STATEMENT
OF
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ACCOMPANIED BY
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SPECIAL TRUSTEE FOR AMERICAN INDIANS
BEFORE THE
HOUSE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
ON THE
FISCAL YEAR 2009
PRESIDENT'S BUDGET REQUEST FOR INDIAN PROGRAMS

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Good morning, Mr. Chairman, Mr. Tiahrt, and Members of the Committee. My name is Carl Artman. I am the Assistant Secretary – Indian Affairs for the Department of the Interior (Department). I am accompanied today by Mr. Ross Swimmer, the Special Trustee for American Indians. We are here today to discuss the Department's fiscal year (FY) 2009 budget request for Indian programs. The FY 2009 budget request for Indian Affairs totals $2.2 billion for Indian Affairs and the FY 2009 budget request for the Office of Special Trustee for American Indians totals $181.6 million. The budget focuses on priority areas in Indian Country and honors the Federal Government's obligation to federally recognized American Indian and Alaska Native governments in an informed and focused manner.

The Office of Indian Affairs' Bureau of Indian Education (BIE) and Bureau of Indian Affairs (BIA) programs expend over 90 percent of appropriations at the local level. Of this amount, at least 62 percent of the appropriations are provided directly to tribes and tribal organizations through grants, contracts, and compacts for tribes to operate government programs and schools. Indian Affairs' programs serve the 1.6 million American Indian and Alaska Natives located on or near reservations. The FY 2009 budget request fulfills the President's directive to improve management and performance in the Federal government. This approach preserves programs serving the largest Indian populations on a nationwide basis and adjusts program funding to support highest priority needs.

The Indian Affairs 2009 budget request sustains funding for two of the Department's 2008 priority initiatives, provides new funding for Indian Country under the Secretary's new Safe Borderlands priority initiative, and funds improved job training and loans to advance economic development. These four initiatives are indicative of the Secretary's priority to significantly improve American Indian and Alaska Native communities.

The Improving Indian Education initiative provides $25.5 million to promote quality education opportunities at the 184 BIE funded elementary and secondary schools located on 63 reservations in 23 states and serving approximately 44,000 students. The initiative complements the $1.7 billion investment the Administration has made since 2001 to upgrade school infrastructure and positions BIE schools to meet annual performance standards under the No Child Left Behind Act.

The initiative's budget request sustains increases from 2008 for the core cost of school operations, including teacher pay. Among those schools for which the No Child Left Behind Act requires corrective action, the Initiative's budget requests funds for reading programs, tutoring, mentoring and intensive math and science efforts.

The Safe Indian Communities initiative's budget request includes an additional $2.9 million above the $23.7 million funded in 2008 for the Safe Indian Communities initiative for a total of $26.6 million to support law enforcement activities to combat the impact of drugs on American Indian and Alaska Native communities. The initiative's cumulative investment over fiscal years 2008 and 2009 will dedicate over $50 million to increase law enforcement presence on reservations to reduce crime and reverse the growing impact of methamphetamine on American Indian and Alaska Native communities.

This initiative takes a holistic approach to support Indian Country's safety needs. It puts additional law enforcement agents in targeted communities and provides drug training for the current force. It also increases detention center staffing and increases the number of BIA social workers who assist families struggling with methamphetamine addiction.

The Secretary's Safe Borderlands initiative is a priority initiative for the Department. The initiative promotes safer communities and restores ecosystems damaged by illegal activity along the southwest border. The initiative's collaborative approach emphasizes the need for partnerships—including partnerships with tribal governments and federal agencies—to restore a more secure and healthier environment for communities in the region.

This initiative enables tribal governments' interests to be represented in both intra- and inter-agency endeavors along the border. The initiative focuses BIA's law enforcement personnel on regional border issues, mitigates environmental damage to the resources, and enhances communication and coordination with the Department of Justice to reduce drug smuggling and cross border illegal activity.

Management of trust assets for tribes and individual Indians has been a key component of the Indian Affairs mission for well over a century. In addition to managing its general trust responsibilities, the BIA is working closely with the Office of the Special Trustee (OST) to support the Secretary's ongoing efforts to reform the management of the fiduciary Indian trust for all Indian beneficiaries. Accomplishments include reengineering Indian trust technology to conform to the designs of modern systems that

are used by many of the nation's largest trust companies; implementing new business practices, policies and procedures to maximize efficiencies; creation of a national Indian Program Training Center; and collecting and preserving over 400 million pages of trust and other BIA records.

In FY 2009 the Department proposes to invest $482.3 million in the Unified Trust Budget (UTB) comprised of trust programs funded by BIA and OST. The UTB includes $300.7 million for BIA trust asset management and $181.6 million for OST activities.

The Indian Land Consolidation Program has been proposed for elimination in FY 2009. Since 1999, the program has spent nearly $170 million to purchase over 360,000 interests, yet this has done little to reduce fractionation. The Department and Indian Affairs will work with tribes and your staff to seek other solutions to this problem.

The Department utilizes the invaluable input given by the joint Federal and Tribal Budget Advisory Committee and issue-specific consultations with tribes to inform our policies and requests. A national meeting on economic development was hosted by the Office of Indian Affairs and Indian Country partners in 2007, and numerous national and local gatherings of the Office of Indian Affairs and tribes through groups such as the Self-Governance Advisory Committee and the Intertribal Trust Management Association enlightened our formal processes for tribes' input.

The Office of Indian Affairs' FY 2009 budget request reflects tribal input and targets key areas of concern beyond the priority initiatives including a funding increase to enhance economic development in Indian Country and improve management of the BIA loan program. The budget also includes $28.9 million to fund 83 percent of 2009 fixed costs.

The FY 2009 budget request of $2.2 billion for Indian Affairs and $181.6 million for OST responds to priorities in Indian communities, and its development reflects the Department's commitment to engage with tribes in a government-to-government manner.

Mr. Chairman, thank you for the opportunity to appear before you today. We will be happy to answer any questions you may have.