115TH CONGRESS 2D SESSION

## S. 2515

## AN ACT

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

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

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1	SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
2	(a) Short Title.—This Act may be cited as the
3	"Practical Reforms and Other Goals To Reinforce the Ef-
4	fectiveness of Self-Governance and Self-Determination for
5	Indian Tribes Act of 2018" or the "PROGRESS for In-
6	dian Tribes Act".
7	(b) Table of Contents.—The table of contents of
8	this Act is as follows:
	Sec. 1. Short title; table of contents.
	TITLE I—TRIBAL SELF-GOVERNANCE
	Sec. 101. Tribal self-governance.
	TITLE II—INDIAN SELF-DETERMINATION
	<ul> <li>Sec. 201. Definitions; reporting and audit requirements; application of provisions.</li> <li>Sec. 202. Contracts by Secretary of the Interior.</li> <li>Sec. 203. Administrative provisions.</li> <li>Sec. 204. Contract funding and indirect costs.</li> <li>Sec. 205. Contract or grant specifications.</li> </ul>
9	TITLE I—TRIBAL SELF-
10	GOVERNANCE
11	SEC. 101. TRIBAL SELF-GOVERNANCE.
12	(a) Effect of Provisions.—Nothing in this Act,
13	or the amendments made by this Act, shall be construed—
14	(1) to modify, limit, expand, or otherwise af-
15	feet—
16	(A) the authority of the Secretary of the
17	Interior, as provided for under the Indian Self-
18	Determination and Education Assistance Act

1	(as in effect on the day before the date of en-
2	actment of this Act), regarding—
3	(i) the inclusion of any non-BIA pro-
4	gram (as defined in section 401 of the In-
5	dian Self-Determination and Education
6	Assistance Act) in a self-determination
7	contract or funding agreement under sec-
8	tion 403(c) of such Act (as so in effect);
9	or
10	(ii) the implementation of any con-
11	tract or agreement described in clause (i)
12	that is in effect on the day described in
13	subparagraph (A);
14	(B) the meaning, application, or effect of
15	any Tribal water rights settlement, including
16	the performance required of a party thereto or
17	any payment or funding obligation thereunder;
18	(C) the authority, jurisdiction, or responsi-
19	bility of a State to manage, control, or regulate
20	fish and wildlife under State law (including reg-
21	ulations) on land or water in the State, includ-
22	ing Federal public land;
23	(D) except for the authority provided to
24	the Secretary as described in subparagraph (A),
25	the applicability or effect of any Federal law re-

1	lated to the protection or management of fish
2	or wildlife; or
3	(E) any treaty-reserved right or other right
4	of any Indian Tribe as recognized by any other
5	means, including treaties or agreements with
6	the United States, Executive orders, statutes,
7	regulations, or case law; or
8	(2) to authorize any provision of a contract or
9	agreement that is not consistent with the terms of
10	a Tribal water rights settlement.
11	(b) Definitions.—Section 401 of the Indian Self-
12	Determination and Education Assistance Act (25 U.S.C.
13	5361) is amended to read as follows:
14	"SEC. 401. DEFINITIONS.
15	"In this title:
16	"(1) Compact.—The term 'compact' means a
17	self-governance compact entered into under section
18	404.
19	"(2) Construction program; construction
20	PROJECT.—The term 'construction program' or 'con-
21	struction project' means a Tribal undertaking relat-
22	ing to the administration, planning, environmental
23	determination, design, construction, repair, improve-
24	ment, or expansion of roads, bridges, buildings,

structures, systems, or other facilities for purposes

- 1 of housing, law enforcement, detention, sanitation,
- 2 water supply, education, administration, community,
- 3 health, irrigation, agriculture, conservation, flood
- 4 control, transportation, or port facilities, or for other
- 5 Tribal purposes.
- 6 "(3) DEPARTMENT.—The term 'Department'
- 7 means the Department of the Interior.
- 8 "(4) Funding agreement.—The term 'fund-
- 9 ing agreement' means a funding agreement entered
- into under section 403.
- 11 "(5) Gross mismanagement.—The term
- 12 'gross mismanagement' means a significant viola-
- tion, shown by a preponderance of the evidence, of
- a compact, funding agreement, or statutory or regu-
- 15 latory requirement applicable to Federal funds for a
- program administered by an Indian Tribe under a
- 17 compact or funding agreement.
- 18 "(6) INHERENT FEDERAL FUNCTION.—The
- term 'inherent Federal function' means a Federal
- function that may not legally be delegated to an In-
- dian Tribe.
- 22 "(7) Non-BIA Program.—The term 'non-BIA
- program' means all or a portion of a program, func-
- 24 tion, service, or activity that is administered by any

1	bureau, service, office, or agency of the Department
2	of the Interior other than—
3	"(A) the Bureau of Indian Affairs;
4	"(B) the Office of the Assistant Secretary
5	for Indian Affairs; or
6	"(C) the Office of the Special Trustee for
7	American Indians.
8	"(8) Program.—The term 'program' means
9	any program, function, service, or activity (or por-
10	tion thereof) within the Department that is included
11	in a funding agreement.
12	"(9) Secretary.—The term 'Secretary' means
13	the Secretary of the Interior.
14	"(10) Self-determination contract.—The
15	term 'self-determination contract' means a self-de-
16	termination contract entered into under section 102
17	"(11) Self-governance.—The term 'self-gov-
18	ernance' means the Tribal Self-Governance Program
19	established under section 402.
20	"(12) Tribal share.—The term 'Tribal share
21	means the portion of all funds and resources of an
22	Indian Tribe that—
23	"(A) support any program within the Bu-
24	reau of Indian Affairs, the Office of the Special

1	Trustee for American Indians, or the Office of
2	the Assistant Secretary for Indian Affairs; and
3	"(B) are not required by the Secretary for
4	the performance of an inherent Federal func-
5	tion.
6	"(13) Tribal water rights settlement.—
7	The term 'Tribal water rights settlement' means any
8	settlement, compact, or other agreement expressly
9	ratified or approved by an Act of Congress that—
10	"(A) includes an Indian Tribe and the
11	United States as parties; and
12	"(B) quantifies or otherwise defines any
13	water right of the Indian Tribe.".
14	(c) Establishment.—Section 402 of the Indian
15	Self-Determination and Education Assistance Act (25
16	U.S.C. 458bb) is amended to read as follows:
17	"SEC. 402. TRIBAL SELF-GOVERNANCE PROGRAM.
18	"(a) Establishment.—The Secretary shall estab-
19	lish and carry out a program within the Department to
20	be known as the 'Tribal Self-Governance Program'.
21	"(b) Selection of Participating Indian
22	Tribes.—
23	"(1) In general.—
24	"(A) Eligibility.—The Secretary, acting
25	through the Director of the Office of Self-Gov-

- ernance, may select not more than 50 new Indian Tribes per year from those tribes eligible under subsection (c) to participate in self-governance.
  - "(B) Joint Participation.—On the request of each participating Indian Tribe, two or more otherwise eligible Indian Tribes may be treated as a single Indian Tribe for the purpose of participating in self-governance.
  - "(2) OTHER AUTHORIZED INDIAN TRIBE OR TRIBAL ORGANIZATION.—If an Indian Tribe authorizes another Indian Tribe or a Tribal organization to plan for or carry out a program on its behalf under this title, the authorized Indian Tribe or Tribal organization shall have the rights and responsibilities of the authorizing Indian Tribe (except as otherwise provided in the authorizing resolution).
  - "(3) Joint Participation as organization.—Two or more Indian Tribes that are not otherwise eligible under subsection (c) may be treated as a single Indian Tribe for the purpose of participating in self-governance as a Tribal organization if—
- 24 "(A) each Indian Tribe so requests; and

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1	"(B) the Tribal organization itself, or at
2	least one of the Indian Tribes participating in
3	the Tribal organization, is eligible under sub-
4	section (c).
5	"(4) Tribal withdrawal from a tribal or-
6	GANIZATION.—
7	"(A) IN GENERAL.—An Indian Tribe that
8	withdraws from participation in a Tribal orga-
9	nization, in whole or in part, shall be entitled
10	to participate in self-governance if the Indian
11	Tribe is eligible under subsection (c).
12	"(B) Effect of Withdrawal.—If an In-
13	dian Tribe withdraws from participation in a
14	Tribal organization, the Indian Tribe shall be
15	entitled to its Tribal share of funds and re-
16	sources supporting the programs that the In-
17	dian Tribe is entitled to carry out under the
18	compact and funding agreement of the Indian
19	Tribe.
20	"(C) Participation in self-govern-
21	ANCE.—The withdrawal of an Indian Tribe
22	from a Tribal organization shall not affect the
23	eligibility of the Tribal organization to partici-

pate in self-governance on behalf of one or more

1	other Indian Tribes, if the Tribal organization
2	still qualifies under subsection (c).
3	"(D) WITHDRAWAL PROCESS.—
4	"(i) In General.—An Indian Tribe
5	may, by Tribal resolution, fully or partially
6	withdraw its Tribal share of any program
7	in a funding agreement from a partici-
8	pating Tribal organization.
9	"(ii) Notification.—The Indian
10	Tribe shall provide a copy of the Tribal
11	resolution described in clause (i) to the
12	Secretary.
13	"(iii) Effective date.—
14	"(I) In general.—A withdrawal
15	under clause (i) shall become effective
16	on the date that is specified in the
17	Tribal resolution and mutually agreed
18	upon by the Secretary, the with-
19	drawing Indian Tribe, and the Tribal
20	organization that signed the compact
21	and funding agreement on behalf of
22	the withdrawing Indian Tribe or Trib-
23	al organization.
24	"(II) No specified date.—In
25	the absence of a date specified in the

1	resolution, the withdrawal shall be-
2	come effective on—
3	"(aa) the earlier of—
4	"(AA) 1 year after the
5	date of submission of the re-
6	quest; and
7	"(BB) the date on
8	which the funding agree-
9	ment expires; or
10	"(bb) such date as may be
11	mutually agreed upon by the Sec-
12	retary, the withdrawing Indian
13	Tribe, and the Tribal organiza-
14	tion that signed the compact and
15	funding agreement on behalf of
16	the withdrawing Indian Tribe or
17	Tribal organization.
18	"(E) DISTRIBUTION OF FUNDS.—If an In-
19	dian Tribe or Tribal organization eligible to
20	enter into a self-determination contract or a
21	compact or funding agreement fully or partially
22	withdraws from a participating Tribal organiza-
23	tion, the withdrawing Indian Tribe—

1	"(i) may elect to enter into a self-de-
2	termination contract or compact, in which
3	case—
4	"(I) the withdrawing Indian
5	Tribe or Tribal organization shall be
6	entitled to its Tribal share of unex-
7	pended funds and resources sup-
8	porting the programs that the Indian
9	Tribe will be carrying out under its
10	own self-determination contract or
11	compact and funding agreement (cal-
12	culated on the same basis as the
13	funds were initially allocated to the
14	funding agreement of the Tribal orga-
15	nization); and
16	"(II) the funds referred to in
17	subclause (I) shall be withdrawn by
18	the Secretary from the funding agree-
19	ment of the Tribal organization and
20	transferred to the withdrawing Indian
21	Tribe, on the condition that sections
22	102 and 105(i), as appropriate, shall
23	apply to the withdrawing Indian
24	Tribe; or

1 "(ii) may elect not to enter into a self-2 determination contract or compact, 3 which case all unexpended funds and re-4 sources associated with the withdrawing 5 Indian Tribe's returned programs (cal-6 culated on the same basis as the funds 7 were initially allocated to the funding 8 agreement of the Tribal organization) shall 9 be returned by the Tribal organization to 10 the Secretary for operation of the pro-11 grams included in the withdrawal. 12

"(F) Return to mature contract status.—If an Indian Tribe elects to operate all or some programs 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 as long as the Indian Tribe meets the requirements set forth in section 4(h).

- 22 "(c) Eligibility.—To be eligible to participate in 23 self-governance, an Indian Tribe shall—
- 24 "(1) successfully complete the planning phase 25 described in subsection (d);

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1	"(2) request participation in self-governance by
2	resolution or other official action by the Tribal gov-
3	erning body; and
4	"(3) demonstrate, for the 3 fiscal years pre-
5	ceding the date on which the Indian Tribe requests
6	participation, financial stability and financial man-
7	agement capability as evidenced by the Indian Tribe
8	having no uncorrected significant and material audit
9	exceptions in the required annual audit of its self-
10	determination or self-governance agreements with
11	any Federal agency.
12	"(d) Planning Phase.—
13	"(1) IN GENERAL.—An Indian Tribe seeking to
14	begin participation in self-governance shall complete
15	a planning phase as provided in this subsection.
16	"(2) Activities.—The planning phase shall—
17	"(A) be conducted to the satisfaction of
18	the Indian Tribe; and
19	"(B) include—
20	"(i) legal and budgetary research; and
21	"(ii) internal Tribal government plan-
22	ning, training, and organizational prepara-
23	tion.
24	"(e) Grants.—

1	"(1) In general.—Subject to the availability
2	of appropriations, an Indian Tribe or Tribal organi-
3	zation that meets the requirements of paragraphs
4	(2) and (3) of subsection (c) shall be eligible for
5	grants—
6	"(A) to plan for participation in self-gov-
7	ernance; and
8	"(B) to negotiate the terms of participa-
9	tion by the Indian Tribe or Tribal organization
10	in self-governance, as set forth in a compact
11	and a funding agreement.
12	"(2) Receipt of grant not required.—Re-
13	ceipt of a grant under paragraph (1) shall not be a
14	requirement of participation in self-governance.".
15	(d) Funding Agreements.—Section 403 of the In-
16	dian Self-Determination and Education Assistance Act
17	(25 U.S.C. 5363) is amended—
18	(1) by striking subsection (a) and inserting the
19	following:
20	"(a) AUTHORIZATION.—The Secretary shall, on the
21	request of any Indian Tribe or Tribal organization, nego-
22	tiate and enter into a written funding agreement with the
23	governing body of the Indian Tribe or the Tribal organiza-
24	tion in a manner consistent with—

1	"(1) the trust responsibility of the Federal Gov-
2	ernment, treaty obligations, and the government-to-
3	government relationship between Indian Tribes and
4	the United States; and
5	"(2) subsection (b).";
6	(2) in subsection (b)—
7	(A) in paragraph (1)—
8	(i) in the matter preceding subpara-
9	graph (A), by striking "without regard to
10	the agency or office of the Bureau of In-
11	dian Affairs" and inserting "the Office of
12	the Assistant Secretary for Indian Affairs,
13	and the Office of the Special Trustee for
14	American Indians, without regard to the
15	agency or office of that Bureau or those
16	Offices";
17	(ii) by redesignating subparagraphs
18	(A) and (B) as clauses (i) and (ii), respec-
19	tively, and indenting the margins of such
20	clauses accordingly;
21	(iii) by striking "including any pro-
22	gram" and inserting the following: "includ-
23	ing—
24	"(A) any program";
25	(iv) in subparagraph (A)—

1	(I) in clause (i), as redesignated
2	by clause (ii), by striking the semi-
3	colon at the end and inserting ";
4	and"; and
5	(II) in clause (ii), as so redesig-
6	nated, by striking "and" after the
7	semicolon;
8	(v) by redesignating subparagraph (C)
9	as subparagraph (B);
10	(vi) in subparagraph (B), as redesig-
11	nated by clause (v), by striking the semi-
12	colon and inserting "; and; and
13	(vii) by adding at the end the fol-
14	lowing:
15	"(C) any other program, service, function,
16	or activity (or portion thereof) that is provided
17	through the Bureau of Indian Affairs, the Of-
18	fice of the Assistant Secretary for Indian Af-
19	fairs, or the Office of the Special Trustee for
20	American Indians with respect to which Indian
21	Tribes or Indians are primary or significant
22	beneficiaries;";
23	(B) in paragraph (2)—
24	(i) by striking "section 405(c)" and
25	inserting "section $412(c)$ ": and

1	(ii) by inserting "and" after the semi-
2	colon at the end;
3	(C) in paragraph (3), by striking the semi-
4	colon at the end and inserting a period; and
5	(D) by striking paragraphs (4) through
6	(9);
7	(3) in subsection (f)—
8	(A) in the subsection heading, by striking
9	"for Review";
10	(B) by striking "such agreement to—" and
11	all that follows through "Indian tribe" and in-
12	serting "such agreement to each Indian Tribe";
13	(C) by striking "agreement;" and inserting
14	"agreement."; and
15	(D) by striking paragraphs (2) and (3);
16	and
17	(4) by adding at the end the following:
18	"(m) Other Provisions.—
19	"(1) Excluded funding.—A funding agree-
20	ment shall not authorize an Indian Tribe to plan,
21	conduct, administer, or receive Tribal share funding
22	under any program that—
23	"(A) is provided under the Tribally Con-
24	trolled Colleges and Universities Assistance Act
25	of 1978 (25 U.S.C. 1801 et seq.); or

1	"(B) is provided for elementary and sec-
2	ondary schools under the formula developed
3	under section 1127 of the Education Amend-
4	ments of 1978 (25 U.S.C. 2007).
5	"(2) Services, functions, and responsibil-
6	ITIES.—A funding agreement shall specify—
7	"(A) the services to be provided under the
8	funding agreement;
9	"(B) the functions to be performed under
10	the funding agreement; and
11	"(C) the responsibilities of the Indian
12	Tribe and the Secretary under the funding
13	agreement.
14	"(3) Base budget.—
15	"(A) IN GENERAL.—A funding agreement
16	shall, at the option of the Indian Tribe, provide
17	for a stable base budget specifying the recur-
18	ring funds (which may include funds available
19	under section 106(a)) to be transferred to the
20	Indian Tribe, for such period as the Indian
21	Tribe specifies in the funding agreement, sub-
22	ject to annual adjustment only to reflect
23	changes in congressional appropriations.
24	"(B) Limitations.—Notwithstanding sub-
25	paragraph (A), a funding agreement shall not

1	specify funding associated with a program de-
2	scribed in subsection (b)(2) or (c) unless the
3	Secretary agrees.
4	"(4) No waiver of trust responsibility.—
5	A funding agreement shall prohibit the Secretary
6	from waiving, modifying, or diminishing in any way
7	the trust responsibility of the United States with re-
8	spect to Indian Tribes and individual Indians that
9	exists under treaties, Executive orders, court deci-
10	sions, and other laws.
11	"(n) Amendment.—The Secretary shall not revise,
12	amend, or require additional terms in a new or subsequent
13	funding agreement without the consent of the Indian
14	Tribe, unless such terms are required by Federal law.
15	"(o) Effective Date.—A funding agreement shall
16	become effective on the date specified in the funding
17	agreement.
18	"(p) Existing and Subsequent Funding Agree-
19	MENTS.—
20	"(1) Subsequent funding agreements.—
21	Absent notification from an Indian Tribe that the
22	Indian Tribe is withdrawing or retroceding the oper-
23	ation of one or more programs identified in a fund-
24	ing agreement, or unless otherwise agreed to by the

parties to the funding agreement or by the nature

1	of any noncontinuing program, service, function, or
2	activity contained in a funding agreement—
3	"(A) a funding agreement shall remain in
4	full force and effect until a subsequent funding
5	agreement is executed, with funding paid annu-
6	ally for each fiscal year the agreement is in ef-
7	fect; and
8	"(B) the term of the subsequent funding
9	agreement shall be retroactive to the end of the
10	term of the preceding funding agreement for
11	the purposes of calculating the amount of fund-
12	ing to which the Indian Tribe is entitled.
13	"(2) DISPUTES.—Disputes over the implemen-
14	tation of paragraph (1)(A) shall be subject to section
15	406(c).
16	"(3) Existing funding agreements.—An
17	Indian Tribe that was participating in self-govern-
18	ance under this title on the date of enactment of the
19	PROGRESS for Indian Tribes Act shall have the
20	option at any time after that date—
21	"(A) to retain its existing funding agree-
22	ment (in whole or in part) to the extent that
23	the provisions of that funding agreement are
24	not directly contrary to any express provision of
25	this title: or

1	"(B) to negotiate a new funding agreement
2	in a manner consistent with this title.
3	"(4) Multiyear funding agreements.—An
4	Indian Tribe may, at the discretion of the Indian
5	Tribe, negotiate with the Secretary for a funding
6	agreement with a term that exceeds 1 year.".
7	(e) General Revisions.—Title IV of the Indian
8	Self-Determination and Education Assistance Act (25
9	U.S.C. 5304 et seq.) is amended by striking sections 404
10	through 408 and inserting the following:
11	"SEC. 404. COMPACTS.
12	"(a) In General.—The Secretary shall negotiate
13	and enter into a written compact with each Indian Tribe
14	participating in self-governance in a manner consistent
15	with the trust responsibility of the Federal Government,
16	treaty obligations, and the government-to-government re-
17	lationship between Indian Tribes and the United States.
18	"(b) Contents.—A compact under subsection (a)
19	shall—
20	(1) specify and affirm the general terms of the
21	government-to-government relationship between the
22	Indian Tribe and the Secretary; and
23	"(2) include such terms as the parties intend
24	shall control during the term of the compact.

1	"(c) Amendment.—A compact under subsection (a)
2	may be amended only by agreement of the parties.
3	"(d) Effective Date.—The effective date of a com-
4	pact under subsection (a) shall be—
5	"(1) the date of the execution of the compact
6	by the parties; or
7	"(2) such date as is mutually agreed upon by
8	the parties.
9	"(e) Duration.—A compact under subsection (a)
10	shall remain in effect—
11	"(1) for so long as permitted by Federal law;
12	or
13	"(2) until termination by written agreement,
14	retrocession, or reassumption.
15	"(f) Existing Compacts.—An Indian Tribe partici-
16	pating in self-governance under this title, as in effect on
17	the date of enactment of the PROGRESS for Indian
18	Tribes Act, shall have the option at any time after that
19	date—
20	"(1) to retain its negotiated compact (in whole
21	or in part) to the extent that the provisions of the
22	compact are not directly contrary to any express
23	provision of this title; or
24	"(2) to negotiate a new compact in a manner
25	consistent with this title.

## 1 "SEC. 405. GENERAL PROVISIONS.

2	"(a) APPLICABILITY.—An Indian Tribe and the Sec-
3	retary shall include in any compact or funding agreement
4	provisions that reflect the requirements of this title.
5	"(b) Conflicts of Interest.—An Indian Tribe
6	participating in self-governance shall ensure that internal
7	measures are in place to address, pursuant to Tribal law
8	and procedures, conflicts of interest in the administration
9	of programs.
10	"(c) Audits.—
11	"(1) SINGLE AGENCY AUDIT ACT.—Chapter 75
12	of title 31, United States Code, shall apply to a
13	funding agreement under this title.
14	"(2) Cost principles.—An Indian Tribe shall
15	apply cost principles under the applicable Office of
16	Management and Budget circular, except as modi-
17	fied by—
18	"(A) any provision of law, including section
19	106; or
20	"(B) any exemptions to applicable Office
21	of Management and Budget circulars subse-
22	quently granted by the Office of Management
23	and Budget.
24	"(3) Federal Claims.—Any claim by the Fed-
25	eral Government against an Indian Tribe relating to
26	funds received under a funding agreement based or

1	any audit under this subsection shall be subject to
2	section 106(f).
3	"(d) Redesign and Consolidation.—Except as
4	provided in section 407, an Indian Tribe may redesign or
5	consolidate programs, or reallocate funds for programs, in
6	a compact or funding agreement in any manner that the
7	Indian Tribe determines to be in the best interest of the
8	Indian community being served—
9	"(1) so long as the redesign or consolidation
0	does not have the effect of denying eligibility for
11	services to population groups otherwise eligible to be
12	served under applicable Federal law; and
13	"(2) except that, with respect to the realloca-
14	tion, consolidation, and redesign of programs de-
15	scribed in subsection (b)(2) or (c) of section 403, a
16	joint agreement between the Secretary and the In-
17	dian Tribe shall be required.
18	"(e) Retrocession.—
19	"(1) IN GENERAL.—An Indian Tribe may fully
20	or partially retrocede to the Secretary any program
21	under a compact or funding agreement.
22	"(2) Effective date.—
23	"(A) AGREEMENT.—Unless an Indian
24	Tribe rescinds a request for retrocession under
25	paragraph (1), the retrocession shall become ef-

1	fective on the date specified by the parties in
2	the compact or funding agreement.
3	"(B) NO AGREEMENT.—In the absence of
4	a specification of an effective date in the com-
5	pact or funding agreement, the retrocession
6	shall become effective on—
7	"(i) the earlier of—
8	"(I) 1 year after the date on
9	which the request is submitted; and
10	"(II) the date on which the fund-
11	ing agreement expires; or
12	"(ii) such date as may be mutually
13	agreed upon by the Secretary and the In-
14	dian Tribe.
15	"(f) Nonduplication.—A funding agreement shall
16	provide that, for the period for which, and to the extent
17	to which, funding is provided to an Indian Tribe under
18	this title, the Indian Tribe—
19	"(1) shall not be entitled to contract with the
20	Secretary for funds under section 102, except that
21	the Indian Tribe shall be eligible for new programs
22	on the same basis as other Indian Tribes; and
23	"(2) shall be responsible for the administration
24	of programs in accordance with the compact or
25	funding agreement.

1	"(g) Records.—
2	"(1) IN GENERAL.—Unless an Indian Tribe
3	specifies otherwise in the compact or funding agree-
4	ment, records of an Indian Tribe shall not be consid-
5	ered to be Federal records for purposes of chapter
6	5 of title 5, United States Code.
7	"(2) Recordkeeping system.—An Indian
8	Tribe shall—
9	"(A) maintain a recordkeeping system; and
10	"(B) on a notice period of not less than 30
11	days, provide the Secretary with reasonable ac-
12	cess to the records to enable the Department to
13	meet the requirements of sections 3101 through
14	3106 of title 44, United States Code.
15	"SEC. 406. PROVISIONS RELATING TO THE SECRETARY.
16	"(a) Trust Evaluations.—A funding agreement
17	shall include a provision to monitor the performance of
18	trust functions by the Indian Tribe through the annual
19	trust evaluation.
20	"(b) Reassumption.—
21	"(1) In General.—A compact or funding
22	agreement shall include provisions for the Secretary
23	to reassume a program and associated funding if
24	there is a specific finding relating to that program
25	of—

1	"(A) imminent jeopardy to a trust asset, a
2	natural resource, or public health and safety
3	that—
4	"(i) is caused by an act or omission of
5	the Indian Tribe; and
6	"(ii) arises out of a failure to carry
7	out the compact or funding agreement; or
8	"(B) gross mismanagement with respect to
9	funds transferred to an Indian Tribe under a
10	compact or funding agreement, as determined
11	by the Secretary in consultation with the In-
12	spector General, as appropriate.
13	"(2) Prohibition.—The Secretary shall not
14	reassume operation of a program, in whole or part,
15	unless—
16	"(A) the Secretary first provides written
17	notice and a hearing on the record to the In-
18	dian Tribe; and
19	"(B) the Indian Tribe does not take cor-
20	rective action to remedy the mismanagement of
21	the funds or programs, or the imminent jeop-
22	ardy to a trust asset, natural resource, or pub-
23	lic health and safety.
24	"(3) Exception.—

1	"(A) In general.—Notwithstanding para-
2	graph (2), the Secretary may, on written notice
3	to the Indian Tribe, immediately reassume op-
4	eration of a program if—
5	"(i) the Secretary makes a finding of
6	imminent and substantial jeopardy and ir-
7	reparable harm to a trust asset, a natural
8	resource, or the public health and safety
9	caused by an act or omission of the Indian
10	Tribe; and
11	"(ii) the imminent and substantial
12	jeopardy and irreparable harm to the trust
13	asset, natural resource, or public health
14	and safety arises out of a failure by the In-
15	dian Tribe to carry out the terms of an ap-
16	plicable compact or funding agreement.
17	"(B) Reassumption.—If the Secretary re-
18	assumes operation of a program under subpara-
19	graph (A), the Secretary shall provide the In-
20	dian Tribe with a hearing on the record not
21	later than 10 days after the date of reassump-
22	tion.
23	"(c) Inability To Agree on Compact or Fund-
24	ING AGREEMENT —

1	"(1) Final offer.—If the Secretary and a
2	participating Indian Tribe are unable to agree, in
3	whole or in part, on the terms of a compact or fund-
4	ing agreement (including funding levels), the Indian
5	Tribe may submit a final offer to the Secretary.
6	"(2) Determination.—Not more than 60
7	days after the date of receipt of a final offer by one
8	or more of the officials designated pursuant to para-
9	graph (4), the Secretary shall review and make a de-
10	termination with respect to the final offer, except
11	that the 60-day period may be extended for up to 30
12	days for circumstances beyond the control of the
13	Secretary, upon written request by the Secretary to
14	the Indian tribe.
15	"(3) Extensions.—The deadline described in
16	paragraph (2) may be extended for any length of
17	time, as agreed upon by both the Indian Tribe and
18	the Secretary.
19	"(4) Designated officials.—
20	"(A) IN GENERAL.—The Secretary shall
21	designate one or more appropriate officials in

designated, the Director of the Office of the Ex-

offer described in paragraph (1).

the Department to receive a copy of the final

"(B) No designation.—If no official is

22

23

1	ecutive Secretariat and Regulatory Affairs shall
2	be the designated official.
3	"(5) NO TIMELY DETERMINATION.—If the Sec-
4	retary fails to make a determination with respect to
5	a final offer within the period specified in paragraph
6	(2), including any extension agreed to under para-
7	graph (3), the Secretary shall be deemed to have
8	agreed to the offer, except that with respect to any
9	compact or funding agreement provision concerning
10	a program described under section 403(c), the Sec-
11	retary shall be deemed to have rejected the offer
12	with respect to such provision and the terms of
13	clauses (ii) through (iv) of paragraphs (6)(A) shall
14	apply.
15	"(6) Rejection of final offer.—
16	"(A) IN GENERAL.—If the Secretary re-
17	jects a final offer (or one or more provisions or
18	funding levels in a final offer), the Secretary
19	shall—
20	"(i) provide timely written notification
21	to the Indian Tribe that contains a specific
22	finding that clearly demonstrates, or that
23	is supported by a controlling legal author-

ity, that—

1	"(I) the amount of funds are
1	"(I) the amount of funds pro-
2	posed in the final offer exceeds the
3	applicable funding level as determined
4	under section 106(a)(1);
5	"(II) the program that is the
6	subject of the final offer is an inher-
7	ent Federal function or is subject to
8	the discretion of the Secretary under
9	section 403(c);
10	"(III) the Indian Tribe cannot
11	carry out the program in a manner
12	that would not result in significant
13	danger or risk to the public health or
14	safety, to natural resources, or to
15	trust resources;
16	"(IV) the Indian Tribe is not eli-
17	gible to participate in self-governance
18	under section $402(c)$ ;
19	"(V) the funding agreement
20	would violate a Federal statute or reg-
21	ulation; or
22	"(VI) with respect to a program
23	or portion of a program included in a
24	final offer pursuant to section
25	403(b)(2), the program or the portion

1	of the program is not otherwise avail-
2	able to Indian Tribes or Indians
3	under section 102(a)(1)(E);
4	"(ii) provide technical assistance to
5	overcome the objections stated in the noti-
6	fication required by clause (i);
7	"(iii) provide the Indian Tribe with a
8	hearing on the record with the right to en-
9	gage in full discovery relevant to any issue
10	raised in the matter, and the opportunity
11	for appeal on the objections raised, except
12	that the Indian Tribe may, in lieu of filing
13	such appeal, directly proceed to initiate an
14	action in a United States district court
15	under section 110(a); and
16	"(iv) provide the Indian Tribe the op-
17	tion of entering into the severable portions
18	of a final proposed compact or funding
19	agreement (including a lesser funding
20	amount, if any), that the Secretary did not
21	reject, subject to any additional alterations
22	necessary to conform the compact or fund-
23	ing agreement to the severed provisions.

1	"(B) Effect of exercising certain
2	OPTION.—If an Indian Tribe exercises the op-
3	tion specified in subparagraph (A)(iv)—
4	"(i) the Indian Tribe shall retain the
5	right to appeal the rejection by the Sec-
6	retary under this section; and
7	"(ii) clauses (i), (ii), and (iii) of sub-
8	paragraph (A) shall apply only to the por-
9	tion of the proposed final compact or fund-
10	ing agreement that was rejected by the
11	Secretary.
12	"(d) Burden of Proof.—In any administrative ac-
13	tion, hearing, appeal, or civil action brought under this
14	section, the Secretary shall have the burden of proof—
15	"(1) of demonstrating, by a preponderance of
16	the evidence, the validity of the grounds for a re-
17	assumption under subsection (b); and
18	"(2) of clearly demonstrating the validity of the
19	grounds for rejecting a final offer made under sub-
20	section (c).
21	"(e) Good Faith.—
22	"(1) In general.—In the negotiation of com-
23	pacts and funding agreements, the Secretary shall at
24	all times negotiate in good faith to maximize imple-
25	mentation of the self-governance policy.

1 "(2) POLICY.—The Secretary shall carry out 2 this title in a manner that maximizes the policy of 3 Tribal self-governance.

## "(f) Savings.—

- "(1) IN GENERAL.—To the extent that programs carried out for the benefit of Indian Tribes and Tribal organizations 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 408(c), except for funding agreements entered into for programs under section 403(c), the Secretary shall make such savings available to the Indian Tribes or Tribal organizations for the provision of additional services to program beneficiaries in a manner equitable to directly served, contracted, and compacted programs.
- "(2) DISCRETIONARY PROGRAMS OF SPECIAL SIGNIFICANCE.—For any savings generated as a result of the assumption of a program by an Indian Tribe under section 403(c), such savings shall be made available to that Indian Tribe.
- 24 "(g) Trust Responsibility.—The Secretary may 25 not waive, modify, or diminish in any way the trust re-

- 1 sponsibility of the United States with respect to Indian
- 2 Tribes and individual Indians that exists under treaties,
- 3 Executive orders, other laws, or court decisions.
- 4 "(h) Decision Maker.—A decision that constitutes
- 5 final agency action and relates to an appeal within the
- 6 Department conducted under subsection (c)(6)(A)(iii) may
- 7 be made by—
- 8 "(1) an official of the Department who holds a
- 9 position at a higher organizational level within the
- Department than the level of the departmental agen-
- 11 cy in which the decision that is the subject of the
- 12 appeal was made; or
- 13 "(2) an administrative law judge.
- 14 "(i) Rules of Construction.—Subject to section
- 15 101(a) of the PROGRESS for Indian Tribes Act, each
- 16 provision of this title and each provision of a compact or
- 17 funding agreement shall be liberally construed for the ben-
- 18 efit of the Indian Tribe participating in self-governance,
- 19 and any ambiguity shall be resolved in favor of the Indian
- 20 Tribe.
- 21 "SEC. 407. CONSTRUCTION PROGRAMS AND PROJECTS.
- 22 "(a) IN GENERAL.—Indian Tribes participating in
- 23 Tribal self-governance may carry out any construction
- 24 project included in a compact or funding agreement under
- 25 this title.

1 "(b) Tribal Option To Carry Out Certain Fed-2 ERAL ENVIRONMENTAL ACTIVITIES.—In carrying out a construction project under this title, an Indian Tribe may, subject to the agreement of the Secretary, elect to assume some Federal responsibilities under the National Environ-5 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.), division A of subtitle III of title 54, United States Code, and related provisions of other law and regulations that would apply if the Secretary were to undertake a construction 10 project, by adopting a resolution— "(1) designating a certifying Tribal officer to 11 represent the Indian Tribe and to assume the status 12 13 of a responsible Federal official under those Acts, 14 laws, or regulations; and 15 "(2) accepting the jurisdiction of the United 16 States courts for the purpose of enforcing the re-17 sponsibilities of the certifying Tribal officer assum-18 ing the status of a responsible Federal official under 19 those Acts, laws, or regulations. 20 "(c) Savings Clause.—Notwithstanding subsection 21 (b), nothing in this section authorizes the Secretary to include in any compact or funding agreement duties of the Secretary under the National Environmental Policy Act

(42 U.S.C. 4321 et seg.), the National Historic Preserva-

1	tion Act (16 U.S.C. 470 et seq.), and other related provi-
2	sions of law that are inherent Federal functions.
3	"(d) Codes and Standards.—In carrying out a
4	construction project under this title, an Indian Tribe
5	shall—
6	"(1) adhere to applicable Federal, State, local,
7	and Tribal building codes, architectural and engi-
8	neering standards, and applicable Federal guidelines
9	regarding design, space, and operational standards,
0	appropriate for the particular project; and
11	"(2) use only architects and engineers who—
12	"(A) are licensed to practice in the State
13	in which the facility will be built; and
14	"(B) certify that—
15	"(i) they are qualified to perform the
16	work required by the specific construction
17	involved; and
18	"(ii) upon completion of design, the
19	plans and specifications meet or exceed the
20	applicable construction and safety codes.
21	"(e) Tribal Accountability.—
22	"(1) In general.—In carrying out a construc-
23	tion project under this title, an Indian Tribe shall
24	assume responsibility for the successful completion
25	of the construction project and of a facility that is

1	usable for the purpose for which the Indian Tribe
2	received funding.
3	"(2) Requirements.—For each construction
4	project carried out by an Indian Tribe under this
5	title, the Indian Tribe and the Secretary shall nego-
6	tiate a provision to be included in the funding agree-
7	ment that identifies—
8	"(A) the approximate start and completion
9	dates for the project, which may extend over a
10	period of one or more years;
11	"(B) a general description of the project,
12	including the scope of work, references to de-
13	sign criteria, and other terms and conditions;
14	"(C) the responsibilities of the Indian
15	Tribe and the Secretary for the project;
16	"(D) how project-related environmental
17	considerations will be addressed;
18	"(E) the amount of funds provided for the
19	project;
20	"(F) the obligations of the Indian Tribe to
21	comply with the codes referenced in subsection
22	(d)(1) and applicable Federal laws and regula-
23	tions;
24	"(G) the agreement of the parties over who
25	will bear any additional costs necessary to meet

changes in scope, or errors or omissions in design and construction; and

"(H) the agreement of the Secretary to issue a certificate of occupancy, if requested by the Indian Tribe, based upon the review and verification by the Secretary, to the satisfaction of the Secretary, that the Indian Tribe has secured upon completion the review and approval of the plans and specifications, sufficiency of design, life safety, and code compliance by qualified, licensed, and independent architects and engineers.

### "(f) Funding.—

- "(1) IN GENERAL.—Funding appropriated for construction projects carried out under this title shall be included in funding agreements as annual or semiannual advance payments at the option of the Indian Tribe.
- "(2) ADVANCE PAYMENTS.—The Secretary shall include all associated project contingency funds with each advance payment, and the Indian Tribe shall be responsible for the management of such contingency funds.
- 24 "(g) Negotiations.—At the option of the Indian 25 Tribe, construction project funding proposals shall be ne-

1	gotiated pursuant to the statutory process in section 105,
2	and any resulting construction project agreement shall be
3	incorporated into the funding agreement as addenda.
4	"(h) Federal Review and Verification.—
5	"(1) In General.—On a schedule negotiated
6	by the Secretary and the Indian Tribe—
7	"(A) the Secretary shall review and verify,
8	to the satisfaction of the Secretary, that project
9	planning and design documents prepared by the
10	Indian Tribe in advance of initial construction
11	are in conformity with the obligations of the In-
12	dian Tribe under subsection (d); and
13	"(B) before the project planning and de-
14	sign documents are implemented, the Secretary
15	shall review and verify to the satisfaction of the
16	Secretary that subsequent document amend-
17	ments which result in a significant change in
18	construction are in conformity with the obliga-
19	tions of the Indian Tribe under subsection (d).
20	"(2) Reports.—The Indian Tribe shall provide
21	the Secretary with project progress and financial re-
22	ports not less than semiannually.
23	"(3) Oversight visits.—The Secretary may
24	conduct onsite project oversight visits semiannually

- 1 or on an alternate schedule agreed to by the Sec-
- 2 retary and the Indian Tribe.
- 3 "(i) Application of Other Laws.—Unless other-
- 4 wise agreed to by the Indian Tribe and except as otherwise
- 5 provided in this Act, no provision of title 41, United States
- 6 Code, the Federal Acquisition Regulation, or any other law
- 7 or regulation pertaining to Federal procurement (includ-
- 8 ing Executive orders) shall apply to any construction pro-
- 9 gram or project carried out under this title.
- 10 "(j) Future Funding.—Upon completion of a facil-
- 11 ity constructed under this title, the Secretary shall include
- 12 the facility among those eligible for annual operation and
- 13 maintenance funding support comparable to that provided
- 14 for similar facilities funded by the Department as annual
- 15 appropriations are available and to the extent that the fa-
- 16 cility size and complexity and other factors do not exceed
- 17 the funding formula criteria for comparable buildings.
- 18 "SEC. 408. PAYMENT.
- 19 "(a) IN GENERAL.—At the request of the governing
- 20 body of an Indian Tribe and under the terms of an appli-
- 21 cable funding agreement, the Secretary shall provide fund-
- 22 ing to the Indian Tribe to carry out the funding agree-
- 23 ment.

1 "(b) ADVANCE ANNUAL PAYMENT.—At the option of 2 the Indian Tribe, a funding agreement shall provide for 3 an advance annual payment to an Indian Tribe.

"(c) Amount.—

- "(1) IN GENERAL.—Subject to subsection (e) and sections 403 and 405, the Secretary shall provide funds to the Indian Tribe under a funding agreement for programs in an amount that is equal to the amount that the Indian Tribe would have been entitled to receive under contracts and grants under this Act (including amounts for direct program and contract support costs and, in addition, 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) without regard to the organization level within the Department at which the programs are carried out.
  - "(2) SAVINGS CLAUSE.—Nothing in this section reduces programs, services, or funds of, or provided to, another Indian Tribe.

### 21 "(d) Timing.—

"(1) 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

- 1 agreement, pursuant to subsection (c), and provide
- 2 funding for periods covered by joint resolution
- 3 adopted by Congress making continuing appropria-
- 4 tions, to the extent permitted by such resolution.
- 5 "(2) Transfers.—Not later than 1 year after
- 6 the date of enactment of the PROGRESS for Indian
- 7 Tribes Act, in any instance in which a funding
- 8 agreement requires an annual transfer of funding to
- 9 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 De-
- partment, unless the funding agreement provides
- otherwise.
- 17 "(e) AVAILABILITY.—Funds for trust services to indi-
- 18 vidual Indians shall be available under a funding agree-
- 19 ment only to the extent that the same services that would
- 20 have been provided by the Secretary are provided to indi-
- 21 vidual Indians by the Indian Tribe.
- 22 "(f) Multiyear Funding.—A funding agreement
- 23 may provide for multiyear funding.
- 24 "(g) Limitations on Authority of the Sec-
- 25 RETARY.—The Secretary shall not—

1	"(1) fail to transfer to an Indian Tribe its full
2	share of any central, headquarters, regional, area, or
3	service unit office or other funds due under this title
4	for programs eligible under paragraph (1) or (2) of
5	section 403(b), except as required by Federal law;
6	"(2) withhold any portion of such funds for
7	transfer over a period of years; or
8	"(3) reduce the amount of funds required under
9	this title—
10	"(A) to make funding available for self-
11	governance monitoring or administration by the
12	Secretary;
13	"(B) in subsequent years, except as nec-
14	essary as a result of—
15	"(i) a reduction in appropriations
16	from the previous fiscal year for the pro-
17	gram to be included in a compact or fund-
18	ing agreement;
19	"(ii) a congressional directive in legis-
20	lation or an accompanying report;
21	"(iii) a Tribal authorization;
22	"(iv) a change in the amount of pass-
23	through funds subject to the terms of the
24	funding agreement; or

1	"(v) completion of an activity under a
2	program for which the funds were pro-
3	vided;
4	"(C) to pay for Federal functions, includ-
5	ing—
6	"(i) Federal pay costs;
7	"(ii) Federal employee retirement ben-
8	efits;
9	"(iii) automated data processing;
10	"(iv) technical assistance; and
11	"(v) monitoring of activities under
12	this title; or
13	"(D) to pay for costs of Federal personnel
14	displaced by self-determination contracts under
15	this Act or self-governance under this title.
16	"(h) Federal Resources.—If an Indian Tribe
17	elects to carry out a compact or funding agreement with
18	the use of Federal personnel, Federal supplies (including
19	supplies available from Federal warehouse facilities), Fed-
20	eral supply sources (including lodging, airline transpor-
21	tation, and other means of transportation, including the
22	use of interagency motor pool vehicles), or other Federal
23	resources (including supplies, services, and resources
24	available to the Secretary under any procurement con-
25	tracts in which the Department is eligible to participate),

- 1 the Secretary shall, as soon as practicable, acquire and
- 2 transfer such personnel, supplies, or resources to the In-
- 3 dian Tribe under this title.
- 4 "(i) PROMPT PAYMENT ACT.—Chapter 39 of title 31,
- 5 United States Code, shall apply to the transfer of funds
- 6 due under a compact or funding agreement authorized
- 7 under this title.
- 8 "(j) Interest or Other Income.—
- 9 "(1) IN GENERAL.—An Indian Tribe may re-
- tain interest or income earned on any funds paid
- under a compact or funding agreement to carry out
- 12 governmental purposes.
- 13 "(2) NO EFFECT ON OTHER AMOUNTS.—The
- retention of interest or income under paragraph (1)
- shall not diminish the amount of funds an Indian
- 16 Tribe is entitled to receive under a funding agree-
- ment in the year the interest or income is earned or
- in any subsequent fiscal year.
- 19 "(3) Investment standard.—Funds trans-
- ferred under this title shall be managed by the In-
- 21 dian Tribe using the prudent investment standard,
- provided that the Secretary shall not be liable for
- any investment losses of funds managed by the In-
- dian Tribe that are not otherwise guaranteed or in-
- 25 sured by the Federal Government.

## 1 "(k) Carryover of Funds.—

- "(1) IN GENERAL.—Notwithstanding any provision of an appropriations Act, all funds paid to an Indian Tribe in accordance with a compact or funding agreement shall remain available until expended.
- "(2) EFFECT OF CARRYOVER.—If an Indian Tribe elects to carry over funding from one year to the next, the carryover shall not diminish the amount of funds the Indian Tribe is entitled to receive under a funding agreement in that fiscal year or any subsequent fiscal year.

### "(l) Limitation of Costs.—

- "(1) IN GENERAL.—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.
- "(2) NOTICE OF INSUFFICIENCY.—If at any time the Indian Tribe has reason to believe that the total amount provided for a specific activity under a compact or funding agreement is insufficient, the Indian Tribe shall provide reasonable notice of such insufficiency to the Secretary.
- 24 "(3) Suspension of Performance.—If, after 25 notice under paragraph (2), the Secretary does not

- 1 increase the amount of funds transferred under the
- 2 funding agreement, the Indian Tribe may suspend
- 3 performance of the activity until such time as addi-
- 4 tional funds are transferred.
- 5 "(4) SAVINGS CLAUSE.—Nothing in this section
- 6 reduces any programs, services, or funds of, or pro-
- 7 vided to, another Indian Tribe.
- 8 "(m) DISTRIBUTION OF FUNDS.—The Office of Self-
- 9 Governance shall be responsible for distribution of all Bu-
- 10 reau of Indian Affairs funds provided under this title un-
- 11 less otherwise agreed by the parties to an applicable fund-
- 12 ing agreement.
- 13 "(n) APPLICABILITY.—Notwithstanding any other
- 14 provision of this section, section 101(a) of the
- 15 PROGRESS for Indian Tribes Act applies to subsections
- 16 (a) through (m).
- 17 "SEC. 409. FACILITATION.
- 18 "(a) In General.—Except as otherwise provided by
- 19 law (including section 101(a) of the PROGRESS for In-
- 20 dian Tribes Act), the Secretary shall interpret each Fed-
- 21 eral law and regulation in a manner that facilitates—
- 22 "(1) the inclusion of programs in funding
- agreements; and
- 24 "(2) the implementation of funding agreements.
- 25 "(b) REGULATION WAIVER.—

1	"(1) REQUEST.—An Indian Tribe may submit
2	to the Secretary a written request for a waiver of
3	applicability of a Federal regulation, including—
4	"(A) an identification of the specific text in
5	the regulation sought to be waived; and
6	"(B) the basis for the request.
7	"(2) Determination by the secretary.—
8	Not later than 120 days after receipt by the Sec-
9	retary and the designated officials under paragraph
10	(4) of a request under paragraph (1), the Secretary
11	shall approve or deny the requested waiver in writ-
12	ing to the Indian Tribe.
13	"(3) Extensions.—The deadline described in
14	paragraph (2) may be extended for any length of
15	time, as agreed upon by both the Indian Tribe and
16	the Secretary.
17	"(4) Designated officials.—The Secretary
18	shall designate one or more appropriate officials in
19	the Department to receive a copy of the waiver re-
20	quest described in paragraph (1).
21	"(5) Grounds for Denial.—The Secretary
22	may deny a request under paragraph (1) upon a
23	specific finding by the Secretary that the identified
24	text in the regulation may not be waived because
25	such a waiver is prohibited by Federal law.

1	"(6) Failure to make determination.—If
2	the Secretary fails to make a determination with re-
3	spect to a waiver request within the period specified
4	in paragraph (2) (including any extension agreed to
5	under paragraph (3)), the Secretary shall be deemed
6	to have agreed to the request, except that for a
7	waiver request relating to programs eligible under
8	section 403(b)(2) or section 403(c), the Secretary
9	shall be deemed to have denied the request.
10	"(7) Finality.—A decision of the Secretary
11	under this section shall be final for the Department.
12	"SEC. 410. DISCRETIONARY APPLICATION OF OTHER SEC-
13	TIONS.
13	TIONS.
13 14	TIONS.  "(a) In General.—Except as otherwise provided in
13 14 15 16	TIONS.  "(a) IN GENERAL.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act,
13 14 15 16 17	"(a) In General.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian
13 14 15 16 17	"(a) In General.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian Tribes, any of the provisions of title I may be incorporated
13 14 15 16 17 18	"(a) In General.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian Tribes, any of the provisions of title I may be incorporated in any compact or funding agreement under this title. The
13 14 15 16 17 18 19	"(a) In General.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian Tribes, any of the provisions of title I may be incorporated in any compact or funding agreement under this title. The inclusion of any such provision shall be subject to, and
13 14 15 16 17 18 19 20	"(a) In General.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian Tribes, any of the provisions of title I may be incorporated in any compact or funding agreement under this title. The inclusion of any such provision shall be subject to, and shall not conflict with, section 101(a) of such Act.
13 14 15 16 17 18 19 20 21	"(a) In General.—Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian Tribes, any of the provisions of title I may be incorporated in any compact or funding agreement under this title. The inclusion of any such provision shall be subject to, and shall not conflict with, section 101(a) of such Act.  "(b) Effect.—Each incorporated provision under

1	"(2) supplement or replace any related provi-
2	sion in this title; and
3	"(3) apply to any agency otherwise governed by
4	this title.
5	"(c) Effective Date.—If an Indian Tribe requests
6	incorporation at the negotiation stage of a compact or
7	funding agreement, the incorporation shall—
8	"(1) be effective immediately; and
9	"(2) control the negotiation and resulting com-
10	pact and funding agreement.
11	"SEC. 411. ANNUAL BUDGET LIST.
12	"The Secretary shall list, in the annual budget re-
13	quest submitted to Congress under section 1105 of title
14	31, United States Code, any funds proposed to be included
15	in funding agreements authorized under this title.
16	"SEC. 412. REPORTS.
17	"(a) In General.—
18	"(1) Requirement.—On January 1 of each
19	year, the Secretary shall submit to Congress a re-
20	port regarding the administration of this title.
21	"(2) Analysis.—Any Indian Tribe may submit
22	to the Office of Self-Governance and to the appro-
23	priate committees of Congress a detailed annual
24	analysis of unmet Tribal needs for funding agree-
25	ments under this title.

1	"(b) Contents.—The report under subsection (a)(1)
2	shall—
3	"(1) be compiled from information contained in
4	funding agreements, annual audit reports, and data
5	of the Secretary regarding the disposition of Federal
6	funds;
7	"(2) identify—
8	"(A) the relative costs and benefits of self-
9	governance;
10	"(B) with particularity, all funds that are
11	specifically or functionally related to the provi-
12	sion by the Secretary of services and benefits to
13	self-governance Indian Tribes and members of
14	Indian Tribes;
15	"(C) the funds transferred to each Indian
16	Tribe and the corresponding reduction in the
17	Federal employees and workload; and
18	"(D) the funding formula for individual
19	Tribal shares of all Central Office funds, to-
20	gether with the comments of affected Indian
21	Tribes, developed under subsection (d);
22	"(3) before being submitted to Congress, be dis-
23	tributed to the Indian Tribes for comment (with a
24	comment period of not less than 30 days);

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1	"(4) include the separate views and comments
2	of each Indian Tribe or Tribal organization; and
3	"(5) include a list of—
4	"(A) all such programs that the Secretary
5	determines, in consultation with Indian Tribes
6	participating in self-governance, are eligible for
7	negotiation to be included in a funding agree-
8	ment at the request of a participating Indian
9	Tribe; and
10	"(B) all such programs which Indian
11	Tribes have formally requested to include in a
12	funding agreement under section 403(c) due to
13	the special geographic, historical, or cultural
14	significance of the program to the Indian Tribe,
15	indicating whether each request was granted or
16	denied, and stating the grounds for any denial.
17	"(c) Report on Non-BIA Programs.—
18	"(1) In general.—In order to optimize oppor-
19	tunities for including non-BIA programs in agree-
20	ments with Indian Tribes participating in self-gov-
21	ernance under this title, the Secretary shall review
22	all programs administered by the Department, other
23	than through the Bureau of Indian Affairs, the Of-
24	fice of the Assistant Secretary for Indian Affairs, or

the Office of the Special Trustee for American Indi-

25

ans, without regard to the agency or office concerned.

- "(2) Programmatic targets.—The Secretary shall establish programmatic targets, after consultation with Indian Tribes participating in self-governance, to encourage bureaus of the Department to ensure that an appropriate portion of those programs are available to be included in funding agreements.
- "(3) Publication.—The lists under subsection (b)(5) and targets under paragraph (2) shall be published in the Federal Register and made available to any Indian Tribe participating in self-governance.

### "(4) Annual Review.—

- "(A) IN GENERAL.—The Secretary shall annually review and publish in the Federal Register, after consultation with Indian Tribes participating in self-governance, revised lists and programmatic targets.
- "(B) Contents.—In preparing the revised lists and programmatic targets, the Secretary shall consider all programs that were eligible for contracting in the original list published in the Federal Register in 1995, except for programs specifically determined not to be contractible as a matter of law.

1 "(d) REPORT ON CENTRAL OFFICE FUNDS.—Not later than January 1, 2019, the Secretary shall, in consultation with Indian Tribes, develop a funding formula to determine the individual Tribal share of funds controlled by the Central Office of the Bureau of Indian Affairs and the Office of the Special Trustee for inclusion in the compacts. "SEC. 413. REGULATIONS. 9 "(a) In General.— 10 "(1) Promulgation.—Not later than 90 days 11 after the date of enactment of the PROGRESS for Indian Tribes Act, the Secretary shall initiate proce-12 13 dures under subchapter III of chapter 5 of title 5, 14 United States Code, to negotiate and promulgate 15 such regulations as are necessary to carry out this 16 title. 17 "(2) Publication of Proposed REGULA-18 TIONS.—Proposed regulations to implement this title 19 shall be published in the Federal Register not later 20 than 21 months after the date of enactment of the 21 PROGRESS for Indian Tribes Act. "(3) Expiration of authority.—The author-22 23 ity to promulgate regulations under paragraph (1) 24 shall expire on the date that is 30 months after the

1	date of enactment of the PROGRESS for Indian
2	Tribes Act.
3	"(b) Committee.—
4	"(1) Membership.—A negotiated rulemaking
5	committee established pursuant to section 565 of
6	title 5, United States Code, to carry out this section
7	shall have as its members only representatives of the
8	Federal Government and Tribal government.
9	"(2) Lead agency.—Among the Federal rep-
10	resentatives described in paragraph (1), the Office of
11	Self-Governance shall be the lead agency for the De-
12	partment.
13	"(c) Adaptation of Procedures.—The Secretary
14	shall adapt the negotiated rulemaking procedures to the
15	unique context of self-governance and the government-to-
16	government relationship between the United States and
17	Indian Tribes.
18	"(d) Effect.—
19	"(1) Repeal.—The Secretary may repeal any
20	regulation that is inconsistent with this Act.
21	"(2) Conflicting Provisions.—Subject to
22	section 101(a) of the PROGRESS for Indian Tribes
23	Act and except with respect to programs described
24	under section 403(c), this title shall supersede any

1	conflicting provision of law (including any conflicting
2	regulations).
3	"(3) Effectiveness without regard to
4	REGULATIONS.—The lack of promulgated regula-
5	tions on an issue shall not limit the effect or imple-
6	mentation of this title.
7	"SEC. 414. EFFECT OF CIRCULARS, POLICIES, MANUALS,
8	GUIDANCE, AND RULES.
9	"Unless expressly agreed to by a participating Indian
10	Tribe in a compact or funding agreement, the partici-
11	pating Indian Tribe shall not be subject to any agency
12	circular, policy, manual, guidance, or rule adopted by the
13	Department, except for—
14	"(1) the eligibility provisions of section 105(g);
15	and
16	"(2) regulations promulgated pursuant to sec-
17	tion 413.
18	"SEC. 415. APPEALS.
19	"Except as provided in section 406(d), in any admin-
20	istrative action, appeal, or civil action for judicial review
21	of any decision made by the Secretary under this title,
22	the Secretary shall have the burden of proof of dem-
23	onstrating by a preponderance of the evidence—
24	"(1) the validity of the grounds for the decision;
25	and

1	"(2) the consistency of the decision with the re-
2	quirements and policies of this title.
3	"SEC. 416. APPLICATION OF OTHER PROVISIONS.
4	"Section 314 of the Department of the Interior and
5	Related Agencies Appropriations Act, 1991 (Public Law
6	101-512; 104 Stat. 1959), shall apply to compacts and
7	funding agreements entered into under this title.
8	"SEC. 417. AUTHORIZATION OF APPROPRIATIONS.
9	"There are authorized to be appropriated such sums
10	as may be necessary to carry out this title.".
11	TITLE II—INDIAN SELF-
12	<b>DETERMINATION</b>
13	SEC. 201. DEFINITIONS; REPORTING AND AUDIT REQUIRE-
14	MENTS; APPLICATION OF PROVISIONS.
15	(a) Definitions.—
16	(1) In General.—Section 4 of the Indian Self-
17	Determination and Education Assistance Act (25
18	U.S.C. 5304) is amended by striking subsection (j)
19	and inserting the following:
20	"(j) 'self-determination contract' means a contract
21	entered into under title I (or a grant or cooperative agree-
22	ment used under section 9) between a Tribal organization
23	and the appropriate Secretary for the planning, conduct,
24	and administration of programs or services that are other-
25	wise provided to Indian Tribes and members of Indian

1	Tribes pursuant to Federal law, subject to the condition
2	that, except as provided in section 105(a)(3), no contract
3	entered into under title I (or grant or cooperative agree-
4	ment used under section 9) shall be—
5	"(1) considered to be a procurement contract;
6	or
7	"(2) except as provided in section 107(a)(1),
8	subject to any Federal procurement law (including
9	regulations);".
10	(2) Technical amendments.—Section 4 of
11	the Indian Self-Determination and Education Assist-
12	ance Act (25 U.S.C. 5304), as amended by para-
13	graph (1), is further amended—
14	(A) in subsection (e), by striking "'Indian
15	tribe' means" and inserting "'Indian tribe' or
16	'Indian Tribe' means''; and
17	(B) in subsection (l), by striking "'tribal
18	organization' means" and inserting "Tribal or-
19	ganization' or 'tribal organization' means''.
20	(b) Reporting and Audit Requirements.—Sec-
21	tion 5 of the Indian Self-Determination and Education As-
22	sistance Act (25 U.S.C. 5305) is amended—
23	(1) in subsection (b)—
24	(A) by striking "after completion of the
25	project or undertaking referred to in the pre-

- 1 ceding subsection of this section" and inserting
- 2 "after the retention period for the report that
- is submitted to the Secretary under subsection
- 4 (a)"; and
- 5 (B) by adding at the end the following:
- 6 "The retention period shall be defined in regu-
- 7 lations promulgated by the Secretary pursuant
- 8 to section 413."; and
- 9 (2) in subsection (f)(1), by inserting "if the In-
- dian Tribal organization expends \$500,000 or more
- in Federal awards during such fiscal year" after
- "under this Act,".
- (c) Effective Date.—The amendment made by
- 14 subsection (b)(2) shall not take effect until 14 months
- 15 after the date of enactment of this Act.
- 16 (d) Application of Other Provisions.—Sections
- 17 4, 5, 6, 7, 102(c), 104, 105(a)(1), 105(f), 110, and 111
- 18 of the Indian Self-Determination and Education Assist-
- 19 ance Act (25 U.S.C. 5304, 5305, 5306, 5307, 5321(c),
- 20 5323, 5324(a)(1), 5324(f), 5331, and 5332) and section
- 21 314 of the Department of the Interior and Related Agen-
- 22 cies Appropriations Act, 1991 (Public Law 101-512; 104
- 23 Stat. 1959), apply to compacts and funding agreements
- 24 entered into under title IV of the Indian Self-Determina-

1	tion and Education Assistance Act (25 U.S.C. 5361 et
2	seq.).
3	SEC. 202. CONTRACTS BY SECRETARY OF THE INTERIOR.
4	Section 102 of the Indian Self-Determination and
5	Education Assistance Act (25 U.S.C. 5321) is amended—
6	(1) in subsection (c)(2), by striking "economic
7	enterprises" and all that follows through "except
8	that" and inserting "economic enterprises (as de-
9	fined in section 3 of the Indian Financing Act of
10	1974 (25 U.S.C. 1452)), except that"; and
11	(2) by adding at the end the following:
12	"(f) Good Faith Requirement.—In the negotia-
13	tion of contracts and funding agreements, the Secretary
14	shall—
15	"(1) at all times negotiate in good faith to
16	maximize implementation of the self-determination
17	policy; and
18	"(2) carry out this Act in a manner that maxi-
19	mizes the policy of Tribal self-determination, in a
20	manner consistent with—
21	"(A) the purposes specified in section 3;
22	and
23	"(B) the PROGRESS for Indian Tribes
24	$\operatorname{Act}.$

1	"(g) Rule of Construction.—Subject to section
2	101(a) of the PROGRESS for Indian Tribes Act, each
3	provision of this Act and each provision of a contract or
4	funding agreement shall be liberally construed for the ben-
5	efit of the Indian Tribe participating in self-determination,
6	and any ambiguity shall be resolved in favor of the Indian
7	Tribe.".
8	SEC. 203. ADMINISTRATIVE PROVISIONS.
9	Section 105 of the Indian Self-Determination and
10	Education Assistance Act (25 U.S.C. 5324) is amended—
11	(1) in subsection (b), in the first sentence, by
12	striking "pursuant to" and all that follows through
13	"of this Act" and inserting "pursuant to sections
14	102 and 103"; and
15	(2) by adding at the end the following:
16	"(p) Interpretation by Secretary.—Except as
17	otherwise provided by law, the Secretary shall interpret
18	all Federal laws (including regulations) and Executive or-
19	ders in a manner that facilitates, to the maximum extent
20	practicable—
21	"(1) the inclusion in self-determination con-
22	tracts and funding agreements of—
23	"(A) applicable programs, services, func-
24	tions, and activities (or portions thereof); and

1	"(B) funds associated with those pro-
2	grams, services, functions, and activities;
3	"(2) the implementation of self-determination
4	contracts and funding agreements; and
5	"(3) the achievement of Tribal health objec-
6	tives.
7	"(q)(1) Technical Assistance for Internal
8	Controls.—In considering proposals for, amendments
9	to, or in the course of, a contract under this title and com-
10	pacts under titles IV and V of this Act, if the Secretary
11	determines that the Indian Tribe lacks adequate internal
12	controls necessary to manage the contracted program or
13	programs, the Secretary shall, as soon as practicable, pro-
14	vide the necessary technical assistance to assist the Indian
15	Tribe in developing adequate internal controls. As part of
16	that technical assistance, the Secretary and the Tribe shall
17	develop a plan for assessing the subsequent effectiveness
18	of such technical assistance. The inability of the Secretary
19	to provide technical assistance or lack of a plan under this
20	subsection shall not result in the reassumption of an exist-
21	ing agreement, contract, or compact, or declination or re-
22	jection of a new agreement, contract, or compact.
23	"(2) The Secretary shall prepare a report to be in-
24	cluded in the information required for the reports under
25	sections 405(b)(1) and 514(b)(2)(A). The Secretary shall

1	include in this report, in the aggregate, a description of
2	the internal controls that were inadequate, the technical
3	assistance provided, and a description of Secretarial ac-
4	tions taken to address any remaining inadequate internal
5	controls after the provision of technical assistance and im-
6	plementation of the plan required by paragraph (1).".
7	SEC. 204. CONTRACT FUNDING AND INDIRECT COSTS.
8	Section 106(a)(3) of the Indian Self-Determination
9	and Education Assistance Act (25 U.S.C. 5325(a)(3)) is
10	amended—
11	(1) in subparagraph (A)—
12	(A) in clause (i), by striking ", and" and
13	inserting "; and; and
14	(B) in clause (ii), by striking "expense re-
15	lated to the overhead incurred" and inserting
16	"expense incurred by the governing body of the
17	Indian Tribe or Tribal organization and any
18	overhead expense incurred";
19	(2) by redesignating subparagraph (B) as sub-
20	paragraph (C); and
21	(3) by inserting after subparagraph (A) the fol-
22	lowing:
23	"(B) In calculating the reimbursement rate
24	for expenses described in subparagraph (A)(ii),
25	not less than 50 percent of the expenses de-

scribed in subparagraph (A)(ii) that are incurred by the governing body of an Indian
Tribe or Tribal organization relating to a Federal program, function, service, or activity carried out pursuant to the contract shall be considered to be reasonable and allowable.".

### 7 SEC. 205. CONTRACT OR GRANT SPECIFICATIONS.

- 8 Section 108 of the Indian Self-Determination and 9 Education Assistance Act (25 U.S.C. 5329) is amended—
- 10 (1) in subsection (a)(2), by inserting "subject to subsections (a) and (b) of section 102," before 12 "contain";
- 13 (2) in subsection (f)(2)(A)(ii) of the model 14 agreement contained in subsection (c), by inserting 15 "subject to subsections (a) and (b) of section 102 of 16 the Indian Self-Determination and Education Assist-17 ance Act (25 U.S.C. 5321)," before "such other pro-18 visions"; and
- 19 (3) in subsection (b)(7)(C) of the model agree-20 ment contained in subsection (c), in the second sen-21 tence of the matter preceding clause (i), by striking

- 1 "one performance monitoring visit" and inserting
- 2 "two performance monitoring visits".

Passed the Senate September 28, 2018.

Attest:

Secretary.

# 115TH CONGRESS S. 2515

## AN ACT

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