



# *The National Center* *for American Indian Enterprise Development*

Testimony  
of  
The National Center for American Indian Enterprise Development (The National Center)  
by  
Derrick Watchman, Chairman, The National Center Board of Directors  
on  
Making Federal Economic Development Programs Work in Indian Country  
for the  
Oversight Hearing  
of the  
Subcommittee on Indian and Insular Affairs,  
House Committee on Natural Resources

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Chairman Hurd, Ranking Member Leger-Fernandez, and Subcommittee members, I am Derrick Watchman, Board Chairman of the National Center for American Indian Enterprise Development and a citizen of the Navajo Nation. I am also the President and Owner of Sage Brush Hill Group, which advises clients on issues related to banking, gaming, finance, and economic development. Thank you for inviting me to present The National Center's views on "Making Federal Economic Development Programs Work in Indian Country" - a topic central to our daily operations and policy advocacy since our founding in 1969.

## **The National Center and Involvement with Federal Economic Development Programs**

As the largest and oldest nonprofit business service provider in Indian Country, The National Center is a driving force for supporting Indigenous entrepreneurs, the growth of their businesses, and economic development broadly in Tribal communities. Headquartered in Mesa, Arizona, with offices and operations across the country including here in our nation's capital, The National Center works to ensure that its clients acquire entrepreneurial skills, receive business assistance and training, meet potential business and financing partners, and receive procurement technical assistance to compete in private and public marketplaces, both nationally and internationally. We have worked with most of the Tribal Nations in the United States and assisted hundreds of thousands of Tribal- and other Native-owned businesses. Last year, the National Center's nearly 2,700 clients earned \$855 Million in contract awards. Our work took us to 26 states and three countries. In March, The National Center will host its 40<sup>th</sup> annual Reservation Economic Summit, commonly known as RES, where more than 5,000 people will gather for four days of training workshops, informative sessions, inspiring speakers, business matchmaking meetings, and a large trade show featuring both Native and non-Native owned enterprises.

The National Center raises and deploys its funds to provide these business services, in part, through grants and cooperative agreements with federal agencies. So, we know firsthand about making federal economic development programs work in Indian Country. With few exceptions, before 1970, only the Bureau of Indian Affairs (BIA) offered such programs. BIA struggled with limited

funding and antiquated rules, like those for the 1910 Buy Indian Act. The National Center took advocacy into its own hands to broaden existing programs and create new ones specifically designed to overcome barriers to business and procurement assistance, capital access, employment opportunities, and other development tools. Other Native-serving organizations soon joined us.

The National Center discusses its policy initiatives at <https://ncaied.org/what-we-do/policy-advocacy.html>. Next week, we will release an updated Policy Brief that outlines the economic development policy recommendations endorsed by us and 17 other contributing Native organizations, including the National Congress of American Indians (NCAI), Native American Financial Officers Association (NAFOA), Native American Contractors Association (NACA), National American Indian Housing Council (NAIHC), Indian Gaming Association (IGA), Native CDFI Network (NCN), United South and Eastern Tribes (USET), Affiliated Tribes of Northwest Indians (ATNI), Great Plains Tribal Chairmen's Association, ANCSA Regional Association, Intertribal Agriculture Council, Native Farm Bill Coalition, and American Indigenous Business Leaders. We will be happy to share the new Policy Brief with the Subcommittee.

### **Backdrop for Assessing the Need to Help Federal Programs Work for Indian Country**

The Trump Administration has stated some of its top priorities are expanding U.S. economic prosperity and making life more affordable for the American people. These policy priorities could benefit Indian Country by modernizing the tax code to provide relief to businesses and individual taxpayers; reducing federal red tape through deregulation; increasing federal and other investments in rural economic development; and strengthening local control to allow communities to make decisions that fit their own needs. President Trump has stated his first principle is to “respect tribal sovereignty and self-determination” through a commitment “to empower Native American communities with the resources they need to promote self-determination.” Application of the above-mentioned priorities to benefit Indian Country will require full embrace of Tribal Nations’ sovereign status and robust support – through policies, regulations, effective and flexible programs, and ample funding – that accelerate proven Tribal ability to drive economic and job growth not just for Indian Country, but for all of America.

As we will note below, important steps have already been taken. The Administration has enhanced the ability of Native and other Community Development Entities working in Indian Country to access elusive financing for vital economic and community development projects on Tribal lands through permanent authorization of the New Markets Tax Credit program. The Department of Treasury finally published long-awaited regulations that will eliminate barriers to Indian Country economic development by clarifying U.S. tax provisions governing the tax status of wholly owned Tribal entities and Tribal general welfare exclusion determinations. And various Departments have made efforts to strengthen or restore federal funding commitments to Tribal Nations.

Jeopardizing the Administration’s progress in advancing economic development in Indian Country are sweeping actions that have acutely affected Tribal Nations. A survey conducted last spring that solicited the views of Tribal and other Native leaders and staff, identified the following concerns:

- freezing federal funding streams that disrupt critical Indian Country programs and services;
- rescinding funding agreements, resulting in loss of hundreds of millions of already allocated dollars designed to benefit Tribal, local, and regional economies;

- canceling and deprioritizing Small Business Administration (SBA) 8(a) contracts with qualified Tribal and individual Native-owned businesses, which endangers economic growth in Indian Country, especially in rural areas;
- reducing the federal workforce in offices primarily serving Indian Country, hampering operational responsiveness and delaying critical funding, services, and technical assistance;
- closing regional federal offices that sustain longstanding working relationships with Tribal Nations, threatening the quality and timeliness of federal service delivery and inhibiting the federal government's ability to assess and respond to Indian Country economic conditions; and
- disrupting public services in areas such as education, healthcare, public safety, and food security.

Now more than ever, Indian Country stands strong to meet the challenges we face. In addition to coordinating our 18 partner organizations to endorse economic development requests in our Policy Briefs, The National Center joined the Coalition on Tribal Sovereignty (CTS) last year. The CTS formed as a unifying voice of national and regional inter-tribal policy-oriented, non-profit organizations to engage with federal policymakers on critical issues affecting the sovereign interests, rights, and authorities of Tribal Nations, tribal citizens, and community members across the United States. The CTS website contains valuable resources to inform federal and Tribal decision makers and others on federal policies and their impacts on Tribal Nations and Tribal communities. To inform the Subcommittee's work, we encourage frequent review of the resources posted on CTS website: <https://coalitionfortribalsovereignty.org>.

### **Overview of Statutes Authorizing Federal Economic Development Programs**

Turning to the topic at hand, The National Center welcomes the chance to explain how we have worked with Congress to discuss problems, find solutions, and mobilize to enact needed legislation to improve program delivery of more prominent federal economic development programs.

### **Programs Designed for Indian Country Work When Funded and Well Deployed**

President Nixon's embrace of tribal sovereignty and self-determination heralded a positive change in addressing the enormous need for economic development in Indian Country at the federal level. Through Executive Order 11458 of 1969, President Nixon established the Office of Minority Business Enterprise with an advisory council making recommendations (including from the National Center) that evolved into the Minority Business Development Agency (MBDA) by 1979. When MBDA created its Business Center program, the National Center applied for funding that led to operation of Native American Business Enterprise Centers (NABECs) by us and other successful applicants. NABECs continued until 2012 when MBDA terminated their funding in favor of MBDA Business Centers. Heeding Indian Country requests to reinstate funding targeted to Indian Country, Congress began directing that MBDA make at least \$4-5 million available for grants to American Indian, Alaska Native, and Native Hawaiian entities qualified to provide business, financing, and technical assistance services. Last year, policy changes resulted in grant terminations and near elimination of MBDA, including a grant to The National Center to operate the Arizona MBDA Export Center. However, Congress honored MBDA's statutory authorization in 2022 by appropriating it \$50 Million for FY2026 and allocating \$4 million for Native grants.

By the mid-1970s, Congress enacted three significant laws that further strengthened the federal-to-tribal government-to-government relationship. One was the **Indian Finance Act of 1974** that authorized the Indian Loan Guarantee and Insurance Program and what has become the Indian Incentive Program. Another was **The Native American Programs Act of 1974** that established

the Administration for Native Americans (ANA), now housed within the Department of Health and Human Services (HHS) to promote economic and social self-sufficiency for American Indians, Alaska Natives, Native Hawaiians, and Pacific Islanders. ANA provides grants for community-driven projects, including social development, environmental regulatory enhancement, and language preservation. The third law, the landmark **Indian Self-Determination and Education Assistance Act of 1975**, advanced tribal sovereignty by allowing Tribal Nations to manage and operate BIA and Indian Health Service (IHS) programs under 638 and Self-Governance regulations. These three laws led to better targeting of funds for community and economic development in Indian Country. For example, the BIA has used Section 638 authority to transfer funds directly to a Tribal Nation for economic development and has awarded grants for feasibility studies to prepare for project development. The BIA also oversees the **Indian Loan Guarantee Program** that provides essential support to Indian Country borrowers by incentivizing private sector banks to finance business and economic development benefitting Native communities.

The successful **Indian Incentive Program** evolved quite differently. Although written to authorize a contractor of any federal agency to be allowed an additional 5% of the amount paid to an Indian organization or Indian-owned economic enterprise, Congress later opted to direct implementation for Defense procurement (the vast majority of federal contracting). With funding appropriated since 1991, Defense prime and sub-tier prime contractors are eligible to apply for a 5% Indian Incentive for work they subcontract to and is performed by a Native-owned contracting company. Despite its limited implementation, the Indian Incentive Program has helped Native businesses market their products and services, secure contracts, grow their companies and their employees' skills, and generate revenues that flow back to their Native communities.

In 1986, Congress amended the **Small Business Act's Section 8(a)** to allow Indian Tribes and their members with small business concerns to apply to participate in the 8(a) Business Development contracting program. The 8(a) program has been tremendously successful, enabling Tribes and Native-owned businesses to provide critical products and services across federal agencies. The benefits of the program flow back to tribal communities. Despite recent attacks and negative depiction in the news, the 8(a) program remains a critical tool for both federal procurement officers and Tribal economic development. It should be preserved, strengthened, and utilized more extensively where feasible.

In 1987, Congress amended the National Defense Authorization Act to allow the Procurement Technical Assistance Program, now the **APEX Accelerator Program**, to accept applications from Indian organizations or economic enterprises for a cooperative agreement to provide procurement technical assistance to help expand the industrial supplier base with Native businesses capable of participating in the government marketplace. The National Center applied to open the first Native procurement technical assistance center and has since expanded its operations to three BIA Service Areas (covering 33 states). Ours - The National Center APEX Accelerator - is one of the six current Native centers in operation, along with 90 other statewide, regional, and local APEX Accelerators nationwide. Many of the contract awards referenced at the beginning of this testimony are the product of the expert assistance our APEX Accelerator team provides to its clients.

Subsequently, numerous laws were amended, or enacted anew, with provisions specifically designed to overcome barriers and improve deployment of federal program support for business and economic development in Indian Country. Among these are:

**The Community Development Banking and Financial Institutions Act of 1994.** This Act authorized the CDFI Fund to provide technical assistance grants to applicants, including Native entities, to develop CDFIs, and financial assistance grants to help established CDFIs grow their lending capacity. The CDFI Fund then developed its Native American CDFI Assistance (NACA) Program to spur creation of Native CDFIs and provide essential “seed” capital to enable emerging and smaller Native CDFIs to grow toward financial sustainability. For the nearly half of Indian Country that lies in banking deserts, Native CDFIs serve these communities that would otherwise suffer without any other locally rooted financial institutions to provide them needed capital and technical assistance. The NACA program directly aligns with the Trump Administration’s priorities of strengthening American capitalism, expanding small business development, creating jobs, and addressing severe housing shortages across Indian Country. However, the Office of Management and Budget (OMB) has to date ignored Treasury and Congressional objections to OMB dismantling the CDFI Fund and terminating its staff and grants to Native and other CDFIs.

The National Center strongly supports the efforts of the Native CDFI Network and our other collaborating organizations to compel OMB and Treasury to disburse immediately the FY 2025 funding that Congress appropriated for the NACA Program that OMB has withheld for the past 11 months. A recent survey revealed that continued withholding of these funds will severely impact Native CDFIs by hampering their ability to meet existing loan demand for first-time homebuyers and entrepreneurs, delaying urgently needed new low-interest loan products, reducing CDFIs’ capacity to provide hands on technical assistance, and making it harder to leverage long-term, low-interest private capital for small business, housing, and consumer lending especially in rural areas.

We urge the Subcommittee to press OMB and Treasury to 1) release these FY 2025 funds for Native CDFIs without further delay; 2) abandon any plan to abolish the CDFI Fund; and 3) protect its staff from further reduction in force (RIF) actions. The CDFI Fund staff carry out essential work, including disbursing NACA funding, administering NMTCs that drive Indian Country economic development, and certifying Native CDFIs, which unlocks significant additional capital for vital projects. We are hopeful that Congressional approval of \$324 million for the CDFI Fund, with \$28 million allocated for NACA grants and activities, for FY 2026 will preserve this valuable financing program so well suited to Indian Country. We join our Indian Country partners in calling on Congress to increase funding for the NACA Program to \$50 million for FY 2027.

**The Native American Housing Assistance and Self-Determination Act of 1996.** Known as NAHASDA, the Act addressed problems faced by many American Indians and Alaska Natives living in tribal areas with high poverty rates, dilapidated housing, poor infrastructure, and limited access to financing. Given the legal status of trust or restricted lands, they cannot be used as collateral for mortgage loans for single homes or multi-family developments. NAHASDA addressed these issues by reorganizing federal housing assistance to award a single Indian Housing Block Grant to a Tribal Nation or Tribally Designated Housing Entity (TDHE) to use for a range of affordable housing activities and tribal self-determination flexibility. The block grant formula has enabled Tribal Nations and TDHEs to build, acquire, and rehabilitate more than 110,000 homes – tripling housing production on Tribal lands over the past three decades. NAHASDA also includes the Title VI loan guarantee program, the Native Hawaiian Housing Block Grants Program, and works in tandem with the Indian Community Development Block Grant Program that awards competitive grants for housing rehabilitation, infrastructure and economic community development projects like water, sewer, and community building construction. Congress must reauthorize NAHASDA with improvements to support more housing construction and other community development projects that generate jobs, and business opportunities.

**The Native American Business Development, Trade Promotion and Tourism Act of 2000.**

The Act codified the Office of Native American Business Development (ONABD) reporting to the Secretary of Commerce, and authorized numerous initiatives to promote and expand Indian Country business development, trade, and tourism. Unfortunately, implementation of this Act has been negligible. During the Bush Administration, the MBDA Director designated himself as the ONABD Director. After pushback from Indian Country, a Native professional took on the job with approximately \$200,000 provided by MDBA. Since then, a Native professional has served as Director but the Office still lacks sufficient funding for full operations. More on this subject later.

**The Energy Policy Act of 2005.** Tribal Nations control 25% of the country’s onshore oil and gas reserves, 3.5% of its wind energy potential, and 5% of its solar energy potential. To facilitate tribal development of their resources, Title V of this Act codified the Department of Energy (DOE) Office of Indian Policy and Programs and authorized the Tribal Energy Loan Guarantee Program (TELGP). The Office, which I led as Director well before its formal authorization, now receives more robust funding and successfully provides technical assistance and support to advance energy projects and energy development in Indian Country. For FY26, Congress approved \$75 million for the Office. However, the TELGP authority lay dormant for years until Congress approved initial funding of \$9 million. The first Trump Administration developed implementing regulations to launch the program. Congress has appropriated \$6.3 million annually for the TELGP and has urged DOE to simplify the application process. Congress also should urge DOE to abandon its interpretation of “double dipping” barring a project with a federal loan guarantee from receiving federal funding for other purposes. DOE’s erroneous position prevents Tribal Nations from accessing Tribal Energy Financing Program (TEFP) funding, stifling approval of 19 of the 20 applications submitted since 2017. DOE also should heed the Government Accountability Office recommendations to “reduce the length and complexity of the application process for Tribes” and “provide additional training to build tribal competence and knowledge of tribal energy finance.”

**The Native American Tourism and Improving Visitor Experience Act of 2016.** The NATIVE Act authorized DOI, in collaboration with Commerce, to boost Native tourism, culture and economic development by integrating Indian Tribes and Native Hawaiian Organizations into federal tourism planning. Congress intended the Departments to provide resources and enhance cultural experiences on federal lands to showcase Indigenous heritage, create jobs, and build sustainable tourism infrastructure. As a specific initiative, Congress directed DOI and Commerce to develop Native tourism plans and then enter into a Memorandum of Understanding (MOU) with a qualified entity to assist Indian Tribes, Tribal Organizations and Native Hawaiian Organizations in building capacity to promote and engage in cultural tourism. Pursuant to the MOU provisions, Interior awarded The National Center a cooperative agreement in 2024 as a Tribal-serving organization having the requisite experience to assist Indian Tribes, Tribal Organizations, and Native Hawaiian Organizations build their capacities to promote and engage in cultural tourism. The grant funding was subsequently reduced, then discontinued, but not officially terminated. The National Center detailed its successful performance in the report required and received by DOI. Yet, we have received little guidance, and no information on use of funds appropriated for MOU work. The National Center has the requisite expertise to continue assisting Indian Tribes, Tribal and Native Hawaiian Organizations as Congress intended if given the opportunity to do so.

In addition, technical assistance provided through the **Indian Incubators Program** could help tourism-based businesses. DOI should provide the prescribed cooperative agreement funding using enacted FY 2026 Interior Appropriations as directed by Congress in its Joint Explanatory Statement to carry out activities implementing the NATIVE Act and supporting Indian Country

businesses through the Indian Business Incubator Program. Most pertinent to this Subcommittee’s agenda, The National Center requests that any amendments to the NATIVE Act include authorization of additional funding to implement the Act’s MOU provisions, as well as other activities, and eligibility of Tribal-serving organizations like ours for any NATIVE Act grants.

**The Indian Community Economic Enhancement Act of 2020.** Sponsored by Senator John Hoeven (R-ND), then-Senate Indian Affairs Committee Chairman, this “catch all” measure responded to persistent requests by The National Center and its partner Native organizations to improve several of the federal economic development programs already mentioned in this testimony. The Act’s Findings in Section 2 list many challenges that continue to hamper Indian Country development. Also note:

Section 3 amended the 2000 Act that codified Commerce’s Office of Native American Business Development (ONABD) to require its Director to report directly to the Secretary, authorize an annual budget of \$2 million, and prescribe additional duties for the Director to fulfill on behalf of the Secretary. For FY2026, Congress finally directed that \$2.5 million of Commerce funding (through MBDA) be allocated to the ONABD. The Subcommittee should urge appointment of the Director and fulfillment of the ONABD’s pivotal duties.

Section 4 expanded the Buy Indian Act by directing the DOI and HHS secretaries to use Buy Indian procurement authority beyond BIA and IHS unless they determine such use is impracticable and unreasonable. HHS was directed to update its implementing regulations in parallel with DOI’s much improved 2013 rules. Both Departments were required to provide more outreach and training on expanded use of Buy Indian authority, institute procurement management reviews, and submit periodic reports to Congress to ensure greater Buy Indian procurement utilization, enforcement, and transparency. Subsequently, DOI and HHS updated their regulations and increased their Buy Indian contracting substantially, reporting \$2.9 billion in contract value awarded to Indian businesses and contractors in FY2023. Congress should request reports on their respective Buy Indian Act procurements for FY2024-2025.

Section 5 reauthorized the Native American Programs Act administered by the ANA and directed that half of its funds be deployed for Social and Economic Development Strategies (SEDS) grants. Priority was given to SEDS grant applications proposing: 1) development of a Tribal code or court system for purposes of economic development, including commercial codes, training for court personnel, and development of nonprofit subsidiaries or other Tribal business structures; 2) development of Native CDFIs, including training and administrative expenses; or 3) development of a Tribal master plan for community and economic development and infrastructure. For FY26, Congress approved about \$63.5 million for ANA SEDS and other grant programs, with a \$16 million allocation for Native language immersion and preservation. Using its existing funds, the ANA recently awarded The National Center a SEDS grant for a Tribal Procurement Policy Technical Assistance Project to accelerate economic growth in Tribal communities. The project – Native Edge: Tribal Economic Acceleration - will involve research and technical assistance to help Tribal Nations develop and strengthen their own procurement laws and policies to increase contract awards to businesses owned by their own citizens and other Native people.

**The Native American Incubators Program Act of 2020.** For decades, The National Center and its partner organizations urged enactment of legislation designed specifically to deploy small business development assistance by Native entities experienced in providing such services in Indian Country. The National Center urged expansion of the SBA’s Small Business Development

Centers Program to include Native-focused centers, to no avail. SBA awarded one Native community navigator grant, but it discontinued that project. As noted earlier, MBDA funded NABECs for many years, but it ceased that robust program in favor of smaller grants to a few Native entities to provide technical assistance. Congress finally opted for a detailed authorization of \$5 million annually for DOI grants to incubate Tribal- and other Native-owned businesses. DOI implemented its Indian Incubators Program and awarded one round of grants. Its intended solicitation for a second round never materialized. Congress appropriated what is effectively two or three years of full funding. For FY26, Congress approved funds for BIA's Community Development account with a directive that the FY24 funding levels be allocated to support the Incubators Program and NATIVE Act activities. Congress should extend the program's authorization and full funding to afford support for additional Indian incubators.

**The Thomas R. Carper Water Resources Development Act of 2024.** The Act authorized Commerce's Economic Development Administration (EDA) to hold Tribal consultations to develop a strategic plan for Indian Country economic development. This plan should ensure EDA grants continue dedicated initiatives like the Indigenous Communities program and other activities to support Tribal Nations' efforts for planning, infrastructure, improvements, and leveraging economic assets for workforce development, innovation and entrepreneurship, and manufacturing. Commerce should establish the EDA Office of Native American Affairs with dedicated staff to ensure it and other Commerce agencies help advance Indian Country economic development.

### **Other Acts Supporting Indian Country Economic Development**

In addition to the above programs the National Center has navigated, other laws have created programs that foster business and economic development in Indian Country, for example:

**The Helping Expedite and Advance Responsible Tribal Home Ownership Act of 2012.** Amending the Indian Long-Term Leasing Act of 1955, the HEARTH Act created a voluntary, more efficient land-leasing process whereby Tribal Nations may develop and submit their own leasing regulations that are consistent with BIA's regulations. Once DOI approves the Tribal Nation's regulations, those regulations will govern the negotiation, approval and oversight of the Tribal Nation's surface leases on Tribal trust and/or restrict lands for: business, agricultural or residential uses; wind and solar leases, and wind energy evaluation leases; and religious, educational, recreational, cultural or other public purposes. Tribal Nations have used HEARTH Act regulations to create economic development opportunities for their citizens by making flexible leases available for business, agricultural, and residential purposes. These lease agreements advance Tribal Nations' land management and development priorities, in part because they can streamline processing and lease approvals more efficiently and timely than the standard BIA process. We encourage the Subcommittee to work with DOI to expand its outreach to and training of Tribal leaders and staff about how to develop these Tribal HEARTH Act regulations and conduct Tribal consultations on the program's implementation to identify areas for improvement.

We also applaud the Subcommittee for advancing Rep. Dusty Johnson's bill, H.R. 2130, the Tribal Trust Land Homeownership Act of 2025 (companion to S. 723 by Senator Thune) setting stricter requirements and deadlines for BIA processing and approving, or disapproving, proposed residential and business leasehold mortgages, land mortgages, right-of-way documents, and certified title status reports. As delays in BIA processing and certifying mortgages disincentivizes lenders and reduces homeownership and business opportunities, we hope consideration by now three Congresses will be the "charm" that brings enactment.

### **The American Rescue Plan Act of 2021 -- State Small Business Credit Initiative (SSBCI).**

The Act established the 10-year SSBCI, with terms, conditions, timetables, and significant funding allocated for Tribal Nations (over \$700 million) to design and administer small business credit support programs that cultivate small business start-ups and growth, job creation, and other economic benefits for their communities. The Department of Treasury's Office of Tribal and Native American Affairs has successfully implemented and managed this initiative, but reportedly Treasury may be considering reversing the Act's mandate that all SSBCI funds be defederalized in 2031 to accrue to each SSBCI recipient as unrestricted income to ensure their programs' long-term sustainability. Further, Treasury may withhold all undeployed SSBCI funds after 2028, three years before SSBCI legally sunsets. The Administration must stand true to the terms and commitments that Tribal Nations and their partner Native CDFIs agreed to as a condition of accepting SSBCI dollars. We urge Congress to (1) discourage such Treasury actions, and (2) approve funding for the SSBCI program each year for the remainder of its 10-year term.

### **Recommendations for Subcommittee Considerations**

Below, The National Center offers broad recommendations and then proposes specific improvements by federal department and agency:

**Press for High-Level Leaders of Native Affairs Offices:** As noted earlier, several federal departments and agencies support a high-level office dedicated to Native American affairs. The Indian Gaming Regulatory Act authorizes nomination of the Chair of the National Indian Gaming Commission (NIGC). Other office heads report directly to the top, whether pursuant to statute (at Interior, Energy, Commerce, Justice, and Transportation), or administrative action (at USDA, Treasury, OMB, HHS, Labor, VA, SBA, FCC, DHS). We ask the Subcommittee to support and reinforce Indian Country's efforts to press the White House Presidential Personnel Office to identify, nominate, appoint, and hire qualified Native professionals to head these important offices. Experienced Native leadership is essential for these offices that are expected, if not required, to ensure their department or agency complies with government-to-government consultation policies and properly implements the federal programs it administers to advance the interests of Tribal Nations and Indian Country. For example, the positions of the NIGC Chair, the Director of Commerce's Office of Native American Business Development, the OMB Tribal Policy Advisor, and the Assistant Administrator of SBA's Office of Native American Affairs have long been vacant and need to be filled immediately.

**Support Legislation to Authorize Permanent Native Affairs Offices:** Congress should make permanent, with ample dedicated funding, the various Native Affairs Offices that currently operate with uncertainty. Top priorities for codification are the Office of Tribal and Native American Affairs with its Director reporting to the Treasury Secretary, and the Office of Native American Affairs within SBA with an Associate or Assistant Administrator reporting directly to the SBA Administrator. Treasury's Office, created in the Treasurer's Office during the first Trump Administration, has ensured that Indian Country's distinct needs are understood and addressed by top-level Treasury policymakers. The SBA's Office ensures coordination with all SBA programs to expand and improve outreach services and manage SBA funds allocated for Native American Outreach activities to assist Tribal Nations, Tribal enterprises, and Native-owned small businesses.

**Stem Reductions in Force and Increase Funding to Close Staffing Shortfalls:** As noted previously, numerous federal agencies' programs suffered reductions in staff and funding. The suffering extended through either temporary or permanent termination of grants to or contracts

with Tribal Nations, Tribal educational institutions, Tribal healthcare programs, Tribal serving organizations, and Tribal-owned and Tribal member-owned 8(a) contracting companies. The National Center and Native American Contractors Association worry that significant personnel reductions have left SBA severely understaffed. Historically SBA's review and approval of Native 8(a) applications have taken many hours, but not months. The staffing shortfalls and excessive workloads not only delay actions and approvals that result in small businesses losing contracting opportunities, but they may put SBA at risk of rushed reviews that may miss issues or enable bad actors to exploit gaps in oversight.

## **National Center Recommendations by Department or Agency**

### **Department of the Interior**

Continue funding and implement existing NATIVE Act requirements, including the prescribed DOI-DOC-Tribal serving entity to assist Indian Tribes, Tribal Organizations, and Native Hawaiian Organizations to build their capacities to promote and engage in cultural tourism. If the Subcommittee considers amendments, we urge they include authorization of additional funding to implement the Act's MOU provisions, and continued eligibility for Tribal serving organizations like ours for cooperative agreements and grants.

Continue implementation of the **Indian Business Incubators Program**, reauthorizing it, if necessary, with at least level funding to allow additional applicants to participate.

Ensure DOI meets or exceeds current usage of **Buy Indian Act** procurements by requesting a report on the total number and value of Buy Indian procurement awards for FY2024-2025.

Advocate for more robust funding for BIA's Economic Development programs, especially the **Indian Loan Guarantee Program**, more staff with banking experience, and higher cap on the total value of guaranteed and insured loan principal, as the FY2026 did.

### **Department of Commerce**

Fully establish the **Office of Native American Business Development** (ONABD) with a qualified Director reporting directly to the DOC Secretary (as provided in Public Laws 106-464 and 116-261). And disburse the \$2.3 million in FY2026 funds that Congress allotted for the ONABD so that its Director and support staff can launch operations to fulfill the multiple statutorily prescribed to expand business development, trade promotion, and tourism within Indian Country, and externally facilitate the regulatory reforms determined necessary to enhance such economic development and commercial expansion. Key ONABD responsibilities include: ensuring DOC agencies conduct Tribal Consultations as needed; serving as DOC's economic development lead on Native American programs; implementing the DOI-DOC MOU with the entity engaged to carry out the requirements of the NATIVE Act; coordinating with other Cabinet departments and agencies; conducting outreach to Tribal Nations, Tribal enterprises, and Native businesses; and enhancing business and financial management training.

Establish an **EDA Office of Native American Affairs** with dedicated staff to assist Tribal Nations, EDA, and other DOC agencies to advance Indian Country economic development.

Advocate allocation of at least \$4 million for **MBDA Native entity grants** to continue support for the business, financing, and procurement technical assistance services that Native businesses need to develop stronger private sector capabilities and contribute to the national economy.

## **Department of Defense**

Ensure that the Department's Native 8(a) and other contract reviews properly apply regulations, recognize mission-critical work confirmed by senior military leaders, and consider the national security value and transition costs associated with contract terminations.

Advocate for a high-level Indian Country representative who reports to the Secretary on policies and programs impacting Tribal Nations, Tribal, and other Native contractors.

Support robust funding for the **Native APEX Accelerators** that provide procurement technical assistance throughout the 13 BIA Service Areas and for the Indian Incentive Program applicable to prime and sub-tier defense contractors that award subcontracts to Native contractors.

## **Department of Health and Human Services**

Ensure HHS meets or exceeds its current usage of **Buy Indian Act** procurements by requesting a report on the total number and value of Buy Indian procurement awards for FY2024-2025.

Advocate for the ANA to disburse the \$63.5 million allocated for FY2026 to fund grants for SEDS projects and \$16 million for Native language immersion and preservation.

## **Department of the Treasury**

Press OMB and Treasury to release withheld FY2025 funds for **Native CDFIs**, deploy the \$28 million Congress provided for FY2026 to support technical assistance and financial assistance grants for Native CDFIs, retain the CDFI Fund and its staff.

Ensure adequate funding for the **Office of Tribal and Native American Affairs** reporting to the Secretary and make the Office permanent by law with a budget of at least \$3 million.

Support **Tribal tax legislation** to: eliminate the "essential governmental function" restrictions on Tribal government bond issuances; provide for parity in tax treatment of Tribal Nations as taxing authorities (e.g., in collection of remote sales taxes and prevention of dual taxation); and extend tax credits and other tax incentives so as to spur investment in business, economic, energy, community and infrastructure development in Indian Country.

## **Department of Energy**

Continue support for the **Office of Indian Energy Policy and Programs** to expand its technical assistance and other support for development of energy projects in Indian Country.

Continue support, and increase flexibility, for the **Tribal Energy Loan Guarantee Program**, and abandon the erroneous "double dipping" interpretation that prevents a project funded with a Tribal Energy Loan Guarantee to receive federal funding for other purposes.

## Small Business Administration

Formally authorize the **Office of Native American Affairs** with an annual budget of at least \$5 million, headed by an Assistant Administrator with Indian Country experience who reports directly to the SBA Administrator, and administers the SBA's Native American Outreach to: 1) enhance, formulate and promote policies, programs and assistance that better address Native Americans' entrepreneurial, capital access, business development and contracting needs; 2) act as a Native American ombudsman and collaborate with other SBA divisions to develop and implement SBA policies and programs in ways that better serve identified Native American capital access, government contracting, business and entrepreneurial development needs; 3) provide financial and other assistance to deploy training, counseling and other educational outreach, workshops, supplier events, etc., in Indian Country; 4) and ensure that SBA conducts Tribal Consultations on policy and program modifications that could impact Tribal Nations and contractors or other Native businesses or entrepreneurs. For FY 2026, Congress authorized \$5.3 million for Native American Outreach. Multiple Congresses have viewed various iterations of bills to codify this SBA Office, and last Congress the House passed the bipartisan bill by Rep. Sharice Davids (D-KS) and Rep. Eli Crane (R-AZ) that we expect will be reintroduced soon. We urge this Subcommittee's leaders and members to sign onto and help advance that legislation once introduced.

Preserve and strengthen the **SBA's 8(a) program and Native participation** that improves access to capital, entrepreneurial development, and contracting for Tribal Nations, Alaska Native Corporations, Native Hawaiian Organizations, these entities' enterprises, and Native individuals or the companies they own. Native participation in federal contracting delivers substantial benefits to both Native communities and the taxpayer. In fiscal year 2023 alone, these programs generated over \$1.4 billion used to support education, healthcare, elder care, and economic opportunity in some of America's most underserved communities. Native business participation in this valuable business development program is not a DEI initiative, but rather a statutory requirement that advances the federal government's fulfillment of its trust and treaty obligations to Tribal Nations, Tribal citizens, and Tribal communities – a fact affirmed by the SBA Administrator.

Preserve the **“Rule of Two,”** whether in Federal Acquisition Regulations (FAR) or legislation, as it eliminates key barriers to greater Native participation in the 8(a) program and other small business contracting. The Rule of Two implements Congress's statutory directive that a “fair proportion” of federal contracting go to small businesses and should be recognized as statutorily mandated. While recent FAR revisions purport to retain the Rule of Two, there have been significant FAR changes that increase the risk that the Rule of Two will not function as intended.

### Conclusion:

Chairman Hurd and Ranking Member Leger-Fernandez, thank you again for inviting The National Center to testify today on this subject so central to our mission and extraordinarily important to Tribal self-determination and self-sufficiency and Indian Country as a whole. We would welcome further opportunities to collaborate with you and your staff in forging legislation to address the improvements we propose in our recommendations.