

**STATEMENT  
OF  
SENATOR DANIEL K. INOUE  
CHAIRMAN  
COMMITTEE ON INDIAN AFFAIRS  
BEFORE THE  
MARCH 14, 2002  
OVERSIGHT HEARING  
ON THE  
PRESIDENT'S BUDGET REQUEST  
FOR  
INDIAN PROGRAMS  
FOR FISCAL YEAR 2003**

The Committee meets today for the third in a series of hearings on the President's budget request for Indian programs for fiscal year 2003.

Today, we will examine the budget request for the Bureau of Indian Affairs and the Department of the Interior, for the National Indian Gaming Commission, and for the Environmental Protection Agency.

One of the proposals set forth in the President's budget is for the privatization of schools that are currently administered by the Bureau of Indian Affairs.

Under that proposal, the operation of B.I.A. schools would be

offered to the respective Tribal governments, and if they opted not to assume the responsibility, the Bureau would enter into a contract with a private organization to run each school.

Naturally, when one considers the fact that we are talking about placing our most precious resource of all – our children – in the hands of private educational organizations for whom there is no rating system or accrediting body, there will be questions.

Is there some cost consideration driving this proposal, or put another way, will it cost the government less to contract with private organizations to operate Indian schools?

Has there been such a comparative assessment of costs?

Has there been any assessment of the performance of those schools that are now Tribally-operated as compared to the schools administered by the Bureau of Indian Affairs?

How can we assure parents that the quality of the education that is provided by private organizations will be the same or better than what currently exists?

What role will parents and school boards play – what relationship

will they have with these private entities?

What accountability will there be to parents and school boards, or are the private organizations only accountable to a contracting officer in Washington?

We are told that these private educational contracts expect performance bonuses and incentives.

Are such bonuses or incentives going to be provided to Tribal governments that elect to take over the operation of the schools?

These are just a few of the questions that Indian country is asking about this proposal.

And so we welcome the witnesses today, and look forward to an ongoing dialogue on these and other matters.