TRIBAL PROGRAMS

Resource Constraints and Management Weaknesses Can Limit Federal Program Delivery to Tribes

Statement of Anna Maria Ortiz,
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Resource Constraints and Management Weaknesses Can Limit Federal Program Delivery to Tribes

What GAO Found

GAO previously reported that constraints in federal agency capacity and funding and budget uncertainty limit effective delivery of some federal programs and activities serving tribes. Key federal agencies serving tribes include the Department of the Interior’s Bureau of Indian Affairs (BIA) and Bureau of Indian Education (BIE), and the Department of Health and Human Services’ Indian Health Service (IHS). For example:

- **High staff vacancies and insufficient staff capacity.** In February 2017, GAO reported that IHS had over 1,550 vacancies for health care positions in 2016, and IHS officials said that the agency’s insufficient workforce was the biggest impediment to providing timely primary care. In addition, GAO’s March 2019 high-risk update reported that about 50 percent of all BIE positions had not been filled, according to recent BIE documentation.

- **Inadequate funding.** In January 2019, GAO reported on agency and tribal perspectives on the adequacy of funding and how it impacts federal programs. GAO found that inadequate program funding to meet tribal needs (e.g., BIA estimated a funding shortfall at 60 percent for one program in a 2013 report to Congress) may limit tribal options for administering federal programs using self-determination contracts or self-governance compacts. Many tribal stakeholders told GAO that they supplement federal funding when there are shortfalls, which diverts funding from economic development and services provided to their communities.

- **Effects of budget uncertainty.** Budget uncertainty arises during continuing resolutions—temporary funding periods during which the federal government has not passed a budget—and during government shutdowns. In a September 2018 GAO report, IHS officials and tribal representatives described the effects of budget uncertainty on their health care programs and operations. GAO reported that these effects include recruitment and retention of staff challenges and additional administrative burden and cost for both tribes and IHS.

In GAO’s prior reports and March 2019 high-risk update, GAO found that management weaknesses at some federal agencies limit the effective delivery of some federal programs serving tribes. For example:

- **Oversight weaknesses.** In March 2016, GAO found weaknesses in IHS’s oversight of timeliness of patient care leading to long wait times at IHS facilities. GAO recommended that IHS develop standards for patient wait times, monitor these wait times, and take corrective action as needed. IHS has established wait times standards and is developing monitoring capacity.

- **Management weaknesses.** In June 2015, GAO found shortcomings in BIA’s management of energy development permitting processes that led to lengthy reviews and negatively impacted energy development on tribal lands. Among other things, GAO recommended that BIA develop a process to track its review and response times. BIA has taken initial steps to develop system enhancements to capture key dates during the review and approval process for energy development documents.
Chairman Gallego, Ranking Member Cook, and Members of the Subcommittee:

Thank you for the opportunity to discuss examples from our prior work of resource constraints and management practices that limit the effective delivery of federal programs that serve Native American tribes and their members. As Congress found in the Indian Trust Asset Reform Act, “through treaties, statutes, and historical relations with tribes, the United States has undertaken a unique trust responsibility to protect and support Indian tribes and Indians.”¹ As further stated in that Act, the fiduciary responsibilities of the United States to tribes are also founded in part from specific commitments made in treaties and agreements, in exchange for which Indians surrendered claims to vast tracts of land. The Act notes that this history of federal-tribal relations and understandings has benefited the people of the United States and established “enduring and enforceable [federal obligations to which the national honor has been committed.”² Federal law directs federal agencies to provide a variety of services and benefits to Indian tribes and their members.

However, in a 2018 assessment of whether the federal government was meeting its responsibilities to tribes, the U.S. Commission on Civil Rights found that Native Americans continue to rank near the bottom of all Americans in terms of health, education and employment.³ In its assessment, the commission attributed this disparity in part due to historical discriminatory policies of the federal government toward tribes, insufficient resources, and inefficiencies in federal programs that serve tribes. We have previously reported that agencies can improve the efficiency of federal programs under which services are provided to tribes and their members.⁴ Such improvements would be consistent with the expressed view of Congress in the act as to the federal government’s trust responsibilities and would strengthen the performance and accountability of the federal government.

My statement today will focus on examples of (1) capacity and funding constraints, and budget uncertainty and (2) management practices that limit the effective delivery of federal programs for tribes and their members. My statement is based on work we issued from June 2015 through March 2019 related to education, health care, and energy development programs for tribes and their members designated as high risk, and other work on tribal water and wastewater infrastructure, tribal self-governance and tribal consultation. To conduct our previously issued work, we reviewed relevant federal laws, regulations, and policies; reviewed agency documentation; and interviewed tribal, federal, and industry officials. More detailed information on our objectives, scope, and methodology for that work can be found in the corresponding issued reports.

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Federal agencies have many programs that provide services and benefits to tribes and their members. For example, the Department of the Interior’s (Interior) Bureau of Indian Affairs (BIA) within the Office of the Assistant Secretary-Indian Affairs (Indian Affairs) administers programs in natural resources management, Indian child welfare, and economic development—among other responsibilities. One key BIA responsibility is to facilitate tribes’ development of energy resources on and beneath tribal lands by reviewing and approving leases, permits, and other documents required when the lands with Indian energy resources are held in trust or restricted status.6 The Bureau of Indian Education (BIE), also within Indian Affairs at Interior, administers education programs to approximately 41,000 students on or near Indian reservations at 185 schools around the country. The Indian Health Service (IHS) within the Department of Health and Human Services is charged with providing health care to approximately 2.6 million Indians through more than 600 IHS or tribally operated facilities as of 2019. When services are not available at these facilities, IHS may pay for services provided through external providers. In addition, as part of its disease prevention efforts, IHS provides technical and financial assistance to Indian tribes for the cooperative development and construction of drinking water and wastewater systems and support facilities.

These and other federal programs may also be administered by tribal governments under a self-determination contract or self-governance compact under the Indian Self-Determination and Education Assistance Act of 1975, as amended.7 BIA and IHS are responsible for administering

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6Trust resources are held in trust by the U.S. government for the beneficial interest of the tribe or a member, and restricted resources are owned by the tribe or a member but subject to restrictions on alienation. Trust and restricted resources include land and natural resources and generally cannot be leased without approval of the Secretary of the Interior, who has generally delegated this authority to BIA.

7The Indian Self-Determination and Education Assistance Act of 1975, as amended, authorizes federally recognized Indian tribes to assume the administration of certain federal programs—or portions thereof—that were previously managed by Interior or the Indian Health Service (IHS). Title I of the act allows tribes to enter into agreements with Interior or IHS, referred to as self-determination contracts that transfer the administration of federal programs for the benefit of Indians because of their status as Indians from the federal agency to the tribe. Title IV of the act authorizes federally recognized tribes to enter into agreements with Interior, referred to as self-governance compacts, to transfer the administration of Interior programs that are available to Indian tribes or Indians. Title V of the act authorizes federally recognized Indian tribes to enter into self-governance compacts with the Indian Health Service to transfer administration of certain federal programs from the Department of Health and Human Services.
self-determination contracts that allow for tribal administration of specific
government programs, including negotiating and approving each contract
and its associated annual funding agreement and disbursing funds to the
tribes. Each federally recognized tribe voluntarily decides whether, and to
what extent, to pursue the administration of federal programs.\(^8\) According
to a 2017 law journal article, by that year, nearly all tribes had used a self-
determination contract or self-governance compact to take over the
administration for one or more federal programs.\(^9\)

In February 2017 we added federal management of programs that serve
tribes and their members to our high-risk list of federal areas that are
most vulnerable to fraud, waste, abuse, or mismanagement or that are in
need of transformation to address economy, efficiency, or effectiveness
challenges.\(^10\) In particular, we found numerous challenges facing BIE and
BIA and IHS in administering education and health care services, that put
the health and safety of American Indians served by these programs at
risk. In addition, we reported that BIA mismanages Indian energy
resources held in trust and thereby limits opportunities for tribes and their
members to use those resources to create economic benefits and
improve the well-being of their communities. Our recommendations
identified in the high-risk area do not reflect the performance of programs
administered by tribes nor are they directed at any tribally operated
programs and activities.

In our March 2019 high-risk update, we reported that the three agencies
demonstrated progress to partially meet all five criteria for addressing
high-risk issues: leadership commitment, capacity, action plan,
monitoring, and demonstrated progress.\(^11\) We continue to monitor and
report on progress made by the agencies in addressing issues in these
three program areas.

\(^8\)Self-governance compacts provide tribes with some flexibility in program administration
because they allow tribes to redesign or consolidate programs included in the compact
and reallocate funds for them.

\(^9\)Danielle Delaney, The Master’s Tools: Tribal Sovereignty and Tribal Self-Governance

\(^10\)GAO-17-317.

Federal Agency Capacity, Funding Constraints, and Budget Uncertainty Limit Effective Delivery of Some Federal Programs Serving Tribes

We have previously reported that constraints in federal agency capacity, funding and budget uncertainty limit effective delivery of some federal programs for tribes and their members managed by Indian Affairs, BIA, BIE, IHS, and in other agencies’ tribal consultation activities as shown in the following examples:

- **High staff vacancies.** In November 2016, we found BIA had high vacancy rates at some agency offices and that the agency had not conducted key workforce planning activities to ensure its workforce resources are appropriately deployed.\(^{12}\) We recommended that BIA establish a documented process for assessing its workforce composition at agency offices taking into account BIA’s mission, goals, and tribal priorities. In response to our recommendation, BIA has taken initial steps to assess its workforce composition; however, more work is needed from BIA to establish a process to regularly assess its workforce composition and ensure it meets BIA and tribes’ needs. In February 2017 when we added improving federal management of programs that serve tribes and their members to our high-risk list, we found that high vacancies or declining staff levels across all three designated high-risk areas—education, health care, and Indian energy resources programs.\(^{13}\) For example, we reported that IHS had over 1,550 vacancies for various health care positions nationwide in 2016, and IHS officials said that the agency’s insufficient workforce was the biggest impediment to providing timely primary care. IHS has made some progress in demonstrating it has the capacity necessary to address the program risks we identified in our reports. For example, among other actions, in January 2019, IHS established an Office of Quality which includes divisions for Enterprise Risk Management and Internal Controls, Quality Assurance, Innovation and Improvement, and Patient Safety and Clinical Risk Management. As of August 2019, the Office of Quality had filled 14 positions. However, there are still key positions in the agency not yet permanently filled, including the Director of the Office of Finance and Accounting and the Deputy Director for Management Operations. In our August 2018 report, we also found that IHS’s overall vacancy rate for clinical care providers was 25 percent.\(^{14}\) Additionally, in our March 2019 high risk update and testimony, we reported that about 50

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\(^{12}\) GAO-17-43.

\(^{13}\) GAO-17-317.

\(^{14}\) GAO-18-580.
percent of all BIE positions had not been filled, according to recent BIE documentation, for a variety of reasons, including difficulty recruiting qualified individuals.\textsuperscript{15}

- **Insufficient staff skills or knowledge.** We have also identified concerns about existing staff having the right skills and expertise to adequately perform job duties for effective implementation of Indian energy development programs. For instance, in November 2016, we found that BIA had not completed key workforce planning activities, such as an assessment of work skills gaps, that contributed to BIA’s inability to effectively support energy development.\textsuperscript{16} We recommended that BIA incorporate effective workforce planning standards by assessing critical skills and competencies needed to fulfill BIA’s responsibilities related to energy development and by identifying potential gaps. Interior agreed with this recommendation and in fiscal year 2019, BIA began identifying the skills and competencies necessary for select Indian energy-related occupations. BIA officials told us that, once complete, agency officials will be able to use the catalog of necessary skills and competencies to identify training needs for existing staff. Additionally, in our March 2019 report on tribal consultation, 47 of 100 tribes that provided comments to federal agencies in 2016 identified insufficient agency officials’ knowledge or training on tribal consultation as a key factor that hinders effective consultation.\textsuperscript{17} Several tribal officials we interviewed shared similar concerns, and officials from 9 of 21 agencies we spoke with (43 percent) identified staff knowledge or training as a factor that hinders effective consultation.

- **Inadequate funding.** We have previously reported on agency and tribal perspectives on the adequacy of funding and how it impacts federal programs and also examined spending levels of some programs. In May 2018, we reported that federal agencies provided about $370 million to develop, construct, or repair tribal drinking water and wastewater infrastructure projects to address tribes’ needs in

\textsuperscript{15}GAO-19-157SP and GAO-19-445T.

\textsuperscript{16}GAO-17-43.

\textsuperscript{17}For example, in comments provided by tribes and in interviews with tribal officials, some tribes noted that cultural training similar to that required of Foreign Service officials before serving abroad would help ensure agency officials had sufficient knowledge regarding tribal culture, history, and legal principles to facilitate positive government-to-government interactions. For more information on the types of training provided to staff involved in consultation by selected federal agencies, see GAO-19-22.
fiscal year 2016. 18 This amount is about 11 percent of the more than
$3 billion in total existing tribal drinking water and wastewater
infrastructure needs that IHS had identified that same year. 19 Further,
in January 2019, we found that funding shortfalls— estimated at 60
percent for one BIA program in a 2013 report to Congress— may limit
tribal options for administering federal programs using self-
determination contracts or self-governance compacts. 20 Many tribal
stakeholders told us that they supplement federal funding when there
are funding shortfalls. As we have previously reported, when tribes
financially supplement the federal program they take over, it diverts
funds away from other economic development opportunities and other
government functions and services they provide to their communities
and citizens. In our March 2019 report on tribal consultation,
according to tribal comments we reviewed and interviews with tribal
officials we found tribes’ ability to participate in consultations is limited
by availability of funding from the tribe, federal agencies, or other
sources. 21 Tribes and agencies both identified insufficient resources,
including funding to support tribes’ participation in consultation
activities, as a key factor hindering effective consultation.

- Effects of budget uncertainty. Budget uncertainty arises during
  continuing resolutions—temporary funding periods during which the
  federal government has not passed a budget—and during
government shutdowns. Failure to enact annual appropriations for
federal tribal programs in a timely manner may exacerbate the
problem of limited resources. For example, in our September 2018
report examining advance appropriations authority for IHS, IHS
officials and tribal representatives described several effects of budget
uncertainty on their health care programs and operations. 22 Among
other things, we reported that effects of budget uncertainty include (1)
exacerbated challenges related to recruitment and retention of staff,
and (2) additional administrative burden and costs for both IHS and

18GAO-18-309.
19We found IHS’s estimate of existing needs is likely too low and made recommendations
that would help IHS improve its estimates
20GAO-19-87.
21GAO-19-22.
22GAO-18-652. Advance appropriations authority gives the agency authority to spend a
specific amount one or more fiscal years after the fiscal year for which the appropriation
providing it is enacted.
tribes involved in calculating revised allocations and modification of hundreds of tribal contracts each time a new continuing resolution is enacted. IHS officials and tribal representatives said that advance appropriation authority could mitigate the effects of this uncertainty because IHS could use this authority to ensure continuity of health care services during lapses in annual appropriations.

Management Weaknesses at Federal Agencies Hinder Effective Delivery of Some Federal Programs Serving Tribes

In our prior work, we have found a range of management weaknesses related to internal controls at Indian Affairs, BIA, BIE, and IHS that hinder effective delivery of some federal programs for tribes as shown in the following examples:

- **Oversight weaknesses.** In March 2016, we found that weaknesses in Indian Affairs oversight led to safety and health deficiencies at BIE school facilities that endangered students. We recommended that Indian Affairs ensure that all BIE schools are annually inspected for safety and health, as required by its policy, and that inspection information is complete and accurate. Indian Affairs has taken steps toward implementing our recommendations. For example, in April 2019 Indian Affairs provided documentation that it had assessed the quality of two fiscal year 2018 BIE safety inspection reports. However, Indian Affairs has not provided us with documentation that it has assessed the quality of BIE safety inspection reports for fiscal year 2019—the first year BIE was responsible for inspecting all of its schools. We believe it is important that the agency demonstrate that BIE is capable of inspecting all schools for safety in fiscal year 2019 and that they produce inspection reports for schools that are complete and accurate. As of November 2019, we have not received further updates from the agency on this recommendation’s status. Additionally, in March 2016, we reported on weaknesses in IHS’s oversight of the timeliness of patient care that led to long wait times at IHS facilities. We found that IHS had not set any agency-wide standards for patient wait times at IHS federally-operated facilities. We recommended that IHS (1) develop and communicate specific agency-wide standards for patient wait times in federally-operated facilities, and (2) monitor patient wait times and ensure corrective actions are taken when standards are not met. IHS agreed with our

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23GAO-16-313.

24GAO-16-333. For example, one facility reported that new patients may wait 6 weeks for an initial exam with a family medicine physician, and new patients in internal medicine may wait 3 to 4 months for an initial exam.
recommendations and implemented the first recommendation by publishing patient wait time standards as part of its Indian Health Manual website in August 2017. As of March 2019, IHS officials said that the agency was working to implement the second recommendation by developing system-wide monitoring capacity. We will continue to review IHS’s progress.

- Management weaknesses. In June 2015, we found shortcomings in BIA’s management of permits, and other approvals for energy development have led to lengthy review times and negatively impacted energy development on tribal lands. These lengthy review times have increased energy development costs for tribes, delayed projects, and led to lost revenue, among other impacts. For example, according to a tribal official, BIA took as long as 8 years to review some of its energy-related documents. In the meantime, the tribe estimates it lost $95 million in revenue that it could have earned from tribal permitting fees, oil and gas severance taxes, and royalties. We recommended that BIA develop a documented process to track its review and response times and enhance its data collection efforts. As of November 2019, the agency had taken initial steps toward implementing the recommendation by developing system enhancements to capture key dates during the review and approval process for energy-related documents. However, BIA needs to collect data from its system, develop time frames, and monitor agency performance to fully address these recommendations. In our January 2019 work on tribal self-governance, we reported that Interior’s process does not ensure that funds associated with self-determination contracts and self-governance compacts are disbursed in a timely manner, according to tribal stakeholders. These funding delays can therefore be a factor that hinders tribal use of these agreements. When funds are not disbursed in a timely manner, a tribal stakeholder told us that tribes may have to use funds from their general revenue accounts or seek other sources to cover federal program expenses. According to several tribal stakeholders, when a tribe has to use its own funds for the administration of federal programs—even

26GAO-19-87.
27Specifically, some tribal stakeholders said that disbursement delays have ranged from weeks to months.
temporarily—it can adversely affect the tribe in various ways.\textsuperscript{28} To help ensure that funds are disbursed in a timely manner, we recommended that Interior establish a process to track and monitor the disbursement of funds associated with self-determination contracts and self-governance compacts. Interior agreed with this recommendation, and as of November 2019, we are following up on its status.

- **Weaknesses in planning.** In May 2017, we found that Indian Affairs did not have a comprehensive capital asset plan to guide funding for construction projects to maintain, repair, or replace infrastructure at its 185 BIE schools.\textsuperscript{29} Specifically, although Indian Affairs had determined which 10 schools it planned to replace next, it did not have a long-term capital asset plan for the remaining 175 BIE schools.\textsuperscript{30} Many of the 175 schools were in poor condition and had safety hazards. We recommended Indian Affairs develop a comprehensive long-term capital asset plan that includes a prioritized list of projects with the greatest need of funding. Indian Affairs agreed with the recommendation. As of October 2018, Indian Affairs provided a list of deferred maintenance projects for 2018 and documentation of processes for prioritizing such projects, among other things, but as of November 2019 had not yet provided documentation that it had completed a comprehensive long-term capital asset plan.

In conclusion, the resource constraints and management weaknesses in federal programs that serve tribes limit federal agencies’ effective delivery of programs to Native Americans. In many cases, we have made recommendations to agencies to take steps to address identified issues.\textsuperscript{31} While agencies have made some progress addressing recommendations to improve tribal programs identified in our high-risk and other areas,

\textsuperscript{28} According to tribal stakeholders, these adverse effects include lost opportunities to use tribal funds for improving the tribes’ economic conditions, reducing other services provided to tribal communities, and furloughing tribal government employees.

\textsuperscript{29} GAO-17-447.

\textsuperscript{30} A capital asset plan helps provide agencies with information and analysis to make long term decisions about acquiring and managing capital assets.

\textsuperscript{31} For example, we have made more than 50 recommendations related to the high-risk area for improving federal management of education, health care and energy programs that serve tribes and more than 40 recommendations for tribal water and wastewater infrastructure, tribal self-governance and tribal consultation, of which 60 recommendations are still open.
continued work to address these and other issues is needed. Sustained congressional attention to these issues and the relevant factors contributing to the disparities identified in the U.S. Civil Rights Commission’s report will help the federal government make progress in addressing the needs of Native Americans.

Chairman Gallego, Ranking Member Cook and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

For further information regarding this testimony, please contact Anna Maria Ortiz at (202) 512-3841 or ortiza@gao.gov. If you or your staff have any questions about health care issues in this testimony or the related reports, please contact Jessica Farb at (202) 512-7114 or farbj@gao.gov. For questions about education, please contact Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov. For questions about energy resource development, please contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

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