

Budget Update

CA AREA TRIBAL CONSULTATION

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Agenda

- FY 2025 Appropriations
- FY 2025 Budget Reconciliation
- FY 2026 President's Budget
- Advance Appropriations

FY 2025 Appropriations

On 3/8, the House Majority released the text of the FY 2025 full-year CR.

- As anticipated, the bill keeps the IHS budget essentially flat with FY 2024, with the following exceptions:
 - +\$42.629 million for staffing and operating costs for new facilities; and
 - -\$17.023 million for the Sanitation Facilities Construction program, eliminating the resources used for congressionally directed earmarks in FY 2024.

FY 2025 Appropriations (cont.)

The full year CR would provide \$7 billion for the IHS, which is an increase of +\$26 million above FY 2024.

- ❑ Services: \$5 billion, which is +\$39 million above FY 2024
- ❑ Facilities: \$800 million, which is -\$13 million below FY 2024
- ❑ Contract Support Costs: \$1 billion, or flat with FY 2024
- ❑ Section 105(I) Leases: \$149 million, or flat with FY 2024

FY 2025 Appropriations (cont.)

Finally, the full-year CR fully funds Contract Support Costs and Tribal Lease Payments by continuing the indefinite discretionary appropriation for both activities, and:

- ❑ Does not propose to rescind IHS unobligated balances;
- ❑ Reauthorizes SDPI through September 30, 2025, for a total of \$160 million in FY 2025.

FY 2025 Appropriations (cont.)

The full-year CR continues advance appropriations for the IHS in FY 2026:

- ❑ Incorporates the FY 2025 staffing and operating costs of new facilities appropriation into the FY 2026 base; and
- ❑ Continues to exclude advance appropriations for IHCIF, EHR Modernization, Sanitation Facilities Construction, Health Care Facilities Construction, CSC, and 105(I) leases.

Budget Reconciliation

- ❑ Budget Reconciliation:
 - Is separate from the annual appropriations process;
 - Can pass the Senate with only 51 votes rather than the 60-vote threshold required for other types of legislation; and
 - Can only be used to make changes in spending, revenues, and the debt limit.
- ❑ First, the House and Senate must pass a Budget Resolution to set limits for revenues and/or spending for the fiscal year.
- ❑ Then, authorizing committees receive instructions to prepare legislation that meets specific spending/revenue targets in line with the Budget Resolution.
- ❑ The American Rescue Plan Act is an example of a budget reconciliation bill.

Budget Reconciliation (*Cont.*)

Senate Action

- The Senate passed their budget resolution on February 7.
 - *S. Con. Res. 7*
- The bill will address funding for border security, military, and energy.

House Action

- The House passed their budget resolution on February 25.
 - *H. Con. Res. 14*
- The bill would address funding for border security, tax changes, defense, and energy.

FRA Implications for FY 2025

The Fiscal Responsibility Act (FRA), 2023 was enacted on June 3, 2023.

- ❑ The bill caps non-defense discretionary spending at about the same level as FY 2024.
- ❑ The FRA also includes specific deadlines by which Congress must pass annual appropriations for FY 2025.
 - Under the FRA, Congress must pass all 12 spending bills by January 1, 2025.
 - If Congress does not meet this deadline, the FRA triggers a 1% across the board funding reduction on April 30.
 - Congress has enacted final appropriations for all 12 spending bills before January 3 out of the last 5 years.

FY 2026 Presidential Transition Budget

In a Presidential Transition year, the President's Budget is released in two parts.

- First, the Administration will release a short document (“skinny budget” or “budget blueprint”) that includes policy and budget proposals for their highest priorities.
 - This document typically includes the total funding requests for each Department, and some Agencies or initiatives that are connected to the Administration's highest priorities.

- Then, the Administration releases the full President's Budget request, including the fully detailed OMB documents and Congressional Justifications.
 - This usually takes place 4-6 weeks after the budget blueprint is released.

Advance Appropriations Updates: FY 2025 Distribution of Funds

The IHS made 100% of ISDEEAA payments to eligible Tribes within the first 2 weeks of FY 2025.

Advance Appropriations Evaluation

- Focus of evaluation is two-fold:
 - Agency's implementation of advance appropriations
 - Impact of advance appropriations on IHS, Tribal, and urban Indian health programs.

- Milestones:
 - Finalized instrument design

- Upcoming actions:
 - PWA Clearance and Data Collection (Key stakeholder interviews, focus groups, case studies)
 - Data Analysis
 - Evaluation Delivered

