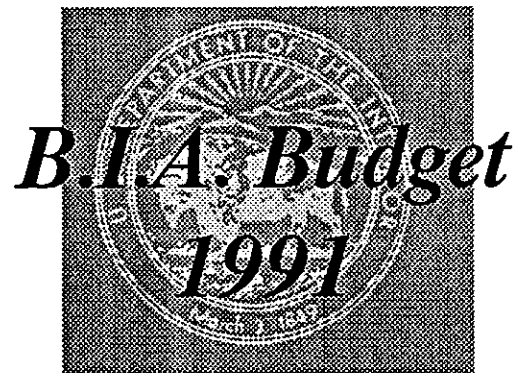


**SECOND ANNUAL**  
**Review & Summary Analysis**  
**of the**



**United States**  
**Department of the Interior**  
**Budget Justifications**  
**Fiscal Year 1991**

**Bureau Of Indian Affairs**

***SENSE, Inc.***

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February 28, 1990

**Second Annual Review & Summary Analysis of the  
B.I.A. Budget 1991**

United States, Department of the Interior  
Budget Justifications,  
Fiscal Year 1991  
Bureau of Indian Affairs

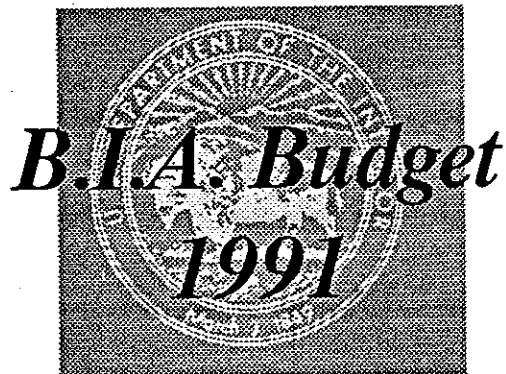
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**SECOND ANNUAL**  
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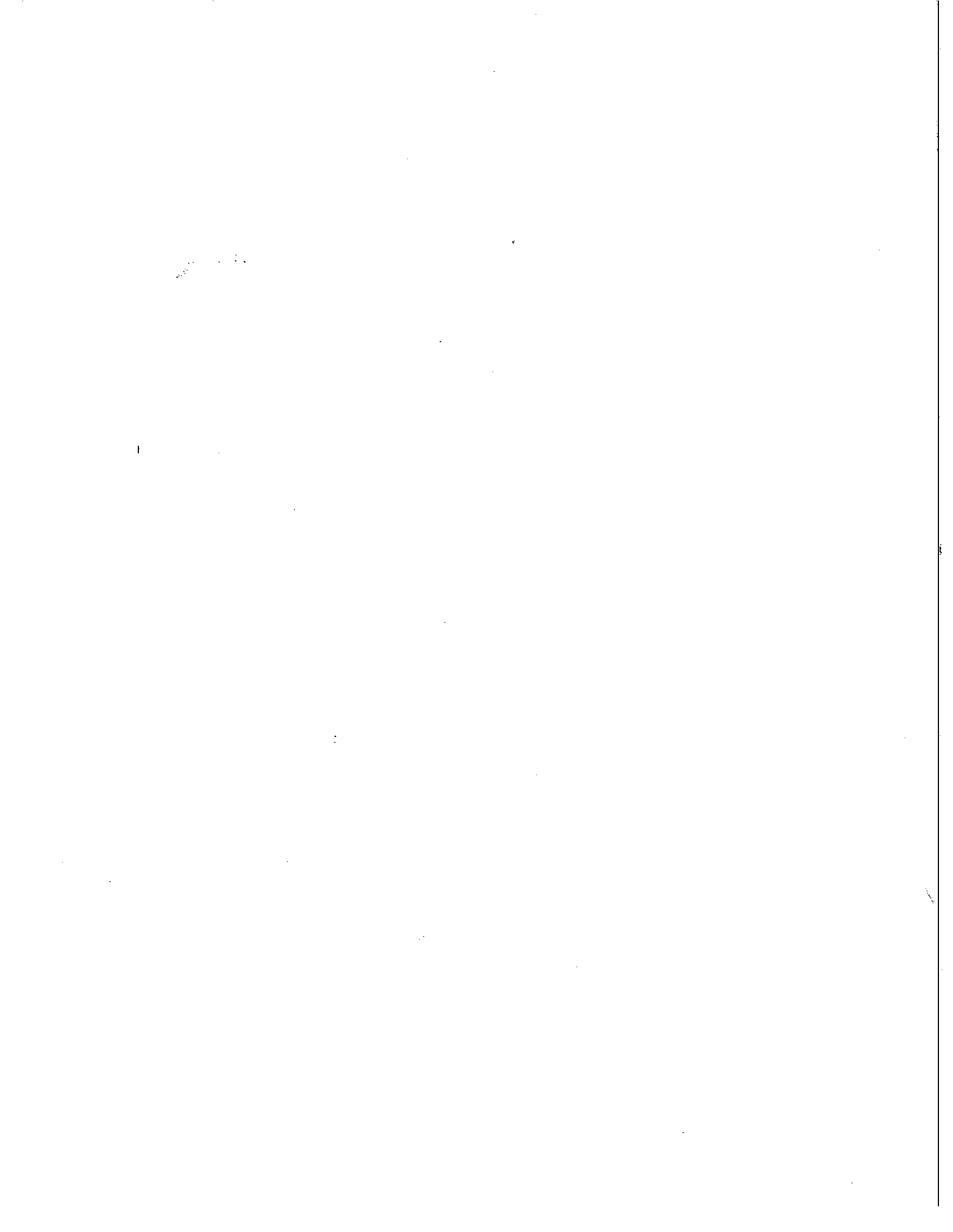


**United States**  
**Department of the Interior**  
**Budget Justifications**  
**Fiscal Year 1991**

**Bureau Of Indian Affairs**

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February 28, 1990



# Executive Summary

On January 29, 1990 the Department of the Interior released the Bush Administration's fiscal year 1991 proposed budget and justifications for the Bureau of Indian Affairs. The 361 page justification proposes an overall budget of \$1,637.731 billion and a plan to increase the number of permanent employees by 140 positions. The overall budget is divided into three major parts:

**Annual Appropriation Request:** At \$1.018 billion, this part of the justification includes costs for programs, contracted services, operations and administration. Education, Tribal Government Services, Economic Development, Natural Resources, Trust Responsibilities, Facilities Management and General Administration are the major categories of this budget.

**Construction Budget:** At \$167 million, this budget includes costs for construction of housing, roads, irrigation facilities and B.I.A. facilities. It also includes payments to Indians, and loans for business development. The categories include Construction, Miscellaneous Payments to Indians and the Indian Loan Guarantee & Insurance Fund.

**Permanent Appropriations:** Set at \$453 million, this budget includes funds for payments on trust resource earnings, specific tribal trust fund accounts and permanent appropriations for administrative maintenance, building maintenance and general administration. Categories included in this budget are Miscellaneous Permanent, Trust Funds, Cooperative Fund (Papago) Quarters Operation and Maintenance. The Inspector General's study concluded in the Fall of 1989 indicated that Indian Nations and individual Indians have an amount in excess of \$2 billion in funds held in trust by the United States. These funds are not included in the B.I.A. Overall Budget.

Under the Annual Appropriations Request Budget the B.I.A. estimates the following amounts for the FY '91 budget:

|                |               |
|----------------|---------------|
| Education      | \$313,290,000 |
| Trust Services | \$302,181,000 |

|                        |               |
|------------------------|---------------|
| Navajo/Hopi Settlement | \$ 1,027,000  |
| Economic Development   | \$ 14,544,000 |
| Natural Resources      | \$119,831,000 |
| Trust Responsibilities | \$ 68,089,000 |
| Facilities Management  | \$ 87,161,000 |
| General Administration | \$112,062,000 |

The Construction Budget (C.P.L.) is projected to include \$103.099 million for buildings and utilities (\$40 million), Irrigation systems (\$24 million), housing (\$21 million) and road construction and maintenance (\$31 million). The Indian Loan Guarantee and Insurance Fund is projected to be \$11.487 million. Miscellaneous Payments to Indians is set at \$52,407 million.

The Permanent Appropriations and Trust Funds Budget is projected to include \$377.214 million for Trust Funds, Miscellaneous Permanent costs at \$68.141 million and Quarters Operation and Maintenance at \$6.330 million.

The B.I.A. plans to increase its total personnel from 9,185 permanent positions to 9,325 permanent positions. This will represent an increase of 140 positions. The increases in 1990 and 1991 will result in a total increase of 300 permanent positions since 1989. While the total number of Full-Time Equivalents (FTEs) continue to decline, the total number of permanent positions continues to climb.

A new Deputy Assistant Secretary for Trust Funds will be established along with a new division for Trust Income Collections and a division of Supervised Accounts. Established in the Central Office, this move is in response to the Inspector General's findings of B.I.A. Trust Fund mismanagement and loss of \$17 million in tribal funds. The effort will cost in excess of \$2.8 million.

This year's Review and Summary Analysis finds the continuation of a B.I.A. budget pattern of cutting tribal specific programs, thus, forcing tribes to seek restoration by the Congress. Evidence mounts that the B.I.A. is continuing to gain funding support for administration and operations while programs continue to decline in each year's proposed budget.

# Highlights & Lowlights

The Education Budget includes increased funds (\$8.8 million) for the second increment of phased salary increases for teachers and counselors.

Tribal contractors and grantees who operate bureau-funded schools will receive added support with an increase of \$6 million bring the total to \$20 million.

J.O.M. will be reduced by \$3.1 million to a total of \$20.548 million.

Welfare Assistance Grants will increase to a total of \$82.121 million though the EARN Demonstration initiative funds of \$2 million will be dropped.

Wildlife and Parks funds will be reduced by \$4.8 million including a \$2.3 million reduction in rights protection in Western Washington; \$300 thousand reduction in the Columbia River fisheries programs and \$873 thousand reduction of funding for the Voight Case in the Great Lakes area.

Forest Development funds are proposed to increase by \$2 million bringing that budget to a total of \$10.2 million.

\$2.5 million is proposed to clean up hazardous waste dump sites.

An office of "audit and evaluation" is proposed with \$1 million requested to support this effort.

An additional \$2.3 million is being requested to support the Data Processing functions of the Bureau of Indian Affairs.

Funds for Attorneys' fees and litigation expenses will be reduced by \$2 million.

Spread throughout the proposed B.I.A. budget is \$16.8 million aimed at the "war on drugs." This money will be used to support, substance abuse counseling in bureau funded schools, training for law enforcement and judicial services personnel, construction of juvenile detention facilities, staffing and operating emergency shelters and juvenile detention facilities, eradication of marijuana plants and investigation, interdiction and prevention activities by bureau and tribal law enforcement personnel.

The Bureau of Indian Affairs advised the Congress that the total budget of \$1.6 billion is decreased by \$186 million from direct appropriations in FY 90. This reduction is "essentially the result of funding one-time costs in FY 1990 such as conversion of tribal contracts to calendar year funding and non-recurring payments for Indian settlements."

# Overall B.I.A. FY '91 Budget

**\$14 MILLION SEQUESTERED FROM '90 ANNUAL REQUEST**

## Projected '91 Budget to Decline Again

The Bureau of Indian Affairs (B.I.A.) requests the Congress to appropriate a projected F.Y. 91 budget of \$1.638 billion. Continuing the process begun in the middle 1980s, the Bureau of Indian Affairs divides its Overall Budget into three major parts:

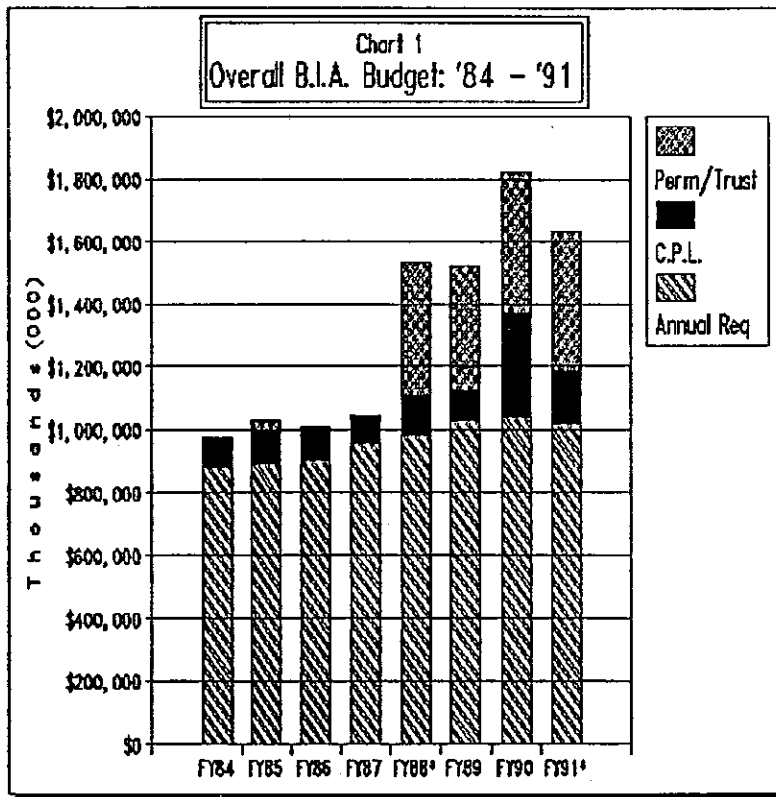
**Annual Appropriation Request Budget [\$1.018 billion]** (including Programs, Contracted Services, Operations and Administration)

**Construction Budget (C.P.L.) [\$167 million]** (including Road Maintenance, Employee Housing Construction and Maintenance, School and Detention facility Construction, Fish Hatcheries, Land Acquisition, Housing Improvement Program, Irrigation Systems, Payments to Indians, Loan Guarantees and other building construction and construction support), and finally

**Permanent Appropriations [\$453 million]** (including Trust Funds for distribution, Specific Trust Fund Accounts, and permanent appropriations for administrative activities and general administration).

Two detailed portions of former B.I.A. budgets, Road Construction and Forest Fire Suppression, have been shifted out of the Annual Budget Request part of the budget to the Federal Highway Administration's Trust Fund and the Department of Agriculture respectively. These accounts appear now as reimbursements to the B.I.A.

In 1989, the B.I.A. budget number crunchers projected an F.Y. 1990 Overall Budget of \$1.499 billion - an amount equal to a 0.44% decrease from the actual 1989 appropriations. Due to Congressional appropriations, the F.Y. 1990 appropriations actually rose to an overall \$1.828 billion. This increase of \$329 million more than originally projected - an overall increase of 21.5% above the 1989 level - was primarily due to direct tribal appropriations requests for funds not appearing in the F.Y. '90 budget. It was also influenced by the reestablishment of budget items which tribes asked Congress to put back into the budget and also



increases in B.I.A. personnel costs. Due to a probable sequestering of F.Y. '90 funds from the approved Annual Appropriations Request level (equaling a \$14.046 million or 1.36% reduction), the B.I.A. estimates a final F.Y. '90 budget of \$1.814 billion after reductions. (See Chart 1 which includes the approved F.Y. 90 budget level. Note that on some charts the F.Y. 90 followed by two asterisks identifies the sequestered budget figures.)

The projected F.Y. '91 Overall Budget of \$1.638 billion is 19% lower than the approved F.Y. '90 budget and 17.6% below the sequestered F.Y. '90\*\* budget. The proposed F.Y. '91 budget is also \$112 million or 7.3% higher than the actual F.Y. '89 budget. As we will document, this slight increase is mainly due to operations and administrative cost increases, and NOT program or service increases.

### PATTERN OF CUTS CONTINUES

Administration budget requests since 1984 have continued the trend of cutting tribally popular budget items, and eliminating non-Indian Priority System (I.P.S.) funding activities originally requested by tribes through

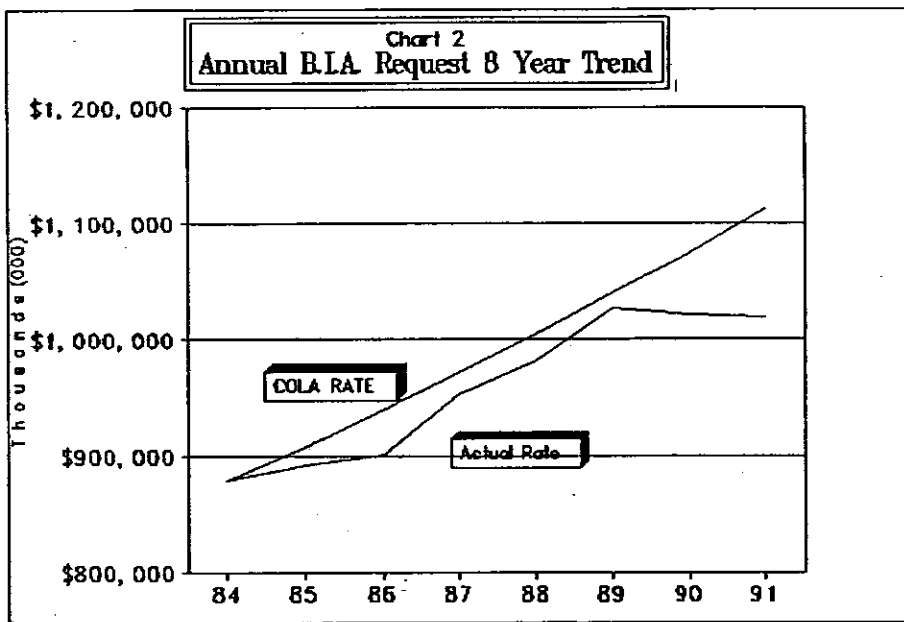
is slowly becoming a smaller and smaller part of B.I.A.'s annual requests. The B.I.A.'s operations and administrative requests continue to grow. B.I.A. budget analysts still use the I.P.S. and tribal specific requests to justify these increases.

## The Declining Value of the "B.I.A. Dollar"

If only budget numbers are considered, Bureau of Indian Affairs budgets appear to grow each year. This trend is apparent by comparing budget appropriations and requests over the eight year period from 1984 through 1991. In 1984, the B.I.A. administered \$973.718 million. In F.Y. '91, the B.I.A. proposes to administer a budget of \$1.638 billion. These values suggest that Indian Country will receive assistance, services and contracts from the B.I.A. 68% higher than in 1984. Such a conclusion would be in serious error.

Since 1982, the purchasing power of the B.I.A. dollar has steadily declined due to inflation. The B.I.A.'s projected \$1.638 billion will actually have the effective purchasing power of \$1.189

billion in 1982 dollars. In reality, therefore, the Bureau of Indian Affairs budget for F.Y. '91 will have the effective purchasing power of a 22% increase over F.Y. 1984 in real dollars. To stay even with the cost of living, the F.Y. '91 budget should be 27.4% higher than the F.Y. 1984 budget.



the Congress to show a declining or leveling Overall Budget at the time of next-year budget justification requests. Following the proposed cuts and item eliminations, tribes are compelled to return to Congress each year to request the reestablishment of certain budget items, and request that tribal specific funds be added to the budget.

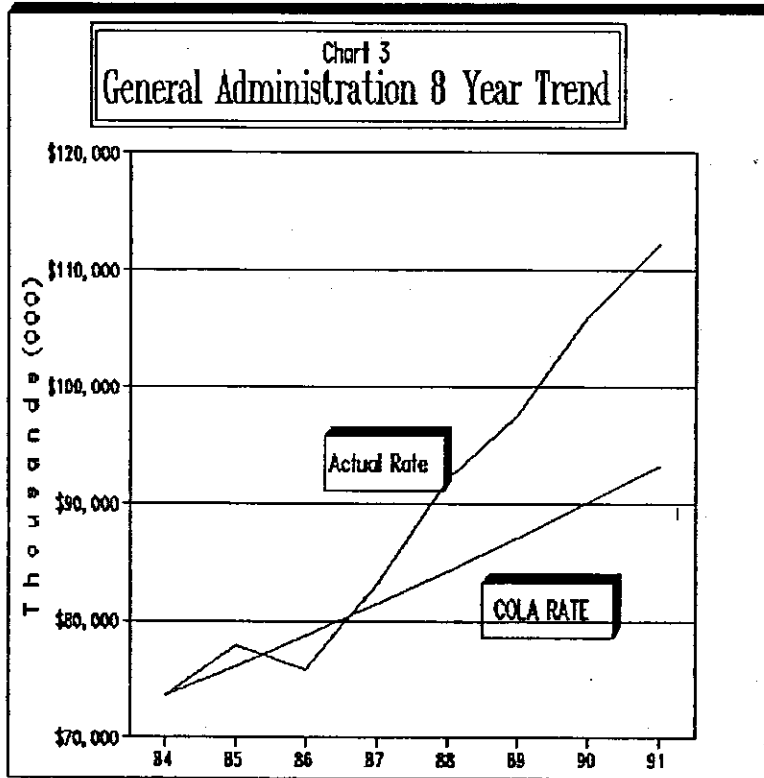
A result of this continuing pattern of Administration cuts and Congressional restorations is that the B.I.A. requests budgets which have more to do with B.I.A. operations and administration, and less with program and direct services. More tribes are having to secure needed funds and services by directly appealing to the U.S. Congress. The net result is that the B.I.A. is requesting less and less realistic budgets for subsequent years. These proposed budgets must consistently be augmented by direct tribal intervention through Congressional appropriations committees. The I.P.S.

### B.I.A. GAINS & TRIBAL LOSSES

According to the U.S. Federal Reserve, the U.S. economy has experienced an annual average inflation rate of 3.43% per year since 1982. This means the purchasing power of each B.I.A. dollar has decreased by that percentage on average each year since 1982. If the proposed F.Y. '91 budget of \$1.638 billion has the purchasing power of only \$1.189 billion, this represents an annual average increase of just 2.75% as compared to the average annual inflation rate of 3.43%.



Using the Federal Reserve's annual consumer index - Bush Administrations, the actual value of funds going to Indian Nations and funds used by the B.I.A. to provide services and administration is only slightly higher than it was in 1984. Eight years of budget figures reflect a trend of Annual Appropriations Request Budgets lagging behind rising costs of living.



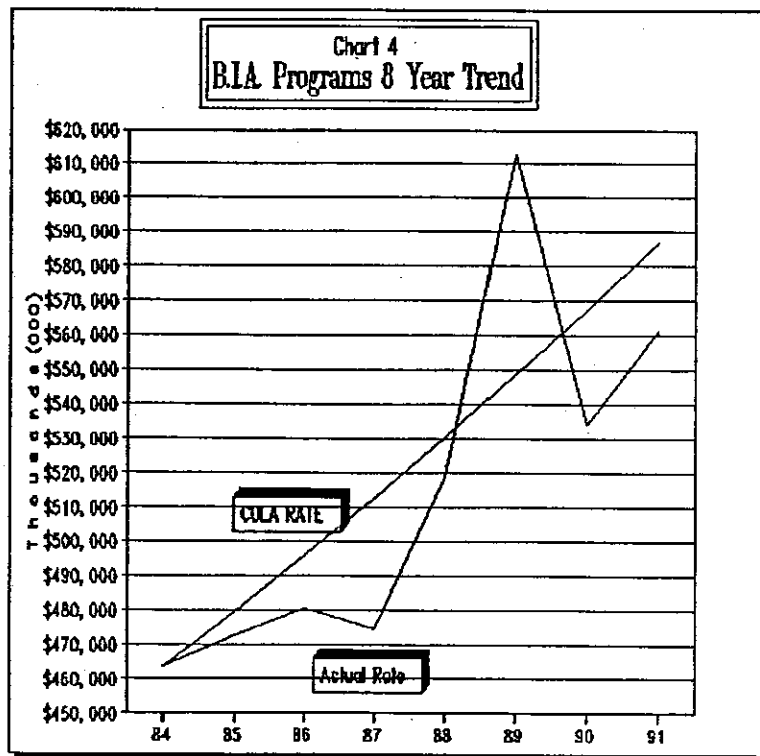
Lagging Annual Budget Requests have meant less purchasing power in Indian Country while B.I.A. administration has continued to grow at a rate that exceeds the cost of living rate. Charts 3 and 4 illustrate this fact. General Administration costs for the Bureau of Indian Affairs have soared above the projected level based on constant 1982 dollars. Except in fiscal year 1986, General Administration in the B.I.A. has been equal to or above the cost of living level for seven of the eight years beginning in 1984. (See Chart 3) Contrasted with the growth of General Administration, program funds have consistently lagged behind the rising cost of living except in fiscal year 1989 when direct tribal requests to Congress caused a balloon above the constant. (See Chart 4) The consistently higher level of B.I.A.'s General Administration compared with the consistently lagging level of Tribal programs sustains the "B.I.A. Gains vs. Tribal Losses" premise.

rate of 1.274 (released on February 20, 1990), one 1991 B.I.A. dollar will have the purchasing power of 72.6 cents.

The portion of B.I.A.'s budget which most directly effects tribal programs and activities is the Annual Appropriations Request. The 1984 request was \$878 million. In 1991, the B.I.A. proposes a budget of \$1.018 billion. The change from 1984 to the proposed 1991 budget is 15.9% higher than the 1984 budget. In constant 1982 dollars, B.I.A.'s Annual Budget Request for FY '91 ought to be at least \$1.139 billion just to stay even with the inflation rate. As Chart 2 illustrates, the actual rate of Annual Appropriations Budget increase lags behind the constant rate (here defined as the Cost of Living Adjustment, COLA) by 11.5%. The current request level represents a \$121 million reduction in constant dollars from the needed funding level.

While averages and percentage rates are generally an inexact measure of dollar value changes, it must, never-the-less, be conceded that between the inflation rate and budget cuts made by the Reagan and

eral Administration compared with the consistently lagging level of Tribal programs sustains the "B.I.A. Gains vs. Tribal Losses" premise.



# Annual Appropriation Request Adjusted Downward

In 1977, the Bureau of Indian Affairs was in its second full year implementing the Indian Self-Determination and Education Assistance Act of 1975 (PL 98-638). In that year, the B.I.A. employed about 13,000 permanent personnel, 5,000 temporary personnel and requested an annual budget of \$742.678 million. Fourteen years later, the B.I.A. proposes an Annual Request Budget of \$1.018 billion with a list of permanent personnel numbering 9,235. Though the number of permanent personnel is now 3,765 below the 1977 figure, the cost for maintaining the present level is higher than the cost to maintain 13,000 in 1977. Indeed, the proposed permanent positions level for FY '91 will be 300 positions higher than were employed in 1989. More about this

... the proposed permanent positions level for FY '91 will be 300 positions higher than were employed in 1989.

The B.I.A. proposes to reduce the Annual Appropriations Request budget by \$3.303 million below the \$1.022 billion sequestered appropriation for F.Y. '90\*\*.

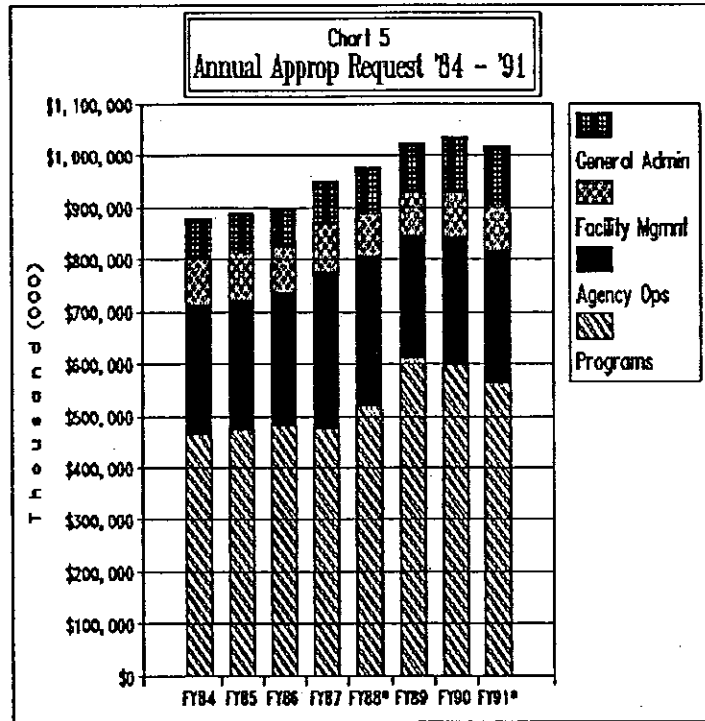
when we discuss the distribution of personnel in a section below.

The B.I.A. proposes to reduce the Annual Appropriations Request budget by \$3.303 million below the \$1.022 billion sequestered appropriation for F.Y. '90\*\*.

The proposed budget for F.Y. '91 is \$17,349 million below the \$1.036 billion non-sequestered amount appropriated by Congress for the 1990 fiscal year. As Chart 5 illustrates, the Annual Appropriation Request for 1991 suggests the possibility of a new downward trend for this budget.

The Annual Appropriation Request includes costs associated with the operation of programs, delivery of services, contracts and grants, as well as agency operations, facility management,

and general administration. To achieve reductions in this budget, the Bureau of Indian Affairs made significant cuts in Tribal Services budgets and Natural Resources budgets. We examine these proposed changes in more detail below.



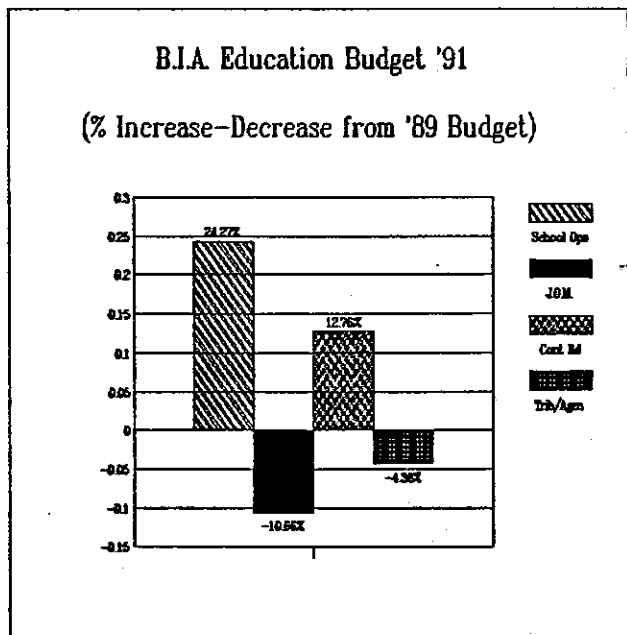
## Education Budget: Salaries Up, J.O.M. Down

Representing about 25% of the total Annual Appropriations request, the Education Budget supports B.I.A. schools, tribal schools and provides for some post-secondary support. The budget is projected by the B.I.A. to increase overall by \$29.804 million above the 1990 sequestered figure of \$283.486 million. The proposed 1991 figure of \$313.290 million represents an increase of \$44.787 million above the 1989 enacted amount of \$268.503 million.

As Chart 6 illustrates, School Operations is the source of most of the projected increase. Within School Operations, three items account for the greatest increase: Indian School Equalization Program (phase in of teachers' pay scale), Parent and Community Involvement funds, and Administrative Cost Grants.

J.O.M. funds are projected to decline by more the

Chart 6



10% from the \$23 million appropriated in 1989. B.I.A. accountants project J.O.M. to decline to \$20.548 million in F.Y. '91.

Though Continuing Education funds will decline by \$1.020 million below the F.Y. '90 level of \$31.195 million, the new figure of \$29.672 million will be an increase of 12.8% over the 1989 level.

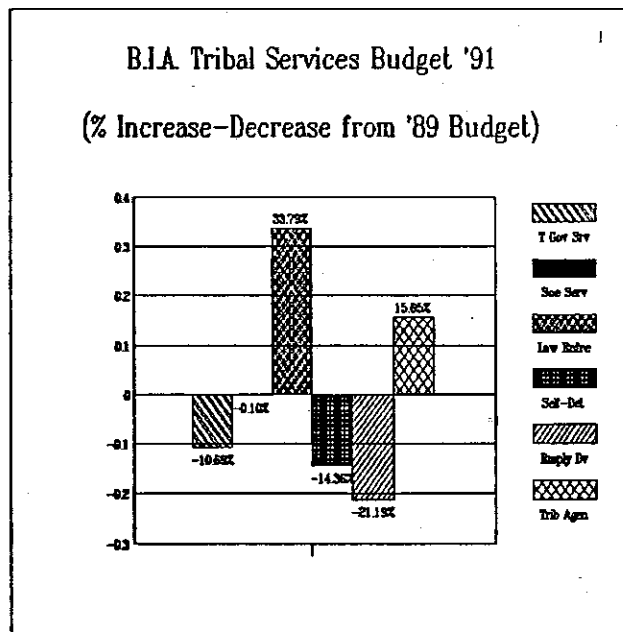
Tribe/Agency Operations in Education is pro-

jected by B.I.A. budget officials to sustain a second year of decline. The proposed budget will reduce this item by \$1.02 million from F.Y. '90 and result in a 4.38% reduction since 1989.

## Tribal Services Budget: Law Enforcement up 33.79%

Tribal Services budget items are among the funds which have the most direct affect on employment on reservations. Because tribes contract many of these services, changes in this budget item have the potential

Chart 7



for affecting the employment rate on reservations. Aid to Tribal Government, tribal courts, social services, Law Enforcement, Employment Development, Welfare Assistance, and many other programs fall under this category.

In the proposed F.Y. '91 budget, only Self-Determination Services and Employment Development are projected to decrease from F.Y. '90 levels. Tribal Government Services, Social Services, Law Enforcement and Tribe/Agency Operations are all set for increases. Because the F.Y. '90 budget is actually reduced from its original amount as a result of sequestration, any increases in F.Y. '91 really represent a return to F.Y. '90 levels. A more revealing picture is presented when the F.Y. '91 changes are compared to F.Y. '91 levels.

Chart 7 shows sizable increases in Law Enforcement and Tribe/Agency Operations above 1989 figures. Most of the Law Enforcement increases take place in the Central Office Budget with a focus on the Special Investigations Unit and the Police Academy. Budget projections also show significant decreases from F.Y. '89 in Tribal Government Services (down 10.69%), Self-Determination Services (down 14.36%), Employment Development (down 21.19%) and a minor reduction in Social Services (down 0.1%). These changes clearly suggest an increased level of unemployment on those reservations that depend on funds from the reduced categories.

Reductions in Self-Determination Services Contract Support from \$55.187 million in 1990 to \$43.946 million is described by the Bureau of Indian Affairs as a result of shifting \$13 million to the Office of Indian Education Programs to fund administrative cost grants. The B.I.A. noted in its justification that actual F.Y. '89 indirect costs totaled \$54.784 million, and that it "had to reprogram funds from unobligated balances in other programs to fully fund negotiated indirect costs" for that year.

## Natural Resources Budget: The Big Drop

Funds in this budget support administration, services and contracts in Agriculture, Forestry, Water Resources, Wildlife and Parks, Minerals and Mining and Tribe/Agency operations. The B.I.A.'s F.Y. '91 proposed budget reduces from the base Agriculture (down \$100 thousand), Water Resources (down \$2.452 million), Wildlife and Parks (down \$4.486 million), Minerals and Mining (down \$757 thousand) and Tribe/Agency Operations (down \$1.232 million). Only Natural Resources General Operations (up \$332 thousand) and Forestry (up \$1.736 million) increase.

Overall, the Natural Resources Budget drops \$4.183 million below the sequestered F.Y. '90\*\* figure of \$124.014 million. More significant is the \$61.865 million overall drop in funds between the F.Y. '91 figure of \$119.831 and the 1989 figure of \$181.696 million. While some of this reduction is due to an FT '90 shift of Fire Suppression budget items to the Department of Agriculture, the remainder is directly related to actual budget cuts. In Chart 8 we illustrate this drop in Forestry, Agriculture, Fisheries and in the Mineral and Mining sectors. The drop in fisheries (\$2 million) in western Washington is described as a discontinued add-on. The B.I.A. justification suggests

B.I.A. Natural Resources Budget '91  
(% Increase-Decrease from '89 Budget)

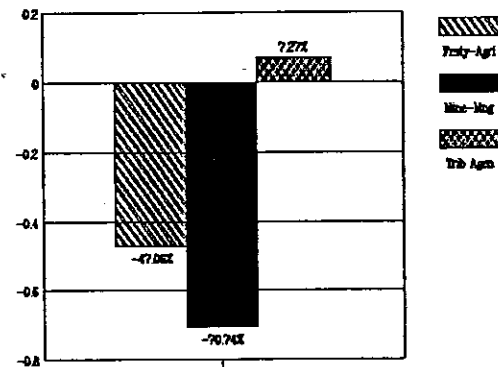


Chart 8

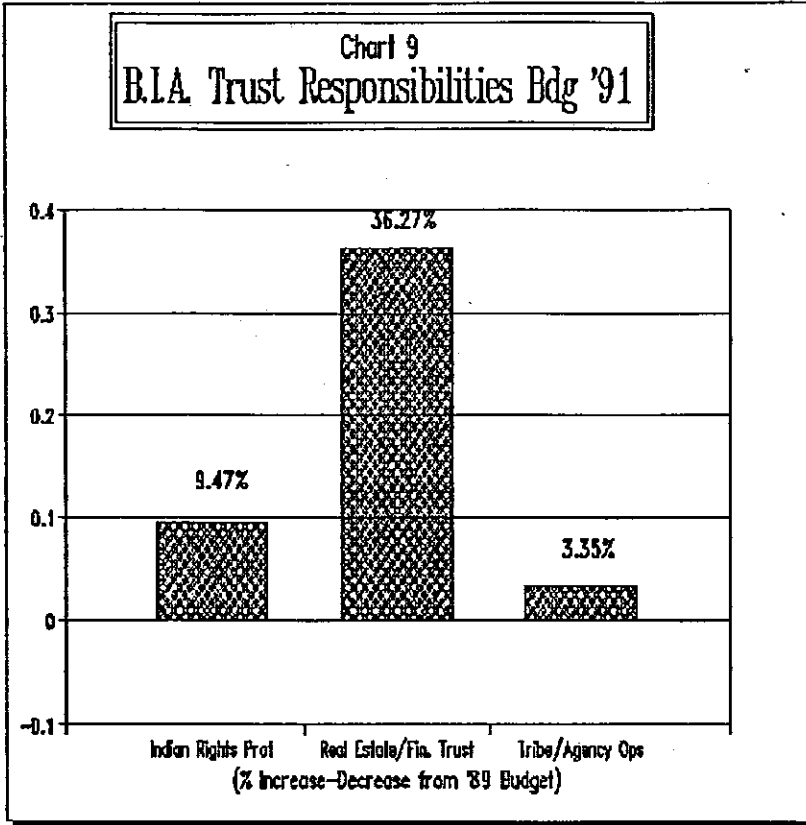
that the "State of Washington and the timber harvesting companies" will provide the funds in the future. Still, the Tribe/Agency Operations portion of the budget actually increases by 7.27% above the F.Y. '89 mark.

## Trust Responsibilities Budget: Adding Administrators

Indian Rights Protection, Real Estate/Financial Trust Services and Tribe/Agency Operations fall under this budget category. The F.Y. '91 budget proposes to increase Indian Rights Protection (up \$817 thousand), Real Estate/Trust Services (up \$6.409 million) and Tribe/Agency Operations (up \$675 thousand) above the 1990 sequestered figures. The increase in funds for Real Estate/Trust Services is mainly provided to support Land Titles and Records Offices to "accurately reflect the actual operating costs of the program, which in previous years was funded by the Land Records Improvement Program." Another major change which increases this budget is the creation of the Office of the Deputy Secretary for Trust Funds and the Divisions of Trust Income Collections and Supervised Accounts. This new office will add \$2.310 million to the Central Office budget over the \$1.490 million already allowed. The more than \$8 million increases in Trust Responsibilities is directly attributed to last Fall's reports of B.I.A. mismanagement of Tribal and individual trust funds. B.I.A. Administration receives considerable attention.

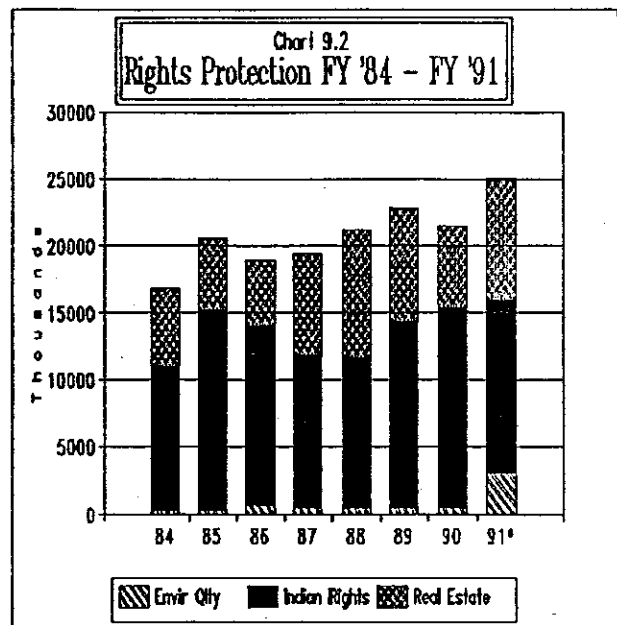
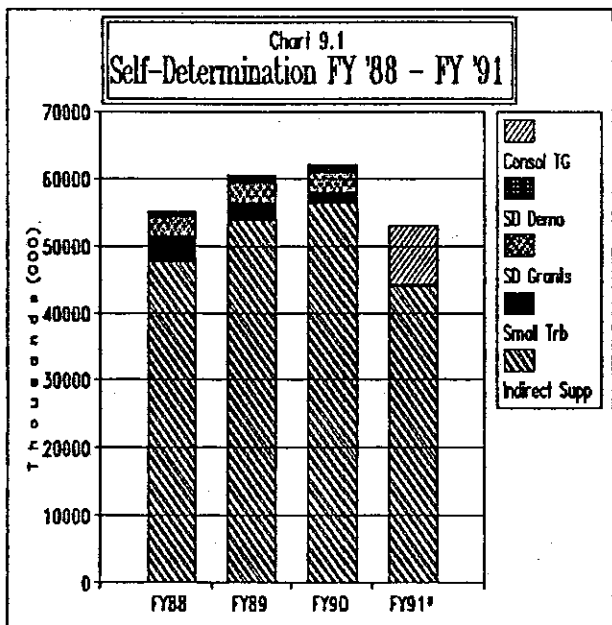
In Chart 9 the proposed F.Y. '91 changes show significant increases in all three budget categories under Trust Responsibilities. Even though reductions in attorney's fees and litigation by \$2 million occurs in

the F.Y. '91 budget, Environmental Quality receives a significant boost. The result is that Indian Rights Protection is up 9.47% over 1989's figures. Real Estate/Trust Financial Services will be up 36.27% over 1989 because of the Land Records Offices and the new office of Deputy Secretary for Trust Funds. Tribe/Agency Operations will rise by 3.35% largely due to Trust Services and Real Estate changes.



## General Administration: The Ever Rising Tide

For every year since 1984 when this data was initially developed for this Analysis, General Administration budgets have continued to climb even when other elements of the Annual Appropriations Budget decline. The General Administration budget includes Management & Administration, Data Processing (ADP) Services, Employee Compensation Payments, Program Management, Consolidated Training Programs and Tribe/Agency Operations. Chart 10 on the next page



illustrates how all of these budget categories increase over F.Y. '89 figures except for the Employee Compensation Payments. B.I.A. number crunchers propose the F.Y. '91 budget for General Administration to rise to \$112.062 million - a \$6.122 million increase over 1990 (\$105.940 million) and a \$14.600 million increase over 1989 (\$97.462 million).

Increases over 1989 include Management & Administration (up 26.07%) Data Processing Services (up 17.07%), Program Management (up 28.91%), Consolidated Training (up 23.81%) and Tribe/Agency Operations (up 16.21%). Employee Compensation Payments is projected to be down by 23.48%.

Chart 10.1 compares the combined budget levels for Operations and Administration in the Central Office, Area Offices and Agencies. While it is apparent that Agency Operations accounts for important increases from 1989, the most significant upward change is in the Central Office.

Chart 10

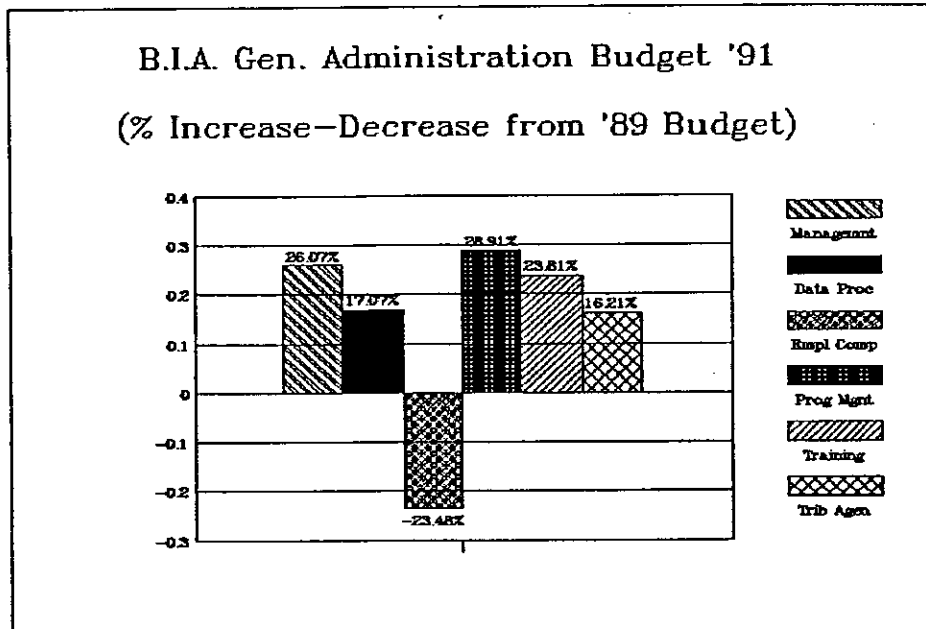
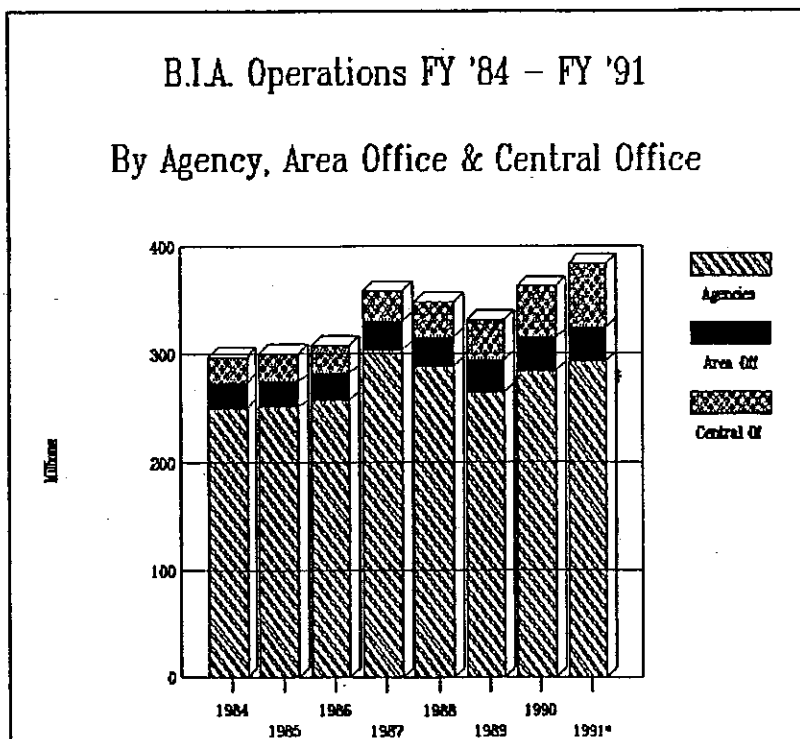


Chart 10.1



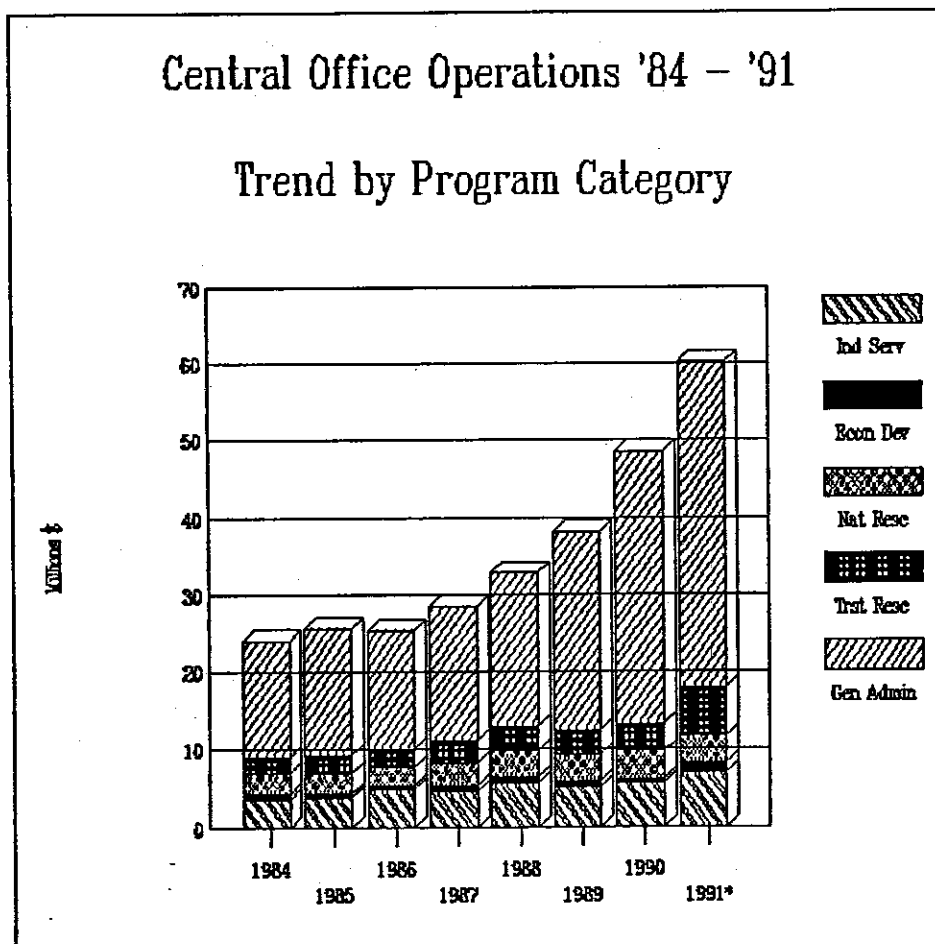
B.I.A. number crunchers propose the F.Y. '91 budget for General Administration to rise to \$112.062 million

**GENERAL ADMINISTRATION CLOSE UP:  
CENTRAL OFFICE GROWS BY 140% IN 8  
YEARS**

Three levels of administration share in the changes reflected in this category: Central Office (Washington, D.C. and Albuquerque), 12 Area Offices and 83 Agencies and their sub-agencies and field stations. Charts

In 1984, the Central Office budget was about \$25 million, but it is now projected to be about \$60 million - a 140% increase in eight years.

**Chart 10.2**



Area Offices account for a smaller portion of overall General Administration and Operations costs. The B.I.A. proposes a combined budget level for Area Offices only slightly lower than FY '90. (See Chart 10.3 on the next page) The reductions appear to be mostly in Administrative Serv-

10.2, 10.3, and 10.4 illustrate the relationship between budget levels for each of the three units over an eight year period (including the proposed F.Y. '91 budget). Of the three units, the Central Office has consistently increased more than the other two units. In 1984, the Central Office budget was about \$25 million, but it is now projected to be about \$60 million - a 140% increase in eight years. (See Chart 10.2) Part of the FY '91 increase is due to the creation of the office of the Deputy Assistant Secretary for Trust Funds and the staffing of a support division.

ices (clerical support) and Natural Resources. But these changes are partly compensated for increases in Executive Direction costs.

Agency Offices, subagencies and field stations account for the bulk of General Administration and Operation costs. The proposed FY '91 budget increases the cost for General Administration - the element most responsible for increasing the overall Agency budget. (See Chart 10.4 on the next page) The proposed FY '91 budget will put Agency Office Operations and General Administration costs at their highest since 1987.

Chart 10.2

Area Offices Operations '84 - '91

Trend by Program Category

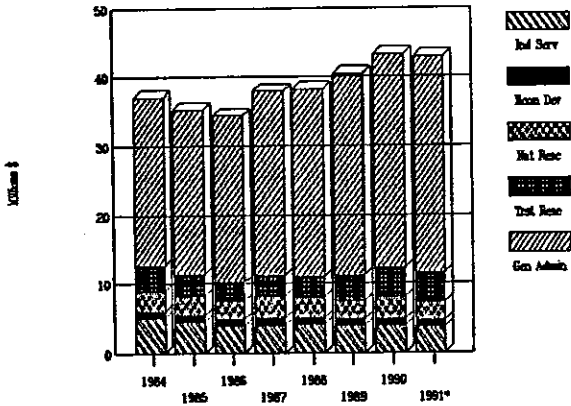
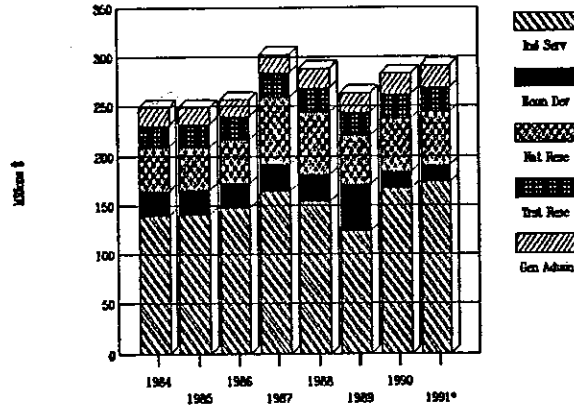


Chart 10.3

Agency Offices Operations '84 - '91

Trend by Program Category



ANNUAL APPROPRIATIONS BUDGET DISTRIBUTION:

The Indian Priority System (I.P.S.) defines less than one-third of the Annual Appropriations Request budget. The remaining two-thirds is determined by B.I.A. budget analysts and the Office of Management and Budget. How the Annual Appropriations Request is distributed gives a good indication of what U.S. bu-

reaucrats consider priorities for Indian Affairs. By way of comparison, we focus on fiscal years 1989, 1990 and the proposed 1990 budgets.

Chart 10.5 indicates that Tribe/Agency costs are 24% of the total followed by Education with 22% of the total. B.I.A. General Administration, Facilities Management and Program Reimbursements account for a combined 21% of the budget making them the third largest commitment of the budget. Tribal Services

Chart 10.5

Annual Budget FY '89  
Distribute \$1.073 billion by Object

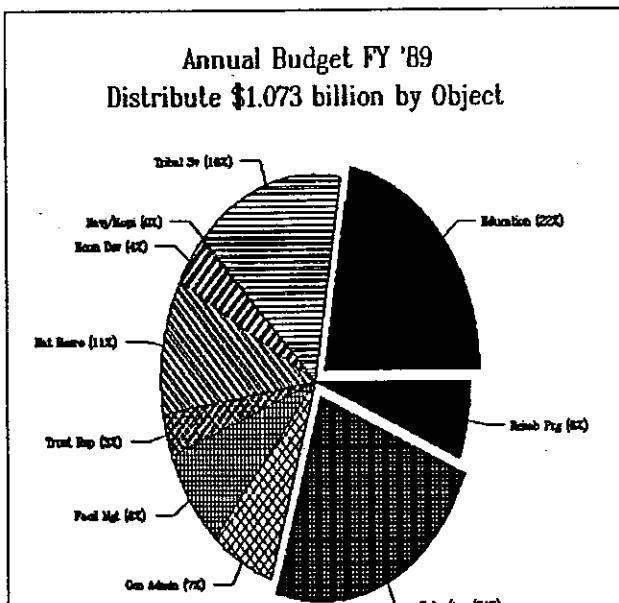
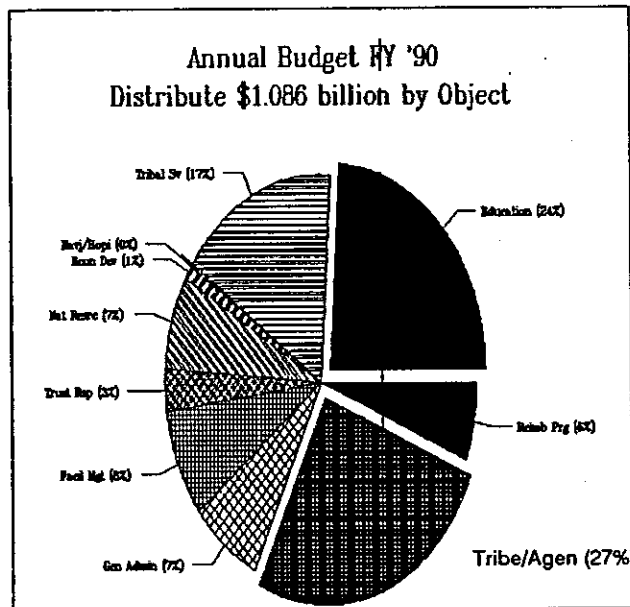


Chart 10.6

Annual Budget FY '90  
Distribute \$1.086 billion by Object





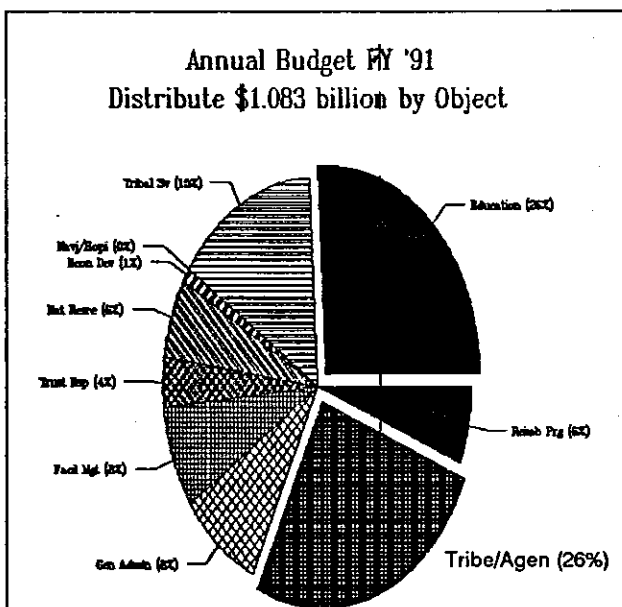
*The proposed FY '91 budget will put Agency Office Operations and General Administration costs at their highest since 1987.*

with 16%, Natural Resources with 11% and Economic Development with 4% follow in declining emphasis. Trust Responsibilities accounts for just 3% of the FY '89 budget.

Chart 10.6 indicates a slight upward emphasis on Tribal Services (an area where I.P.S. has an influence), and Education also increases to 24% of the budget. Economic Development sinks to 1% of the FY '90 budget.

The proposed budget for FY '91, illustrated in Chart 10.7, indicates a growing emphasis on Education (26%) and a stronger emphasis on Facilities Management, General Administration and Program Reimbursements with a combined 22% share of the budget. Natural Resources with a 6% share and Tribal Services at 16% are both lower than the FY '89 comparison.

**Chart 10.7**



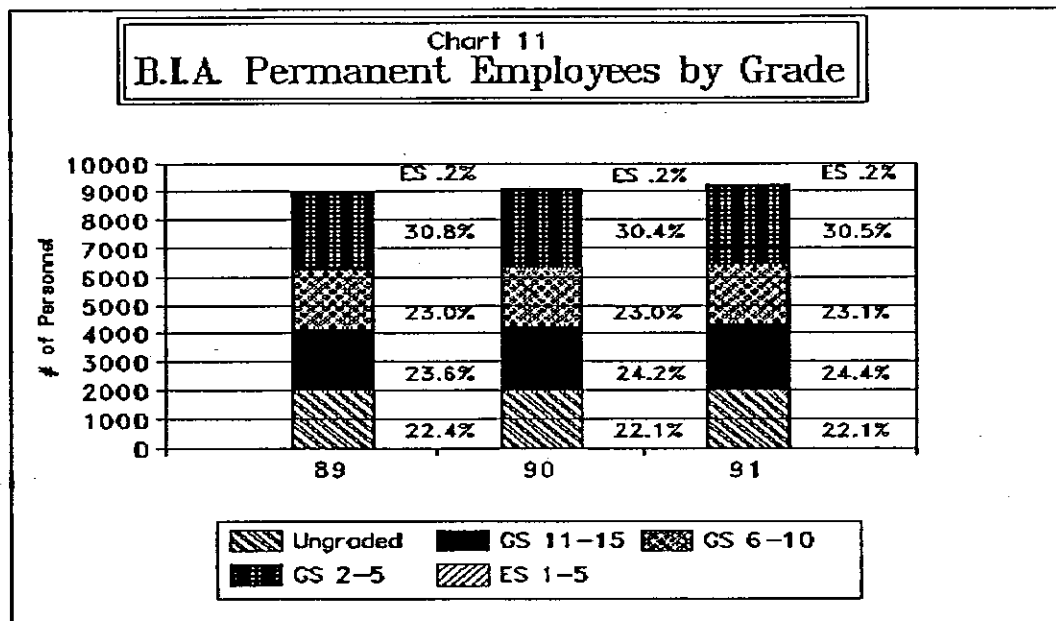
How the Annual Appropriations Request is distributed gives a good indication of what U.S. bureaucrats consider priorities for Indian Affairs.

### B.I.A. PERSONNEL: 300 MORE THAN IN 1989

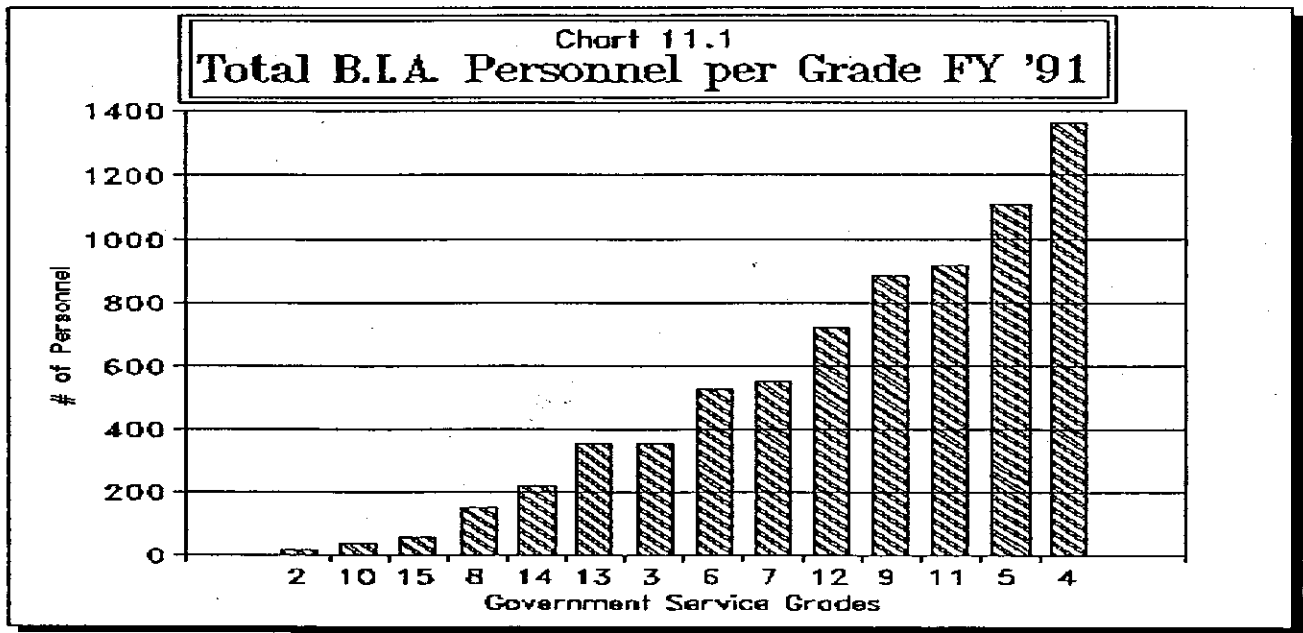
Under P.L. 98-638, the Indian Self-Determination and Education Assistance Act of 1975, the Bureau of Indian Affairs was mandated to reduce its overhead costs proportionate to the increases in self-determination contracts. While the actual number of permanently employed persons has been reduced by more than 28.9% (from above 13,000 permanent employees in 1977 to the proposed 9,235 permanent employees in 1991), the cost has remained about the same or higher to maintain these personnel. A possible reason for this, other than normal salary increases, might be the number of personnel required for various Government Services (GS) grades.

In its proposed FY '91 budget, the Bureau of Indian Affairs proposes to increase the total number of permanent staff over the FY '90 levels by 140 permanent positions. This increase will bring to 300 the total number of new, permanent positions created in the Bureau of Indian Affairs since 1989.

Chart 11 illustrates how all permanent personnel are distributed by grade for each of the 1989, 1990, and proposed 1991 fiscal years. Note how the percentage distribution changes from year to year. There is clearly a rise in grade ranges 11 through 15; and a leveling in grade ranges 2 through 5. Chart 11.1 illustrates the proposed totals for each Government Service grade in 1991. This chart indicates that GS-4 employees represent the largest group of employees. The next largest group of employees are

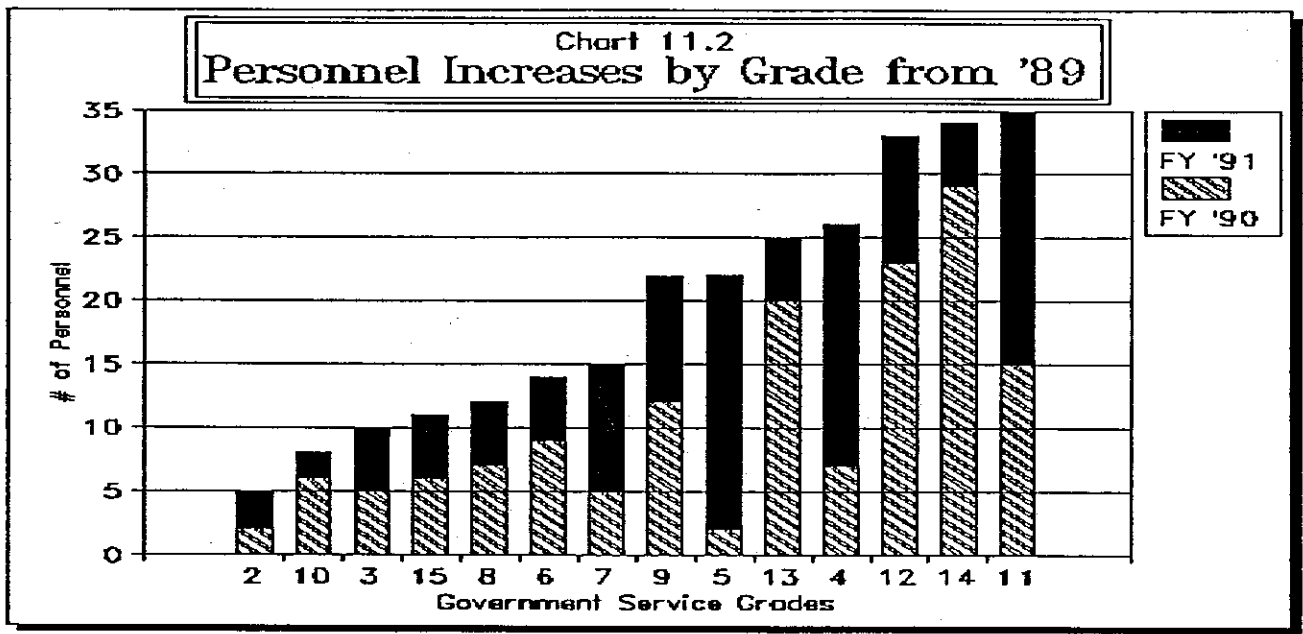


In its proposed FY '91 budget, the Bureau of Indian Affairs proposes to increase the total number of permanent staff over the FY '90 levels by 140 permanent positions.



classified as GS-5 grade. In terms of the total number of employees, GS-11 and GS-12 employees rank third and fifth respectively of a total of fourteen grades.

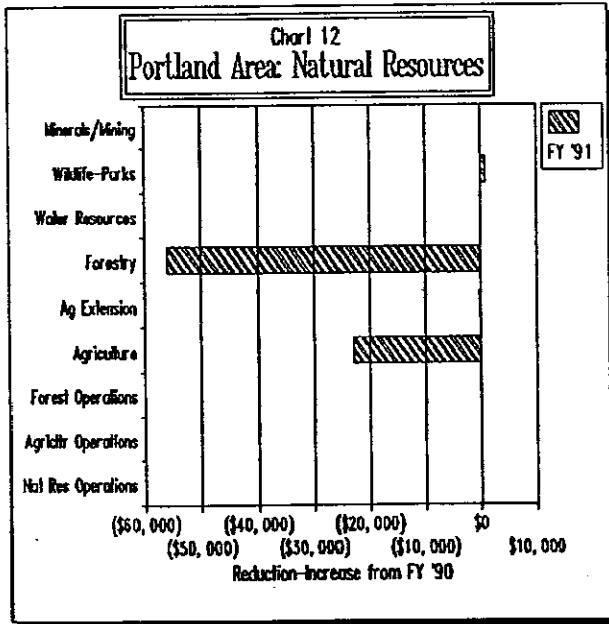
B.I.A. officials propose to increase the number of employees in all Government Service categories. The permanent employee increases that took place in FY '90 and are proposed for FY '91 combine to raise the levels of each grade as illustrated in Chart 11.2. Note that the greatest increase for the combined 1990 and 1991 fiscal years will take place in GS-11, GS-14 and GS-12 followed by increases in GS-4 grade and GS-13 grade. A majority of the total 300 position increase (153 positions or 51%) takes place in only these five grades. The remaining 49% of the increase takes place in nine grades.



## Area Office Focus: Portland

Tribal Courts, Community Services, Other Aid to Tribal Governments and Executive Direction are the budget categories which will increase in the more than \$38.082 million Portland Area Office Budget in FY '91. Despite increases in these categories, the Portland Area Office Budget will actually decrease by \$43.600 thousand. Of the thirty-seven budget categories set for the Office, the B.I.A. proposes reductions in fourteen, increases in six categories and no change in seventeen budget categories. To illustrate some of these changes we have selected a few budgets to discuss.

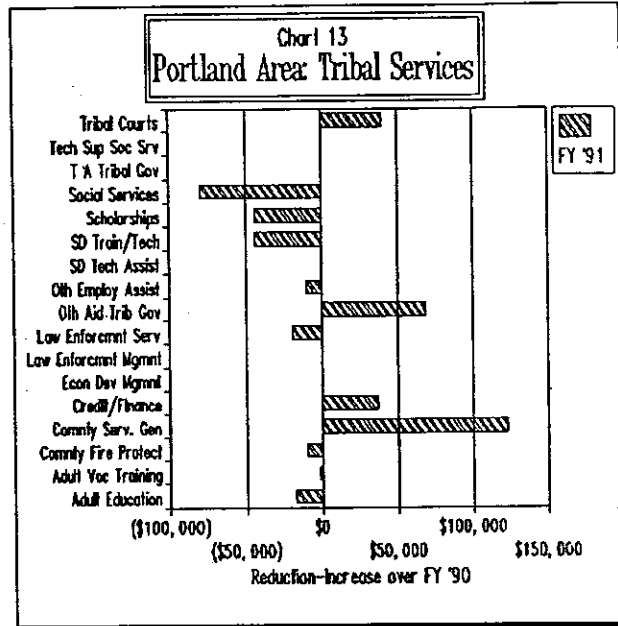
Forestry funds equaling \$9.066 million are proposed for FY '91 support. This amount is \$56.100 thousand less than the \$9.122 million appropriated for FY '90. As Chart 12 illustrates, Forestry and Agriculture are the two categories under the Natural Resources budget which will be cut. Wildlife and Parks will be increased only slightly - by \$800 from \$1.214



million in FY '90 to \$1.215 million in FY '91.

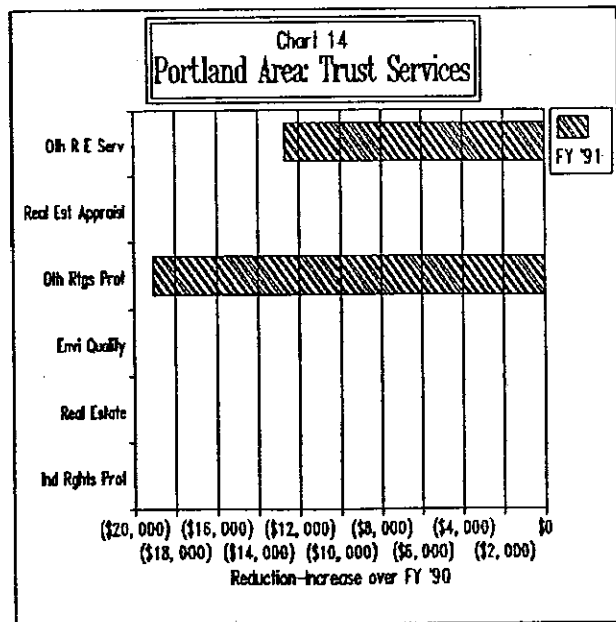
Grouping seventeen budget categories under Tribal Services as we have in Chart 13, we illustrate where cuts and increases occur in areas that most directly affect tribal people. Four of these categories are projected to increase next year over FY '90 figures. Community Services, Other Aid to Tribal Government, Tribal Courts, and, Credit and Finance are projected to increase. Social Services, Scholarships,

Self-Determination Training and Technical Assistance, Law Enforcement Services and Adult Education are



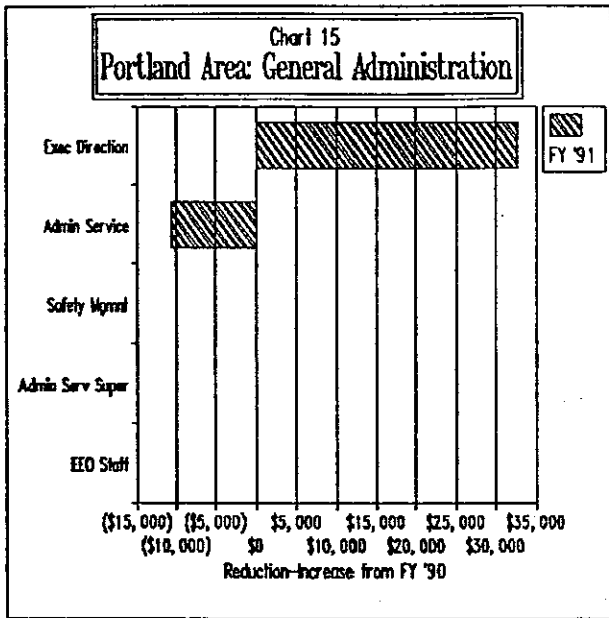
among those categories projected to decrease.

Chart 14 illustrates reductions in Other Real Estate Services and Other Rights Protection categories. No changes are proposed for other Trust Service categories. The reductions in this budget may result in less U.S. coordination and technical support for meeting challenges to tribal treaty rights. In addition, the Portland Area cuts under Trust Services may also mean reductions in the availability of lease and land management data to individual Indians and Indian



Tribes.

The budget level for Executive Direction in FY '90 was set at \$1.01 million, and is now proposed to be increased to \$1.034 million - an increase of \$32,700. As Chart 15 illustrates, this increase is only partially balanced by a reduction in Administrative Services equal to \$10,700. No changes are projected for Safety Management, Administrative Services Supervision or EEO Staff.

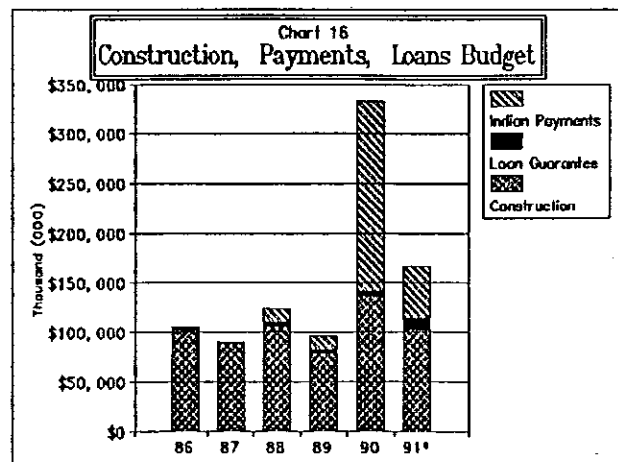


Of the thirty-seven budget categories set for the Portland Area Office, the B.I.A. proposes reductions in fourteen, increases in six categories and no change in seventeen budget categories.

## Construction, Payments & Loans (C.P.L.) Budget

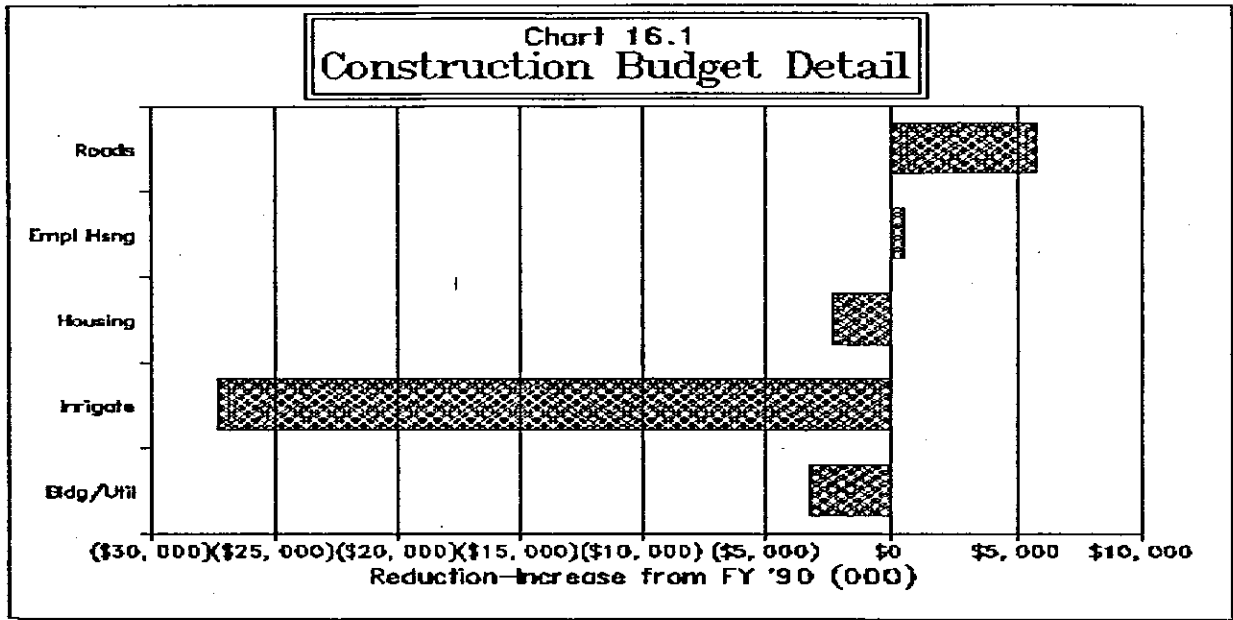
As a result of budget shifts from the Annual Appropriations Request to the Construction Budget, the latter budget is slowly assuming a greater level of importance. As Chart 16 shows, the Construction Budget now contains three main elements: Construction, Loan Guarantee and Indian Payments. Both the Housing Improvement Program (H.I.P.) and Roads budgets have been shifted into the Construction Budget. The Revolving Fund has been replaced by the Loan Guarantee and Insurance Fund as well. Funds for Construction are projected to fall by about \$35 million while Loan Guarantee funds are expected to increase to more than \$11 million. In FY '90 the Indian Payments Budget contained funds for Treaty and settle-

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ment payments to several tribes including the Puyallup. This budget is projected to decline from a high of \$186.864 million in FY '90 to \$57.490 million in FY '91.

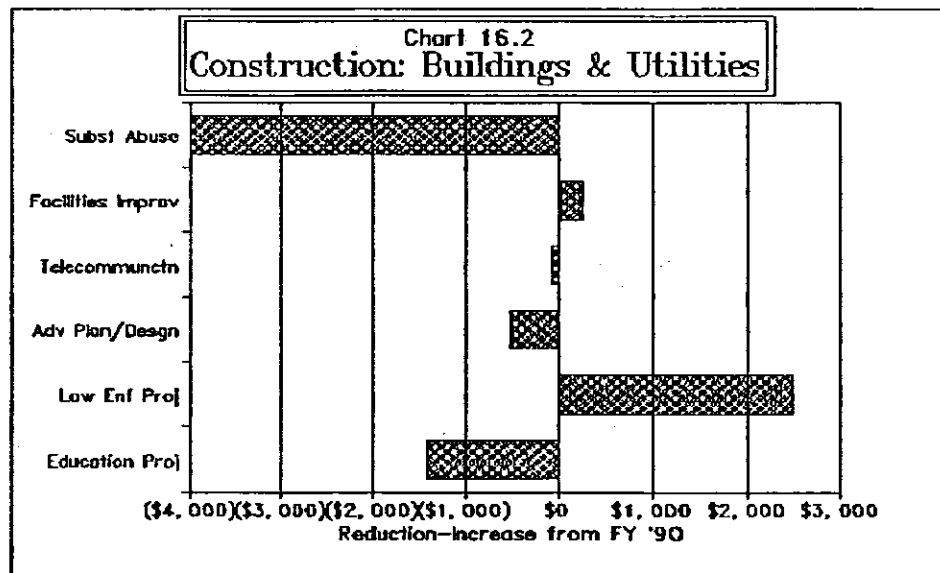
Chart 16.1 focuses on the Construction Budget and its sub-budgets and the changes projected from FY '90 levels to FY '91. No funds are being requested for Land Acquisitions in next year's budget. And the Irrigation Systems Budget is expected to decline by \$26.971 million from a high \$29.281 million in FY '90 to a low of \$2.310 million in FY '91. Housing is projected to fall by \$2.015 million to \$20.224 million in FY '91. Fish Hatchery Rehabilitation funds are completely dropped. And Road Maintenance and Road Construction funds are expected to increase by \$6.023 million to \$37.307 million. These Road funds are supposed to be augmented by an additional \$80 million in Indian Highway Trust Funds set aside in the Department of Transportation.



An important change is projected in the Buildings and Utilities budget as shown in Chart 16.2 below. Law Enforcement Building Projects have been included for FY '91 at a level of \$2.5 million. Substance Abuse in Construction programs have been dropped completely while the \$9.490 million Construction Education Projects have been reduced by \$1.415 million in FY '91.

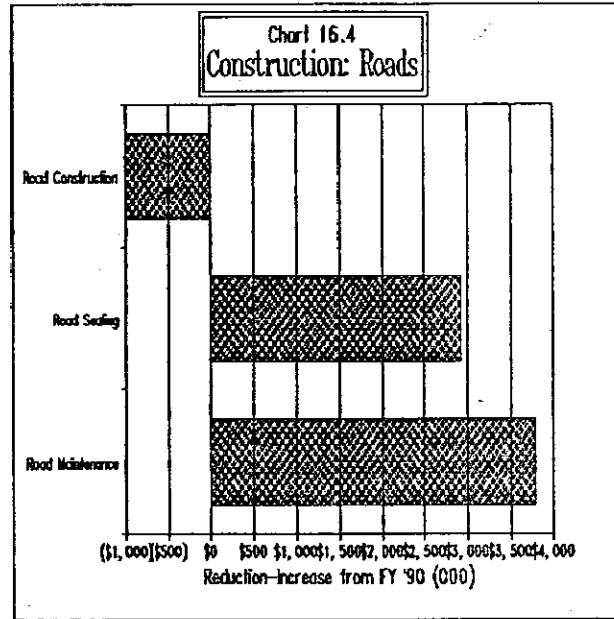
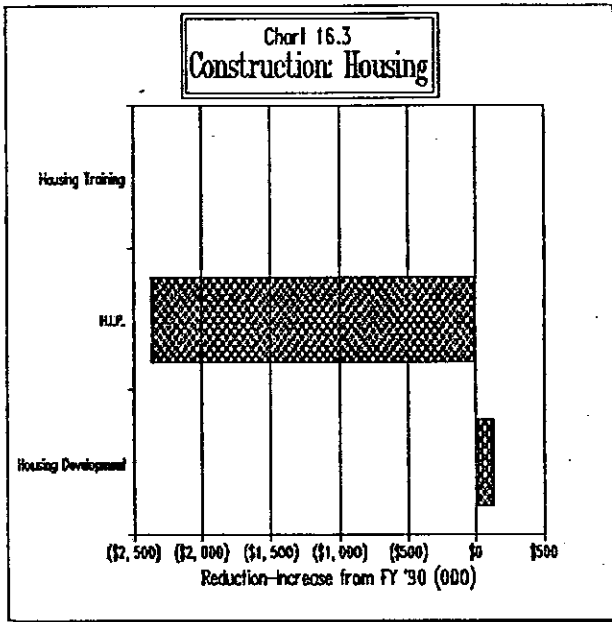
The total budget for this element of the Construction Budget is projected to be \$35.258 million in FY '91 - an overall reduction of \$3.217 million.

Asserting that 90.563 thousand new homes were built in Indian Country between 1963 and 1989 and 69.562 thousand homes



were repaired in the same time, proposes a Housing budget of \$20,224 million for FY '91. This amount will actually be \$2.239 less than was appropriated for FY '90 though the B.I.A. budget suggests that this will be a \$16.822 million increase. The difference in these figures has to do with our comparing fiscal year levels, while the B.I.A. budget compares a "base figure" to an estimated figure. Chart 16.3 illustrates the changes in this budget based on a comparison of FY '90 levels versus FY '91 levels. The H.I.P. has been averaging 1,700 housing repairs each year. That number is projected to be 1,672 repairs in FY '91.

No Road Construction funds are being proposed for the FY '91 Road Maintenance and Road Construction budget. As Chart 16.4 shows, both Road Maintenance (\$3.784 million) and Road Sealing (\$2.925) are project to increase. In fact, these two items are responsible for the overall increase of this \$37.307 million budget by \$5.709 million in FY '91. One million dollars of the budget is projected for Equipment Purchases, while Bridge Maintenance will account for \$1.518 million and Emergency Maintenance will account for \$3.498 million.



## Permanent Appropriations - Trust Funds Budget

The Permanent Appropriations - Trust Funds FY '91 Budget contains funds for Miscellaneous Permanent Appropriations (\$68.141 million), Trust Funds (\$377.214 million, Cooperative Fund (Papago) (\$868 thousand) and Quarters Operation and Maintenance (\$6.330). (See Chart 17 for changes)

Miscellaneous Permanent Appropriations include Claims and Treaty Obligations, operation and maintenance of Indian irrigations systems, revenues collected from the sale of electric power used to defray the cost of operating and maintaining these projects, and reve-

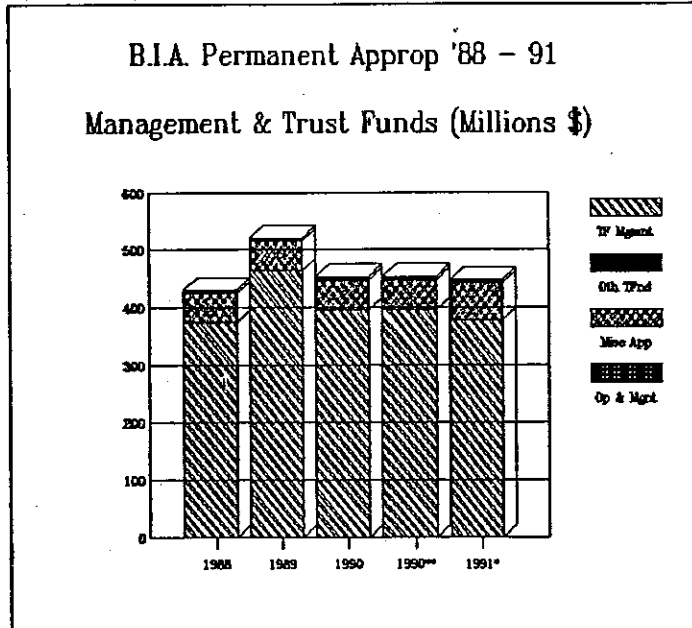
nues collected from the operation of the Alaska Re-supply Program used to operate and maintain this program. These revenues are expected to increase by \$13.070 million over the FY '90 level. The B.I.A. expects to pay out \$2 million in FY '91 for Claims and Treaty Obligations.

Tribal Trust Funds are funds placed in the U.S. Treasury resulting from Indian Claims Commission judgment awards and awards made by the Court of Claims as well as revenues coming from tribal properties. These funds do not belong to the United States of

America. Funds in this account also includes funds received from private citizens who make donations, gifts and contributions to be used for the benefit of American Indians. Finally, this budget includes funds resulting from a bequest by George C. Edgeter who invested in U.S. Treasury bonds and notes and authorized the use of

interest from these investments for the benefit of Indian people. The total projected level of this budget for FY '91 is \$377.214 million - a decline of \$18.105 million below the FY '90 level of \$395.319 million.

Chart 17



The Quarters Maintenance and Operations Fy '91 Budget is projected to be \$6 million. The bulk of this budget pays for sixteen personnel.

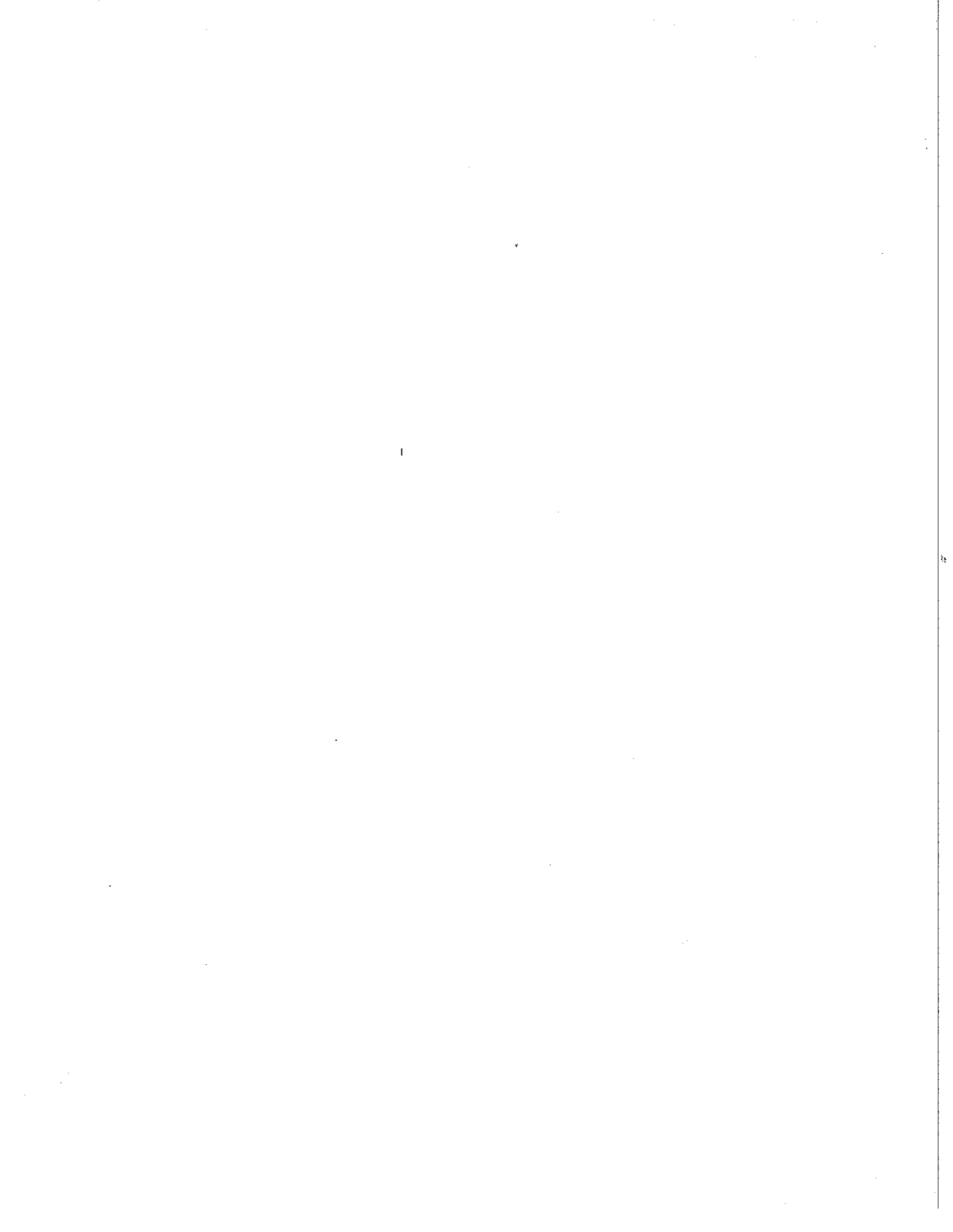
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