



Legislative Action Alert

House Releases FY 2021 Budget for Indian Health Service

House FY 2021 Interior, Environment, and Related Agencies bill proposes funding Indian Health Service at \$6.5 billion, with a separate, additional \$1.5 billion in emergency funds for IHS Facilities

FOR IMMEDIATE RELEASE

July 6, 2020

House Releases FY 2021 Interior, Environment and Related Agencies Spending Bill; Proposes Funding Indian Health Service at \$6.5 Billion, with an Additional \$1.5 Billion in Emergency Infrastructure Funding

On Monday, July 6, 2020 the House Appropriations Subcommittee for Interior, Environment, and Related Agencies released its Fiscal Year (FY) 2021 spending bill, which has jurisdiction over the Indian Health Service (IHS) budget. Posting of the FY 2021 Interior spending bill follows the rapid release of four other FY 2021 spending bills earlier today and on Sunday July 5, in line with the full Committee's goal of marking up all twelve FY 2021 appropriations packages this week after months of inaction on appropriations due to the COVID-19 pandemic. **The Subcommittee is scheduled to markup the Interior appropriations bill tomorrow, Tuesday July 7, at 11:00 AM Eastern.** That event will be livecasted [HERE](#).

NIHB testified before the House Interior Subcommittee on FY 2021 IHS appropriations back on February 11, as part of the Subcommittee's annual American Indian and Alaska Native Public Witness Days. To access NIHB's written testimony for the record, [CLICK HERE](#). Usually by July, most work on next year's spending bills are much closer to completion. But as the COVID-19 pandemic soared in cases and deaths over the last several months, all legislative action on FY 2021 spending bills were put on hold as Congress transitioned to enacting legislation to provide pandemic relief to all sectors of the country.

The House of Representatives has set an ambitious timeline of completing all work on FY 2021 spending bills by the end of July, with Subcommittee

markups on all twelve appropriations bills scheduled to conclude by this Wednesday July 8.

House FY 2021 Budget for Indian Health Service

The spending package outlined roughly \$6.5 billion for IHS overall, an increase of approximately \$445 million above the FY 2020 enacted level. In addition to this amount, the House bill would provide a ***separate* \$1.5 billion specifically as emergency infrastructure funding to construct and renovate IHS Facilities**. As outlined in the bill text, use of the \$1.5 billion in emergency IHS Facilities funds would first require the agency to submit a comprehensive spending plan to Congress for approval. This plan would need to identify the cost of each project, and identify each specific project by Tribe. The bill outlines a few more stipulations on use of emergency infrastructure funds as well. These are itemized below.

- **\$1.25 billion** would be for construction and related costs for facilities on the IHS Health Facilities Construction Priority System list, and for small ambulatory facilities;
- **\$50 million** may be used for staff quarters;
- **\$50 million** is earmarked for equipment; and,
- **\$200 million** would be to reduce the Backlog of Essential Maintenance, Alternation, and Repair (BEMAR)

As such, it does not appear that the emergency \$1.5 billion for IHS Facilities can be used for newly-authorized facilities under the Indian Health Care Improvement Act such as long-term care facilities, or residential treatment centers.

Importantly, the House bill proposes an indefinite appropriation for **105(l) lease contracts** - a longstanding Tribal priority that was also included in the President's FY 2021 Budget request for IHS. Congress would provide "such sums as may be necessary" to fulfill this obligation, similar to Contract Support Costs. **The House bill authorizes an indefinite appropriation for 105(l) lease costs for two years - through September 30, 2022.** This is intended to give IHS more flexibility to obligate funds for 105(l) lease agreements across two years as opposed to one, which is important in the event of a Tribe submitting a request closer to the end of the fiscal year.

As NIHB reported previously, the President's FY 2021 Budget had also proposed an arbitrary 40,000 square foot limit on the size of a facility that would be eligible for a 105(l) lease; however, this language was not included in the House bill. Tribes and NIHB strongly opposed the square footage limit.

The House bill would give a \$225 million increase to the IHS Services account, to a total of \$4.5 billion overall. As outlined in the bill text, these funds would be available for all line items in the Services Account, including items For Purchased/Referred Care and the Catastrophic Health Emergency Fund (CHEF), the House bill proposes \$1.011 billion - an increase of about \$46 million above the FY 2020 enacted level.

Line item specific totals for IHS will become available once the Subcommittee releases the FY 2021 Committee report.

Next Steps

The House Appropriations Subcommittee for Interior is set to markup its FY 2021 spending bill tomorrow, Tuesday July 7 at 11:00 AM Eastern. The livestream can be accessed [HERE](#).

The Committee is anticipated to release the report accompanying the FY 2021 spending bill later this week. The report will include all line-item specific funding totals for the full IHS budget. NIHB will provide further updates on the House FY 2021 budget for IHS as details become available.

Although the Senate had initially planned on beginning appropriations markups before the July 4th holiday, that timeline slipped due to unrelated negotiations on bills to address police brutality and the ongoing COVID-19 pandemic. The Senate is now on recess until Monday July 20. As soon as the Senate returns, efforts will rapidly resume on another COVID-19 relief package before both chambers depart for the month-long August recess, further delaying bicameral action on FY 2021 appropriations likely into September.

With the delayed appropriations timeline and focus on the November election as that date draws closer, the likelihood of yet another continuing resolution cannot be ruled out.

For any questions on FY 2021 appropriations, please contact NIHB Director of Congressional Relations, Shervin Aazami, at saazami@nihb.org

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