

INDIAN AFFAIRS

The United States Government maintains a government-to-government relationship with 557 Federally recognized Indian Tribes based on the U.S. Constitution and a trust responsibility that emanates from treaties and other agreements with Native groups. Indian Tribes possess inherent sovereign powers of state governments, such as the right to determine tribal membership, to make and enforce laws, to license and regulate activities within their communities, and to exclude persons from their territories. The Bureau of Indian Affairs (BIA) is the primary agency of the Federal Government with fundamental responsibilities to American Indian Tribes, Alaska Native groups, and tribal governments. The BIA was transferred from the War Department to the Department of the Interior in 1849.

The BIA provides services to over 1.2 million Indian, Eskimo, and Aleut residents in 31 states either directly, or through contract, grant, and compact agreements with tribes.

Programs are extensive and cover the entire range of state and local government services, such as: 1) elementary, secondary, post-secondary and adult education, 2) social services, 3) law enforcement, 4) judicial courts, 5) economic development grants and loans, 6) land and heirship records, and 7) general tribal government functions. In addition, significant Federal investments are made in maintaining and improving Indian forests, agriculture and range lands, water resources, and wildlife and parks. Construction activities include repairing and maintaining reservation roads, housing, schools, adult and juvenile detention facilities, and irrigation and power systems. The BIA also administers more than 54 million acres of tribally-owned land, over 10 million acres of individually-owned land held in trust status, and 443,000 acres of Federally-owned land held in trust.

“The Bureau of Indian Affairs’ mission is to enhance the quality of life, to promote economic opportunity, and to carry out the responsibility to protect and improve the trust assets of American Indians, Indian Tribes, and Alaska Natives. We will accomplish this through the delivery of quality services, and maintaining government-to-government relationships within the spirit of Indian self-determination.”

Organization

The Bureau of Indian Affairs has two service components reporting to the Assistant Secretary-Indian Affairs:

- The Deputy Commissioner for Indian Affairs has line authority over 12 area offices, 83 agency offices, three sub-agencies, six field stations, and two irrigation project offices. The Deputy Commissioner provides program direction and support through the Directors for the Offices of Tribal Services, Trust Responsibilities, Economic Development, and Management and Administration.

- The Director of the Office of Indian Education Programs supervises 26 education line officers stationed throughout the country and two post-secondary schools. During the 1995-96 school

year, the Office of Indian Education Programs supported the operation of 118 day schools, 55 boarding schools, and 14 dormitories which house Indian children who attend public schools.

The BIA’s headquarters are located in Washington, D.C. and Albuquerque, New Mexico. As a highly decentralized organization, nearly 95 percent of BIA’s staff work is performed in schools, area and agency offices, and other field locations.

Indian Self-Determination and Tribal Self-Governance

The BIA deals directly with the tribal governing bodies in a government-to-government relationship. The Bureau supports sovereignty, self determination, and self-governance of Federally-recognized tribes. Since 1975, tribes have contracted to operate programs to benefit Indians for the Secretary of the Interior and the Indian

Law Enforcement Officers Killed in the Line of Duty Honored by BIA



In a moving ceremony on May 9 at the Indian Country Law Enforcement Officers' Memorial in Artesia, New Mexico, families, friends, law enforcement officers, and co-workers paid tribute to three American Indian law enforcement officers who died in the line of fire.

The names of BIA Criminal Investigator **Michael Miller**, Ak-Chin Tribal Police Officer **Ronald Kelley**, and Navajo Tribal Police Officer **Hoskie Gene, Jr.**, were added to the marble memorial's engraved list of 61 names of fallen officers. The list begins with the first BIA law enforcement

casualty, Chin-Chi-Kee, who died on January 10, 1852.

The ceremony, attended by a number of Federal, State, national, and local law enforcement officials, was a tribute to law enforcement officials who gave their lives. BIA Law Enforcement Chief **Ted Quasula**, serving over the memorial services, praised the men stating "It's a reminder of the dangers of the job. It's also to reassure the families that we haven't forgotten the loss of their loved ones and that we want to honor their memory."

The program has grown from one with seven participating tribes during the planning phase in the late 1980's, through a Congressionally-authorized five-year demonstration period covering an additional 46 tribes, to become the major focus of Indian affairs by the mid-1990's. Under the authority granted by Congress, Indian Tribes may consolidate programs, redesign processes, and receive expedited action on requests for waivers of Federal regulations in order to provide the most appropriate mix of tribal operations and program services to tribal members. In 1996, more than \$157 million was made available to 190 tribal governments operating programs through 53 separate Self-Governance Compacts.

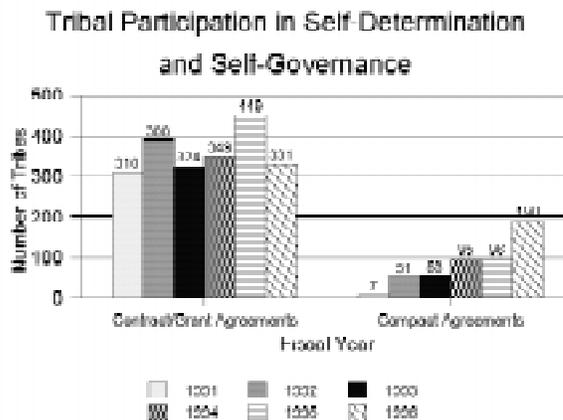
Health Service. Tribal governments and organizations operate various federal programs under contract, grant, and compact agreements, as authorized by the Indian Self-Determination and Education Assistance Act of 1974 (as amended). In 1996, BIA allocated nearly \$1 billion to tribes and tribal organizations under self-determination contracts, grants, and compacts, accounting for 46.1 percent of all BIA expenditures.

Indian self-determination is the cornerstone of the Federal relationship with sovereign tribal governments. Self-determination contracts, grants, cooperative agreements and self-governance compact agreements between the Federal Government and Indian Tribes and tribal organizations allow the tribes, rather than Federal employees, to operate the Federal programs. The self-determination agreements generally cover individual programs or sets of interrelated programs.

The Tribal Self-Governance Program, first initiated as a demonstration project in 1991, has led to a rapid expansion of tribal self-determination. Tribes with mature contracts (contracts in operation for at least three years with no material audit weaknesses) may choose to enter into the broader and more flexible compact agreements.

In 1996, the Office of Self-Governance successfully completed 60 negotiated funding agreements with more than 200 Self-Governance tribes which will result in the transfer to the tribes of approximately \$170 million in 1997. Over the next 10 years, tribal participation in self-governance is expected to increase by 20 self-governance agreements per year. Figure 15 shows the increase in Indian self-determination and tribal self-governance since 1991.

Figure 15



Office of American Indian Trust

The Office of American Indian Trust (OAIT) was created to assist Departmental offices and bureaus in determining facts and considering effects of all Departmental actions or proposals in relation to American Indian trust resources. The Office provides staff support to the Secretary in the exercise of the trust responsibility and the coordination and implementation of Indian trust protection policies and procedures. In addition, the Office is responsible for performing annual reviews of tribal performance of trust functions assumed pursuant to the Self-Governance Act of 1994.

Figure 16

Performance Measure	FY 1995	FY 1996
Number of Annual Trust Evaluations	28	31
Number of Training/Outreach Sessions	43	45
Number of DOI Referrals	158	165
Number of Special Projects	9	12
FTE	8	8
BUDGET	\$795,000	\$795,000

Over the past year, the Office has worked with the National Park Service, the Bureau of Land Management, the Bureau of Reclamation, the U.S. Geological Survey, and the Minerals Management Service to address specific matters involving a variety of tribes and tribal resource issues. The Office distributed more than 1,000 copies of the Department’s compilation of Indian trust protection policies and procedures to Interior offices and bureaus, tribes, and other Federal agencies.

Education and training are important functions of the Office of American Indian Trust, and the Office is available to provide such services to Departmental bureaus and other Federal agencies to the extent that resources are available. In the past year, the Office presented 50 Indian trust and policy training/outreach sessions involving virtually every bureau in the Department and several other Federal agencies.

In addition to providing trust and Indian policy information to Interior and Federal agencies, the Office has been designated the point of contact for foreign government officials seeking information about Indian Affairs. In the past year, the Office has hosted and provided information materials to 30 foreign visitors from around the globe and has briefed officials at the French, Canadian, New Zealand, and Swiss embassies.



First grade class at Isleta Elementary School in New Mexico (photo by BIA).

Trust Lands and Natural Resources

BIA administers more than 54 million acres of land owned by Indian Tribes and individuals that are held in trust by the Federal Government. The Federal trust responsibilities include the management of forest lands, development of agricultural and range lands, leasing mineral rights, protecting water and land rights, preparation and administration of probates, and maintaining land ownership and lease income records. In addition, the Department of the Interior has fiduciary responsibilities for funds held in trust for Indian Tribes and individuals. The uses of Indian lands are shown in Figure 17.

Almost 85 percent of the Indian trust lands are in active production. Over 700 million board feet of timber are harvested annually with a total value of \$180 million. Indian agricultural lands are estimated to generate another \$550 million in production. Tribes have also

Figure 17

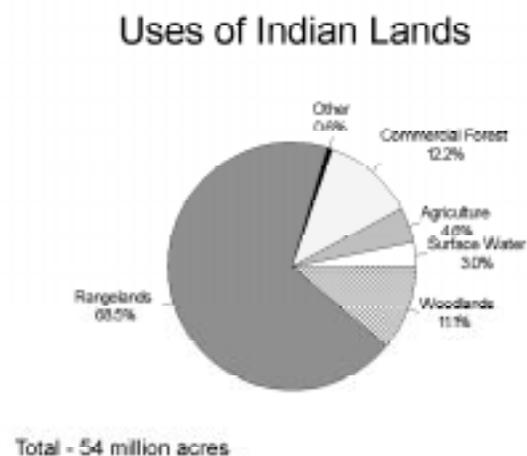
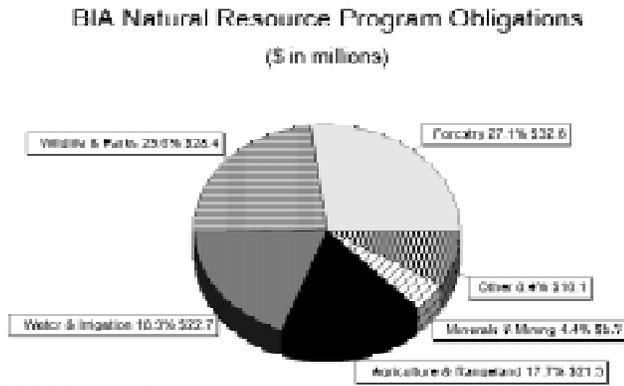


Figure 18



received approximately \$150 million in mineral royalties each year since 1990. In 1996, over \$120 million was obligated for BIA’s natural resources programs (see Figure 18).

Trust Fund Management

One of the Department’s highest priorities is the management of Indian trust assets, with the goal of bringing trust resource management, accounting, investment and related systems up to industry standards. In recent years, a number of actions have been taken to address core issues underlying Trust Fund management, including contracts with public accounting firms for the reconciliation of Trust Fund accounts and audit of Trust Fund activity.

The Office of Special Trustee (OST) for American Indians was authorized by the American Indian Trust Reform Act to provide for more effective management of, and accountability for, the proper discharge of the Secretary’s trust responsibilities to Indian Tribes and individual Indians. The Special Trustee is charged with general oversight responsibilities of Indian trust asset reform efforts Department-wide so as to ensure the establishment of policies, procedures, systems, and practices to allow the Secretary to effectively discharge the Department’s trust responsibilities. In 1996, at the direction of Congress, the responsibilities and authorities of the Special Trustee were expanded through a Secretarial Order which transferred the Office of Trust Funds Management and other financial trust services functions of the Bureau of Indian Affairs to OST. The Special Trustee now has authority over and responsibility

for trust moneys of Indian Tribes and individual American Indians. Additional trust functions of the Department continue to be carried out by the Bureau of Land Management, Minerals Management Service, and BIA.

The OST manages approximately \$3 billion of funds held in trust for Indian Tribes and individuals. The balances that have accumulated in the Indian trust funds have resulted from payments of claims and judgment awards, investment income, and revenues from 54 million acres of trust land. Revenues are derived from subsurface mineral extractions (coal, oil, gas, and uranium) and timber, grazing and other surface leases. Approximately \$2.1 billion of the funds are held in tribal accounts for approximately 300 tribes. The balance of approximately \$500 million of the funds is held on behalf of individual Indians in over 387,000 accounts.

Reviews by the General Accounting Office, the Inspector General, independent accounting firms, and Congressional committees have identified serious and continuing problems in the Department’s existing management of funds held in trust for American Indians and Alaska Natives. Accordingly, the OST program includes both the maintenance of ongoing operations and improvements to other critical functions.

Education

Nearly one-third of BIA’s annual operating budget supports Indian students not served by public or private schools (Figure 19). During the last academic year, the BIA school system served 48,000 students attending 187 elementary and secondary schools. In addition, BIA operated two post-secondary schools and provided

Figure 19

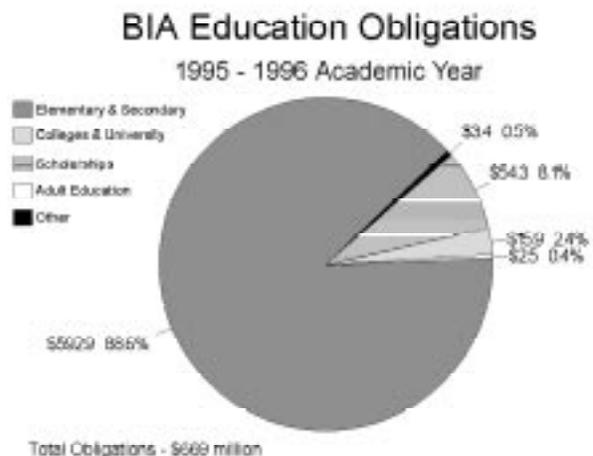
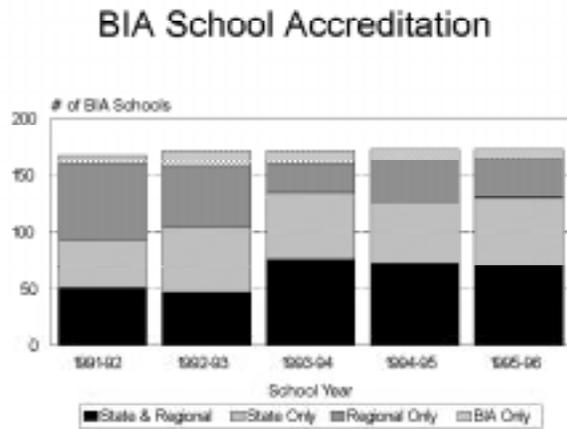


Figure 20



financial support for special pre-school programs, operating grants to Tribally Controlled Community Colleges, scholarships to Indian students pursuing undergraduate and graduate degrees, and tribal adult education programs. Indian colleges had 9,654 students enrolled and 1,293 graduates in the 1995-1996 academic year.

Elementary and secondary schools, whether operated by the BIA or by tribes under self-determination contracts or grants, may be accredited by state and/or regional education associations and must comply with BIA's academic and residential standards. Almost all BIA schools now have State or regional accreditation, which usually exceeds the academic standards that BIA has established as minimum criteria for its funded schools (see Figure 20). Compliance with the BIA's 17 minimum criteria has consistently increased in recent years.

Organizational Streamlining

BIA had a total of 11,602 employees at the end of 1996, a reduction of 1,597 below the 1995 level. Full-time equivalent (FTE) employment was 10,680, a decrease of 1,295 FTEs below the prior year. These reductions are largely due to the transfer of additional school and program operations from BIA to tribes and tribal organization under Indian Self-Determination contracts and grants and tribal self-governance compact agreements, and the reductions in 1996 appropriations which reduced funding available to support the staff of the BIA's headquarters and area offices. Figure 21 shows BIA staffing changes from 1993 to 1996.

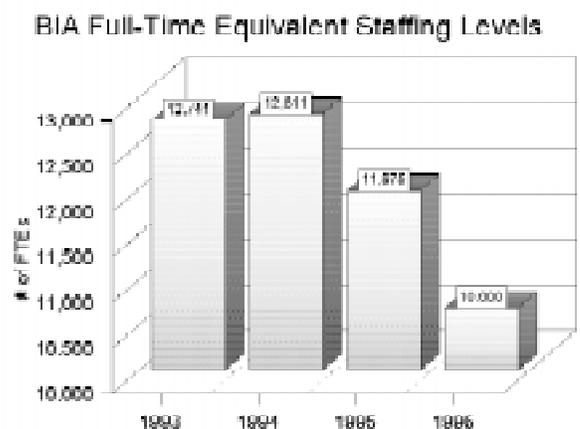


Southwestern Indian Polytechnic Institute (photo by B. Stoddard).

Status of Implementing the Government Performance and Results Act

The BIA is well on the way to finalizing its strategic plan and the performance goals and indicators for its formal performance plan under the mandates of the Government Performance and Results Act (GPRA). This plan will be submitted to Congress by September 30, 1997. In the meantime, the BIA is strengthening day-to-day program

Figure 21



Native American School Designs NASA Experiment

The first Native American secondary school to have a science experiment selected for a National Aeronautic and Space Administration test program is also the first Idaho high school to win such an honor. Sho-Ban School, located in Ft. Hall, is funded by the BIA and operated by Tribal government, serving 200 students in grades 7-12.

Sho-Ban students experimented with crystals and the structure of phosphate ore taken from the reservation. NASA will compare the Sho-Ban experiment with crystal and phosphate ore reaction experiments performed in the gravity-free environment of space. Sho-Ban's work was selected by the Idaho Space Grants Consortium and the Rocky Mountain Space Grants Consortium.

The students of Sho-Ban have been attending NASA-sponsored science lectures at the University of Utah in Salt Lake City and formed the Native American Space Association to further their studies and experiments.

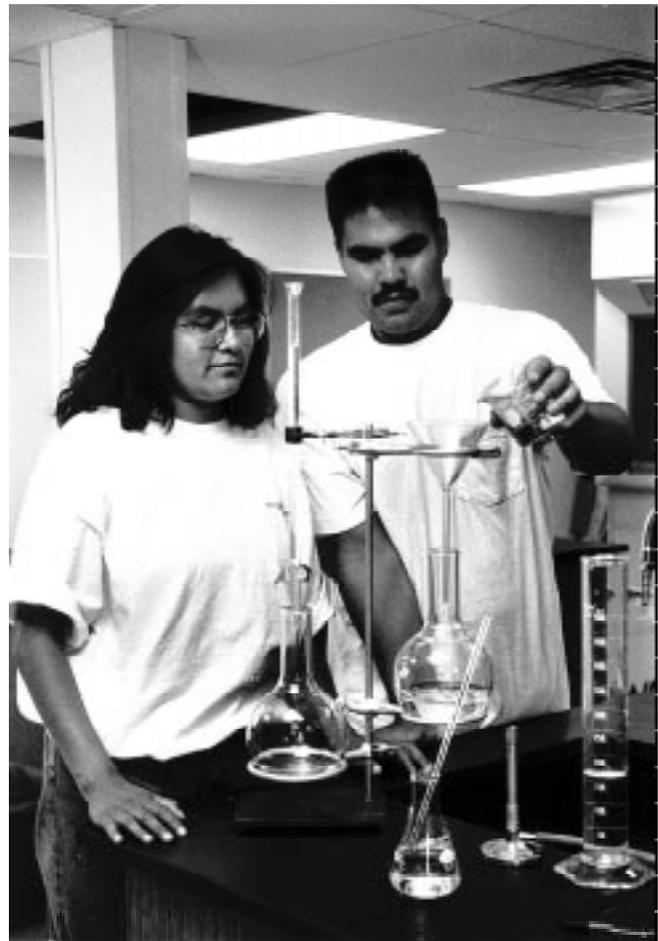
management consistent with the GPRC requirements. The BIA has developed program performance goals and preliminary performance indicators for Self-Governance, Economic Development, Indian Education, and Trust Lands.

Customer Service

The Bureau has made substantial progress in achieving its Customer Service Standards, initially published in September 1994 as part of its Customer Service Plan. Progress is primarily evidenced by the increased number of area-wide consultation meetings and customer service conferences held throughout the year.

BIA is using partnerships and reengineering to help meet the customer service standards established in the agency's 1994 customer service plan. BIA has made several customer service improvements over the past year:

- BIA has used the reinvention laboratory process to reduce the design and construction time for Indian schools by over 50 percent. It used to take seven or eight years to plan, design and build a new school. The job will now be completed, start to finish, in three years or less.



Science lab at Southwestern Indian Polytechnic Institute (photo by B. Stoddard).

- A partnership between BIA's Office of Indian Education Programs, major private telecommunications companies, software firms, and DOI offices is reengineering the telecommunications and computer technology infrastructure serving BIA schools and Indian communities. This effort will enhance opportunities for student, teacher, and family learning through access to the resources available on the information superhighway. The first step was taken in August 1996 when the Microsoft Corporation contributed over \$350,000 in software, computers, and cash to Four Directions, a BIA project that will electronically link Indian schools in eight States.