



Alaska Federation of Natives 2008 Federal Priorities

Bureau of Indian Affairs Funding

Topic 1: Tribal Government Funding. The president's FY 2009 budget request calls for an overall net reduction of \$64.3 million in Tribal Priority Allocations, which is 8.3% below the 2008 enacted level. This reduction comes at a time when Alaska's compactors and contractors are experiencing a significant increase in inflation and an increase in the Alaska Native population to be served. Funding for the Tribal Priority Allocations (vital to continued operation of Indian programs) rose by only 0.6% between FY 2007 and FY 2008, but funding for the Bureau of Indian Affairs' (BIA) administrative functions (Central + Regional office funds) rose by 3.6%. We believe the budget increases should be on the "people" programs rather than program administration.

The demographics of the Alaska Native population present challenging considerations for Alaska's tribes and regional non-profit tribal consortia in meeting the needs, services and programs for a diverse population in an area that is two and a half times larger than Texas. Data from recent Census and other reports show that:

- The Alaska Native population increased 26% from 1990 to 2000.
- 58% of Alaska Natives live in rural areas of the state and the cost of living in rural areas is disproportionately higher than in urban areas.
- The Per capita income for Alaska Natives is \$9,113 vs. \$18,819 for non-Natives.
- 33% of Alaska Natives are unemployed; those in rural areas are more likely to be unemployed, have lower incomes and live below the poverty line; overall, full-time, year-round employment is less likely for Alaska Natives.

The BIA's failure to request full funding for fixed or uncontrollable costs (i.e., pay costs, leases, etc.) has resulted in tribes and tribal organizations having to absorb millions of dollars in unfunded costs thus impacting the "operational abilities" of the programs. At Congress' urging, the BIA finally requested, and received, full funding for fixed costs in FY 2008 but the several years of neglect translates into a huge deficit, or need, at the program level. At the same time, with the Alaska Native population increasing by double-digit percentages, the services and assistance required by our communities continue to grow. Particularly in the rural areas, there is increased fear for safety, hardships due to very limited incomes at a time of spiraling costs for basic necessities such as food, electricity, fuel and shelter, and few job opportunities.

In addition, the budget priorities advanced by the BIA have at times not been in sync with our needs. For example, the FY 2009 budget request provides increases to two funding initiatives—Safe Indian Communities and Improving Indian Education. None of the funding increase for Indian Education for BIA-funded schools will benefit our students in Alaska—although they, too, have similar needs for improved instruction and student achievement. Little of the \$26.6 million targeted for law enforcement

on reservations in the Safe Indian Communities Initiative will benefit Alaska Native communities since the funds will be channeled to tribal and BIA law enforcement training and recruitment.

Our communities have a great need for "people" programs such as vital child welfare services, burial assistance, and general assistance for which the BIA has proposed drastic cuts or elimination in its recent budget submittals. There is a \$22 million cut to welfare assistance, a \$12.5 million cut to roads maintenance, a \$10.6 million cut for self-governance compacts, a \$5.9 million cut to scholarships and adult education, a \$2.3 million cut to tribal courts and a \$989,000 cut to Indian Child Welfare Act services. In addition, two key programs important to the welfare and education of our people are slated for outright elimination:

Housing Improvement Program: The President's budget for FY 2009, like FY 2008, eliminates \$13.6 million for the Housing Improvement Program (HIP). Congress restored funding in FY 2008, but it is once again on the Administration's "chopping block," despite the importance of the program to our communities. The Administration mistakenly justifies elimination of this program on the belief that HIP duplicates programs offered under the Native American Housing Assistance and Self-Determination Act .

Rural Alaska suffers from a severe housing shortage. Many Alaska Native families live in dilapidated, overcrowded, unsanitary, third-world housing that is not energy efficient. The BIA HIP program serves the poorest of the poor, reducing substandard housing and homelessness by providing housing repairs, essential renovations, and new construction of modest housing. NAHASDA funds cannot supplant the HIP program since it does not offer assistance to the most needy of Alaska's Native families.

Johnson O'Malley Program (JOM): The President's budget eliminates \$21.4 million for the JOM grants, including JOM programs funded in Self-Governance compacts and Consolidated Tribal Government Program contracts. It provides supplemental funds to address the unique educational and cultural needs of Native children attending public school. It is the only federally funded program that permits student, parental, and community involvement in meeting the special educational needs of Native youth, providing funding to support a range of vital academic remedial services and cultural programs.

Key Recommendations: AFN and its member organizations make the following recommendations:

- (1) Congress is urged to increase funding for TPA in the BIA appropriations for FY 2009 to a level that at least keeps pace with the rate of inflation, and that covers other built-in costs; to reinstate funding for FY 2009 for the BIA HIP program and the Johnson O'Malley Education Grants program and oppose funding cuts to vital human services programs.
- (2) The BIA is urged to amend its funding distribution process under HIP to take into account the soaring costs of energy efficient home construction in Alaska and the extraordinary costs of basic necessities such as fuel, electricity and food, which have increased up to 82% in some regions and up to 140% in other regions.

Topic 2: Contract Support Costs: Contract support, which we utilize to cover the direct and indirect costs (IDC) related to operating a contract or compact, has not been fully funded for several years, and no separate Indian Self-Determination (ISD) funds for new and expanded contracts has been requested in recent budget proposals. The President's FY 2009 budget request maintains funding for contract support at FY 2008 levels. In this time of inflating costs and a growing population, Tribes and tribal organizations are under pressure to decrease direct services just to keep up with the ordinary costs of doing business.

Recommended Action: Congress is urged to provide full funding for contract support costs.