

**STATEMENT OF  
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ASSISTANT SECRETARY FOR INDIAN AFFAIRS  
UNITED STATES DEPARTMENT OF THE INTERIOR  
BEFORE THE UNITED STATES  
HOUSE COMMITTEE ON NATURAL RESOURCES  
SUBCOMMITTEE ON INDIAN AND INSULAR AFFAIRS**

**HEARING ON**

*“Advancing Tribal Self-Determination: Examining the opportunities and challenges of the  
477 Program”*

**March 20, 2024**

Aanii (Hello)! Good afternoon, Chair Hageman, Ranking Member Leger Fernández, and members of the Subcommittee. My name is Bryan Newland, and I am the Assistant Secretary for Indian Affairs at the U.S. Department of the Interior (Department or DOI). Thank you for the opportunity to discuss opportunities and challenges of Public Law 102-477 as amended (PL 477).

**Background on PL 477**

PL 477 allows Tribes to consolidate Federal funding from any of twelve agencies for employment, training, and related services programs based on a showing that a Tribe is implementing the funding for that purpose. PL 477 empowers Tribes to provide holistic service to clients through a “one-stop shop” model, a model especially poignant for clients who would benefit from assistance to support their continued employment, training, and self-sufficiency goals. Tribes with approved plans under PL 477 (477 plans) have reported a significant reduction of their administrative burden due to the consolidated funding streams and reporting requirements, which allows them to focus more on direct service delivery.

In passing Public Law 102-477 in 1992 (1992 Act), Congress intended to reduce unemployment in Tribal communities by creating employment opportunities consistent with the principle of Tribal self-determination. The 1992 Act was also intended to increase the effectiveness of employment and training programs by reducing and streamlining administrative requirements through the consolidation of budgeting, reporting, and auditing systems. However, the 1992 Act was only a demonstration project and applied only to programs of the Departments of the Interior, Labor, Education, and Health and Human Services.

In 2000, Congress amended the 1992 Act to allow Tribes and Tribal organizations more flexibility to use their funds for employment creation and to provide clarity on waiver requests in Tribal plans. In 2017, Congress again amended the law in the Indian Employment, Training and Related Services Consolidation Act of 2017 (P.L. 115-93) (2017 amendments). Congress made clear that the purpose of PL 477 is to facilitate the ability of federally recognized Tribes and Tribal organizations to integrate the eligible employment, training, and related services they provide from different Federal sources, and is aimed at reducing administrative, reporting, and

accounting costs. Congress also directed that the Department deliver any integrated PL 477 funding to a Tribe under contracting or compacting mechanisms established by the Indian Self-Determination Education and Assistance Act (P.L. 93-638) (ISDEAA).

Most notably in the 2017 amendments, Congress made the demonstration project permanent, and expanded PL 477 to include eligible programs from the Departments of Agriculture, Commerce, Energy, Homeland Security, Housing and Urban Development, Transportation, Veterans Affairs, and Justice. Today, there are twelve Federal Departments that are authorized to participate in PL 477 (Federal partners).

### **Interagency Memorandum of Agreement**

The 2017 amendments directed the Federal partners to enter into a Memorandum of Agreement (MOA) that governed implementation of PL 477. In the last Administration, the Federal partners signed an MOA that was written without Tribal consultation and was signed over the objection of Tribes. Tribal governments sought renegotiation of the MOA for several years thereafter.

In response, in October 2021, Vice President Harris committed that the Biden Administration would “renegotiate this agreement to support Tribal sovereignty.” After months of coordination with Tribes and Federal partners, in October 2022, each of the Federal partners signed an updated MOA that conforms closely to the statute and reflects the Administration’s commitment to supporting Tribal sovereignty.

The new MOA streamlines plan approval procedures and re-affirms the decisional authority of the Secretary of the Interior regarding Tribal PL 477 plan approval. This approach serves Tribal needs and furthers key Administration policies, such as encouraging Tribal sovereignty and self-determination to reduce joblessness in Indian country, streamlining service delivery, and improving Federal customer service.

At present, the Department is working with Federal partners and Tribes to update the annual reporting form that Tribes use after they have integrated their programs through PL 477. The Department looks forward to sharing more information upon completion of a consensus draft.

### **PL 477 Implementation and Successes**

The Department is proud of the success we and our Federal partners have achieved by promoting Tribal self-determination under PL 477. Executive Order 14112 (EO) builds on this success and furthers it by directing us to ensure that Federal programs provide Tribal Nations flexibility to improve economic growth, address the specific needs of their communities, and realize their vision for the future. The EO’s policies and directives will continue to guide the Department as we implement PL 477.

As of March 2024, the Department oversees seventy-eight 477 plans. Those plans represent 298 federally recognized Tribes, which is over half of all federally recognized Tribes. Following the renegotiated MOA, Tribes have integrated programs from seven of the twelve eligible Federal agencies into PL 477 plans: the Departments of the Interior, Health and Human Services, Labor, Commerce, Education, Housing and Urban Development, and Justice.

The Department observed a significant increase in Tribal proposals to integrate new Federal programs following the renegotiation of the MOA. Prior to 2023, there were just 18 programs integrated. After renegotiation of the MOA, Tribes proposed, and the Department facilitated agreement on, 26 new programs. These include programs from agencies participating in PL 477 for the first time—such as the Department of Commerce’s American Indian, Alaska Native, and Native Hawaiian Projects, and the Department of Housing and Urban Development’s Indian Housing Block Grant—and programs from agencies with a longer history in the PL 477 program—the Department of Education’s American Indian Vocational Rehabilitation Services program, the Department of Labor’s CAREER National Dislocated Worker Grants, and the Department of Health and Human Services’ Stephanie Tubbs Jones Child Welfare Services Program. From these programs, the Department facilitated the transfer of almost \$316 million to PL 477-participating Tribes and Tribal organizations in FY 23 and approximately \$242 million in FY 24 to date.

PL 477 is beneficial for Tribes because, in addition to consolidating funding streams to a single point of access at the Department, it also serves to consolidate reporting requirements from each of the Federal programs. Tribes with 477 plans submit a single report on their use of integrated funds, rather than multiple reports for each program. Consolidation of multiple budgets to a single budget reduces the duplication of services across programs, allows Tribes to better use those funds, and allows for the centralized evaluation of programs and operations. Tribes with integrated funds in PL 477 participate in annual A-133 financial audits, reviewed by the Bureau of Indian Affairs (BIA), and on-site monitoring reviews to ensure compliance with the approved 477 plan. The BIA has not found any significant incidents of non-compliance with 477 plans. The 477 model of consolidating funds and streamlining reporting has been a success—participating Tribes have stated that it is the best delivery system for those programs and meets their unique needs while also allowing for appropriate oversight of Federal funds.

The Department fosters collaboration with Federal partners by coordinating monthly and annual meetings on the implementation of PL 477 with all twelve Federal agencies and the Tribes and Tribal organizations that have approved PL 477 plans. These meetings serve as a forum to discuss programmatic questions about integrating Federal funding, reporting requirements, and implementation of administrative rules and program instructions that impact participating Tribes. The Department also provides technical assistance on request to Tribes interested in PL 477 and to Federal partners about integration. This takes a variety of forms, including regional and national technical assistance with participating Federal agencies and Tribes, participation in joint technical assistance with each of the participating Federal agencies, or joint technical assistance with the Department and other Federal partners to 477 Tribes at regional and national trainings on PL 477-related topics. The Department works to ensure that participating Tribes comply with statutory and regulatory requirements.

Finally, at this Subcommittee’s March 6, 2024 hearing, Chair Hageman referenced the ISDEAA as a mechanism for economic development that Tribes may use to do what they deem to be in their best interests. The ISDEAA certainly allows for this goal and, with the additional flexibilities of PL 477, Tribes have access to another economic development tool—in some circumstances they can reallocate funds for job-creation activities. Participating Tribes are aware of this and have included economic development and job-creation activities in their PL 477 plans. Economic development activities may include micro-loan programs, coffee shops, language revitalization technology, support for software and video game development, capital

investments in businesses, and childcare facilities. Job-creation activities include certification of traditional language teachers, cultural and historic tourism, licensed childcare providers, work experience, partnering post-secondary and vocational technology institutions with science, technology, engineering, arts and mathematics fields, and cultural or traditional arts and crafts.

### **PL 477 Areas for Continued Growth**

While the Department is proud of the successes that the Federal partners have achieved in implementing PL 477, the Department has identified areas for potential growth and refining of the PL 477 process.

First, under PL 477, DOI expects Federal partners to transfer funds to the Department 30 days after DOI's integration decision. Given the variety of funding systems in use across the Federal Government, the need to close out agency grants mid-project period, and the creation of different financial accounts for each transferring program, Federal partners may not complete transfers within 30 days, which may be a potential issue to further examine within the Federal Government. A delay in transferring funds may hamper Tribes' ability to deliver integrated services to Tribal citizens who are eligible for those services. The Department is confident in carrying out its responsibility to foster cooperation and a positive working relationship among Federal partners in delivering funding to Tribes and will work toward streamlining the process.

Second, as previously discussed, the number of Federal programs integrated into 477 plans has grown significantly. The Department, as the lead agency under PL 477, is responsible in helping Federal partners implement PL 477, as it is an important tool for Tribes. Furthermore, in 2024 alone, the Department is providing technical assistance to 29 Tribes and is engaged in discussions with two new agencies regarding potential integration into PL 477. It is challenging for Department staff to keep pace with the significant growth in this hugely successful program.

Finally, PL 477 is limited in scope, in that only programs implemented for certain purposes related to employment, training, and related services may be integrated into PL 477. One of the biggest challenges agencies face in implementing PL 477 is determining whether a program is eligible for integration. Once that determination is made, Tribes may integrate programs and reallocate funds among the integrated programs. From there, the Department can ensure performance of the programmatic obligations, and Tribes can use the cost savings to further advance integrated program goals. Because Tribes know their communities and their needs better than the Department or other Federal partners, this model works well.

### **Conclusion**

PL 477 is a successful model for Tribes to provide employment, training, and related services using multiple federal resources. PL 477 empowers Tribes to improve the effectiveness of those services, reduce joblessness in Indian communities, and serve Tribally determined goals consistent with the policy of Tribal self-determination, while reducing administrative, reporting, and accounting costs.

Chair Hageman, Ranking Member Leger Fernández, and members of the Subcommittee, thank you for the opportunity to provide the Department's views.