A BILL

To amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes.

November 9, 1999

Reported with an amendment.
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IN THE SENATE OF THE UNITED STATES

MAY 6, 1999

Mr. CAMPBELL (for himself, Mr. MCCAIN, and Mr. INHOFE) introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

NOVEMBER 9, 1999

Reported by Mr. CAMPBELL, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Tribal Self-Governance Amendments of 1999”.

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SEC. 2. FINDINGS.

Congress finds that—

(1) the tribal right of self-government flows from the inherent sovereignty of Indian tribes and nations;

(2) the United States recognizes a special government-to-government relationship with Indian tribes, including the right of the Indian tribes to self-governance, as reflected in the Constitution, treaties, Federal statutes, and the course of dealings of the United States with Indian tribes;

(3) although progress has been made, the Federal bureaucracy, with its centralized rules and regulations, has eroded tribal self-governance and dominates tribal affairs;

(4) the Tribal Self-Governance Demonstration Project, established under title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) was designed to improve and perpetuate the government-to-government relationship between Indian tribes and the United States and to strengthen tribal control over Federal funding and program management;

(5) although the Federal Government has made considerable strides in improving Indian health care, it has failed to fully meet its trust responsibilities
and to satisfy its obligations to the Indian tribes
under treaties and other laws; and

(6) Congress has reviewed the results of the
Tribal Self-Governance Demonstration Project and
finds that transferring full control and funding to
tribal governments, upon tribal request, over deci-
sion making for Federal programs, services, func-
tions, and activities (or portions thereof)—

(A) is an appropriate and effective means
of implementing the Federal policy of govern-
ment-to-government relations with Indian
tribes; and

(B) strengthens the Federal policy of In-
dian self-determination.

SEC. 3. DECLARATION OF POLICY.

It is the policy of Congress—

(1) to permanently establish and implement
tribal self-governance within the Department of
Health and Human Services;

(2) to call for full cooperation from the Depart-
ment of Health and Human Services and its con-
stituent agencies in the implementation of tribal self-
governance—

(A) to enable the United States to main-
tain and improve its unique and continuing re-
relationship with, and responsibility to, Indian tribes;

(D) to permit each Indian tribe to choose the extent of its participation in self-governance in accordance with the provisions of the Indian Self-Determination and Education Assistance Act relating to the provision of Federal services to Indian tribes;

(C) to ensure the continuation of the trust responsibility of the United States to Indian tribes and Indian individuals;

(D) to affirm and enable the United States to fulfill its obligations to the Indian tribes under treaties and other laws;

(E) to strengthen the government-to-government relationship between the United States and Indian tribes through direct and meaningful consultation with all tribes;

(F) to permit an orderly transition from Federal domination of programs and services to provide Indian tribes with meaningful authority, control, funding, and discretion to plan, conduct, redesign, and administer programs, services, functions, and activities (or portions there-

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of) that meet the needs of the individual tribal communities;

(G) to provide for a measurable parallel reduction in the Federal bureaucracy as programs, services, functions, and activities (or portion thereof) are assumed by Indian tribes;

(H) to encourage the Secretary to identify all programs, services, functions, and activities (or portions thereof) of the Department of Health and Human Services that may be managed by an Indian tribe under this Act and to assist Indian tribes in assuming responsibility for such programs, services, functions, and activities (or portions thereof); and

(I) to provide Indian tribes with the earliest opportunity to administer programs, services, functions, and activities (or portions thereof) from throughout the Department of Health and Human Services.

SEC. 4. TRIBAL SELF-GOVERNANCE.

The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) is amended by adding at the end the following:
'"TITLE V—TRIBAL SELF-
GOVERNANCE

"SEC. 501. DEFINITIONS.

"(a) In General.—In this title:

"(1) CONSTRUCTION PROJECT.—The term 'con-
struction project'—

"(A) means an organized nonecontinuous
undertaking to complete a specific set of pre-
determined objectives for the planning, environ-
mental determination, design, construction, re-
pair, improvement, or expansion of buildings or
facilities, as described in a construction project
agreement; and

"(B) does not include construction pro-
gram administration and activities described in
paragraphs (1) through (3) of section 4(m),
that may otherwise be included in a funding
agreement under this title.

"(2) CONSTRUCTION PROJECT AGREEMENT.—
The term 'construction project agreement' means a
negotiated agreement between the Secretary and an
Indian tribe, that at a minimum—

"(A) establishes project phase start and
completion dates,
(B) defines a specific scope of work and standards by which it will be accomplished;

(C) identifies the responsibilities of the Indian tribe and the Secretary;

(D) addresses environmental considerations;

(E) identifies the owner and operations and maintenance entity of the proposed work;

(F) provides a budget;

(G) provides a payment process; and

(H) establishes the duration of the agreement based on the time necessary to complete the specified scope of work, which may be 1 or more years.

(3) INHERENT FEDERAL FUNCTIONS.—The term ‘inherent Federal functions’ means those Federal functions which cannot legally be delegated to Indian tribes.

(4) INTER-TRIBAL CONSORTIUM.—The term ‘inter-tribal consortium’ means a coalition of 2 or more separate Indian tribes that join together for the purpose of participating in self-governance, including a tribal organization.

(5) GROSS MISMANAGEMENT.—The term ‘gross mismanagement’ means a significant, clear,
and convincing violation of a compact, funding agreement, or regulatory, or statutory requirements applicable to Federal funds transferred to an Indian tribe by a compact or funding agreement that results in a significant reduction of funds available for the programs, services, functions, or activities (or portions thereof) assumed by an Indian tribe.

"(6) Secretary.—The term ‘Secretary’ means the Secretary of Health and Human Services.

"(7) Self-governance.—The term ‘self-governance’ means the program of self-governance established under section 502.

"(8) Tribal share.—The term ‘tribal share’ means an Indian tribe’s portion of all funds and resources that support secretarial programs, services, functions, and activities (or portions thereof) that are not required by the Secretary for performance of inherent Federal functions.

"(b) Indian tribe.—In any case in which an Indian tribe has authorized another Indian tribe, an inter-tribal consortium, or a tribal organization to plan for or carry out programs, services, functions, or activities (or portions thereof) on its behalf under this title; the authorized Indian tribe, inter-tribal consortium, or tribal organization shall have the rights and responsibilities of the authorizing
Indian tribe (except as otherwise provided in the author-
izing resolution or in this title). In such event, the term
‘Indian tribe’ as used in this title shall include such other
authorized Indian tribe, inter-tribal consortium, or tribal
organization.

``SEC. 502. ESTABLISHMENT.

``The Secretary of Health and Human Services shall
establish and carry out a program within the Indian
Health Service of the Department of Health and Human
Services to be known as the ‘Tribal Self-Governance Pro-
gram’ in accordance with this title.

``SEC. 503. SELECTION OF PARTICIPATING INDIAN TRIBES.

``(a) CONTINUING PARTICIPATION.—Each Indian
tribe that is participating in the Tribal Self-Governance
Demonstration Project under title III on the date of enact-
ment of this title may elect to participate in self-govern-
ance under this title under existing authority as reflected
in tribal resolution.

``(b) ADDITIONAL PARTICIPANTS.—

``(1) IN GENERAL.—In addition to those Indian
tribes participating in self-governance under sub-
section (a), each year an additional 50 Indian tribes
that meet the eligibility criteria specified in sub-
section (c) shall be entitled to participate in self-gov-
ernance.
(2) Treatment of certain Indian tribes.—

(A) In general.—An Indian tribe that has withdrawn from participation in an inter-tribal consortium or tribal organization, in whole or in part, shall be entitled to participate in self-governance provided the Indian tribe meets the eligibility criteria specified in subsection (c).

(B) Effect of withdrawal.—If an Indian tribe has withdrawn from participation in an inter-tribal consortium or tribal organization, that Indian tribe shall be entitled to its tribal share of funds supporting those programs, services, functions, and activities (or portions thereof) that the Indian tribe will be carrying out under the compact and funding agreement of the Indian tribe.

(C) Participation in self-government.—In no event shall the withdrawal of an Indian tribe from an inter-tribal consortium or tribal organization affect the eligibility of the inter-tribal consortium or tribal organization to participate in self-governance.

(e) Applicant Pool.—
(1) In general.—The qualified applicant pool for self-governance shall consist of each Indian tribe that—

(A) successfully completes the planning phase described in subsection (d);

(B) has requested participation in self-governance by resolution or other official action by the governing body of each Indian tribe to be served; and

(C) has demonstrated, for the preceding period of 3 full fiscal years, financial stability and financial management capability.

(2) Criteria for determining financial stability and financial management capability.—For purposes of this subsection, evidence that, during the 3-year period referred to in paragraph (1)(C), an Indian tribe had no uncorrected significant and material audit exceptions in the required annual audit of the Indian tribe’s self-determination contracts or self-governance funding agreements with any Federal agency shall be conclusive evidence of the required stability and capability.

(d) Planning Phase.—Each Indian tribe seeking participation in self-governance shall complete a planning
The planning phase shall be conducted to the satisfaction of the Indian tribe and shall include—

(1) legal and budgetary research; and

(2) internal tribal government planning and organizational preparation relating to the administration of health care programs.

(e) GRANTS.—Subject to the availability of appropriations, any Indian tribe meeting the requirements of paragraphs (2) and (3) of subsection (c) shall be eligible for grants—

(1) to plan for participation in self-governance; and

(2) to negotiate the terms of participation by the Indian tribe or tribal organization in self-governance, as set forth in a compact and a funding agreement.

(f) RECEIPT OF GRANT NOT REQUIRED.—Receipt of a grant under subsection (e) shall not be a requirement of participation in self-governance.

SEC. 504. COMPACTS.

(a) COMPACT REQUIRED.—The Secretary shall negotiate and enter into a written compact with each Indian tribe participating in self-governance in a manner consistent with the Federal Government’s trust responsibility,
treaty obligations, and the government-to-government re-
relationship between Indian tribes and the United States.

"(b) CONTENTS.—Each compact required under sub-
section (a) shall set forth the general terms of the govern-
ment-to-government relationship between the Indian tribe
and the Secretary, including such terms as the parties in-
tend shall control year after year. Such compacts may only
be amended by mutual agreement of the parties.

"(e) EXISTING COMPACTS.—An Indian tribe partici-
pating in the Tribal Self-Governance Demonstration
Project under title III on the date of enactment of this
title shall have the option at any time after the date of
enactment of this title to—

"(1) retain the Tribal Self-Governance Dem-
onstration Project compact of that Indian tribe (in
whole or in part) to the extent that the provisions
of that compact are not directly contrary to any ex-
press provision of this title; or

"(2) instead of retaining a compact or portion
thereof under paragraph (1), negotiate a new com-
 pact in a manner consistent with the requirements
of this title.

"(d) TERM AND EFFECTIVE DATE.—The effective
date of a compact shall be the date of the approval and
execution by the Indian tribe or another date agreed upon
by the parties, and shall remain in effect for so long as permitted by Federal law or until terminated by mutual written agreement, retrocession, or reassumption.

"SEC. 505. FUNDING AGREEMENTS.

"(a) FUNDING AGREEMENT REQUIRED.—The Secretary shall negotiate and enter into a written funding agreement with each Indian tribe participating in self-governance in a manner consistent with the Federal Government’s trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

"(b) CONTENTS.—

"(1) IN GENERAL.—Each funding agreement required under subsection (a) shall, as determined by the Indian tribe, authorize the Indian tribe to plan, conduct, consolidate, administer, and receive full tribal share funding, including tribal shares of discretionary Indian Health Service competitive grants (excluding congressionally earmarked competitive grants), for all programs, services, functions, and activities (or portions thereof) that are carried out for the benefit of Indians because of their status as Indians without regard to the agency or office of the Indian Health Service (or of such other agency)
within which the program, service, function, or activity (or portion thereof) is performed.

**“(2) Inclusion of certain programs, services, functions, and activities.**—Such programs, services, functions, or activities (or portions thereof) include all programs, services, functions, activities (or portions thereof) with respect to which Indian tribes or Indians are primary or significant beneficiaries, administered by the Department of Health and Human Services through the Indian Health Service and grants (which may be added to a funding agreement after award of such grants) and all local, field, service unit, area, regional, and central headquarters or national office functions administered under the authority of—

````(A) the Act of November 2, 1921 (42 Stat. 208, chapter 115; 25 U.S.C. 13);````
````(B) the Act of April 16, 1934 (48 Stat. 596, chapter 147; 25 U.S.C. 452 et seq.);````
````(C) the Act of August 5, 1954 (68 Stat. 674; chapter 658);````
````(D) the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.);````
(E) the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2401 et seq.);

(F) any other Act of Congress authorizing any agency of the Department of Health and Human Services to administer, carry out, or provide financial assistance to such a program, service, function or activity (or portions thereof) described in this section; or

(G) any other Act of Congress authorizing such a program, service, function, or activity (or portions thereof) under which appropriations are made available to any agency other than an agency within the Department of Health and Human Services, in any case in which the Secretary administers that program, service, function, or activity (or portion thereof):

(c) INCLUSION IN COMPACT OR FUNDING AGREEMENT.—It shall not be a requirement that an Indian tribe or Indians be identified in the authorizing statute for a program or element of a program to be eligible for inclusion in a compact or funding agreement under this title.

(d) FUNDING AGREEMENT TERMS.—Each funding agreement under this title shall set forth—
(1) terms that generally identify the programs, services, functions, and activities (or portions thereof) to be performed or administered; and

(2) for the items identified in paragraph (1)—

(A) the general budget category assigned;

(B) the funds to be provided, including those funds to be provided on a recurring basis;

(C) the time and method of transfer of the funds;

(D) the responsibilities of the Secretary;

and

(E) any other provision with respect to which the Indian tribe and the Secretary agree.

(e) Subsequent Funding Agreements.—Absent notification from an Indian tribe that is withdrawing or retroceding the operation of 1 or more programs, services, functions, or activities (or portions thereof) identified in a funding agreement, or unless otherwise agreed to by the parties, each funding agreement shall remain in full force and effect until a subsequent funding agreement is executed, and the terms of the subsequent funding agreement shall be retroactive to the end of the term of the preceding funding agreement.

(f) Existing Funding Agreements.—Each Indian tribe participating in the Tribal Self-Governance
Demonstration Project established under title III on the
date of enactment of this title shall have the option at
any time thereafter to—

``(1) retain the Tribal Self-Governance Demon-
stration Project funding agreement of that Indian
tribe (in whole or in part) to the extent that the pro-
visions of that compact are not directly contrary to
any express provision of this title; or

``(2) instead of retaining a funding agreement
portion thereof under paragraph (1), negotiate a
new funding agreement in a manner consistent with
the requirements of this title.

``(g) STABLE BASE FUNDING.—At the option of an
Indian tribe, a funding agreement may provide for a stable
base budget specifying the recurring funds (including, for
purposes of this provision, funds available under section
106(a)) to be transferred to such Indian tribe, for such
period as may be specified in the funding agreement, sub-
ject to annual adjustment only to reflect changes in con-
gressional appropriations by sub-sub activity excluding
earmarks.

SEC. 506. GENERAL PROVISIONS.

``(a) APPLICABILITY.—The provisions of this section
shall apply to compacts and funding agreements negoti-
tiated under this title and an Indian tribe may, at its op-
tion, include provisions that reflect such requirements in a compact or funding agreement.

(b) CONFLICTS OF INTEREST.—Indian tribes participating in self-governance under this title shall ensure that internal measures are in place to address conflicts of interest in the administration of self-governance programs, services, functions, or activities (or portions thereof).

(e) AUDITS.—

(1) SINGLE AGENCY AUDIT ACT.—The provisions of chapter 75 of title 31, United States Code, requiring a single agency audit report shall apply to funding agreements under this title.

(2) COST PRINCIPLES.—An Indian tribe shall apply cost principles under the applicable Office of Management and Budget Circular, except as modified by section 106, or by any exemptions to applicable Office of Management and Budget Circulars subsequently granted by the Office of Management and Budget. No other audit or accounting standards shall be required by the Secretary. Any claim by the Federal Government against the Indian tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to the provisions of section 106(f).
"(d) Records.—

"(1) In general.—Unless an Indian tribe specifies otherwise in the compact or funding agreement, records of the Indian tribe shall not be considered Federal records for purposes of chapter 5 of title 5, United States Code.

"(2) Recordkeeping system.—The Indian tribe shall maintain a recordkeeping system, and, after 30 days advance notice, provide the Secretary with reasonable access to such records to enable the Department of Health and Human Services to meet its minimum legal recordkeeping system requirements under sections 3101 through 3106 of title 44, United States Code.

"(e) Redesign and Consolidation.—An Indian tribe may redesign or consolidate programs, services, functions, and activities (or portions thereof) included in a funding agreement under section 313 and reallocate or redirect funds for such programs, services, functions, and activities (or portions thereof) in any manner which the Indian tribe deems to be in the best interest of the health and welfare of the Indian community being served, only if the redesign or consolidation does not have the effect of denying eligibility for services to population groups otherwise eligible to be served.
(f) Retrocession.—An Indian tribe may retrocede, fully or partially, to the Secretary programs, services, functions, or activities (or portions thereof) included in the compact or funding agreement. Unless the Indian tribe rescinds the request for retrocession, such retrocession will become effective within the timeframe specified by the parties in the compact or funding agreement. In the absence of such a specification, such retrocession shall become effective on—

"(1) the earlier of—

"(A) 1 year after the date of submission of such request; or

"(B) the date on which the funding agreement expires; or

"(2) such date as may be mutually agreed upon by the Secretary and the Indian tribe.

(g) Withdrawal.—

"(1) Process.—

"(A) In General.—An Indian tribe may fully or partially withdraw from a participating inter-tribal consortium or tribal organization its share of any program, function, service, or activity (or portions thereof) included in a compact or funding agreement.
(B) EFFECTIVE DATE.—The withdrawal referred to in subparagraph (A) shall become effective within the timeframe specified in the resolution which authorizes transfer to the participating tribal organization or inter-tribal consortium. In the absence of a specific timeframe set forth in the resolution, such withdrawal shall become effective on—

(i) the earlier of—

(I) 1 year after the date of submission of such request; or

(II) the date on which the funding agreement expires; or

(ii) such date as may be mutually agreed upon by the Secretary, the withdrawing Indian tribe, and the participating tribal organization or inter-tribal consortium that has signed the compact or funding agreement on behalf of the withdrawing Indian tribe, inter-tribal consortium, or tribal organization.

(2) DISTRIBUTION OF FUNDS.—When an Indian tribe or tribal organization eligible to enter into a self-determination contract under title I or a compact or funding agreement under this title fully or
partially withdraws from a participating inter-tribal consortium or tribal organization—

"(A) the withdrawing Indian tribe or tribal organization shall be entitled to its tribal share of funds supporting those programs, services, functions, or activities (or portions thereof) that the Indian tribe will be carrying out under its own self-determination contract or compact and funding agreement (calculated on the same basis as the funds were initially allocated in the funding agreement of the inter-tribal consortium or tribal organization); and

"(B) the funds referred to in subparagraph (A) shall be transferred from the funding agreement of the inter-tribal consortium or tribal organization, on the condition that the provisions of sections 102 and 105(i), as appropriate, shall apply to that withdrawing Indian tribe.

"(3) REGAINING MATURE CONTRACT STATUS.— If an Indian tribe elects to operate all or some programs, services, functions, or activities (or portions thereof) carried out under a compact or funding agreement under this title through a self-determination contract under title I, at the option of the Indian tribe—

dian tribe, the resulting self-determination contract
shall be a mature self-determination contract.

"(h) NONDEPLICATION.—For the period for which,
and to the extent to which, funding is provided under this
title or under the compact or funding agreement, the In-
dian tribe shall not be entitled to contract with the Sec-
retary for such funds under section 102, except that such
Indian tribe shall be eligible for new programs on the same
basis as other Indian tribes.

"SEC. 507. PROVISIONS RELATING TO THE SECRETARY.

"(a) MANDATORY PROVISIONS.—

"(1) HEALTH STATUS REPORTS.—Compacts or
funding agreements negotiated between the Sec-
retary and an Indian tribe shall include a provision
that requires the Indian tribe to report on health
status and service delivery—

"(A) to the extent such data is not other-
wise available to the Secretary and specific
funds for this purpose are provided by the Sec-
retary under the funding agreement; and

"(B) if such reporting shall impose mini-
mal burdens on the participating Indian tribe
and such requirements are promulgated under
section 517.

"(2) REASSUMPTION.—
(A) In general.—Contracts or funding agreements negotiated between the Secretary and an Indian tribe shall include a provision authorizing the Secretary to reassert operation of a program, service, function, or activity (or portions thereof) and associated funding if there is a specific finding relative to that program, service, function, or activity (or portion thereof) of—

(ii) imminent endangerment of the public health caused by an act or omission of the Indian tribe, and the imminent endangerment arises out of a failure to carry out the compact or funding agreement; or

(ii) gross mismanagement with respect to funds transferred to a tribe by a compact or funding agreement, as determined by the Secretary in consultation with the Inspector General, as appropriate.

(B) Prohibition.—The Secretary shall not reassert operation of a program, service, function, or activity (or portions thereof) unless—
"(i) the Secretary has first provided written notice and a hearing on the record to the Indian tribe; and

"(ii) the Indian tribe has not taken corrective action to remedy the imminent endangerment to public health or gross mismanagement.

"(C) Exception.—

"(i) In general.—Notwithstanding subparagraph (B), the Secretary may, upon written notification to the Indian tribe, immediately reassume operation of a program, service, function, or activity (or portion thereof) if—

"(I) the Secretary makes a finding of imminent substantial and irremediable endangerment of the public health caused by an act or omission of the Indian tribe; and

"(II) the endangerment arises out of a failure to carry out the compact or funding agreement.

"(ii) Reassumption.—If the Secretary reassumes operation of a program, service, function, or activity (or portion...
thereof) under this subparagraph, the Secretary shall provide the Indian tribe with a hearing on the record not later than 10 days after such reassumption.

"(D) Hearings.—In any hearing or appeal involving a decision to resume operation of a program, service, function, or activity (or portion thereof), the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence the validity of the grounds for the reassumption.

"(b) Final Offer.—In the event the Secretary and a participating Indian tribe are unable to agree, in whole or in part, on the terms of a compact or funding agreement (including funding levels), the Indian tribe may submit a final offer to the Secretary. Not more than 45 days after such submission, or within a longer time agreed upon by the Indian tribe, the Secretary shall review and make a determination with respect to such offer. In the absence of a timely rejection of the offer, in whole or in part, made in compliance with subsection (c), the offer shall be deemed agreed to by the Secretary.

"(c) Rejection of Final Offers.—

"(1) In General.—If the Secretary rejects an offer made under subsection (b) (or 1 or more provi-
visions or funding levels in such offer), the Secretary shall provide—

"(A) a timely written notification to the Indian tribe that contains a specific finding that clearly demonstrates, or that is supported by a controlling legal authority, that—

"(i) the amount of funds proposed in the final offer exceeds the applicable funding level to which the Indian tribe is entitled under this title;

"(ii) the program, function, service, or activity (or portion thereof) that is the subject of the final offer is an inherent Federal function that cannot legally be delegated to an Indian tribe;

"(iii) the Indian tribe cannot carry out the program, function, service, or activity (or portion thereof) in a manner that would not result in significant danger or risk to the public health; or

"(iv) the Indian tribe is not eligible to participate in self-governance under section 503;
"(B) technical assistance to overcome the objections stated in the notification required by subparagraph (A); 

"(C) the Indian tribe with a hearing on the record with the right to engage in full discovery relevant to any issue raised in the matter and the opportunity for appeal on the objections raised, except that the Indian tribe may, in lieu of filing such appeal, directly proceed to initiate an action in a Federal district court pursuant to section 110(a); and

"(D) the Indian tribe with the option of entering into the severable portions of a final proposed compact or funding agreement, or provision thereof, (including a lesser funding amount, if any), that the Secretary did not reject, subject to any additional alterations necessary to conform the compact or funding agreement to the severed provisions.

"(2) EFFECT OF EXERCISING CERTAIN OPTION.—If an Indian tribe exercises the option specified in paragraph (1)(D), that Indian tribe shall retain the right to appeal the Secretary’s rejection under this section; and subparagraphs (A), (B), and (C) of that paragraph shall only apply to that por-
tion of the proposed final compact, funding agreement, or provision thereof that was rejected by the Secretary.

"(d) Burden of Proof.—With respect to any hearing or appeal or civil action conducted pursuant to this section, the Secretary shall have the burden of demonstrating by clear and convincing evidence the validity of the grounds for rejecting the offer (or a provision thereof) made under subsection (b).

"(e) Good Faith.—In the negotiation of compacts and funding agreements the Secretary shall at all times negotiate in good faith to maximize implementation of the self-governance policy. The Secretary shall carry out this title in a manner that maximizes the policy of tribal self-governance, in a manner consistent with the purposes specified in section 3 of the Tribal Self-Governance Amendments of 1999.

"(f) Savings.—To the extent that programs, functions, services, or activities (or portions thereof) carried out by Indian tribes under this title reduce the administrative or other responsibilities of the Secretary with respect to the operation of Indian programs and result in savings that have not otherwise been included in the amount of tribal shares and other funds determined under section 508(e), the Secretary shall make such savings available
to the Indian tribes, inter-tribal consortia, or tribal organizations for the provision of additional services to program beneficiaries in a manner equitable to directly served, contracted, and compacted programs.

"(g) Trust Responsibility.—The Secretary is prohibited from waiving, modifying, or diminishing in any way the trust responsibility of the United States with respect to Indian tribes and individual Indians that exists under treaties, Executive orders, other laws, or court decisions.

"(h) Decisionmaker.—A decision that constitutes final agency action and relates to an appeal within the Department of Health and Human Services conducted under subsection (c) shall be made either—

"(1) by an official of the Department who holds a position at a higher organizational level within the Department than the level of the departmental agency in which the decision that is the subject of the appeal was made; or

"(2) by an administrative judge.

SEC. 508. TRANSFER OF FUNDS.

"(a) In General.—Pursuant to the terms of any compact or funding agreement entered into under this title, the Secretary shall transfer to the Indian tribe all funds provided for in the funding agreement, pursuant to
subsection (c), and provide funding for periods covered by joint resolution adopted by Congress making continuing appropriations, to the extent permitted by such resolutions. In any instance where a funding agreement requires an annual transfer of funding to be made at the beginning of a fiscal year, or requires semiannual or other periodic transfers of funding to be made commencing at the beginning of a fiscal year, the first such transfer shall be made not later than 10 days after the apportionment of such funds by the Office of Management and Budget to the Department, unless the funding agreement provides otherwise.

"(b) Multiyear Funding.—The Secretary may employ, upon tribal request, multiyear funding agreements. References in this title to funding agreements shall include such multiyear funding agreements.

"(c) Amount of Funding.—The Secretary of Health and Human Services shall provide funds under a funding agreement under this title in an amount equal to the amount that the Indian tribe would have been entitled to receive under self-determination contracts under this Act, including amounts for direct program costs specified under section 106(a)(1) and amounts for contract support costs specified under section 106(a) (2), (3), (5), and (6); including any funds that are specifically or functionally...
related to the provision by the Secretary of services and benefits to the Indian tribe or its members, all without regard to the organizational level within the Department where such functions are carried out.

"(d) Prohibitions.—

"(1) In general.—Except as provided in paragraph (2), the Secretary is expressly prohibited from—

"(A) failing or refusing to transfer to an Indian tribe its full share of any central, headquarters, regional, area, or service unit office or other funds due under this Act, except as required by Federal law;

"(B) withholding portions of such funds for transfer over a period of years; and

"(C) reducing the use of funds, from the amount of funds that the Secretary is authorized to use under this title—

"(i) to make funding available for self-governance monitoring or administration by the Secretary;

"(ii) in subsequent years, except pursuant to—

"(I) a reduction in appropriations from the previous fiscal year for
the program or function to be included in a compact or funding agreement;

"(II) a congressional directive in legislation or accompanying report;

"(III) a tribal authorization;

"(IV) a change in the amount of pass-through funds subject to the terms of the funding agreement; or

"(V) completion of a project, activity, or program for which such funds were provided;

"(iii) to pay for Federal functions, including Federal pay costs, Federal employee retirement benefits, automated data processing, technical assistance, and monitoring of activities under this Act; or

"(iv) to pay for costs of Federal personnel displaced by self-determination contracts under this Act or self-governance;

"(2) Exception.—The funds described in paragraph (1)(C) may be increased by the Secretary if necessary to carry out this Act or as provided in section 105(c)(2).
"(e) OTHER RESOURCES.—In the event an Indian tribe elects to carry out a compact or funding agreement with the use of Federal personnel, Federal supplies (including supplies available from Federal warehouse facilities), Federal supply sources (including lodging, airline transportation, and other means of transportation including the use of interagency motor pool vehicles) or other Federal resources (including supplies, services, and resources available to the Secretary under any procurement contracts in which the Department is eligible to participate), to the extent allowable under law, the Secretary shall acquire and transfer such personnel, supplies, or resources to the Indian tribe.

"(f) REIMBURSEMENT TO INDIAN HEALTH SERVICE.—With respect to functions transferred by the Indian Health Service to an Indian tribe, the Indian Health Service is authorized to provide goods and services to the Indian tribe; on a reimbursable basis, including payment in advance with subsequent adjustment. The reimbursements received from those goods and services, along with the funds received from the Indian tribe pursuant to this title, may be credited to the same or subsequent appropriation account which provided the funding; such amounts to remain available until expended.
"(g) Prompt Payment Act.—Chapter 39 of title 31, United States Code, shall apply to the transfer of funds due under a compact or funding agreement authorized under this title.

"(h) Interest or Other Income on Transfers.—An Indian tribe is entitled to retain interest earned on any funds paid under a compact or funding agreement to carry out governmental or health purposes and such interest shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the interest is earned or in any subsequent fiscal year. Funds transferred under this title shall be managed using the prudent investment standard.

"(i) Carryover of Funds.—All funds paid to an Indian tribe in accordance with a compact or funding agreement shall remain available until expended. In the event that an Indian tribe elects to carry over funding from 1 year to the next, such carryover shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in that or any subsequent fiscal year.

"(j) Program Income.—All medicare, medicaid, or other program income earned by an Indian tribe shall be treated as supplemental funding to that negotiated in the funding agreement. The Indian tribe may retain all such
income and expend such funds in the current year or in future years except to the extent that the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.) provides otherwise for medicare and medicaid receipts. Such funds shall not result in any offset or reduction in the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the program income is received or for any subsequent fiscal year.

``(k) LIMITATION OF COSTS.—An Indian tribe shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds transferred under a compact or funding agreement. If at any time the Indian tribe has reason to believe that the total amount provided for a specific activity in the compact or funding agreement is insufficient the Indian tribe shall provide reasonable notice of such insufficiency to the Secretary. If the Secretary does not increase the amount of funds transferred under the funding agreement, the Indian tribe may suspend performance of the activity until such time as additional funds are transferred.

SEC. 509. CONSTRUCTION PROJECTS.

``(a) IN GENERAL.—Indian tribes participating in tribal self-governance may carry out construction projects under this title if they elect to assume all Federal responsibilities under the National Environmental Policy Act of
1969 (42 U.S.C. 4321 et seq.), the National Historic Preservation Act (16 U.S.C. 470 et seq.), and related provisions of law that would apply if the Secretary were to undertake a construction project, by adopting a resolution—

(1) designating a certifying officer to represent the Indian tribe and to assume the status of a responsible Federal official under such laws; and

(2) accepting the jurisdiction of the Federal court for the purpose of enforcement of the responsibilities of the responsible Federal official under such environmental laws.

(b) Negotiations.—Construction project proposals shall be negotiated pursuant to the statutory process in section 105(m) and resulting construction project agreements shall be incorporated into funding agreements as addenda.

(c) Codes and Standards.—The Indian tribe and the Secretary shall agree upon and specify appropriate building codes and architectural and engineering standards (including health and safety) which shall be in conformity with nationally recognized standards for comparable projects.

(d) Responsibility for Completion.—The Indian tribe shall assume responsibility for the successful
completion of the construction project in accordance with
the negotiated construction project agreement.

(c) FUNDING.—Funding for construction projects
carried out under this title shall be included in funding
agreements as annual advance payments, with semiannual
payments at the option of the Indian tribe. Annual ad-
advance and semiannual payment amounts shall be deter-
mined based on mutually agreeable project schedules re-
reflecting work to be accomplished within the advance pay-
ment period, work accomplished and funds expended in
previous payment periods, and the total prior payments.
The Secretary shall include associated project contingency
funds with each advance payment installment. The Indian
tribe shall be responsible for the management of the con-
tingency funds included in funding agreements.

(f) APPROVAL.—The Secretary shall have at least
1 opportunity to approve project planning and design doc-
uments prepared by the Indian tribe in advance of con-
struction of the facilities specified in the scope of work
for each negotiated construction project agreement or
amendment thereof which results in a significant change
in the original scope of work. The Indian tribe shall pro-
vide the Secretary with project progress and financial re-
ports not less than semiannually. The Secretary may con-
duct onsite project oversight visits semiannually or on an
alternate schedule agreed to by the Secretary and the Indian tribe.

"(g) WAGES.—All laborers and mechanics employed by contractors and subcontractors in the construction, alteration, or repair, including painting or decorating of a building or other facilities in connection with construction projects undertaken by self-governance Indian tribes under this Act, shall be paid wages at not less than those prevailing wages on similar construction in the locality as determined by the Indian tribe.

"(h) APPLICATION OF OTHER LAWS.—Unless otherwise agreed to by the Indian tribe, no provision of the Office of Federal Procurement Policy Act, the Federal Acquisition Regulations issued pursuant thereto, or any other law or regulation pertaining to Federal procurement (including Executive orders) shall apply to any construction project conducted under this title.

"SEC. 510. FEDERAL PROCUREMENT LAWS AND REGULATIONS.

"Notwithstanding any other provision of law, unless expressly agreed to by the participating Indian tribe, the compacts and funding agreements entered into under this title shall not be subject to Federal contracting or cooperative agreement laws and regulations (including Executive orders and the regulations relating to procurement issued
by the Secretary), except to the extent that such laws expressly apply to Indian tribes.

"SEC. 511. CIVIL ACTIONS.

"(a) Contract Defined.—For the purposes of section 110, the term ‘contract’ shall include compacts and funding agreements entered into under this title.

"(b) Applicability of Certain Laws.—Section 2103 of the Revised Statutes (25 U.S.C. 81) and section 16 of the Act of June 18, 1934 (48 Stat. 987; chapter 576; 25 U.S.C. 476); shall not apply to attorney and other professional contracts entered into by Indian tribes participating in self-governance under this title.

"(c) References.—All references in this Act to section 1 of the Act of June 26, 1936 (49 Stat. 1967; chapter 831) are hereby deemed to include the first section of the Act of July 3, 1952 (66 Stat. 323; chapter 549; 25 U.S.C. 82a).

"SEC. 512. FACILITATION.

"(a) Secretarial Interpretation.—Except as otherwise provided by law, the Secretary shall interpret all Federal laws, Executive orders and regulations in a manner that will facilitate—

"(1) the inclusion of programs, services, functions, and activities (or portions thereof) and funds
associated therewith, in the agreements entered into under this section;

“(2) the implementation of compacts and funding agreements entered into under this title; and

“(3) the achievement of tribal health goals and objectives.

(b) Regulation Waiver.—

“(1) In general.—An Indian tribe may submit a written request to waive application of a regulation for a compact or funding agreement entered into with the Indian Health Service under this title, to the Secretary identifying the applicable Federal regulation sought to be waived and the basis for the request.

“(2) Approval.—Not later than 90 days after receipt by the Secretary of a written request by an Indian tribe to waive application of a regulation for a compact or funding agreement entered into under this title, the Secretary shall either approve or deny the requested waiver in writing. A denial may be made only upon a specific finding by the Secretary that identified language in the regulation may not be waived because such waiver is prohibited by Federal law. A failure to approve or deny a waiver request not later than 90 days after receipt shall be deemed
an approval of such request. The Secretary's decision shall be final for the Department.

(c) Access to Federal Property.—In connection with any compact or funding agreement executed pursuant to this title or an agreement negotiated under the Tribal Self-Governance Demonstration Project established under title III, as in effect before the enactment of the Tribal Self-Governance Amendments of 1999, upon the request of an Indian tribe, the Secretary—

(1) shall permit an Indian tribe to use existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Government within the Secretary's jurisdiction under such terms and conditions as may be agreed upon by the Secretary and the Indian tribe for their use and maintenance;

(2) may donate to an Indian tribe title to any personal or real property found to be excess to the needs of any agency of the Department, or the General Services Administration, except that—

(A) subject to the provisions of subparagraph (B), title to property and equipment furnished by the Federal Government for use in the performance of the compact or funding
agreement or purchased with funds under any compact or funding agreement shall, unless otherwise requested by the Indian tribe, vest in the appropriate Indian tribe;

"(B) if property described in subparagraph (A) has a value in excess of $5,000 at the time of retrocession, withdrawal, or reassumption, at the option of the Secretary upon the retrocession, withdrawal, or reassumption, title to such property and equipment shall revert to the Department of Health and Human Services; and

"(C) all property referred to in subparagraph (A) shall remain eligible for replacement, maintenance, and improvement on the same basis as if title to such property were vested in the United States; and

"(3) shall acquire excess or surplus Government personal or real property for donation to an Indian tribe if the Secretary determines the property is appropriate for use by the Indian tribe for any purpose for which a compact or funding agreement is authorized under this title.

"(d) Matching or Cost-Participation Requirement. All funds provided under compacts, funding agreements, or grants made pursuant to this Act, shall
be treated as non-Federal funds for purposes of meeting matching or cost participation requirements under any other Federal or non-Federal program.

"(e) State Facilitation.—States are hereby authorized and encouraged to enact legislation, and to enter into agreements with Indian tribes to facilitate and supplement the initiatives, programs, and policies authorized by this title and other Federal laws benefiting Indians and Indian tribes.

"(f) Rules of Construction.—Each provision of this title and each provision of a compact or funding agreement shall be liberally construed for the benefit of the Indian tribe participating in self-governance and any ambiguity shall be resolved in favor of the Indian tribe.

"Sec. 513. Budget Request.

"(a) In General.—

"(1) In General.—The President shall identify in the annual budget request submitted to Congress under section 1105 of title 31, United States Code, all funds necessary to fully fund all funding agreements authorized under this title, including funds specifically identified to fund tribal base budgets. All funds so appropriated shall be apportioned to the Indian Health Service. Such funds shall be provided to the Office of Tribal Self-Governance.
which shall be responsible for distribution of all funds provided under section 505.

**“(2) Rule of Construction.—** Nothing in this subsection shall be construed to authorize the Indian Health Service to reduce the amount of funds that a self-governance tribe is otherwise entitled to receive under its funding agreement or other applicable law, whether or not such funds are apportioned to the Office of Tribal Self-Governance under this section.

**“(b) Present Funding; Shortfalls.—** In such budget request, the President shall identify the level of need presently funded and any shortfall in funding (including direct program and contract support costs) for each Indian tribe, either directly by the Secretary of Health and Human Services, under self-determination contracts, or under compacts and funding agreements authorized under this title.

**“SEC. 514. REPORTS.**

**“(a) Annual Report.—**

**“(1) In General.—** Not later than January 1 of each year after the date of enactment of the Tribal Self-Governance Amendments of 1999, the Secretary shall submit to the Committee on Indian Affairs of the Senate and the Committee on Resources
of the House of Representatives a written report re-

3 garding the administration of this title.

4 "(2) ANALYSIS.—The report under paragraph
(1) shall include a detailed analysis of the level of
need being presently funded or unfunded for each
Indian tribe, either directly by the Secretary, under
self-determination contracts under title I, or under
compacts and funding agreements authorized under
this Act. In compiling reports pursuant to this sec-
tion, the Secretary may not impose any reporting re-
quirements on participating Indian tribes or tribal
organizations, not otherwise provided in this Act.

"(b) CONTENTS.—The report under subsection (a)
shall—

"(1) be compiled from information contained in
funding agreements; annual audit reports; and data
of the Secretary regarding the disposition of Federal
funds; and

"(2) identify—

"(A) the relative costs and benefits of self-
governance;

"(B) with particularity, all funds that are
specifically or functionally related to the provi-
sion by the Secretary of services and benefits to
self-governance Indian tribes and their members;

"(C) the funds transferred to each self-governance Indian tribe and the corresponding reduction in the Federal bureaucracy;

"(D) the funding formula for individual tribal shares of all headquarters funds, together with the comments of affected Indian tribes or tribal organizations, developed under subsection (e); and

"(E) amounts expended in the preceding fiscal year to carry out inherent Federal functions, including an identification of those functions by type and location;

"(2) contain a description of the method or methods (or any revisions thereof) used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements;

"(3) before being submitted to Congress, be distributed to the Indian tribes for comment (with a comment period of no less than 30 days, beginning on the date of distribution); and
include the separate views and comments of the Indian tribes or tribal organizations.

(c) Report on Fund Distribution Method.—Not later than 180 days after the date of enactment of the Tribal Self-Governance Amendments of 1999, the Secretary shall, after consultation with Indian tribes, submit a written report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate which describes the method or methods used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements.

SEC. 515. DISCLAIMERS.

(a) No Funding Reduction.—Nothing in this title shall be construed to limit or reduce in any way the funding for any program, project, or activity serving an Indian tribe under this or other applicable Federal law. Any Indian tribe that alleges that a compact or funding agreement is in violation of this section may apply the provisions of section 110.

(b) Federal Trust and Treaty Responsibilities.—Nothing in this Act shall be construed to diminish in any way the trust responsibility of the United States
to Indian tribes and individual Indians that exists under treaties, Executive orders, or other laws and court decisions.

"(c) TRIBAL EMPLOYMENT.—For purposes of section 2(2) of the Act of July 5, 1935 (49 Stat. 450, chapter 372) (commonly known as the ‘National Labor Relations Act’), an Indian tribe carrying out a self-determination contract, compact, annual funding agreement, grant, or cooperative agreement under this Act shall not be considered an employer.

"(d) OBLIGATIONS OF THE UNITED STATES.—The Indian Health Service under this Act shall neither bill nor charge those Indians who may have the economic means to pay for services, nor require any Indian tribe to do so.

"SEC. 516. APPLICATION OF OTHER SECTIONS OF THE ACT.

"(a) MANDATORY APPLICATION.—All provisions of sections 5(b), 6, 7, 102 (c) and (d), 104, 105 (k) and (l), 106 (c) through (k), and 111 of this Act and section 314 of Public Law 101–512 (coverage under chapter 171 of title 28, United States Code, commonly known as the ‘Federal Tort Claims Act’), to the extent not in conflict with this title, shall apply to compacts and funding agreements authorized by this title.

"(b) DISCRETIONARY APPLICATION.—At the request of a participating Indian tribe, any other provision of title
1 4, to the extent such provision is not in conflict with this
2 title, shall be made a part of a funding agreement or com-
3 pact entered into under this title. The Secretary is obli-
4 gated to include such provision at the option of the partici-
5 pating Indian tribe or tribes. If such provision is incor-
6 porated it shall have the same force and effect as if it
7 were set out in full in this title. In the event an Indian
8 tribe requests such incorporation at the negotiation stage
9 of a compact or funding agreement, such incorporation
10 shall be deemed effective immediately and shall control the
11 negotiation and resulting compact and funding agreement.
12
13 "SEC. 517. REGULATIONS.
14 "(a) In General.—
15 "(1) Promulgation.—Not later than 90 days
16 after the date of enactment of the Tribal Self-Gov-
17 ernance Amendments of 1999, the Secretary shall
18 initiate procedures under subchapter III of chapter
19 5 of title 5, United States Code, to negotiate and
20 promulgate such regulations as are necessary to
21 carry out this title.
22 "(2) Publication of proposed regula-
23 tions.—Proposed regulations to implement this title
24 shall be published in the Federal Register by the
25 Secretary no later than 1 year after the date of en-
actment of the Tribal Self-Governance Amendments of 1999.

(ii) Expiration of Authority.—The authority to promulgate regulations under paragraph (1) shall expire 21 months after the date of enactment of the Tribal Self-Governance Amendments of 1999.

(iii) Committee.—

(i) In general.—A negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out this section shall have as its members only Federal and tribal government representatives, a majority of whom shall be nominated by and be representatives of Indian tribes with funding agreements under this Act.

(ii) Requirements.—The committee shall confer with, and accommodate participation by, representatives of Indian tribes, inter-tribal consortia, tribal organizations, and individual tribal members.

(iii) Adaptation of Procedures.—The Secretary of Health and Human Services shall adapt the negotiated rulemaking procedures to the unique context of self-governance and the government-to-government relationship between the United States and Indian tribes.

(iv) Effect.—The lack of promulgated regulations shall not limit the effect of this title.
(c) Effect of Circulars, Policies, Manuals, Guidances, and Rules.—Unless expressly agreed to by the participating Indian tribe in the compact or funding agreement, the participating Indian tribe shall not be subject to any agency circular, policy, manual, guidance, or rule adopted by the Indian Health Service, except as provided in section 105(g).

SEC. 518. APPEALS.

"In any appeal (including civil actions) involving decisions made by the Secretary under this title, the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence—

"(1) the validity of the grounds for the decision made; and

"(2) that the decision is fully consistent with provisions and policies of this title.

SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out this title."

SEC. 5 TRIBAL SELF-GOVERNANCE DEPARTMENT.

The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) is amended by adding at the end the following:
TITLE VI—TRIBAL SELF-GOVERNANCE—DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEC. 601. DEFINITIONS.

(a) In General.—In this title, the Secretary may apply the definitions contained in title V.

(b) Other Definitions.—In this title:

(1) AGENCY.—The term the term ‘agency’ means any agency or other organizational unit of the Department of Health and Human Services, other than the Indian Health Service.

(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.

SEC. 602. DEMONSTRATION PROJECT FEASIBILITY.

(a) Study.—The Secretary shall conduct a study to determine the feasibility of a tribal self-governance demonstration project for appropriate programs, services, functions, and activities (or portions thereof) of the agency.

(b) Considerations.—In conducting the study, the Secretary shall consider—

(1) the probable effects on specific programs and program beneficiaries of such a demonstration project.
(2) statutory, regulatory, or other impediments to implementation of such a demonstration project;

(3) strategies for implementing such a demonstration project;

(4) probable costs or savings associated with such a demonstration project;

(5) methods to assure quality and accountability in such a demonstration project; and

(6) such other issues that may be determined by the Secretary or developed through consultation pursuant to section 605.

(c) REPORT.—Not later than 18 months after the date of enactment of this title, the Secretary shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives. The report shall contain—

(1) the results of the study under this section;

(2) a list of programs, services, functions, and activities (or portions thereof) within each agency with respect to which it would be feasible to include in a tribal self-governance demonstration project;

(3) a list of programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) that could be in-
cluded in a tribal self-governance demonstration project without amending statutes, or waiving regulations that the Secretary may not waive;

"(4) a list of legislative actions required in order to include those programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) but not included in the list provided pursuant to paragraph (3) in a tribal self-governance demonstration project; and

"(5) any separate views of tribes and other entities consulted pursuant to section 603 related to the information provided pursuant to paragraphs (1) through (4).

"SEC. 603. CONSULTATION.

"(a) Study Protocol.—

"(1) Consultation with Indian tribes.—

The Secretary shall consult with Indian tribes to determine a protocol for consultation under subsection (b) prior to consultation under such subsection with the other entities described in such subsection.

"(2) Requirements for protocol.—The protocol shall require, at a minimum, that—
(A) the government-to-government relationship with Indian tribes forms the basis for the consultation process;

(B) the Indian tribes and the Secretary jointly conduct the consultations required by this section; and

(C) the consultation process allows for separate and direct recommendations from the Indian tribes and other entities described in subsection (b):

(b) Conducting Study.—In conducting the study under this title, the Secretary shall consult with Indian tribes, States, counties, municipalities, program beneficiaries, and interested public interest groups, and may consult with other entities as appropriate.

SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 2000 and 2001 such sums as may be necessary to carry out this title. Such sums shall remain available until expended.

SEC. 6. AMENDMENTS CLARIFYING CIVIL PROCEEDINGS.

(a) Burden of Proof in District Court Actions.—Section 102(e)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f(e)(1)) is amended by inserting after “subsection (b)(3)” the fol-
lowing: "or any civil action conducted pursuant to section 110(a)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any proceedings commenced after October 25, 1994.

SEC. 7. SPEEDY ACQUISITION OF GOODS, SERVICES, OR SUPPLIES.

Section 105(k) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j(k)) is amended—

(1) by striking "deemed an executive agency" and inserting "deemed an executive agency and part of the Indian Health Service"; and

(2) by adding at the end the following: "At the request of an Indian tribe, the Secretary shall enter into an agreement for the acquisition, on behalf of the Indian tribe, of any goods, services, or supplies available to the Secretary from the General Services Administration or other Federal agencies that are not directly available to the Indian tribe under this section or any other Federal law, including acquisitions from prime vendors. All such acquisitions shall be undertaken through the most efficient and speedy means practicable, including electronic ordering arrangements."
SEC. 8. REPEAL.

(a) In General.—Title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) is hereby repealed.

(b) EFFECTIVE DATE.—This section shall take effect on October 1, 1999.

SEC. 9. SAVINGS PROVISION.


SECTION 1. SHORT TITLE.

This Act may be cited as the “Tribal Self-Governance Amendments of 1999”.

SEC. 2. FINDINGS.

Congress finds that—

(1) the tribal right of self-government flows from the inherent sovereignty of Indian tribes and nations;

(2) the United States recognizes a special government-to-government relationship with Indian tribes, including the right of the Indian tribes to self-governance, as reflected in the Constitution, treaties, Federal statutes, and the course of dealings of the United States with Indian tribes;

(3) although progress has been made, the Federal bureaucracy, with its centralized rules and regula-
tions, has eroded tribal self-governance and dominates tribal affairs;

(4) the Tribal Self-Governance Demonstration Project, established under title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) was designed to improve and perpetuate the government-to-government relationship between Indian tribes and the United States and to strengthen tribal control over Federal funding and program management;

(5) although the Federal Government has made considerable strides in improving Indian health care, it has failed to fully meet its trust responsibilities and to satisfy its obligations to the Indian tribes under treaties and other laws; and

(6) Congress has reviewed the results of the Tribal Self-Governance Demonstration Project and finds that transferring full control and funding to tribal governments, upon tribal request, over decision making for Federal programs, services, functions, and activities (or portions thereof)—

(A) is an appropriate and effective means of implementing the Federal policy of government-to-government relations with Indian tribes; and
(B) strengthens the Federal policy of Indian self-determination.

SEC. 3. DECLARATION OF POLICY.

It is the policy of Congress—

(1) to permanently establish and implement tribal self-governance within the Department of Health and Human Services;

(2) to call for full cooperation from the Department of Health and Human Services and its constituent agencies in the implementation of tribal self-governance—

(A) to enable the United States to maintain and improve its unique and continuing relationship with, and responsibility to, Indian tribes;

(B) to permit each Indian tribe to choose the extent of its participation in self-governance in accordance with the provisions of the Indian Self-Determination and Education Assistance Act relating to the provision of Federal services to Indian tribes;

(C) to ensure the continuation of the trust responsibility of the United States to Indian tribes and Indian individuals;
(D) to affirm and enable the United States
to fulfill its obligations to the Indian tribes
under treaties and other laws;

(E) to strengthen the government-to-govern-
ment relationship between the United States and
Indian tribes through direct and meaningful
consultation with all tribes;

(F) to permit an orderly transition from
Federal domination of programs and services to
provide Indian tribes with meaningful authority,
control, funding, and discretion to plan, conduct,
redesign, and administer programs, services,
functions, and activities (or portions thereof)
that meet the needs of the individual tribal com-
munities;

(G) to provide for a measurable parallel re-
duction in the Federal bureaucracy as programs,
services, functions, and activities (or portion
thereof) are assumed by Indian tribes;

(H) to encourage the Secretary to identify
all programs, services, functions, and activities
(or portions thereof) of the Department of Health
and Human Services that may be managed by
an Indian tribe under this Act and to assist In-
dian tribes in assuming responsibility for such
programs, services, functions, and activities (or portions thereof); and

(I) to provide Indian tribes with the earliest opportunity to administer programs, services, functions, and activities (or portions thereof) from throughout the Department of Health and Human Services.

SEC. 4. TRIBAL SELF-GOVERNANCE.

The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) is amended by adding at the end the following:

“TITLE V—TRIBAL SELF-GOVERNANCE

“SEC. 501. DEFINITIONS.

“(a) IN GENERAL.—In this title:

“(1) CONSTRUCTION PROJECT.—The term ‘construction project’—

“(A) means an organized noncontinuous undertaking to complete a specific set of predetermined objectives for the planning, environmental determination, design, construction, repair, improvement, or expansion of buildings or facilities, as described in a construction project agreement; and
“(B) does not include construction program
administration and activities described in para-
graphs (1) through (3) of section 4(m), that may
otherwise be included in a funding agreement
under this title.

“(2) CONSTRUCTION PROJECT AGREEMENT.—The
term ‘construction project agreement’ means a nego-
tiated agreement between the Secretary and an In-
dian tribe, that at a minimum—

“(A) establishes project phase start and
completion dates;

“(B) defines a specific scope of work and
standards by which it will be accomplished;

“(C) identifies the responsibilities of the In-
dian tribe and the Secretary;

“(D) addresses environmental consider-
atations;

“(E) identifies the owner and operations
and maintenance entity of the proposed work;

“(F) provides a budget;

“(G) provides a payment process; and

“(H) establishes the duration of the agree-
ment based on the time necessary to complete the
specified scope of work, which may be 1 or more
years.
“(3) GROSS MISMANAGEMENT.—The term ‘gross mismanagement’ means a significant, clear, and convincing violation of a compact, funding agreement, or regulatory, or statutory requirements applicable to Federal funds transferred to an Indian tribe by a compact or funding agreement that results in a significant reduction of funds available for the programs, services, functions, or activities (or portions thereof) assumed by an Indian tribe.

“(4) INHERENT FEDERAL FUNCTIONS.—The term ‘inherent Federal functions’ means those Federal functions which cannot legally be delegated to Indian tribes.

“(5) INTER-TRIBAL CONSORTIUM.—The term ‘inter-tribal consortium’ means a coalition of 2 or more separate Indian tribes that join together for the purpose of participating in self-governance, including tribal organizations.

“(6) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.

“(7) SELF-GOVERNANCE.—The term ‘self-governance’ means the program of self-governance established under section 502.

“(8) TRIBAL SHARE.—The term ‘tribal share’ means an Indian tribe’s portion of all funds and re-
sources that support secretarial programs, services, functions, and activities (or portions thereof) that are not required by the Secretary for performance of inherent Federal functions.

“(b) Indian Tribe.—In any case in which an Indian tribe has authorized another Indian tribe, an inter-tribal consortium, or a tribal organization to plan for or carry out programs, services, functions, or activities (or portions thereof) on its behalf under this title, the authorized Indian tribe, inter-tribal consortium, or tribal organization shall have the rights and responsibilities of the authorizing Indian tribe (except as otherwise provided in the authorizing resolution or in this title). In such event, the term ‘Indian tribe’ as used in this title shall include such other authorized Indian tribe, inter-tribal consortium, or tribal organization.

“SEC. 502. ESTABLISHMENT.

“The Secretary shall establish and carry out a program within the Indian Health Service of the Department of Health and Human Services to be known as the ‘Tribal Self-Governance Program’ in accordance with this title.

“SEC. 503. SELECTION OF PARTICIPATING INDIAN TRIBES.

“(a) Continuing Participation.—Each Indian tribe that is participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment
of this title may elect to participate in self-governance under this title under existing authority as reflected in tribal resolution.

“(b) ADDITIONAL PARTICIPANTS.—

“(1) IN GENERAL.—In addition to those Indian tribes participating in self-governance under subsection (a), each year an additional 50 Indian tribes that meet the eligibility criteria specified in subsection (c) shall be entitled to participate in self-governance.

“(2) TREATMENT OF CERTAIN INDIAN TRIBES.—

“(A) IN GENERAL.—An Indian tribe that has withdrawn from participation in an inter-tribal consortium or tribal organization, in whole or in part, shall be entitled to participate in self-governance provided the Indian tribe meets the eligibility criteria specified in subsection (c).

“(B) EFFECT OF WITHDRAWAL.—If an Indian tribe has withdrawn from participation in an inter-tribal consortium or tribal organization, that Indian tribe shall be entitled to its tribal share of funds supporting those programs, services, functions, and activities (or portions thereof) that the Indian tribe will be carrying
out under the compact and funding agreement of
the Indian tribe.

“(C) Participation in self-governance.—In no event shall the withdrawal of an
Indian tribe from an inter-tribal consortium or
tribal organization affect the eligibility of the
inter-tribal consortium or tribal organization to
participate in self-governance.

“(c) Applicant Pool.—

“(1) In general.—The qualified applicant pool
for self-governance shall consist of each Indian tribe
that—

“(A) successfully completes the planning
phase described in subsection (d);

“(B) has requested participation in self-governance by resolution or other official action by
the governing body of each Indian tribe to be
served; and

“(C) has demonstrated, for 3 fiscal years, fi-
nancial stability and financial management ca-
pability.

“(2) Criteria for determining financial
stability and financial management capacity.—
For purposes of this subsection, evidence that, during
the 3-year period referred to in paragraph (1)(C), an
Indian tribe had no uncorrected significant and material audit exceptions in the required annual audit of the Indian tribe’s self-determination contracts or self-governance funding agreements with any Federal agency shall be conclusive evidence of the required stability and capability.

“(d) PLANNING PHASE.—Each Indian tribe seeking participation in self-governance shall complete a planning phase. The planning phase shall be conducted to the satisfaction of the Indian tribe and shall include—

“(1) legal and budgetary research; and

“(2) internal tribal government planning and organizational preparation relating to the administration of health care programs.

“(e) GRANTS.—Subject to the availability of appropriations, any Indian tribe meeting the requirements of paragraph (1) (B) and (C) of subsection (c) shall be eligible for grants—

“(1) to plan for participation in self-governance; and

“(2) to negotiate the terms of participation by the Indian tribe or tribal organization in self-governance, as set forth in a compact and a funding agreement.
“(f) Receipt of Grant Not Required.—Receipt of a grant under subsection (e) shall not be a requirement of participation in self-governance.

“SEC. 504. COMPACTS.

“(a) Compact Required.—The Secretary shall negotiate and enter into a written compact with each Indian tribe participating in self-governance in a manner consistent with the Federal Government’s trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

“(b) Contents.—Each compact required under subsection (a) shall set forth the general terms of the government-to-government relationship between the Indian tribe and the Secretary, including such terms as the parties intend shall control year after year. Such compacts may only be amended by mutual agreement of the parties.

“(c) Existing Compacts.—An Indian tribe participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title shall have the option at any time after the date of enactment of this title to—

“(1) retain the Tribal Self-Governance Demonstration Project compact of that Indian tribe (in whole or in part) to the extent that the provisions of
that funding agreement are not directly contrary to
any express provision of this title; or
“(2) instead of retaining a compact or portion
thereof under paragraph (1), negotiate a new compact
in a manner consistent with the requirements of this
title.
“(d) TERM AND EFFECTIVE DATE.—The effective date
of a compact shall be the date of the approval and execution
by the Indian tribe or another date agreed upon by the par-
ties, and shall remain in effect for so long as permitted by
Federal law or until terminated by mutual written agree-
ment, retrocession, or reassumption.

“SEC. 505. FUNDING AGREEMENTS.
“(a) FUNDING AGREEMENT REQUIRED.—The Sec-
retary shall negotiate and enter into a written funding
agreement with each Indian tribe participating in self-gov-
ernance in a manner consistent with the Federal Govern-
ment’s trust responsibility, treaty obligations, and the gov-
ernment-to-government relationship between Indian tribes
and the United States.
“(b) CONTENTS.—
“(1) IN GENERAL.—Each funding agreement re-
quired under subsection (a) shall, as determined by
the Indian tribe, authorize the Indian tribe to plan,
conduct, consolidate, administer, and receive full trib-
al share funding, including tribal shares of discretionary Indian Health Service competitive grants (excluding congressionally earmarked competitive grants), for all programs, services, functions, and activities (or portions thereof), that are carried out for the benefit of Indians because of their status as Indians without regard to the agency or office of the Indian Health Service (or of such other agency) within which the program, service, function, or activity (or portion thereof) is performed.

“(2) INCLUSION OF CERTAIN PROGRAMS, SERVICES, FUNCTIONS, AND ACTIVITIES.—Such programs, services, functions, or activities (or portions thereof) include all programs, services, functions, activities (or portions thereof), including grants (which may be added to a funding agreement after an award of such grants), with respect to which Indian tribes or Indians are primary or significant beneficiaries, administered by the Department of Health and Human Services through the Indian Health Service and all local, field, service unit, area, regional, and central headquarters or national office functions administered under the authority of—

“(A) the Act of November 2, 1921 (42 Stat. 208, chapter 115; 25 U.S.C. 13);
“(B) the Act of April 16, 1934 (48 Stat. 596, chapter 147; 25 U.S.C. 452 et seq.);
“(C) the Act of August 5, 1954 (68 Stat. 674, chapter 658);
“(D) the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.);
“(E) the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2401 et seq.);
“(F) any other Act of Congress authorizing any agency of the Department of Health and Human Services to administer, carry out, or provide financial assistance to such a program, service, function or activity (or portions thereof) described in this section that is carried out for the benefit of Indians because of their status as Indians; or
“(G) any other Act of Congress authorizing such a program, service, function, or activity (or portions thereof) carried out for the benefit of Indians under which appropriations are made available to any agency other than an agency within the Department of Health and Human Services, in any case in which the Secretary ad-
ministers that program, service, function, or ac-
tivity (or portion thereof).

“(c) INCLUSION IN COMPACT OR FUNDING AGRE-
MENT.—It shall not be a requirement that an Indian tribe
or Indians be identified in the authorizing statute for a pro-
gram or element of a program to be eligible for inclusion
in a compact or funding agreement under this title.

“(d) FUNDING AGREEMENT TERMS.—Each funding
agreement under this title shall set forth—

“(1) terms that generally identify the programs,
services, functions, and activities (or portions thereof)
to be performed or administered; and

“(2) for the items identified in paragraph (1)—

“(A) the general budget category assigned;

“(B) the funds to be provided, including
those funds to be provided on a recurring basis;

“(C) the time and method of transfer of the
funds;

“(D) the responsibilities of the Secretary;

and

“(E) any other provision with respect to
which the Indian tribe and the Secretary agree.

“(e) SUBSEQUENT FUNDING AGREEMENTS.—Absent
notification from an Indian tribe that is withdrawing or
retroceding the operation of 1 or more programs, services,
functions, or activities (or portions thereof) identified in a
funding agreement, or unless otherwise agreed to by the par-
ties, each funding agreement shall remain in full force and
effect until a subsequent funding agreement is executed, and
the terms of the subsequent funding agreement shall be ret-
roactive to the end of the term of the preceding funding
agreement.

“(f) EXISTING FUNDING AGREEMENTS.—Each Indian
tribe participating in the Tribal Self-Governance Demo-
stration Project established under title III on the date
of enactment of this title shall have the option at any time
thereafter to—

“(1) retain the Tribal Self-Governance Demo-
stration Project funding agreement of that Indian
tribe (in whole or in part) to the extent that the pro-
visions of that funding agreement are not directly
contrary to any express provision of this title; or

“(2) instead of retaining a funding agreement or
portion thereof under paragraph (1), negotiate a new
funding agreement in a manner consistent with the
requirements of this title.

“(g) STABLE BASE FUNDING.—At the option of an In-
dian tribe, a funding agreement may provide for a stable
base budget specifying the recurring funds (including, for
purposes of this provision, funds available under section

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$106(a))$ to be transferred to such Indian tribe, for such pe-
period as may be specified in the funding agreement, subject
to annual adjustment only to reflect changes in congres-
sional appropriations by sub-sub activity excluding ear-
marks.

“SEC. 506. GENERAL PROVISIONS.

“(a) APPLICABILITY.—The provisions of this section
shall apply to compacts and funding agreements negotiated
under this title and an Indian tribe may, at its option,
include provisions that reflect such requirements in a com-
pact or funding agreement.

“(b) CONFLICTS OF INTEREST.—Indian tribes partici-
pating in self-governance under this title shall ensure that
internal measures are in place to address conflicts of inter-
est in the administration of self-governance programs, serv-
ices, functions, or activities (or portions thereof).

“(c) AUDITS.—

“(1) SINGLE AGENCY AUDIT ACT.—The provi-
sions of chapter 75 of title 31, United States Code, re-
quiring a single agency audit report shall apply to
funding agreements under this title.

“(2) COST PRINCIPLES.—An Indian tribe shall
apply cost principles under the applicable Office of
Management and Budget circular, except as modified
by section 106, or by any exemptions to applicable
Office of Management and Budget circulars subsequently granted by the Office of Management and Budget. No other audit or accounting standards shall be required by the Secretary. Any claim by the Federal Government against the Indian tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to the provisions of section 106(f).

“(d) RECORDS.—

“(1) IN GENERAL.—Unless an Indian tribe specifies otherwise in the compact or funding agreement, records of the Indian tribe shall not be considered Federal records for purposes of chapter 5 of title 5, United States Code.

“(2) RECORDKEEPING SYSTEM.—The Indian tribe shall maintain a recordkeeping system, and, after 30 days advance notice, provide the Secretary with reasonable access to such records to enable the Department of Health and Human Services to meet its minimum legal recordkeeping system requirements under sections 3101 through 3106 of title 44, United States Code.

“(e) REDesign AND CONSOLIDATION.—An Indian tribe may redesign or consolidate programs, services, functions, and activities (or portions thereof) included in a
funding agreement under section 305 and reallocate or redirect funds for such programs, services, functions, and activities (or portions thereof) in any manner which the Indian tribe deems to be in the best interest of the health and welfare of the Indian community being served, only if the redesign or consolidation does not have the effect of denying eligibility for services to population groups otherwise eligible to be served under applicable Federal law.

“(f) RETROCESSION.—An Indian tribe may retrocede, fully or partially, to the Secretary programs, services, functions, or activities (or portions thereof) included in the compact or funding agreement. Unless the Indian tribe rescinds the request for retrocession, such retrocession will become effective within the timeframe specified by the parties in the compact or funding agreement. In the absence of such a specification, such retrocession shall become effective on—

“(1) the earlier of—

“(A) 1 year after the date of submission of such request; or

“(B) the date on which the funding agreement expires; or

“(2) such date as may be mutually agreed upon by the Secretary and the Indian tribe.

“(g) WITHDRAWAL.—

“(1) PROCESS.—
“(A) IN GENERAL.—An Indian tribe may fully or partially withdraw from a participating inter-tribal consortium or tribal organization its share of any program, function, service, or activity (or portions thereof) included in a compact or funding agreement.

“(B) EFFECTIVE DATE.—The withdrawal referred to in subparagraph (A) shall become effective within the timeframe specified in the resolution which authorizes transfer to the participating tribal organization or inter-tribal consortium. In the absence of a specific timeframe set forth in the resolution, such withdrawal shall become effective on—

“(i) the earlier of—

“(I) 1 year after the date of submission of such request; or

“(II) the date on which the funding agreement expires; or

“(ii) such date as may be mutually agreed upon by the Secretary, the withdrawing Indian tribe, and the participating tribal organization or inter-tribal consortium that has signed the compact or funding agreement on behalf of the withdrawing
Indian tribe, inter-tribal consortium, or tribal organization.

“(2) DISTRIBUTION OF FUNDS.—When an Indian tribe or tribal organization eligible to enter into a self-determination contract under title I or a compact or funding agreement under this title fully or partially withdraws from a participating inter-tribal consortium or tribal organization—

“(A) the withdrawing Indian tribe or tribal organization shall be entitled to its tribal share of funds supporting those programs, services, functions, or activities (or portions thereof) that the Indian tribe will be carrying out under its own self-determination contract or compact and funding agreement (calculated on the same basis as the funds were initially allocated in the funding agreement of the inter-tribal consortium or tribal organization); and

“(B) the funds referred to in subparagraph (A) shall be transferred from the funding agreement of the inter-tribal consortium or tribal organization, on the condition that the provisions of sections 102 and 105(i), as appropriate, shall apply to that withdrawing Indian tribe.
“(3) Regaining mature contract status.—If an Indian tribe elects to operate all or some programs, services, functions, or activities (or portions thereof) carried out under a compact or funding agreement under this title through a self-determination contract under title I, at the option of the Indian tribe, the resulting self-determination contract shall be a mature self-determination contract.

“(h) Nonduplication.—For the period for which, and to the extent to which, funding is provided under this title or under the compact or funding agreement, the Indian tribe shall not be entitled to contract with the Secretary for such funds under section 102, except that such Indian tribe shall be eligible for new programs on the same basis as other Indian tribes.

“SEC. 507. PROVISIONS RELATING TO THE SECRETARY.

“(a) Mandatory Provisions.—

“(1) Health status reports.—Compacts or funding agreements negotiated between the Secretary and an Indian tribe shall include a provision that requires the Indian tribe to report on health status and service delivery—

“(A) to the extent such data is not otherwise available to the Secretary and specific funds for
this purpose are provided by the Secretary under the funding agreement; and

“(B) if such reporting shall impose minimal burdens on the participating Indian tribe and such requirements are promulgated under section 517.

“(2) REASSUMPTION.—

“(A) IN GENERAL.—Compacts or funding agreements negotiated between the Secretary and an Indian tribe shall include a provision authorizing the Secretary to reassume operation of a program, service, function, or activity (or portions thereof) and associated funding if there is a specific finding relative to that program, service, function, or activity (or portion thereof) of—

“(i) imminent endangerment of the public health caused by an act or omission of the Indian tribe, and the imminent endangerment arises out of a failure to carry out the compact or funding agreement; or

“(ii) gross mismanagement with respect to funds transferred to a tribe by a compact or funding agreement, as deter-
mined by the Secretary in consultation with
the Inspector General, as appropriate.

“(B) PROHIBITION.—The Secretary shall
not reassume operation of a program, service,
function, or activity (or portions thereof)
unless—

“(i) the Secretary has first provided
written notice and a hearing on the record
to the Indian tribe; and

“(ii) the Indian tribe has not taken
corrective action to remedy the imminent
endangerment to public health or gross mis-
management.

“(C) EXCEPTION.—

“(i) IN GENERAL.—Notwithstanding
subparagraph (B), the Secretary may, upon
written notification to the Indian tribe, im-
mediately reassume operation of a program,

service, function, or activity (or portion
thereof) if—

“(I) the Secretary makes a find-
ing of imminent substantial and irrepre-

erable endangerment of the public
health caused by an act or omission of
the Indian tribe; and
“(II) the endangerment arises out of a failure to carry out the compact or funding agreement.

“(ii) REASSUMPTION.—If the Secretary reassumes operation of a program, service, function, or activity (or portion thereof) under this subparagraph, the Secretary shall provide the Indian tribe with a hearing on the record not later than 10 days after such reassumption.

“(D) HEARINGS.—In any hearing or appeal involving a decision to reassume operation of a program, service, function, or activity (or portion thereof), the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence the validity of the grounds for the reassumption.

“(b) FINAL OFFER.—In the event the Secretary and a participating Indian tribe are unable to agree, in whole or in part, on the terms of a compact or funding agreement (including funding levels), the Indian tribe may submit a final offer to the Secretary. Not more than 45 days after such submission, or within a longer time agreed upon by the Indian tribe, the Secretary shall review and make a determination with respect to such offer. In the absence of a
timely rejection of the offer, in whole or in part, made in
compliance with subsection (c), the offer shall be deemed
agreed to by the Secretary.

“(c) Rejection of Final Offers.—

“(1) In general.—If the Secretary rejects an
offer made under subsection (b) (or 1 or more provi-
sions or funding levels in such offer), the Secretary
shall provide—

“(A) a timely written notification to the In-
dian tribe that contains a specific finding that
clearly demonstrates, or that is supported by a
controlling legal authority, that—

“(i) the amount of funds proposed in
the final offer exceeds the applicable funding
level to which the Indian tribe is entitled
under this title;

“(ii) the program, function, service, or
activity (or portion thereof) that is the sub-
ject of the final offer is an inherent Federal
function that cannot legally be delegated to
an Indian tribe;

“(iii) the Indian tribe cannot carry
out the program, function, service, or activ-
ity (or portion thereof) in a manner that
would not result in significant danger or risk to the public health; or

“(iv) the Indian tribe is not eligible to participate in self-governance under section 503;

“(B) technical assistance to overcome the objections stated in the notification required by subparagraph (A);

“(C) the Indian tribe with a hearing on the record with the right to engage in full discovery relevant to any issue raised in the matter and the opportunity for appeal on the objections raised, except that the Indian tribe may, in lieu of filing such appeal, directly proceed to initiate an action in a Federal district court pursuant to section 110(a); and

“(D) the Indian tribe with the option of entering into the severable portions of a final proposed compact or funding agreement, or provision thereof, (including a lesser funding amount, if any), that the Secretary did not reject, subject to any additional alterations necessary to conform the compact or funding agreement to the severed provisions.
“(2) **Effect of exercising certain option.**—

If an Indian tribe exercises the option specified in paragraph (1)(D), that Indian tribe shall retain the right to appeal the Secretary’s rejection under this section, and subparagraphs (A), (B), and (C) of that paragraph shall only apply to that portion of the proposed final compact, funding agreement, or provision thereof that was rejected by the Secretary.

“(d) **Burden of Proof.**—With respect to any hearing or appeal or civil action conducted pursuant to this section, the Secretary shall have the burden of demonstrating by clear and convincing evidence the validity of the grounds for rejecting the offer (or a provision thereof) made under subsection (b).

“(e) **Good Faith.**—In the negotiation of compacts and funding agreements the Secretary shall at all times negotiate in good faith to maximize implementation of the self-governance policy. The Secretary shall carry out this title in a manner that maximizes the policy of tribal self-governance, in a manner consistent with the purposes specified in section 3 of the Tribal Self-Governance Amendments of 1999.

“(f) **Savings.**—To the extent that programs, functions, services, or activities (or portions thereof) carried out by Indian tribes under this title reduce the administrative or
other responsibilities of the Secretary with respect to the operation of Indian programs and result in savings that have not otherwise been included in the amount of tribal shares and other funds determined under section 508(c), the Secretary shall make such savings available to the Indian tribes, inter-tribal consortia, or tribal organizations for the provision of additional services to program beneficiaries in a manner equitable to directly served, contracted, and compacted programs.

“(g) TRUST RESPONSIBILITY.—The Secretary is prohibited from waiving, modifying, or diminishing in any way the trust responsibility of the United States with respect to Indian tribes and individual Indians that exists under treaties, Executive orders, other laws, or court decisions.

“(h) DECISIONMAKER.—A decision that constitutes final agency action and relates to an appeal within the Department of Health and Human Services conducted under subsection (c) shall be made either—

“(1) by an official of the Department who holds a position at a higher organizational level within the Department than the level of the departmental agency in which the decision that is the subject of the appeal was made; or

“(2) by an administrative judge.
“SEC. 508. TRANSFER OF FUNDS.

“(a) IN GENERAL.—Pursuant to the terms of any compact or funding agreement entered into under this title, the Secretary shall transfer to the Indian tribe all funds provided for in the funding agreement, pursuant to subsection (c), and provide funding for periods covered by joint resolution adopted by Congress making continuing appropriations, to the extent permitted by such resolutions. In any instance where a funding agreement requires an annual transfer of funding to be made at the beginning of a fiscal year, or requires semiannual or other periodic transfers of funding to be made commencing at the beginning of a fiscal year, the first such transfer shall be made not later than 10 days after the apportionment of such funds by the Office of Management and Budget to the Department, unless the funding agreement provides otherwise.

“(b) MULTIYEAR FUNDING.—The Secretary may employ, upon tribal request, multiyear funding agreements. References in this title to funding agreements shall include such multiyear funding agreements.

“(c) AMOUNT OF FUNDING.—The Secretary shall provide funds under a funding agreement under this title in an amount equal to the amount that the Indian tribe would have been entitled to receive under self-determination contracts under this Act, including amounts for direct program costs specified under section 106(a)(1) and amounts for con-
tract support costs specified under section 106(a) (2), (3),
(5), and (6), including any funds that are specifically or
functionally related to the provision by the Secretary of
services and benefits to the Indian tribe or its members, all
without regard to the organizational level within the De-
partment where such functions are carried out.

“(d) Prohibitions.—

“(1) In general.—Except as provided in para-
graph (2), the Secretary is expressly prohibited
from—

“(A) failing or refusing to transfer to an
Indian tribe its full share of any central, head-
quartes, regional, area, or service unit office or
other funds due under this Act, except as re-
quired by Federal law;

“(B) withholding portions of such funds for
transfer over a period of years; and

“(C) reducing the amount of funds required
under this Act—

“(i) to make funding available for self-
governance monitoring or administration
by the Secretary;

“(ii) in subsequent years, except pursu-
ant to—
“(I) a reduction in appropriations from the previous fiscal year for the program or function to be included in a compact or funding agreement;

“(II) a congressional directive in legislation or accompanying report;

“(III) a tribal authorization;

“(IV) a change in the amount of pass-through funds subject to the terms of the funding agreement; or

“(V) completion of a project, activity, or program for which such funds were provided;

“(iii) to pay for Federal functions, including Federal pay costs, Federal employee retirement benefits, automated data processing, technical assistance, and monitoring of activities under this Act; or

“(iv) to pay for costs of Federal personnel displaced by self-determination contracts under this Act or self-governance;

“(2) EXCEPTION.—The funds described in paragraph (1)(C) may be increased by the Secretary if necessary to carry out this Act or as provided in section 105(c)(2).
“(e) Other Resources.—In the event an Indian tribe elects to carry out a compact or funding agreement with the use of Federal personnel, Federal supplies (including supplies available from Federal warehouse facilities), Federal supply sources (including lodging, airline transportation, and other means of transportation including the use of interagency motor pool vehicles) or other Federal resources (including supplies, services, and resources available to the Secretary under any procurement contracts in which the Department is eligible to participate), the Secretary shall acquire and transfer such personnel, supplies, or resources to the Indian tribe.

“(f) Reimbursement to Indian Health Service.—With respect to functions transferred by the Indian Health Service to an Indian tribe, the Indian Health Service shall provide goods and services to the Indian tribe, on a reimbursable basis, including payment in advance with subsequent adjustment. The reimbursements received from those goods and services, along with the funds received from the Indian tribe pursuant to this title, may be credited to the same or subsequent appropriation account which provided the funding, such amounts to remain available until expended.

“(g) Prompt Payment Act.—Chapter 39 of title 31, United States Code, shall apply to the transfer of funds due
under a compact or funding agreement authorized under this title.

“(h) Interest or Other Income on Transfers.—An Indian tribe is entitled to retain interest earned on any funds paid under a compact or funding agreement to carry out governmental or health purposes and such interest shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the interest is earned or in any subsequent fiscal year.

Funds transferred under this title shall be managed using the prudent investment standard.

“(i) Carryover of Funds.—All funds paid to an Indian tribe in accordance with a compact or funding agreement shall remain available until expended. In the event that an Indian tribe elects to carry over funding from 1 year to the next, such carryover shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in that or any subsequent fiscal year.

“(j) Program Income.—All medicare, medicaid, or other program income earned by an Indian tribe shall be treated as supplemental funding to that negotiated in the funding agreement. The Indian tribe may retain all such income and expend such funds in the current year or in future years except to the extent that the Indian Health
Care Improvement Act (25 U.S.C. 1601 et seq.) provides otherwise for medicare and medicaid receipts. Such funds shall not result in any offset or reduction in the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the program income is received or for any subsequent fiscal year.

“(k) LIMITATION OF COSTS.—An Indian tribe shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds transferred under a compact or funding agreement. If at any time the Indian tribe has reason to believe that the total amount provided for a specific activity in the compact or funding agreement is insufficient the Indian tribe shall provide reasonable notice of such insufficiency to the Secretary. If the Secretary does not increase the amount of funds transferred under the funding agreement, the Indian tribe may suspend performance of the activity until such time as additional funds are transferred.

“SEC. 509. CONSTRUCTION PROJECTS.

“(a) In General.—Indian tribes participating in tribal self-governance may carry out construction projects under this title if they elect to assume all Federal responsibilities under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the National Historic Preservation Act (16 U.S.C. 470 et seq.), and related provisions
of law that would apply if the Secretary were to undertake
a construction project, by adopting a resolution—

“(1) designating a certifying officer to represent
the Indian tribe and to assume the status of a responsi-
sible Federal official under such laws; and

“(2) accepting the jurisdiction of the Federal
court for the purpose of enforcement of the responsibil-
ities of the responsible Federal official under such en-
vironmental laws.

“(b) NEGOTIATIONS.—Construction project proposals
shall be negotiated pursuant to the statutory process in sec-
tion 105(m) and resulting construction project agreements
shall be incorporated into funding agreements as addenda.

“(c) CODES AND STANDARDS.—The Indian tribe and
the Secretary shall agree upon and specify appropriate
building codes and architectural and engineering standards
(including health and safety) which shall be in conformity
with nationally recognized standards for comparable
projects.

“(d) RESPONSIBILITY FOR COMPLETION.—The Indian
tribe shall assume responsibility for the successful comple-
tion of the construction project in accordance with the nego-
tiated construction project agreement.

“(e) FUNDING.—Funding for construction projects car-
ried out under this title shall be included in funding agree-
ments as annual advance payments, with semiannual pay-
ments at the option of the Indian tribe. Annual advance
and semiannual payment amounts shall be determined
based on mutually agreeable project schedules reflecting
work to be accomplished within the advance payment pe-
period, work accomplished and funds expended in previous
payment periods, and the total prior payments. The Sec-
retary shall include associated project contingency funds
with each advance payment installment. The Indian tribe
shall be responsible for the management of the contingency
funds included in funding agreements.

“(f) APPROVAL.—The Secretary shall have at least 1
opportunity to approve project planning and design docu-
ments prepared by the Indian tribe in advance of construc-
tion of the facilities specified in the scope of work for each
negotiated construction project agreement or amendment
thereof which results in a significant change in the original
scope of work. The Indian tribe shall provide the Secretary
with project progress and financial reports not less than
semiannually. The Secretary may conduct onsite project
oversight visits semiannually or on an alternate schedule
agreed to by the Secretary and the Indian tribe.

“(g) WAGES.—All laborers and mechanics employed by
contractors and subcontractors in the construction, alter-
ation, or repair, including painting or decorating of a
building or other facilities in connection with construction projects undertaken by self-governance Indian tribes under this Act, shall be paid wages at not less than those prevailing wages on similar construction in the locality as determined by the Indian tribe.

“(h) Application of Other Laws.—Unless otherwise agreed to by the Indian tribe, no provision of the Office of Federal Procurement Policy Act, the Federal Acquisition Regulations issued pursuant thereto, or any other law or regulation pertaining to Federal procurement (including Executive orders) shall apply to any construction project conducted under this title.

“SEC. 510. FEDERAL PROCUREMENT LAWS AND REGULATIONS.

“Notwithstanding any other provision of law, unless expressly agreed to by the participating Indian tribe, the compacts and funding agreements entered into under this title shall not be subject to Federal contracting or cooperative agreement laws and regulations (including Executive orders and the regulations relating to procurement issued by the Secretary), except to the extent that such laws expressly apply to Indian tribes.
(a) Contract Defined.—For the purposes of section 110, the term ‘contract’ shall include compacts and funding agreements entered into under this title.

(b) Applicability of Certain Laws.—Section 2103 of the Revised Statutes (25 U.S.C. 81) and section 16 of the Act of June 18, 1934 (48 Stat. 987; chapter 576; 25 U.S.C. 476), shall not apply to attorney and other professional contracts entered into by Indian tribes participating in self-governance under this title.

(c) References.—All references in this Act to section 1 of the Act of June 26, 1936 (49 Stat. 1967; chapter 831) are hereby deemed to include the first section of the Act of July 3, 1952 (66 Stat. 323, chapter 549; 25 U.S.C. 82a).

(a) Secretarial Interpretation.—Except as otherwise provided by law, the Secretary shall interpret all Federal laws, Executive orders and regulations in a manner that will facilitate—

(1) the inclusion of programs, services, functions, and activities (or portions thereof) and funds associated therewith, in the agreements entered into under this section;

(2) the implementation of compacts and funding agreements entered into under this title; and
“(3) the achievement of tribal health goals and objectives.

“(b) REGULATION WAIVER.—

“(1) IN GENERAL.—An Indian tribe may submit a written request to waive application of a regulation promulgated under section 517 or the authorities specified in section 505(b) for a compact or funding agreement entered into with the Indian Health Service under this title, to the Secretary identifying the applicable Federal regulation sought to be waived and the basis for the request.

“(2) APPROVAL.—Not later than 90 days after receipt by the Secretary of a written request by an Indian tribe to waive application of a regulation for a compact or funding agreement entered into under this title, the Secretary shall either approve or deny the requested waiver in writing. A denial may be made only upon a specific finding by the Secretary that identified language in the regulation may not be waived because such waiver is prohibited by Federal law. A failure to approve or deny a waiver request not later than 90 days after receipt shall be deemed an approval of such request. The Secretary’s decision shall be final for the Department.
“(c) Access to Federal Property.—In connection with any compact or funding agreement executed pursuant to this title or an agreement negotiated under the Tribal Self-Governance Demonstration Project established under title III, as in effect before the enactment of the Tribal Self-Governance Amendments of 1999, upon the request of an Indian tribe, the Secretary—

“(1) shall permit an Indian tribe to use existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Government within the Secretary’s jurisdiction under such terms and conditions as may be agreed upon by the Secretary and the Indian tribe for their use and maintenance;

“(2) may donate to an Indian tribe title to any personal or real property found to be excess to the needs of any agency of the Department, or the General Services Administration, except that—

“(A) subject to the provisions of subparagraph (B), title to property and equipment furnished by the Federal Government for use in the performance of the compact or funding agreement or purchased with funds under any compact or funding agreement shall, unless otherwise
requested by the Indian tribe, vest in the appropriate Indian tribe;

“(B) if property described in subparagraph (A) has a value in excess of $5,000 at the time of retrocession, withdrawal, or reassumption, at the option of the Secretary upon the retrocession, withdrawal, or reassumption, title to such property and equipment shall revert to the Department of Health and Human Services; and

“(C) all property referred to in subparagraph (A) shall remain eligible for replacement, maintenance, and improvement on the same basis as if title to such property were vested in the United States; and

“(3) shall acquire excess or surplus Government personal or real property for donation to an Indian tribe if the Secretary determines the property is appropriate for use by the Indian tribe for any purpose for which a compact or funding agreement is authorized under this title.

“(d) Matching or Cost-Participation Requirement.—All funds provided under compacts, funding agreements, or grants made pursuant to this Act, shall be treated as non-Federal funds for purposes of meeting matching or
cost participation requirements under any other Federal or non-Federal program.

“(e) STATE FACILITATION.—States are hereby authorized and encouraged to enact legislation, and to enter into agreements with Indian tribes to facilitate and supplement the initiatives, programs, and policies authorized by this title and other Federal laws benefiting Indians and Indian tribes.

“(f) RULES OF CONSTRUCTION.—Each provision of this title and each provision of a compact or funding agreement shall be liberally construed for the benefit of the Indian tribe participating in self-governance and any ambiguity shall be resolved in favor of the Indian tribe.

“SEC. 513. BUDGET REQUEST.

“(a) REQUIREMENT OF ANNUAL BUDGET REQUEST.—

“(1) IN GENERAL.—The President shall identify in the annual budget request submitted to Congress under section 1105 of title 31, United States Code, all funds necessary to fully fund all funding agreements authorized under this title, including funds specifically identified to fund tribal base budgets. All funds so appropriated shall be apportioned to the Indian Health Service. Such funds shall be provided to the Office of Tribal Self-Governance which shall be re-
sponsible for distribution of all funds provided under section 505.

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the Indian Health Service to reduce the amount of funds that a self-governance tribe is otherwise entitled to receive under its funding agreement or other applicable law, whether or not such funds are apportioned to the Office of Tribal Self-Governance under this section.

“(b) PRESENT FUNDING; SHORTFALLS.—In such budget request, the President shall identify the level of need presently funded and any shortfall in funding (including direct program and contract support costs) for each Indian tribe, either directly by the Secretary of Health and Human Services, under self-determination contracts, or under compacts and funding agreements authorized under this title.

“SEC. 514. REPORTS.

“(a) ANNUAL REPORT.—

“(1) IN GENERAL.—Not later than January 1 of each year after the date of enactment of the Tribal Self-Governance Amendments of 1999, the Secretary shall submit to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives a written report regarding the administration of this title.
“(2) **Analysis.**—The report under paragraph (1) shall include a detailed analysis of the level of need being presently funded or unfunded for each Indian tribe, either directly by the Secretary, under self-determination contracts under title I, or under compacts and funding agreements authorized under this Act. In compiling reports pursuant to this section, the Secretary may not impose any reporting requirements on participating Indian tribes or tribal organizations, not otherwise provided in this Act.

“(b) **Contents.**—The report under subsection (a) shall—

“(1) be compiled from information contained in funding agreements, annual audit reports, and data of the Secretary regarding the disposition of Federal funds; and

“(2) identify—

“(A) the relative costs and benefits of self-governance;

“(B) with particularity, all funds that are specifically or functionally related to the provision by the Secretary of services and benefits to self-governance Indian tribes and their members;
“(C) the funds transferred to each self-governance Indian tribe and the corresponding reduction in the Federal bureaucracy;

“(D) the funding formula for individual tribal shares of all headquarters funds, together with the comments of affected Indian tribes or tribal organizations, developed under subsection (c); and

“(E) amounts expended in the preceding fiscal year to carry out inherent Federal functions, including an identification of those functions by type and location;

“(3) contain a description of the method or methods (or any revisions thereof) used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements;

“(4) before being submitted to Congress, be distributed to the Indian tribes for comment (with a comment period of no less than 30 days, beginning on the date of distribution); and

“(5) include the separate views and comments of the Indian tribes or tribal organizations.
“(c) REPORT ON FUND DISTRIBUTION METHOD.—Not later than 180 days after the date of enactment of the Tribal Self-Governance Amendments of 1999, the Secretary shall, after consultation with Indian tribes, submit a written report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate that describes the method or methods used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements.

“SEC. 515. DISCLAIMERS.

“(a) NO FUNDING REDUCTION.—Nothing in this title shall be construed to limit or reduce in any way the funding for any program, project, or activity serving an Indian tribe under this or other applicable Federal law. Any Indian tribe that alleges that a compact or funding agreement is in violation of this section may apply the provisions of section 110.

“(b) FEDERAL TRUST AND TREATY RESPONSIBILITIES.—Nothing in this Act shall be construed to diminish in any way the trust responsibility of the United States to Indian tribes and individual Indians that exists under treaties, Executive orders, or other laws and court decisions.
“(c) TRIBAL EMPLOYMENT.—For purposes of section 2(2) of the Act of July 5, 1935 (49 Stat. 450, chapter 372) (commonly known as the ‘National Labor Relations Act’), an Indian tribe carrying out a self-determination contract, compact, annual funding agreement, grant, or cooperative agreement under this Act shall not be considered an employer.

“(d) OBLIGATIONS OF THE UNITED STATES.—The Indian Health Service under this Act shall neither bill nor charge those Indians who may have the economic means to pay for services, nor require any Indian tribe to do so.

“SEC. 516. APPLICATION OF OTHER SECTIONS OF THE ACT.

“(a) MANDATORY APPLICATION.—All provisions of sections 5(b), 6, 7, 102 (c) and (d), 104, 105 (k) and (l), 106 (a) through (k), and 111 of this Act and section 314 of Public Law 101–512 (coverage under chapter 171 of title 28, United States Code, commonly known as the ‘Federal Tort Claims Act’), to the extent not in conflict with this title, shall apply to compacts and funding agreements authorized by this title.

“(b) DISCRETIONARY APPLICATION.—At the request of a participating Indian tribe, any other provision of title I, to the extent such provision is not in conflict with this title, shall be made a part of a funding agreement or compact entered into under this title. The Secretary is obligated
to include such provision at the option of the participating Indian tribe or tribes. If such provision is incorporated it shall have the same force and effect as if it were set out in full in this title. In the event an Indian tribe requests such incorporation at the negotiation stage of a compact or funding agreement, such incorporation shall be deemed effective immediately and shall control the negotiation and resulting compact and funding agreement.

“SEC. 517. REGULATIONS.

“(a) IN GENERAL.—

“(1) PROMULGATION.—Not later than 90 days after the date of enactment of the Tribal Self-Governance Amendments of 1999, the Secretary shall initiate procedures under subchapter III of chapter 5 of title 5, United States Code, to negotiate and promulgate such regulations as are necessary to carry out this title.

“(2) PUBLICATION OF PROPOSED REGULATIONS.—Proposed regulations to implement this title shall be published in the Federal Register by the Secretary no later than 1 year after the date of enactment of the Tribal Self-Governance Amendments of 1999.

“(3) EXPIRATION OF AUTHORITY.—The authority to promulgate regulations under paragraph (1)
shall expire 21 months after the date of enactment of
the Tribal Self-Governance Amendments of 1999.

“(b) COMMITTEE.—

“(1) IN GENERAL.—A negotiated rulemaking
committee established pursuant to section 565 of title
5, United States Code, to carry out this section shall
have as its members only Federal and tribal govern-
ment representatives, a majority of whom shall be
nominated by and be representatives of Indian tribes
with funding agreements under this Act.

“(2) REQUIREMENTS.—The committee shall con-
fer with, and accommodate participation by, rep-
resentatives of Indian tribes, inter-tribal consortia,
tribal organizations, and individual tribal members.

“(c) ADAPTATION OF PROCEDURES.—The Secretary
shall adapt the negotiated rulemaking procedures to the
unique context of self-governance and the government-to-
government relationship between the United States and In-
dian tribes.

“(d) EFFECT.—The lack of promulgated regulations
shall not limit the effect of this title.

“(e) EFFECT OF CIRCULARS, POLICIES, MANUALS,
GUIDANCES, AND RULES.—Unless expressly agreed to by
the participating Indian tribe in the compact or funding
agreement, the participating Indian tribe shall not be sub-
ject to any agency circular, policy, manual, guidance, or rule adopted by the Indian Health Service, except for the eligibility provisions of section 105(g) and regulations promulgated under section 517.

“SEC. 518. APPEALS.

“In any appeal (including civil actions) involving decisions made by the Secretary under this title, the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence—

“(1) the validity of the grounds for the decision made; and

“(2) that the decision is fully consistent with provisions and policies of this title.

“SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this title.

“(b) ASSUMPTION OF NEW OR EXPANDED PROGRAMS.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, in fiscal year 2000 the Secretary may enter into contracts, compacts, or annual funding agreements with an Indian tribe or tribal organization to operate a new or expanded program, service, function, or activity of the Indian Health Service
pursuant to the Indian Self-Determination and Edu-

cation Assistance Act (25 U.S.C. 450 et seq.) only

if—

“(A) and to the extent that, sufficient con-
tract support costs are appropriated and are spe-
cifically earmarked for the assumption of new or
expanded programs, functions, services, or activi-
ties; and

“(B) the Indian Health Service determines
that the percentage of contract support costs pro-
vided to existing contractors will not be reduced
as a result of the assumption of any new or ex-
panded programs, functions, services, or activi-
ties under this title.

“(2) Rule of Construction.—Nothing in this
subsection shall be construed to affect the allocation of
funds other than contract support cost funds.”.

SEC. 5. TRIBAL SELF-GOVERNANCE DEPARTMENT.

The Indian Self-Determination and Education Assist-
ance Act (25 U.S.C. 450 et seq.) is amended by adding at
the end the following:
“TITLE VI—TRIBAL SELF-GOVERNANCE—DEPARTMENT OF HEALTH AND HUMAN SERVICES

“SEC. 601. DEFINITIONS.

“(a) IN GENERAL.—In this title, the Secretary may apply the definitions contained in title V.

“(b) OTHER DEFINITIONS.—In this title:

“(1) AGENCY.—The term the term ‘agency’ means any agency or other organizational unit of the Department of Health and Human Services, other than the Indian Health Service.

“(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.

“SEC. 602. DEMONSTRATION PROJECT FEASIBILITY.

“(a) STUDY.—The Secretary shall conduct a study to determine the feasibility of a tribal self-governance demonstration project for appropriate programs, services, functions, and activities (or portions thereof) of the agency.

“(b) CONSIDERATIONS.—In conducting the study, the Secretary shall consider—

“(1) the probable effects on specific programs and program beneficiaries of such a demonstration project;
“(2) statutory, regulatory, or other impediments to implementation of such a demonstration project;

“(3) strategies for implementing such a demonstration project;

“(4) probable costs or savings associated with such a demonstration project;

“(5) methods to assure quality and accountability in such a demonstration project; and

“(6) such other issues that may be determined by the Secretary or developed through consultation pursuant to section 603.

“(c) REPORT.—Not later than 18 months after the date of enactment of this title, the Secretary shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives. The report shall contain—

“(1) the results of the study under this section;

“(2) a list of programs, services, functions, and activities (or portions thereof) within each agency with respect to which it would be feasible to include in a tribal self-governance demonstration project;

“(3) a list of programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) that could be included in a tribal self-governance demonstration project;
project without amending statutes, or waiving regulations that the Secretary may not waive;

“(4) a list of legislative actions required in order to include those programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) but not included in the list provided pursuant to paragraph (3) in a tribal self-governance demonstration project; and

“(5) any separate views of tribes and other entities consulted pursuant to section 603 related to the information provided pursuant to paragraphs (1) through (4).

“SEC. 603. CONSULTATION.

“(a) Study Protocol.—

“(1) Consultation with Indian tribes.—The Secretary shall consult with Indian tribes to determine a protocol for consultation under subsection (b) prior to consultation under such subsection with the other entities described in such subsection.

“(2) Requirements for protocol.—The protocol shall require, at a minimum, that—

“(A) the government-to-government relationship with Indian tribes forms the basis for the consultation process;
“(B) the Indian tribes and the Secretary jointly conduct the consultations required by this section; and

“(C) the consultation process allows for separate and direct recommendations from the Indian tribes and other entities described in subsection (b).

“(b) CONDUCTING STUDY.—In conducting the study under this title, the Secretary shall consult with Indian tribes, States, counties, municipalities, program beneficiaries, and interested public interest groups, and may consult with other entities as appropriate.

“SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated for fiscal years 2000 and 2001 such sums as may be necessary to carry out this title. Such sums shall remain available until expended.”.

SEC. 6. AMENDMENTS CLARIFYING CIVIL PROCEEDINGS.

(a) BURDEN OF PROOF IN DISTRICT COURT ACTIONS.—Section 102(e)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f(e)(1)) is amended by inserting after “subsection (b)(3)” the following: “or any civil action conducted pursuant to section 110(a)”.

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(b) Effective Date.—The amendments made by subsection (a) shall apply to any proceedings commenced after October 25, 1994.

SEC. 7. SPEEDY ACQUISITION OF GOODS, SERVICES, OR SUPPLIES.

Section 105(k) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j(k)) is amended—

(1) by striking “deemed an executive agency” and inserting “deemed an executive agency and part of the Indian Health Service”; and

(2) by adding at the end the following: “At the request of an Indian tribe, the Secretary shall enter into an agreement for the acquisition, on behalf of the Indian tribe, of any goods, services, or supplies available to the Secretary from the General Services Administration or other Federal agencies that are not directly available to the Indian tribe under this section or any other Federal law, including acquisitions from prime vendors. All such acquisitions shall be undertaken through the most efficient and speedy means practicable, including electronic ordering arrangements.”
SEC. 8. PATIENT RECORDS.

Section 105 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j) is amended by adding at the end the following:

“(o) PATIENT RECORDS.—

“(1) In general.—At the option of an Indian tribe or tribal organization, patient records may be deemed to be Federal records under those provisions of title 44, United States Code, that are commonly referred to as the ‘Federal Records Act of 1950’ for the limited purposes of making such records eligible for storage by Federal Records Centers to the same extent and in the same manner as other Department of Health and Human Services patient records.

“(2) Treatment of records.—Patient records that are deemed to be Federal records under those provisions of title 44, United States Code, that are commonly referred to as the ‘Federal Records Act of 1950’ pursuant to this subsection shall not be considered Federal records for the purposes of chapter 5 of title 5, United States Code.”.

SEC. 9. RECOVERY ACTIONS.

Section 105 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j) is amended by adding at the end the following:

“(p) RECOVERY ACTIONS.—
“(1) CREDITING OF FACILITY ACCOUNTS.—All funds recovered under the first section of Public Law 87-693 (42 U.S.C. 2651) that are related to health care provided by a tribally-administered facility or program of the Indian Health Service, whether provided before or after the facility’s or program’s transfer to tribal administration, shall be credited to the account of the facility or program providing the service and shall be available without fiscal year limitation.

“(2) TREATMENT OF TRIBES AND ORGANIZATIONS.—For purposes of the first section of Public Law 87-693 (42 U.S.C. 2651), an Indian tribe or tribal organization carrying out a contract, compact, grant, or cooperative agreement pursuant to this Act shall be deemed to be the United States and shall have the same right to recover as the United States for the reasonable value of past or future care and treatment provided under such contract, compact, grant, or cooperative agreement. Nothing in this paragraph shall be construed to affect a tribe’s or tribal organization’s right to recover under any other applicable Federal, State, or tribal law.”.
Section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j-1) is amended—

(1) by redesignating subsections (c) through (n) as subsections (d) through (o), respectively; and

(2) by inserting after subsection (b), the following:

“(c) ANNUAL REPORTS.—Not later than May 15 of each year, the Secretary shall prepare and submit to Congress an annual report on the implementation of this Act. Such report shall include—

“(1) an accounting of the total amounts of funds provided for each program and the budget activity for direct program costs and contract support costs of tribal organizations under self-determination;

“(2) an accounting of any deficiency in funds needed to provide required contract support costs to all contractors for the fiscal year for which the report is being submitted;

“(3) the indirect cost rate and type of rate for each tribal organization that has been negotiated with the appropriate Secretary;

“(4) the direct cost base and type of base from which the indirect cost rate is determined for each tribal organization;
“(5) the indirect cost pool amounts and the types of costs included in the indirect cost pool; and

“(6) an accounting of any deficiency in funds needed to maintain the preexisting level of services to any Indian tribes affected by contracting activities under this Act, and a statement of the amount of funds needed for transitional purposes to enable contractors to convert from a Federal fiscal year accounting cycle, as authorized by section 105(d).”.

SEC. 11. REPEAL.

(a) In general.—Title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) is repealed.

(b) Effective Date.—This section shall take effect on October 1, 1999.

SEC. 12. SAVINGS PROVISION.