
OCTOBER 17, 2017.—Ordered to be printed

Mr. HOEVEN, from the Committee on Indian Affairs, submitted the following

R E P O R T

[To accompany S. 1116]

[Including cost estimate of the Congressional Budget Office]

The Committee on Indian Affairs, to which was referred the bill (S. 1116) to amend the Native American Business Development, Trade Promotion, and Tourism Act of 2000, the Buy Indian Act, and the Native American Programs Act of 1974 to provide industry and economic development opportunities to Indian communities, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

PURPOSE

The purpose of S. 1116 is to amend three Federal laws relating to business, economic, and trade development in Indian communities. These amendments are intended to increase access to capital for Indian tribes and businesses, increase opportunities for Indian business promotion, and create mechanisms and tools to attract investments in Indian communities.

NEED FOR LEGISLATION

The Committee has held numerous hearings and listening sessions at which Indian tribal leaders, business owners, and entrepreneurs testified regarding significant challenges to economic development in Indian communities. The most prevalent problem has been accessing capital to start, build, and grow businesses. Long-range planning and coordination for tribal community development
to facilitate business growth has also been an issue for many Indian tribes. Moreover, Federal programs that assist economic development have not been adequately supportive of Indian communities economic growth.

Despite these problems, the Committee is confident that the potential for long-term sustainable and stable economies exists and can be fulfilled through both legislative and administrative improvements. The bill, S. 1116, is an important first step toward these goals and addressing these problems.

This bill can help create jobs at the local level and assist small business growth and development. Moreover, it can help Indian tribes engage in more cohesive community development. In addition, S. 1116 reduces the costs of engaging in economic development projects in Indian communities by rolling back federal bureaucratic oversight.

BACKGROUND

The prospect of prosperity often falls short in many Indian communities across the nation. Too many of these communities across the nation face unique and daunting challenges. High rates of unemployment, crime, and poverty and other problems are compounded by the lack of adequate infrastructure, rugged terrain, and geographic isolation of these communities.

In fact, many of these problems have persisted for years. The Committee noted that

“...The unemployment rate for American Indian and Alaskan Native populations continues to hover at 50%, with some Native communities suffering unemployment rates of 80–90%. In addition, American Indians and Alaskan Natives have the highest poverty rate in the country at 30%. These statistics reflect a variety of factors including poor physical infrastructure, lack of human capital, lack of access to financial capital, a long-standing dependence on federal transfer payments, and an almost non-existent private sector economy in Native communities.”

The federal government has struggled to address this troubling reality. In her testimony before this Committee on behalf of the Department of the Interior, Ms. Cheryl Andrews-Maltais stated that

“...Native communities have experienced disproportional barriers to economic development. Economic development is critical for building capacity in Indian Country in other areas such as law enforcement, health, education, natural resource management, and infrastructure. Even in good economic times, the unemployment rate in these communities and villages is double the national average.”

Ms. Alejandra Castillo, on behalf of the Department of Commerce, reiterated, “By any socioeconomic indicator, Native Americans are the most underserved population in the Country.”

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Mr. Michael R. Smith, also on behalf of the Department of the Interior, has further elaborated on the economic inhibitors Indian communities face in trying to build stable and sustainable economies, which ultimately will reduce unemployment and help reduce a host of other social problems:

“While each Tribal community and their economy is unique, there are a number of common factors that have inhibited economic development in Indian Country. Primary road blocks include, one, lack of collateral in which Tribes and reservation businesses can obtain capital; number two, lack of a business development environment; number three, lack of physical and legal infrastructure; number four, difficulty in developing natural resources due to multiple governments having regulatory and taxing jurisdiction over development; number five, lack of educational and training opportunities to develop a skilled work force; and number six, lack of access to modern technology.” 4

The Committee has long focused on and prioritized helping “Indian communities to prosper and to enjoy healthier lives.” 5 In a 2015 hearing, then-Chairman of the Committee, Senator John Barrasso stated that “fundamental to these goals is the need to build sustainable tribal economies and create jobs in Indian communities. Economic development and the capital necessary for that development are significant needs in Indian communities.” 6 These Indian communities “are located in remote areas, far away from transportation, distribution, or communication systems suitable for sustainable commerce.” 7

OVERVIEW

This legislation, S. 1116, would amend three federal laws relating to economic development in Indian communities: the Native American Business Development, Trade Promotion, and Tourism Act of 2000, the Native American Programs Act, and the Buy Indian Act.


- Require coordination between the Secretaries of Commerce, Interior, and Treasury to develop initiatives encouraging investment in Indian communities;
- Elevate the Director of Indian Programs in the Department of Commerce and authorize the funding for operations; and
- Make permanent the waiver of the requirement for Native CDFIs to provide a matching cost share for assistance received by the Treasury CDFI.

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4 Strengthening Self-Sufficiency: Overcoming Barriers to Economic Development In Native Communities’ Field Hearing before the S.Comm. Ind. Aff. August 17, 2011. 112th Cong., at 3.
6 Id.
7 Id.
The Committee noted long ago “better coordination of federal Indian economic development programs and resources will promote greater efficiency as tribes, tribal members, private sector representatives, and individuals engage in business development on Indian lands.”

To that end, the Committee passed S.401 during the 106th Congress, which established an Office of Native American Business Development in the Department of Commerce. That Office was established “to promote both intra-agency and interagency coordination of federal programs that affect Indian economic development.”

The Committee, however, is concerned that those efforts as envisioned by Congress in passing P.L. 106— have been frustrated and such coordination is inefficient in assisting, promoting economic development and reducing poverty and unemployment in Indian communities. This legislation, S. 1116, would advance these goals in a more effective manner by elevating the Office and ensuring proper Secretarial attention to the economic development needs of Indian Country.

The legislation would further increase the coordination among and accountability of the federal agencies as well. The Secretaries of Commerce, Interior, and Treasury would be required to collaborate to promote investment in Indian communities, identify barriers to such investments, and ensure consultation with Indian tribes. Not less than every three years, these Secretaries would be required to report to Congress on the results of the initiatives developed.

This coordination is necessary, not only for developing initiatives, but also for collecting information and data needed to identify and reduce barriers to investments. Mr. Black, testifying on behalf of the Department of the Interior, explained that “for the United States to adequately identify and focus on unemployment in Indian Country, we must first collect reliable data that will allow us to track progress over time.”

The Department of Commerce, particularly through the Office of Native American Business Development, has already developed a variety of cooperative programs. Ms. Castillo testified before this Committee that the Minority Business Development Agency of the Department of Commerce “work[s] closely with other Federal agencies outside the Department of Commerce such as the Small Business Administration and Treasury to leverage existing programs that increase capital opportunities for MBEs through micro lending, community development, financial institutions, and other loan guarantee programs.”

This cooperation has led to relatively significant results. For example, this “network center has served 1,100 American Indian and Alaskan Native firms. Further, over the past six fiscal years, FY 2009 through FY 2014, the MBDA has assisted Native American clients in accessing over $1.8 billion in capital.” The Committee strongly believes that additional cooperation, collaboration, and

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9 Id.
10 Strengthening Self-Sufficiency: Overcoming Barriers to Economic Development In Native Communities’ Field Hearing before the S.Comm. Ind. Aff. August 17, 2011. 112th Cong., at 5.
consultation with Indian Country could lead to even more remarkable results.

In increasing access to capital, the Native Community Development Financial Institutions (CDFIs) have been relatively successful in delivering capital to underserved Indian communities. Mr. Dennis Nolan, on behalf of the Department of the Treasury, acknowledged that “[t]he CDFI Fund’s work in Indian Country is born of an awareness that Native communities all across the Nation face extraordinary economic challenges and limited access to capital.” 12

Mr. Nolan testified that “[i]n 2001, the CDFI published the landmark Native American Lending Study . . . [which] identified 17 major barriers that limit access to capital in Native communities and offered a variety of recommendations to address them.” 13 Within ten years, the number of Native CDFIs grew from just a few to 68 in 21 states. 14

These Native CDFIs typically provide microloans up to $250,000 for Indian businesses and entrepreneurs, with an average loan of approximately $24,000. 15 From 2004 to 2014, “Native CDFIs that received NACA program awards [from the Department of the Treasury’s Native American CDFI Assistance Program] made over 15,000 loans totaling $365 million in Native communities.” 16 Additionally, “[c]ertified CDFIs made almost 7,000 loans and investments totaling $184 million in Native communities. Native CDFIs reported that their loans and investments created or retained more than 2,000 jobs.” 17

Native CDFIs receive some federal funding to make these loans. In its annual Appropriation Acts, Congress waived the cost share requirement for the respective fiscal year for Native CDFI awardees. This legislation, S. 1116, would make that waiver permanent. With a permanent waiver, Native CDFIs can more efficiently provide access to capital to underserved Indian communities.

The Committee reiterates Mr. Nolan’s statement that “[the Treasury CDFI Fund’s] work and the work of every Native CDFI is about changing lives and building stronger, more resilient communities.” 18 This serious mission mandates that every effort be taken to strengthen and support this important tool for Indian community economies.

Native American Programs Act. The bill would amend the Native American Programs Act to:

- Reauthorize the economic development programs;
- Prioritize grant applications for building tribal court systems and code development for economic development; supporting CDFIs; and developing master plans for community and economic development; and
- Prioritize groups engaged in the above mentioned activity when providing technical advice.

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13 Id.
14 Id.
15 The University of Arizona Native Nations Institute, “Access to Capital and Credit in Native Communities,” (May 2016), at 14.
16 Id.
18 Id.
In 2001, then-Vice Chairman of the Committee, Senator Ben Nighthorse Campbell, stated, “It is increasingly apparent that the kind of governing environment that a tribe has in place will determine whether or not businesses will prosper and jobs and income will flow.” 19 He further elaborated that “[b]y ‘good governance’ I mean stable institutions with administrative capacity, fair and effective dispute resolutions with an appeals process, a separation of politics from business management and transparency in government, to name a few.” 20

Mr. Andrew Lee, testifying before the Committee, noted that “[g]overnance goes a long way toward explaining why some tribes are able to break poverty, dependency and their related social ills while others languish.” 21 He further explained that based on research from the Harvard Project, “[t]ribal enterprises that are formally insulated from political interference are four times as likely to be profitable from those that are not.” 22

The November 2001 Report of the Native American Lending Study noted that “one major barrier to capital access related to legal infrastructure” was the “uncertain tribal commercial laws and regulations and the absence of an independent judiciary.” 23 In testimony before the Committee, Mr. Derrick Watchman, Chairman of the Board of the National Center for American Indian Enterprise Development (NCAIED), underscored that finding.

A banker by trade, Mr. Watchman discussed how tribal governments, the banks, and the Federal Government [could] facilitate access to capital in Indian Country. 24 He testified, “It is very helpful for tribal governments to establish a uniform commercial code system” which can be used to resolve commercial disputes in fair and equitable ways in tribal courts. 25 With access to capital highlighted as one of the most prevalent problems for tribal economic development, the need to address the legal infrastructure issues is a significant priority. Various tribal court programs provide funding for code development, but these are usually designed to address criminal justice needs.

Rather than divert resources designed to build tribal criminal justice capacity, the Committee turned to the social and economic development programs authorized by the Native American Programs Act to assist in developing the legal infrastructure necessary for increasing access to capital.

Mr. Watchman further testified that “[s]trategic clarity (with strategies that are aligned with community ideals and backed with community support)” is an important consideration for tribal policymakers in facilitating economic development. To that end, S. 1116 prioritizes the development of tribal master plans for community and economic development as authorized activities for the Native American Programs Act’s grant programs. The Harvard Project findings also suggest that such master plans will be useful in pro-

20 Id.
22 Id. at 29.
25 Id. at 5.
moting economic development. The Project has found that “successful economies in Indian Country stand on the shoulders of culturally appropriate governing institutions.”

However, the Native American Programs Act’s grants neither prioritized nor encouraged a focus on legal infrastructure building or master planning for economic development purposes. This legislation, S. 1116, would change this by restructuring the priorities among the social and economic development grants so that the following applications would receive priority consideration: those that would provide technical assistance related to building tribal court systems and codes; those that develop Native CDFIs; and those that promote master planning for economic development purposes.

Those priorities, however, would only extend to fifty percent of the funding for the Act’s social and economic development programs. This is necessary to ensure that a variety of economic development projects is funded through these programs each year.

According to the officials of the Administration for Native Americans, which administers the Native American Program Act’s grants, the current method for selecting grantees does not have set percentages for different types of projects; nor does it otherwise distinguish among them. Grants are awarded based only on the number of points received during the assessment process.

Because there are so many applications, a priority structure without caps based on project type could potentially exhaust all funding on one or two types of projects, at the expense of all other economic and social projects. By requiring that only fifty percent of available grant funding be governed by the bill’s priority structure, S. 1116 can achieve its twin ends of prioritizing the projects that research has shown are most fundamental to increasing access to capital, and not impeding other types of economic development projects.

Buy Indian Act. The bill would amend the Buy Indian Act to:

- Facilitate agency compliance with the Buy Indian Act’s provisions when covered agencies, such as the Bureau of Indian Affairs (BIA) and Indian Health Services (IHS), engage in procurement; and
- Require more accountability in implementing this Act.

The Buy Indian Act was enacted in 1910. The Bureau of Indian Affairs “has obtained services and supplies from Indian sources using the Buy Indian Program since 1965, based on policy memoranda and acquisition.”

In 2013, the Bureau of Indian Affairs issued regulations to “describe uniform administrative procedures that [the agency] will use in all of its locations to encourage procurement relationships with eligible Indian Economic Enterprises in the execution of the Buy Indian Act.” On the other hand, the Indian Health Service, to which the Buy Indian Act also applies, has yet to issue regulations governing its use of the Buy Indian Act.

Indian businesses and entrepreneurs have long expressed concerns that both agencies have not fully or appropriately implemented the Buy Indian Act, thereby denying a significant amount

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27 78 F.R. 34266 (June 7, 2013).
28 Id.
of business to Indian entrepreneurs. Ms. Andrews-Maltais testified that the “Buy Indian Act is an important component of the Department’s goal of fostering and supporting American Indian/Alaska Native entrepreneurship.”

Although the new BIA regulations have been issued to improve such procurement, the Committee strongly believes that legislative refinements are needed to ensure that the Buy Indian Act will be implemented more fully and consistently throughout both the BIA and IHS. The bill, S. 1116, codifies several provisions of BIA’s regulations, adds more training requirements, and increases accountability for both agencies. The Committee expects that the agencies will expeditiously and consistently implement these provisions.

LEGISLATIVE HISTORY

In the 115th Congress, Senator Hoeven introduced S. 1116, with Senator McCain as an original co-sponsor. The bill was referred to the Committee on Indian Affairs. On May 17, 2017, the Committee held a business meeting to consider the bill. An amendment, proposed by Senator Cortez Masto, was adopted and provided changes to the consultation procedures between the Securities and Exchange Commission and Indian tribes. The Committee ordered the bill, as amended, to be favorably reported.

In the 114th Congress, Senator Barrasso introduced S. 3234, with Senator McCain as an original co-sponsor. The bill was referred to the Committee on Indian Affairs. On September 7, 2016, the Committee held a legislative hearing on the bill. Ms. Cheryl Andrews-Maltais testified on behalf of the Department of the Interior in support of the bill and recommended technical refinements for the bill.

On September 21, 2016, the Committee held a business meeting to consider S. 1116. Senator Barrasso offered a substitute amendment which included a number of technical or clarifying changes to:

- the findings in Section 2 of the bill;
- the duties of the Director in Section 3;
- the position responsible for interagency coordination in Section 3;
- the permanent waiver of the cost sharing requirement for Native CDFIs in Section 3; and
- the reporting requirements under the Buy Indian Act in Section 4.

The substitute amendment also made conforming changes to the definitions in Section 3 of the bill by striking the definitions of “Fund” and “Native community development financial institution” and clarifying “Native community development financial institution”.

For the interagency coordination initiatives in Section 3, the substitute amendment:

- included Indian organizations with experience in providing entrepreneurial training as participants in these initiatives;

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29 See Economic Development: Encouraging Investment in Indian Country.
• required the agencies to work with the Authority established in 2000 to identify barriers to increasing investments and economic measures in Indian communities; and
• required a report (every 3 years) to Congress regarding improvements to Indian communities from these initiatives.

The amendment additionally made the following changes:
• Replaced the Indian Economic Development Fund with a GAO study on federal capitalization programs, capital needs and demand in Indian communities, extent of and comparison between Indian and non-Indian use of these programs;
• Struck the definition of “Fund,” and clarified the definition of “Native Community Development Financial Institution” in Section 3;
• Struck the Indian Trader Act provisions from the bill; and
• Capped the amount of grant funding authorized under the Native American Programs Act to be governed by S. 1116’s priorities at fifty percent.

It struck the Indian Trader Act provisions from the bill.

For the grant priorities under the Native American Programs Act social and economic development grants, the substitute amendment set a cap of fifty percent of the total amount of the funding for these grants to be used for the priorities set forth in the bill.

The amendment was adopted, and the Committee ordered the bill, as amended, to be favorably reported. The Congressional Budget Office did not issue a cost estimate prior to the end of the 114th Congress. No further action was taken on the bill.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 sets forth the short title of the bill as the “Indian Community Economic Enhancement Act of 2017”.

Section 2. Findings

Section 2 states that Indian tribes must overcome many barriers to bring industry and economic development to Indian communities. These barriers include geographic location, lack of infrastructure, lack of sufficient collateral and capital, and regulatory bureaucracy. These barriers increase the costs of doing business in Indian communities.

The federal government has an important government-to-government relationship with tribes, and a role in facilitating healthy and sustainable tribal economies. The input of tribes is important for developing federal policies and programs designed to assist Indian tribes and Indian entrepreneurs in building tribal economies.

Tribal infrastructure needs repair, but access to private capital is limited. Federal capital improvement programs, such as loan guarantees and programs that facilitate tax-exempt bond financing, can help build tribal infrastructure.

Tribes are not treated as states or local governments under federal tax and regulatory law, which impedes their ability to raise capital, invest, and benefit from other investment incentives. As a result, investors may avoid financing in Indian communities, making economic projects costly and inaccessible. In order to facilitate
private financing for urgent development needs, federal loan programs specific to Indian communities need support. Tribal trust or restricted property cannot be held as collateral. Transactions involving trust or restricted property, such as leases or rights-of-ways, are subject to the Bureau of Indian Affairs' approval process which adds delays or costs to projects.

Section 3. Community development

Section 3 amends the Native American Business Development, Trade, Promotion, and Tourism Act of 2000 (25 U.S.C. 4301) by clarifying policies, adding definitions, and creating two new subsections. This section would ensure that the findings and purposes of trade promotion and business development apply to all Indian businesses, not just those that seek assistance pursuant to this statute.

This section would add definitions for the “Director” (which is referenced but not defined in current law); “Native Community Development Financial Institutions (CDFIs)” which are CDFIs authorized under Section 103 of the Community Development Banking and Financial Institutions Act of 1994 serving Indian reservations or tribes; and “Office” which is the Office of Native American Business Development within the Department of Commerce.

This section describes the role of the Director of the Office of Native American Business Development, giving the holder of that office significant responsibility. The Director would report to the Secretary of Commerce, and serve as the policy advisor on the trust responsibility and as the point of contact for Indian tribes for Departmental programs. The Director would be required to coordinate with all Department offices and agencies to ensure there is an accountable process for consultation regarding Departmental programs and policies. This section also caps the amount of funding authorized for the operations of this Office at $2 million per fiscal year.

This section adds a new Section 8 (25 U.S.C. 4307) to Native American Business Development, Trade Promotion, and Tourism Act of 2000, and would:

- Require, not later than one year after enactment, interagency coordination between the Secretaries of Interior, Commerce, and Treasury to develop initiatives
  - to encourage investments in Indian communities, examine collateral alternatives, and use tribal colleges to provide entrepreneurial training;
  - to identify regulatory or legal barriers to increasing such investments; and to consult with Indian tribes regarding increasing such investments;
- Require, at least once every three years, a report to Congress that details the impact of these initiatives on Indian communities;
- Require consultation between the Securities and Exchange Commission (SEC) and Indian tribes on statutory or regulatory changes needed for Indian tribes to qualify as an accredited investor under SEC regulations, so that Indian tribes have the ability to withstand investment loss on a basis comparable to other legal entities who are not natural persons; and
• Require that the Government Accountability Office conduct a study to assess current Federal capitalization and programs that are available to assist Indian communities with economic and community development.
  ◦ The study shall assess the demand and utilization of each program, the capital needs of Indian tribes and communities related to economic development, and the extent to which similar programs have been used to assist non-Indian communities in comparison.
  ◦ The GAO shall submit a report on the findings of this study to the Senate Committee on Indian Affairs and the House Committee on Natural Resources not later than 18 months after the date of enactment.

Section 4. Buy Indian Act

Section 4 would amend the Buy Indian Act (25 U.S.C. 47) in three substantive ways.

First, it would ensure that the Bureau of Indian Affairs and the Indian Health Service consider the Buy Indian Act in its procurement decisions by
• Requiring the agencies to determine whether procurement decisions would not be practicable and reasonable; and
• Clarifying that facilities construction is also authorized for Buy Indian Act consideration.

In addition, this section would require
• The Secretaries of Interior and Health and Human Services to conduct outreach to Indian businesses, provide training, and issue regulations;
• Regional office data on implementation;
• Procurement management reviews to include a review of implementation of the Buy Indian Act; and
• Consultations with various stakeholders on how compliance with this statute can be harmonized with other procurement goals.

This section would require a biannual report from the agencies on implementation, including:
• The names and efforts of each agency under the respective Secretaries’ jurisdiction and Departments to which this Act applies;
• A summary of the purchases;
• Data on increases or decreases in usage;
• Methods for conducting market searches for qualified vendors;
• A summary of deviations;
• The total number and dollar amount of contract awards;
• Any administrative or legal barriers to achieving the goals of the statute; and
• Recommendations for legislative or administrative actions to address the barriers.

Section 5. Native American Programs Act

Section 5 amends the Native American Programs Act of 1974 (42 U.S.C. 2991) in three substantive ways.

First, for economic development programs administered under this Act, this section would authorize Native CDFIs to be eligible
grantees. It also creates a priority structure for the grant assessment process, giving priority to those applicants whose programs seek to develop tribal codes and court systems relating to economic development; aim at developing nonprofit subsidiaries or other tribal business structures; develop or maintain CDFIs; or develop tribal master plans for community and economic development and infrastructure.

Additionally, the Commissioner of the Administration for Native Americans, who oversees the grant program, shall also prioritize projects that fall into the above-mentioned categories when providing technical advice.

Finally, this section reauthorizes the Act’s grants for fiscal years 2018 through 2022 at level funding.

COST AND BUDGETARY CONSIDERATION

The cost estimate for S.1116 as calculated by the Congressional Budget Office, is set forth below:

JUNE 22, 2017.

Hon. John Hoeven,
Chairman, Committee on Indian Affairs,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1116, the Indian Community Economic Enhancement Act of 2017.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Robert Reese.

Sincerely,

Keith Hall.

Enclosure.

S.1116—the Indian Community Economic Enhancement Act of 2017

S. 1116 would amend the Native American Business Development, Trade Promotion, and Tourism Act of 2000 to authorize appropriations to reorganize the Office of Native American Business Development (ONABD) within the Department of Commerce (DOC). That office would be required to serve as the liaison between DOC and Indian tribes. The bill also would authorize appropriations for the Department of Health and Human Services (HHS) to provide development assistance to Native American communities. Finally, the bill would require other federal agencies to coordinate and implement initiatives to encourage investment in Indian businesses.

CBO estimates that implementing S. 1116 would cost $139 million over the 2018–2022 period, assuming appropriation of the authorized and necessary amounts. Enacting S. 1116 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1116 contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary effect of S. 1116 is shown in the following table. The costs
of this legislation fall within budget function 450 (community and regional development) and function 500 (education, training, employment, and social services).

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**Basis of estimate:** For this estimate, CBO assumes that S. 1116 will be enacted near the end of 2017, that the authorized and necessary amounts will be appropriated for each fiscal year, and that spending will follow historical patterns for similar programs.

**Department of Commerce**

S. 1116 would authorize the appropriation of $2 million for each fiscal year to ONABD and would require that the Director of Native American Business Development serve as DOC’s point of contact with Indian tribes. Current law authorizes the appropriation of whatever amounts are necessary annually for ONABD operations; however, no funds have been appropriated for such purposes since ONABD was originally authorized. CBO estimates that implementing those provisions would cost $9 million over the 2018–2022 period for ONABD.

**Department of Health and Human Services**

The bill would authorize the appropriation of such sums as may be necessary for social and economic development programs under the **Native American Programs Act of 1974** for each year over the 2018–2022 period. S. 1116 also would slightly expand the number of eligible institutions; prioritize applications that seek assistance types of community and economic development, and prioritize technical assistance for applicants and grantees that seek assistance for those types of activities.

The authorization of the social and economic development grant programs under the **Native American Programs Act of 1974** expired at the end of fiscal year 2002. However, the Congress has continued to appropriate funds for those programs, including about $32 million in 2017. Assuming continued appropriations at that level and adjusting for anticipated inflation, CBO estimates that implementing those provisions would cost $130 million over the 2018–2022 period for HHS programs.

**Other requirements**

The legislation also would require DOC, the Department of the Interior, and the Department of Treasury to develop coordinated initiatives to encourage investment in Indian communities. Based on information from those departments, CBO estimates that imple-
menting those requirements would have no significant cost in any year.

Pay-As-You-Go considerations: None.

Increase in long-term direct spending and deficits: CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

Intergovernmental and private-sector impact: S. 1116 contains no intergovernmental or private-sector mandates as defined in UMRA. Tribal businesses would benefit from the reauthorization of the Buy Indian Act. Such reauthorization would allow the award of federal contracts to Indian-owned businesses and bypass the standard competitive process. Tribal governments would benefit from provisions in the bill promoting private investment in Indian communities. Any costs to tribal governments would result from complying with conditions of assistance.


Estimate approved by: H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill to evaluate the regulatory paperwork impact that would be incurred in implementing the legislation. The Committee has concluded that enactment of S. 1116 will create only de minimis regulatory or paperwork burdens.

EXECUTIVE COMMUNICATIONS

The Committee has received no official communications from the Administration on the provisions of this bill.

CHANGES IN EXISTING LAW

In compliance with the Standing Rules of the Senate and the Committee Rules, subsection 12 of rule XXVI of the Standing Rules of the Senate is waived. In the opinion of the Committee, it is necessary to dispense with subsection 12 of rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.