

## Senate Indian Affairs Committee

Business Meeting- FY27 Bureau of Indian Affairs and the Indian Health Service Budgets

May 20, 2026

### **Highlights:**

The hearing focused on the FY27 budget request for the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS), with bipartisan concern that proposed funding levels may not meet federal trust and treaty obligations. Lawmakers highlighted significant cuts to BIA and Bureau of Indian Education (BIE) programs, noting that reductions could affect Tribal government services, workforce development, infrastructure, and education, including the loss of funding for Tribal colleges and community programs.

### **Key Points:**

- Significant Proposed Cuts to Tribal Programs
  - The FY27 Budget requests proposes ~27% cut to BIA and a ~32% to BIE, totaling over \$1 billion in reductions.
  - Elimination or reductions in:
    - Tribal government and human services programs
    - Tribal colleges and universities (mostly eliminated)
    - Workforce/job training, roads, and housing support
    - Behavioral health and community resilience programs
  - Senators from both parties expressed concern these reductions could reduce Tribal self-determination capacity, limit public safety, courts, and law enforcement, as well as disrupt services tied to treaty obligations.
- Administration officials emphasized continued support for Tribal self-determination through full funding of contract support costs and Tribal leases, as well as programs that allow Tribes to set their own priorities.
  - The budget proposes full funding for contract support costs and Section 105(l) lease obligations under the Indian Self-Determination and Education Assistance Act, which are key mechanisms through which tribes operate federal programs.
  - Officials also highlighted the Tribal Priority Allocations program, which allows tribes to direct funds according to local priorities.
  - However, lawmakers questioned whether these commitments are consistent with broader program cuts, suggesting that reduced base funding may undermine the practical ability of tribes to exercise self-determination
- Infrastructure needs in Tribal communities were repeatedly emphasized, particularly in relation to water and sanitation systems. Lawmakers pointed out

that many communities, especially in Alaska and rural areas, continue to lack access to basic services such as running water and wastewater treatment.

- Although recent infrastructure funding has helped address some of these gaps, members warned that proposed reductions in base funding could reverse progress once temporary funding sources expire.
- The hearing also addressed the ongoing probate backlog within the BIA, which includes tens of thousands of unresolved cases and hundreds of millions of dollars tied up in estates.
  - While the administration described plans to modernize the system, senators expressed concern that affected families have yet to see tangible improvements.
- Natural resource management and economic development were also discussed, particularly in relation to Tribal control over energy and land use.
  - The administration highlighted efforts to expand Tribal authority through tools like Tribal Energy Resource Agreements (TERAs), while some lawmakers expressed concern that cuts to related programs could undermine Tribes' ability to manage resources and support local economies.
- Water rights settlements were identified as a key intersection between Tribal policy and agriculture, with bipartisan support for resolving claims through negotiated agreements.
  - Senators emphasized that adequate funding is critical to ensure these settlements provide long-term certainty for Tribal and non-Tribal water users, including farmers and ranchers.
- Finally, several senators raised concerns about Tribal consultation and the federal trust responsibility. Questions were posed about whether the administration had adequately consulted tribes on policy decisions affecting treaty rights, particularly in the context of natural resource development and land management.
  - These exchanges underscored broader concerns about maintaining government-to-government relationships and ensuring that Tribal input is incorporated into federal decision-making processes.