

# **Government Accountability Office Calls on Agencies to Improve Information on Federal Funds for Native Communities and the Budget Formulation Process**

Category: Policy Blog

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On May 19, 2022, the Government Accountability Office (GAO) published a new [report](#) calling for immediate action to improve transparency for federal funding that benefits American Indians and Alaska Natives (AI/ANs), including AI/ANs living in urban areas. GAO found divergent interpretations of the Office of Management and Budget's (OMB) guidance for identifying and providing information on federal funding related to the Native American [crosscut](#). GAO also found that three of the agencies whose budgets are captured in the crosscut do not have formal processes for incorporating Tribal input into their budget proposals and do not develop budgets that reflects the needs of Tribes. The report recommends seven key agency actions to improve budget formulation and reporting processes for programs that serve AI/AN communities, including urban Indian organizations (UIOs) and the 70 percent of AI/ANs living in urban areas.

## **The Native American Crosscut and The Beginning of GAO's Investigation**

GAO is an independent, nonpartisan federal agency tasked by Congress with examining how taxpayer dollars are spent and provides both Congress and federal agencies fact-based recommendations to help the government save money and work more efficiently. GAO reviews federal programs across a broad range of topics and concerns, including health care, education, economic development, environmental protection, justice, and infrastructure. Agency oversight supports federal efforts to uphold the trust responsibility.

The U.S. Commission on Civil Rights published a 2018 [report](#) detailing broken promises to AI/ANs, which recommended regular assessment of unmet needs for both urban and rural AI/AN communities. Shortly thereafter, GAO launched an investigation of agency failures to keep accurate, consistent, and comprehensive records of federal programs benefiting AI/ANs, and transparency mechanisms to facilitate monitoring of such funding. This included a review of consultation, data collection, and reporting practices at OMB. OMB serves as a clearinghouse for budget formulation and reporting across federal agencies and publishes the most comprehensive annual report of federal funding that benefits Native peoples across federal agencies, known as the Native American [crosscut](#). GAO also investigated the extent to which pertinent agencies have formal processes for incorporating Tribal input when developing their budget proposals and the extent to which their budget proposals reflects Tribal needs

## **GAO's Recommendations Regarding the Native American Crosscut and Budget Formulation**

GAO published seven recommendations to improve federal practices related to budget formulation, data sharing, transparency, and oversight:

1. The Director of OMB should issue clear guidance as part of the annual budget data request for the Native American Crosscut that directs agencies to provide detailed information about how they collected data to report and selected programs to include; and
2. The Director of OMB should publish in the Native American Crosscut a statement of its purpose and detailed information that it receives from agencies in response to its budget data request; and
3. The Director of OMB should establish a formal process to regularly solicit and assess feedback about the Native American Crosscut from tribal stakeholders and relevant federal agencies, and to incorporate such feedback into guidance; and
4. The Secretary of Transportation should ensure that the Deputy Assistant Secretary for Intergovernmental Affairs develops a formal process to ensure meaningful and timely input from tribal officials when formulating budget requests and program reauthorization proposals for programs serving tribes and their members; and
5. The Secretary of Education should ensure that the department develops a formal process to ensure meaningful and timely input from tribal officials when formulating budget requests for programs serving tribes and their members; and
6. The Secretary of Agriculture should ensure that the Office of Tribal Relations and the Office of Budget and Program Analysis develop a formal process to ensure meaningful and timely input from tribal officials when formulating budget requests and program reauthorization proposals for programs serving tribes and their members; and
7. The Director of OMB should update OMB's annual budget guidance to direct federal agencies to assess, in consultation with tribes, tribal needs for federal programs serving tribes and their members, and submit this information as part of their publicly available budget documents.

Though the report did not provide explicit recommendations for the Department of Health and Human Services (HHS) or the Department of the Interior (DOI), GAO noted the failure to provide public notice in Indian Health Service budget formulation sessions and concerns that inclusion of urban Indian organizations in such processes remains discretionary.

In response to the published recommendations, OMB expressed overall agreement, shared general plans to better capture and report on funding that benefits Native peoples, and is currently considering new consultation recommendations. The Department of Transportation and the Department of Education agreed with the relevant recommendations, while the Department of Agriculture neither agreed nor disagreed. DOI provided no comments.

NCUIH will continue to monitor ongoing efforts to improve the budget formulation process, and to provide updates to budget formulation and reporting practices across federal agencies.