

**STATEMENT
OF
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DEPARTMENT OF THE INTERIOR
BEFORE THE
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES**

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Good morning, Chairman Simpson, Ranking Member Moran, and Members of the Subcommittee. Thank you for the invitation to appear today. I appreciate the opportunity to participate in this oversight hearing on Indian education and provide, on behalf of the Department of the Interior, my vision for Indian education provided by the Bureau of Indian Education (BIE). I am here to express my, and the Administration's, continued commitment to providing high-quality educational opportunities for students educated in our BIE-funded elementary and secondary schools throughout Indian Country.

As the Assistant Secretary for Indian Affairs (ASIA), I have the responsibility to oversee the numerous programs within the Bureau of Indian Affairs (BIA) and the BIE. Indian Affairs programs expend over 90 percent of appropriated funds 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. Overall, Indian Affairs' programs serve about 1.9 million American Indians and Alaska Natives.

Over a year ago, on February 28, 2012, former Assistant Secretary Larry Echo Hawk testified before this Subcommittee to provide Indian Affairs' statement on behalf of the Department on the FY2013 President's budget request. During that hearing, members of the Subcommittee agreed that it would be important to know how much money BIE is spending on its schools and to understand how the spending compares to other school systems on a per-student basis. The Subcommittee also asked about the type of data used to assess student yearly performance in BIE schools and how that data compares to the student yearly performance to nearby non-BIE-funded schools.

The BIE recently met with the United States Government Accountability Office (GAO) to discuss comparative costs and student performance assessments. The GAO is also now evaluating the results of the work we have had under way for the last year evaluating our business and administrative support for BIA and BIE programs. We expect to continue our discussions with you and the GAO in the coming weeks. We would very much like to help GAO develop answers to your questions and gain your support for our plans as we move forward.

This is important context for the hearing. Today, I would like to present our vision for Indian Education in BIE-funded schools, review the results of our evaluation of business and

administrative support, and go over the proposal in our 2013 budget to reduce costs and achieve savings through streamlining measures and administrative savings.

The Bureau of Indian Education

The BIE was an Office in the BIA until 2006, when it was made a separate bureau. This reorganization distinguishes BIE responsibilities from Indian Trust responsibilities and clearly identifies the relationship of the BIE to the Assistant Secretary for Indian Affairs. The BIE supports education programs and residential facilities for Indian students of Federally recognized Tribes at 183 elementary and secondary schools and dormitories. The 2011-2012 school year appropriation for BIE schools was \$753 million and BIE receives an additional \$205 million in funding from the Department of Education. The Department of Education distributes additional Indian set-aside funding directly to Tribes and tribal organizations.

Currently, the BIE directly operates 59 schools and dormitories. The remaining 124 schools and dormitories are operated by 64 Tribes through Public Law 93-638 contracts or Public Law 100-297 grants in 23 States. During the 2011-2012 school year, BIE-funded schools served approximately 48,000 individual K-12 Indian students and residential boarders which equated to an average daily membership of approximately 41,000 students due to transfers, absences and dropout rates. Only about eight percent of Indian students nationwide attend BIE-funded schools. Approximately 4,000 teachers, professional staff, principals, and school administrators work within the 59 BIE-operated schools. In addition, approximately twice that number work within the 124 tribally-operated schools.

The BIE has the responsibilities of a State Educational Agency for purposes of administering Federal formula grant programs for education. BIE responsibilities include providing instruction that is aligned to the academic standards set forth in the Department of the Interior's regulations regarding its standards, assessments and definition of adequate yearly progress (AYP), achieving compliance with the Elementary and Secondary Education Act of 1965 (ESEA) and the Individuals with Disabilities Education Act (IDEA), working with the Department of Education to administer education grants, and providing oversight and accountability for school and student success. The BIE strives to ensure our students receive the best education and exposure to the same educational opportunities provided to students across America. The BIE continually consults with Tribes on the delivery of educational services.

To the extent possible, BIE-funded schools are equipped with the latest tools and technology for our students to compete in the global marketplace. BIE places an emphasis on recruiting and retaining high-quality staff; teachers and principals receive professional development to keep us competitive. Some BIE schools are located in very remote locations; schools offer access to BIE housing in some locations as an incentive to retain teachers. BIE works with the BIA, tribal, or local community law enforcement to ensure our students and school faculty are safe on our campuses. BIA also partners with national education and youth organizations to assist us in trying to reduce the dropout rate for our students.

The Vision for Bureau of Indian Education Success

As identified in regulations, BIE's mission is to provide quality educational opportunities from early childhood through life in accordance with a Tribe's needs for cultural and economic well-being and in keeping with the wide diversity of Indian Tribes as distinct cultural and governmental entities. Further, the BIE is to take into consideration the whole person by taking into account the spiritual, mental, physical, and cultural aspects of the individual within his or her family and tribal or village context.

I am pleased to have this opportunity to describe our vision for the BIE and to give you an overview of the work we have under way.

Maximize Student Achievement. Teaching students effectively is the number one priority for BIE. We believe that effective instruction is a key piece in turning our BIE schools around. BIE established a Principal Leadership Academy to address the high turnover rates in critical school leadership areas. BIE has also introduced methods such as the Striving Readers Literacy Plan which focuses on positively impacting a "birth to grade 12" effort to increase student preparedness for the 21st century. BIE has also increased the number of School Improvement Grants to encourage school turnaround models across BIE schools. To better measure student performance, BIE has begun the process by which it will develop a unified system of standards, assessments, and accountability rather than using the standards, assessments and AYP definitions of 23 different States, which the Department of Interior's regulations currently require. Since this change to the regulations requires negotiated rulemaking, on January 31, 2013, Indian Affairs published in the Federal Register a notice of intent to establish a negotiated rulemaking committee concerning a change to regulations related to standards, assessments, and AYP. The notice seeks comments about establishing a Committee and nominations for the Committee by March 1, 2013.

Advance Indian Education through Self-Determination. Indian Affairs is fully supportive of self-determination and self-governance and it is an integral part of advancing Indian education. The Indian Self-Determination and Education Assistance Act of 1975 provided authority for Federally-recognized Tribes to contract with the Secretary for the Department of the Interior to operate BIE-funded schools. The Education Amendments Act of 1978 and further technical amendments provided Department of the Interior funds directly to tribally operated schools, empowered Indian school boards, encouraged local hiring of teachers and staff, and established a direct line of authority between the Education Director of BIE and the Assistant Secretary for Indian Affairs. Amendments to the ESEA made by the No Child Left Behind Act of 2001 (NCLB) brought additional requirements to the schools by holding them accountable for improving their students' academic performance.

This Administration is committed to consulting with Tribes, and our new consultation policy gives evidence of our commitment. Over the past year, the BIE engaged in discussions with tribal governments and their leaders at several tribal consultation sessions that included topics such as the Johnson-O'Malley student count, the Indian Affairs Administrative Assessment, the Public Law 100-297 grant assurance form, the Memorandum of Understanding between the BIE

and the U.S. Department of Education, and the BIE's flexibility request seeking relief from certain provisions of the ESEA.

Each of these tribal consultations brought tribal leaders and Indian educators together to discuss key reforms on how BIE services can be enhanced and how to change the way BIE does business. The BIE has compiled results of the consultations, changes have taken place, and BIE continues to reform the learning environment for students and the tribal community. BIE's actions in response to the feedback received from the Tribes have resulted in agency-wide collaborative efforts in the areas of education, language, culture, and economic development. More Tribes with students attending BIE-funded schools are now engaged in the education of their tribal members.

The BIE met with the Navajo Nation and Department of Diné Education to discuss a possible realignment of its educational program on the Navajo Nation. There are currently 31 BIE-operated schools and 35 grant or Public Law 93-638 contracted tribally operated schools within the Navajo Reservation. The concept is to move all Navajo BIE-funded schools under one Public Law 100-297 grant with the Navajo Nation. This concept would allow the Tribe to have more direct impact on the way all of the BIE-funded schools are administered and operated on Navajo Nation lands. This would provide more local educational control, increase jobs at the local level, and advance BIE education through the Navajo Nation's exercise of self-determination over the education of their children in BIE-funded schools.

Optimize School Operations. To support the President's commitment to provide every student even footing when it comes to education, BIE has expressed a desire to adopt the Common Core State Standards (CCSS), along with the 46 States and the District of Columbia who have adopted those standards. The BIE developed and submitted an ESEA flexibility request to waive certain provisions of the ESEA and implement certain education reforms which, if approved, will allow BIE to pursue a unified system of standards, assessments, and accountability rather than using the standards, assessments and AYP definitions of 23 different States. In addition, the BIE has recently moved to a new Financial and Business Management System, which will provide a more transparent and streamlined process geared to improving financial practices.

Improve School Facilities. Indian Affairs owns or provides funding for a significant inventory of buildings and other facilities across the Nation, including education facilities in Indian Country. Currently, Indian Affairs provides funds for facility programs for 183 academic and resident-only campuses. From 2002 through 2012, \$2.0 billion, including \$300 million of funding made available in the American Recovery and Reinvestment Act, has been provided for construction, improvement, and repair projects that have reduced the number of schools in "poor condition" from more than 120 of the 183 schools to 63 today. This includes 42 complete school replacements and 62 major renovations, which are either completed, funded or under-construction.

As amended by the NCLB, the Education Amendments of 1978 require the Secretary of the Interior, in consultation with Indian Tribes, to develop a recommended methodology to determine priority of need for replacement schools and improvement and repair projects. The Secretary of the Interior established a Facilities and Construction Negotiated Rule Making

Committee (NRC), which held seven meetings between April 2009 and September 2011. The NRC developed a New School Replacement and Renovation Formula which stipulates that those BIE-funded schools in poor condition, as measured by the Facilities Condition Index, and educating 75 percent or more students in portable facilities are eligible to apply for the program. Locations meeting the stipulated criteria are then evaluated using seven key evaluation criteria such as crowding, declining or constrained enrollment, inappropriate educational space, accreditation risk, and cultural space needs. We anticipate initiating the new school-priority-ranking process this fiscal year.

Seek Partners. BIE has signed eleven Memoranda of Understanding, Memoranda of Agreement, and cooperative agreements with other Federal agencies, tribal colleges, and tribal governments to increase access to new programs and initiatives as well as build capacity at tribal colleges and within tribal governments. Recently, for example, BIE has a new agreement with Teach for America to increase BIE-funded schools' access to highly qualified teachers in hard-to-fill locations in our system.

Streamlining and Administrative Savings Consultations

It was a year ago, almost to the day, that Indian Affairs came before this Subcommittee to present testimony on the President's budget request for FY2013. Former Assistant Secretary Echo Hawk testified as to the importance of maintaining services to Tribes while exercising fiscal responsibility. Consistent with that directive, the 2013 budget for Indian Affairs presented a recommendation for streamlining and administrative savings. The 2013 budget request includes prospective savings of \$19.7 million in streamlining measures and \$13.8 million in administrative savings across all programs within Indian Affairs.

We estimate the \$19.7 million reduction will come from eliminating duplicative or overlapping functions and processes to achieve streamlining reductions across Indian Affairs. Indian Affairs developed a process for implementing the streamlining using early retirement and voluntary separations to reduce full-time employment along with other position-management techniques. The \$13.8 million reduction comes from anticipated management efficiencies in such activities as printing and travel.

Consistent with Secretary Salazar's directive to achieve the highest levels of organizational efficiency and effectiveness, Indian Affairs began an examination of the management and structure of its administrative services. The focus of the review was to develop a support-service design that balances internal controls with effective and timely delivery of programs and services for American Indian Tribes and Alaska Natives. In April 2012, the Bronner Group, which had been contracted to conduct the review, delivered a comprehensive analysis of the effectiveness of the current administrative structure. Indian Affairs held seven consultations throughout the country during April and May 2012 at which the findings and recommendations from the Bronner analysis were presented to tribal leaders.

Reflecting the input of Tribes, Indian Affairs leadership is now in the process of preparing for the realignments and will be submitting a reprogramming request to this Subcommittee. The proposed realignment of the administrative functions would be overseen by an Executive

Implementation Oversight Board (Board), with membership including the Director of the BIA, the Director of BIE, the Deputy Assistant Secretary - Management, the Deputy Assistant Secretary for Policy and Economic Development, the Chief of Staff to the Assistant Secretary - Indian Affairs, and a designee from the Office of Policy, Management, and Budget. The Board will issue a quarterly progress report to the Assistant Secretary–Indian Affairs and the Office of the Secretary. It is anticipated that in the upcoming 12 months, if we move forward with the proposed realignment, at the conclusion of such realignment, the Board would transition to an oversight function and would be responsible for recommending administrative staffing and funding allocations to meet current needs and resolve service-delivery issues.

Specific to BIE, these tribal consultations provided input on ways to streamline the BIE organization while still working to improve the quality of education provided to students served by BIE-funded schools. Additionally, the BIE developed a plan that identifies opportunities to effectively reshape the BIE through consolidation, staffing reassignments and reductions, resource sharing, and the elimination of offices and functions that are redundant and obsolete.

Sequestration’s Potential Effect on BIE

The sequestration will not have an immediate impact on the quality, scope, and types of programs provided by BIE-funded schools during the current schools due to forward funding. If the sequester continues for the next school year, each BIE-funded school will have to establish its funding priorities and adjust budgets accordingly. Individual BIE-funded schools may cut instructional and residential programs, extra-curricular activities, or support services.

If BIE schools had to end their school year sooner than expected as a last resort because of funding issues, it could cause problems with the BIE’s ISEP regulations and accreditation challenges with State Departments of Education, which require a certain number of instructional days for the school year. BIE is focusing on improving our lowest-achieving schools through a strategy we term “Turnaround schools”. This strategy includes extending the school year to allow additional instruction in core academic subjects; as well as allowing additional time for teacher collaboration. Shortened school schedules resulting from sequestration would reverse the progress being made to turn around these schools.

Conclusion

I believe our vision for BIE will allow us to achieve improved results in the form of higher student scores and improved operations. We will continue to ensure our education and facilities programs and administrative support operations are supporting the delivery of high- quality educational programs.

Indian education is the foundation for the future leadership of our tribal communities. The discussion around BIE is timely and much needed, and I welcome the opportunity to continue our discussion. Thank you for the opportunity to be here today to testify about Indian education. I would be happy to answer any questions the Subcommittee may have.