



Indian Affairs - Office of Public Affairs

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"New Mexico's economy is going to be especially hard hit by the U.S. Senate's proposed budget cuts for Indian programs," said Ada E. Deer, Assistant Secretary of Indian Affairs, yesterday. New Mexico, because it is home to most of the Bureau of Indian Affairs' central office operations, in addition to being the site of two area offices and seven agency offices, will bear a major share of the cuts. Additionally, there are twenty-three tribes in New Mexico, each of which are slated for a 32 percent cut in tribal program funds.

"Given the huge cuts proposed in Indian Programs, state economies are definitely going to be hurt," said Deer, who estimates that nearly 5,000 tribal and local BIA agency workers across the United States will lose their jobs in November. The average annual salary, including benefits, for a BIA employee is \$42,172. The \$245- million Senate cut from the 1995 BIA budget, adjusted by the economic multiplier, translates to an almost three-quarter billion dollar negative impact on state economies. "New Mexico alone stands to lose more than \$26,000,000 in tribal base funding; \$6,323,000 in welfare assistance, and approximately \$4,182,000 in Indian schools money for the next school year. The Institute of American Indian Arts in Santa Fe has been cut by \$6,000,000. Additionally, the cuts in tribal roads maintenance funds may affect tribal eligibility for Highway Trust Funds, which could result in a loss of an additional \$32,606,000 in federal highways dollars, and another 500 BIA jobs. "If we factor in the economic multiplier," said Deer, "the economic loss to New Mexico is three times greater.

According to the BIA, cuts of this magnitude will drastically increase tribal unemployment, which already averages 46 percent and significantly reduce services and dollars in Indian communities and surrounding areas. It is estimated that some 2,400 tribal employees will lose their jobs nationwide.

The availability of federal Indian program dollars has insulated the states from much of the financial burden associated with the harsh economic environment of most reservations. Many tribes in the western United States and Alaska are located in rural areas, where there is little industry or other economic activity to offset deep federal program cuts and employee layoffs. "Lost jobs mean lost spending," said Deer, adding, "business is going to suffer. People are going to be looking to states and counties to pick up worker displacement costs, such as unemployment-related expenses, increased demand for social services, and public welfare assistance. Reductions and eliminations in federal social programs for Indians will shift a heavy financial burden on to states."

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