



Executive Summary

The annual President's Budget Request to Congress has historically outlined the national budgetary priorities of the Administration in both mandatory and discretionary spending, including spending for the federal government's trust and treaty obligations to Indian Country. Despite existing legal obligations, Tribal programs have never been fully funded and are always susceptible to cuts due to the vast majority of these programs being located in the discretionary budget. While Congress has the ultimate authority to enact appropriations, the President's Budget Request reflects the priorities of the Administration each Fiscal Year (FY) and still carries immense influence in setting the initial tone for Congressional debate and the formulation of appropriations legislation.

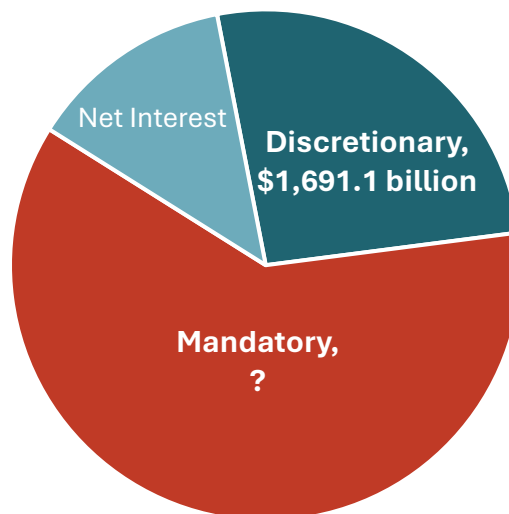
The chronic and ongoing inadequacy of federal funding proposed and authorized for Indian Country needs to be viewed as unfilled trust and treaty obligations. Both the Administration and Congress must recognize that federal funding is not delivered on the basis of poverty or for social welfare purposes. Rather, these funds are payment for the millions of acres of land and extensive resources ceded to the U.S. The federal government's trust and treaty obligations establish the legal and moral foundation to provide benefits and services to Tribal Nations and our people in perpetuity – an obligation that is not discretionary.

On [May 2, 2025](#) the Trump Administration released its initial Fiscal Year (FY) 2026 President's Budget Request to Congress [materials](#). The initial budget materials (released May 2) overview discretionary spending, but do not include recommendations for mandatory spending. To scope what the May 2 budget materials cover, discretionary spending will be about 26% of spending in FY 2025.

The President's FY 2026 Budget requests \$1.69 trillion (**-\$139.9 billion, -7.6%**) in discretionary spending authority. The Administration achieves this reduction by:

- cutting non-defense spending by \$163.1 billion (-22.6%);
- increasing Defense, Homeland Security, and Justice spending by \$163.1 billion through budget reconciliation; and
- eliminating or rescinding \$139.9 billion from the Infrastructure Investment and Jobs Act (aka, the Bipartisan Infrastructure Law) and other supplemental funding.

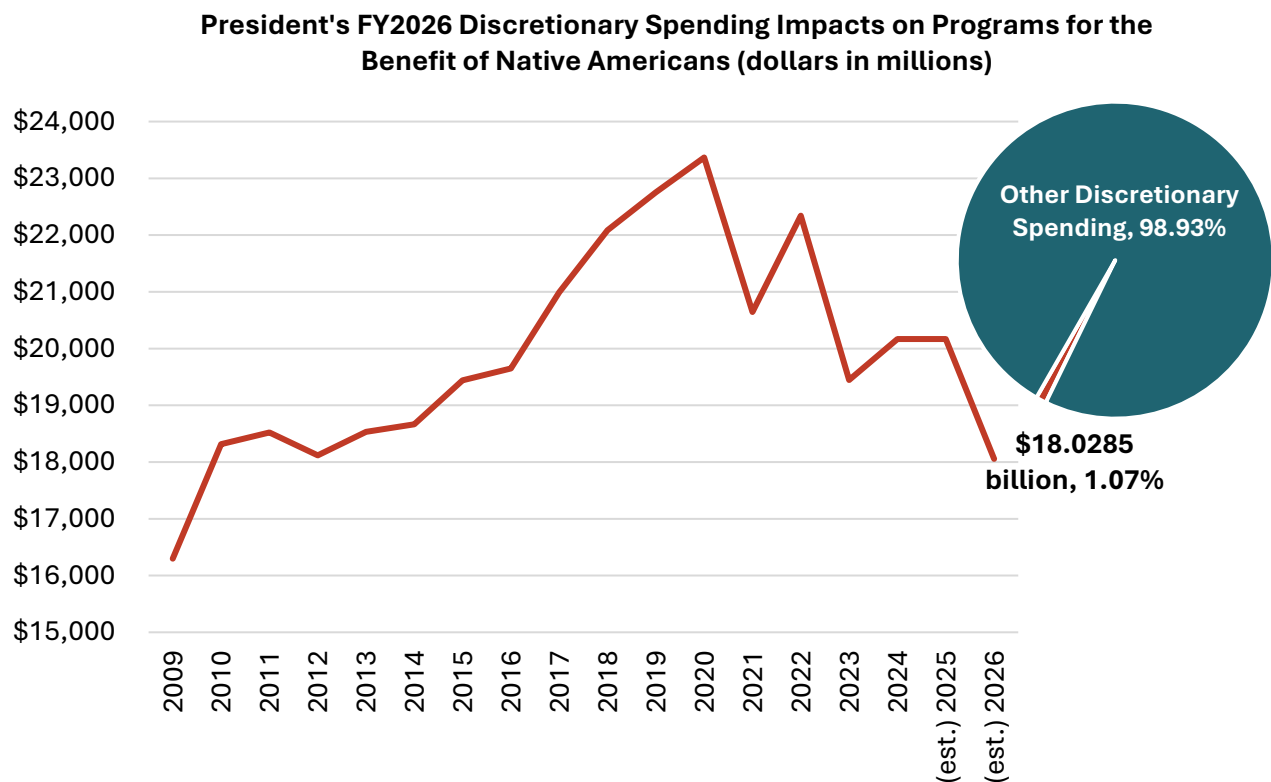
**FY 2026 Presidents Budget Request
(May 2 materials)**



Supplemental Defense and Security (+\$163.1 billion)	-	Regular Non-Defense Discretionary (\$163.1 billion)	-	Bipartisan Infra. Law and supplemental (\$139.9 billion)	=	FY 2026 Presidents Budget Request to Congress (\$1.69 trillion)
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The President's budget recommends that Congress rescind, or take back, certain funds and assumes that Congress will enact additional spending as part of the ongoing Budget Reconciliation process in Congress. Sometimes, those amounts are made clear in the May 2 materials, and others, they are referenced as part of descriptions of totals. This means that the current budget request information includes (1) money given away and (2) money that may not be received as part of the FY 2026 total. The effect is that, **just like the grand total, each agency total will include increases and decrease to meet a net spending total.**

The President's May 2 budget materials describe increases, cuts, reductions, and consolidations. However, for some agencies, the total amount of changes identified are less than the total amount of changes recorded in the May 2 budget materials, Tables 1 or 2.¹ **This suggests additional reductions in funding will likely be in the agency justifications, once they are released.**



The President's May 2 budget materials currently indicate \$18.03 billion in budget authority for federal programs that benefit Native Americans² **(-\$2.14 billion, -11%).**

¹ [Fiscal-Year-2026-Discretionary-Budget-Request.pdf](#) at PDF pages 43-46.

² This analysis uses the programs listed in the FY 2025 Native American Funding Crosscut as the framework for analyzing the President's FY26 Budget Request. Certain grant awards for competitive grant programs in the Crosscut cannot be analyzed in dollar totals because there is no money awarded in a budget request. This analysis will clearly identify those situations and analyze the proposal for impacts on grant awards.

The President's May 2 budget materials indicate the following reductions and increase:

- Reductions in funding (**-\$724 million, -33%**) for the Department of the Interior (DOI) Indian Affairs (IA) Operation of Indian Programs, including base funded accounts that directly support tribal operations.
 - -\$617 million for programs such as roads, housing, and social services “to focus on core priorities for tribal communities, such as law enforcement.”
 - -\$107 million for law enforcement to “reduce redundancies and inefficiencies,” encouraging tribal governments to apply for Department of Justice (DOJ) and Department of Homeland Security (DHS) grants.
- Reductions in funding (**-\$187 million, -70%**) for Bureau of Indian Education (BIE) construction accounts.
- Elimination of the Indian Guaranteed Loan Program (**-\$8 million, -100%**) and the Indian Land Consolidation Program (**-\$13.9 million, -100%**).
- The return of prior funding (**-\$2 million**) for the Office of Navajo and Hopi Indian Relocation, as the office is closed, and residual responsibilities are transferred.
- Elimination (**-\$13.6 million, -100%**) of Fish and Wildlife Service (FWS) grants to Tribes.
- Reductions in funding (**-\$456.7 million, -32%**) for U.S. Housing and Urban Development (HUD) Native American Programs.
- Reductions and eliminations in Department of Education programs (**-\$288.9 million, -87%, estimate³**).
- Elimination of the Low-Income Home Energy Assistance Program (LIHEAP), including the amount for tribes (**-46.6 million, -100%**).
- Elimination of Administration for Children and Families (ACF) Community Service Block Grants for tribes (**-\$6.9 million, -100%**).
- Elimination of Substance Abuse and Mental Health Service Administration (SAMHSA) programs not included in state block grants, disproportionately impacting tribal programs (**-\$139.8 million, -69%**).
- Reductions in funding for the Clean and Drinking Water State Revolving Funds (**-\$4.6 million, -23%**).
 - The phrasing in the President's May 2 budget materials indicate reductions in funding greater than the annual appropriation. There is a high chance that Environmental

³ This amount applies the agency-wide 15.3% reduction to every program at Department of Ed. for the benefit of Native Americans that is not identified as protected in the President's May 2 budget materials. The budget proposes the consolidation of multiple accounts that currently have tribal set-asides. The amounts in category “Other” in the Native American Crosscut includes unspecified amounts from several programs. Without additional detail, this estimate references the potential impact of an across-the-board reduction to programs not protected.

Protection Agency (EPA) will propose to give back Bipartisan Infrastructure Law funding, which could impact programs that benefit Native Americans.

- Elimination of the EPA's Environmental Justice program, including the Government-to-Government Program (**-\$27.1 million, -100%**).
- The return of funding for certain EPA renewable energy and carbon capture grants from the Bipartisan Infrastructure Law (**-\$15.9 million, -100%**).
- The return of funding for the DOI Ecosystem Restoration Program (Justice40) from the Bipartisan Infrastructure Law (**-\$58.1 million, -100%**).
- Elimination of National Parks Service (NPS) funding for Tribal Historic Preservation Officers (THPOs) (**-\$23 million, -100%**).
- Elimination of NPS National Recreation and Preservation grants and reductions in Operation of the National Park System (**up to -\$13 million, -100%**).
- Elimination of Department of Agriculture (USDA) Rural Development programs other than Water and Waste Disposal Grants (**-\$84.3 million, -69%**).
- Elimination of funding for the Native Community Development Financial Institution Program (CDFI) (**-\$28 million, -100%**).
- Elimination of funding for the Small Business Administration's Native American Outreach (**-\$5 million, -100%**).
- Elimination of the Minority Business Development Administration, eliminating Native programs (**-\$6.5 million, -100%**).
- Elimination of the Institute of Museum and Library Services (**-\$10 million, -100%**).
- Elimination of the National Endowments for the Arts and Humanities (**-\$2.6 million, -100%**).
- An increase in funding for an EPA Indian Reservation Drinking Water Program (**+\$27 million, +775%**).

The President's May 2 budget materials also include certain statements on turning over lesser visited parks and preserving certain USDA funding for Tribal Colleges and Universities, while potentially eliminating others. However, the May 2 budget materials also include statements on the reduction of environmental programs and tax provisions it views as promoting the "Green New Scam" that could have additional negative impacts on programs that benefit Native Americans.

Conclusion and Next Steps

Even without the additional agency details, the current proposal from the Administration represents the lowest discretionary spending for the benefit of Native Americans in over 15

years. Particularly concerning is the President's proposed reduction in funding for programs that fulfill core trust and treaty obligations to Tribal Nations as part of a plan to make room for additional spending on defense and security. The Administration also proposes that Congress take back funds provided in earlier supplemental spending bills, which is part of the net reduction that makes things appear less destructive on the surface of the President's Budget. Taken together, the President's policy appears to be an effort to permanently impact trust and treaty obligations to Tribal Nations, in exchange for more regular and supplemental defense and security spending.

Detailed budget justifications from each of the reporting agencies are typically released in the next several days after this initial President's "skinny budget." For a more complete and thorough understanding, an additional review for net impacts to discretionary programs and potential impacts on mandatory programs will be completed once the detailed agency budget materials are released.

Moving forward, it will be critically important that Indian Country work in unity and in a bipartisan manner with Congress to restore funding to levels that honor trust and treaty obligations.

Analysis as of Saturday, May 3, 2025.