional staff will be instrumental in making the plan a success. Senior executives will be placed in strategically located education offices, along with the appropriate mix of data, contract, and finance specialists. Adding senior level leadership in regional education offices will strengthen accountability. Establishing dedicated data, contract, and finance specialists to provide system-wide services will also allow school administrators and teachers to focus on student needs.

The Indian education program also includes a new initiative to address the needs of juveniles detained in BIA funded detention centers, a segment of Indian youth underserved in the educational system. The BIA budget includes an increase of \$630,000 to provide appropriate on-going education to all juveniles housed at the 20 BIA funded juvenile detention centers. The BIA Office of Law Enforcement believes that juveniles are less likely

to repeat offenses if they have the opportunity to stay current with their academic instruction.

The budget proposes to eliminate the \$16.4 million Johnson-O'Malley grant program. Identified in the Tribal Priority Allocations of some Tribes, JOM grants attempt to address Indian student needs in local public schools, but duplicate similar funding

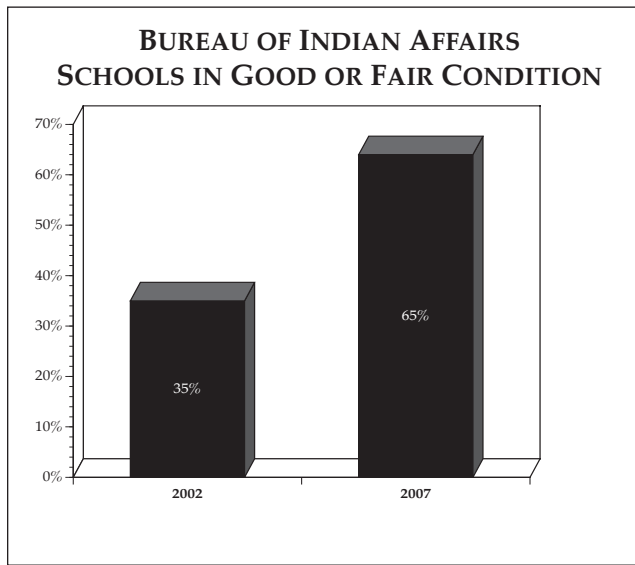


made available by other Federal and State assistance programs. These grants do not address a focused goal for academic achievement and lack a means to measure and report whether benefits accrue to student performance. Eliminating JOM grants allows BIA to realign funds and focus on clearly effective components of the BIA school system, while also reducing redundancy with other Federal programs.



### BUILDING SAFER SCHOOLS

The BIA school construction program provides funding to replace, rebuild, and repair BIA funded schools so Indian children have safe and nurturing places to learn. Between 2001 and 2006, the President and Congress have provided \$1.6 billion for the Indian education program, funding replace-



ment of 37 schools and major facility improvement and repair projects at 45 schools.

The funding has resulted in significant improvements, increasing the number of schools in good condition. In 2001, only 35 percent of schools were in good or fair condition. After completion of the work funded through 2007, approximately 65 percent of schools will be in good or fair condition as measured by the Facilities Condition Index. Of the 37 replacement schools funded between 2001 and 2006, ten of these have been completed. Another 19 will be completed in 2006 and 2007. Of the 45 major facility improvement and repair projects funded between 2001 and 2006, nine have been completed and 25 are scheduled to be completed in 2006 and 2007.

The 2007 budget requests \$157.4 million for school construction and repair. Though \$49.3 million below the 2006 enacted level, this amount enables BIA to focus on completing school construction already



underway and initiate several new construction projects. In the 2007 budget request, the \$36.5 million proposed for replacement school construction will complete funding for the Muckleshoot Tribal School in Washington and fully fund the Dennehotso Boarding School in Arizona. It also will fund planning and design for schools on the replacement school priority list. The education construction account also includes \$41.3 million for Facilities Improvement and Repair projects, and \$50.7 million for annual maintenance.

The 2007 budget proposes a new budget subactivity, Replacement Facility Construction, to conform to the recommendations of the Inspector General's

report on the use of facility improvement and repair funds. This new subactivity will fund replacement of individual buildings on school campuses when entire new school facilities are not needed. Oftentimes, it is more economically prudent to replace a structure than to repair or rehabilitate it, but replacement of a structure is classified as construction, rather than facility improvement and repair. In 2007, the \$26.9 million proposed for this subactivity will fund the replacement of four buildings and the planning and design of future replacement facilities construction projects.

### EXAMINING TRIBAL BASE FUNDING

Tribal Priority Allocations funding provides basic tribal services, such as tribal courts, social services, adult vocational training, child welfare, and natural resources management. The TPA gives Tribes the opportunity to further Indian self-determination by establishing their own priorities and flexibility allocating Federal funds among programs. This funding reflects the Federal government's commitment to support effective and meaningful participation by Indian Tribes in planning, conducting, and administering services delivered to their communities.

The 2007 budget for TPA, \$754.1 million, funds ongoing support for tribal communities. However, the funding allocation process used today is based on historical funding levels established in the early 1970s. In order to ensure that the budgets address the highest priority needs in Indian Country, Interior will continue to consult with Tribes on how best to focus TPA funds. The collaborative process is intended to strengthen support for the Federal government's long standing commitment to respect tribal sovereignty and self-determination.

### RESOLVING LAND AND WATER CLAIMS

The \$33.9 million BIA budget for Indian Land and Water Claim Settlements includes \$22.3 million for two new settlements.

The Snake River Water Rights Act of 2004 requires that the Department provide the State of Idaho and the Nez Perce Tribe \$170.9 million to fund water supply, habitat restoration, and other purposes. The BIA portion of the settlement is \$95.8 million.

The total 2007 Departmental request for the Snake River settlement is \$28.8 million, including funding requested for BIA, the Fish and Wildlife Service, Bureau of Reclamation, and Bureau of Land Management. The 2007 BIA budget includes \$14.8 million for payments to the Nez Perce Tribe Water and Fisheries Fund, Nez Perce Tribe Salmon and Clearwater River Basins Habitat Account, and Nez Perce Tribe Domestic Water Supply Fund. The 2007 budget for the Snake River settlement also includes \$5.1 million for FWS, \$8.7 million for Reclamation, and \$200,000 for BLM.

The BIA budget includes \$7.5 million for the first of two payments for Rocky Boy's Water Systems Operation, Maintenance, and Replacement Trust Fund. Section 914 of the Rocky Boy's-North Central Montana Regional Water System Act authorizes the payment. The Act is a follow up to a previous statute that established the Chippewa Cree Water System Operation, Maintenance, and Replacement Trust Fund. Total authorization for the Fund is \$15.0 million.

The Colorado Ute and the Zuni Water settlements will be completed in 2006 and will not require funding in 2007. The Quinault Indian Nation land settlement has only a small funding requirement remaining in 2007. Reductions for these projects of \$23.1 million offset the increases requested for the new settlements.

#### SNAKE RIVER WATER RIGHTS

*This framework agreement clears the way for a long-term public water policy for Idaho and enables the United States to fulfill trust responsibilities for the Tribe.*

*Secretary Gale A. Norton, May 15, 2004*

*We are pleased at the progress that has been made in resolving these difficult issues. The process can now move forward to closure with new momentum, for the benefit of all concerned.*

*Nez Perce Tribal Executive Committee Chairman Anthony Johnson, May 15, 2004*