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THE WHITE HOUSE  
WASHINGTON

May 18, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN  
FROM: JAMES E. CONNOR *JEB*  
SUBJECT: HEW 1976 Supplemental Appropriation  
Request for the Indian Health Service

The President reviewed your memorandum of May 10, 1976 on the above subject and approved the following option:

"Option 1 - Approve \$12 million for 1976 and  
\$25 million for 1977. "

Please follow-up with appropriate action.

cc: Dick Cheney

THE WHITE HOUSE

WASHINGTON

May 14, 1976

MR PRESIDENT:

HEW 1976 Supplemental Appropriation  
Request for Indian Health Service

Staffing of the attached memorandum resulted in recommendations and comments:

Jack Marsh, Jim Cannon and Ted Marrs all recommend Option 1.

Ted Marrs further comments: "Concur in basic paper but disagree with OMB recommendation. Option 1 is the only humanitarian decision possible in view of 48 year average age at death of Indian people."

Phil Buchen and Max Friedersdorf recommend Option 2.

Tim Austin had no objection to OMB recommendation.

Jim Connor



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAY 10 1976

ACTION

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. Lynn  
SUBJECT: HEW 1976 Supplemental Appropriation  
Request for the Indian Health  
Service

The attached HEW request seeks your approval for a \$12 million supplemental appropriation and 38 additional positions for 1976 for the Indian Health Service (IHS). These increases would be to the current 1976 IHS appropriation level of \$336 million and 8,500 positions. The request is to fund discretionary authorities in P.L. 93-638, the "Indian Self-Determination and Education Assistance Act of 1975." HEW has advised us that IHS will need an additional \$37 million and 85 positions in 1977 and in 1978 continuation funding, if this 1976 supplemental is approved.

Background. P.L. 93-638 authorizes the Secretaries of Health, Education, and Welfare, and the Interior to enter into contracts with recognized Indian tribes to carry out any or all of the program functions, authorities, and responsibilities of either Secretary with respect to IHS or Bureau of Indian Affairs (BIA) activities.

P.L. 93-638 authorizes the HEW and Interior Secretaries to award grants for planning, training, and evaluation of existing federally-operated programs in order to build a tribe's capacity eventually to contract for the operation of certain activities. Of the \$12 million request for 1976, IHS indicates that \$11 million is needed in 1976 to fund a variety of unsolicited requests for feasibility, planning, initial operation and training, and technical assistance grants. The remaining \$1 million would support the 38 additional IHS staff positions to manage these grants and contracts. IHS funding levels and the HEW proposal are shown below:

(BA in \$ millions)

	1975 Actual	1976			1977	
		Budget	Appro- piation	HEW Request	Budget	HEW Request
Services	236	270	281	+12	315	+37
Facilities	<u>57</u>	<u>41</u>	<u>55</u>	<u>--</u>	<u>40</u>	<u>--</u>
Total	293	311	336	+12	355	+37

Options

Option 1. Seek a 1976 budget supplemental for \$12 million and seek a 1977 budget amendment for \$25 million.

Option 2. Disapprove the HEW request, but indicate that you will consider this request in developing the 1978 budget.

Option 3. Approve \$5 million for 1976 and \$5 million in 1977.

Considerations. We believe the following considerations bear upon your decision:

- Your 1977 budget already requests \$21 million in 1976 and \$33 million in 1977 for BIA to implement P.L. 93-638. These funds will provide for training and technical assistance for both BIA and tribal staffs, indirect overhead costs, and a formula grant program for general tribal management improvement with funding based on the population of each recognized tribe. These funds may be used at the discretion of tribal leaders for such purposes as strengthening or improvement of overall tribal governments and the planning, designing, monitoring, and evaluating of Federal programs serving the tribe, including health and health-related activities.
- Significant increases in the IHS budget have already occurred at a time when many other programs have been proposed for reduction or level funding. IHS funding has grown from \$112 million in 1969 to \$355 million in 1977, an increase of 214 percent in eight years. The 1977 level represents IHS funding of over \$685 per Indian or over \$2,740 per Indian family of four. This amount does not include spending for Indians from other HEW and Federal sources.

- HEW argues that no funds can be found within the existing and proposed funding levels for 1976--which Congress already increased \$25 million over your request--and 1977 for the purposes of P.L. 93-638. Moreover, HEW believes funds specifically earmarked for health activities would provide IHS with "credibility" in negotiating with tribes interested in eventually assuming responsibility for managing health programs now operated by IHS. HEW describes the request as funds to "piggyback" BIA funds, by providing funds targeted on health.
- A smaller supplemental of \$5 million in 1976 and \$5 million in 1977 would allow IHS to fund fewer grants, but would allow additional IHS funding for implementation of P.L. 93-638.
- The House has completed action on the 1976 Second Supplemental Appropriations Bill and the Senate is close to completing action. Both Appropriations Committees have indicated that no further supplemental requests will be considered. Consideration of the HEW request in the context of the 1978 budget--for a 1977 supplemental--will allow HEW and IHS to determine the relative priority of this activity within the context of your efforts and their proposals to realize a balanced budget by 1979.
- P.L. 93-638 does not require the Secretary of HEW to award grants to tribal organizations for feasibility or planning activities. IHS is already doing some of the activities envisioned by P.L. 93-638. The fact that IHS will only expand those activities if additional resources are available indicates the relatively low priority IHS accords to them.
- By not providing special funding for Indian health activities, the extent to which tribes allocate BIA funds for health activities can be better assessed. Tribes will also have had a better opportunity to determine the priority for health activities.

Recommendation. We recommend Option 2. IHS has always had self-determination as one of its goals. IHS has, over the years, expanded efforts to (1) train Indians for health careers, (2) increase participation in policy making by tribal health authorities, and (3) increase Indian

involvement in the delivery of health services. We believe that any expanded efforts to implement the provisions of P.L. 93-638 should be accomplished incrementally within overall IHS and HEW priorities and resources in the development of your annual budget requests.

Decision

- Option 1: Approve \$12 million for 1976 and \$25 million for 1977. (HEW request)
- Option 2: Disapprove the HEW request, but indicate willingness to consider this request within the context of the 1978 budget. (OMB recommendation)
- Option 3: Approve a supplemental request of \$5 million in 1976 and a budget amendment of \$5 million in 1977.

Attachment







THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

RECEIVED

APR 5 2 46 PM '76

OFFICE OF  
MANAGEMENT & BUDGET

APR 7 1976

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Lynn:

I am requesting your favorable consideration of the enclosed supplemental appropriation request of \$12 million to implement the Indian Self-Determination and Education Act (P.L. 93-638).

This Act, which was approved on January 4, 1975, directs the Secretary of Health, Education, and Welfare through the Indian Health Service to contract for health services with recognized Indian tribes and tribal organizations wishing to do so. It also enables him to take steps to assist such groups to overcome any deficiencies they may have in developing capacity to operate their own health program.

Regulations to implement this law were published in the Federal Register on November 14, 1975. In response thereto, various tribal groups have submitted proposed projects exceeding \$12 million. These projects, which have been reviewed and evaluated by us, meet the criteria of the regulations and are, therefore, eligible for funding.

I urge your approval of this request.

Cordially,

Under Secretary

Enclosure

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
HEALTH SERVICES ADMINISTRATION

Indian Health Services

For an additional amount for "Indian Health Services", \$12,000,000

For "Indian Health Services" for the period  
July 1, 1976, through September 30, 1976,  
\$210,000.

HEALTH SERVICES ADMINISTRATION  
 INDIAN HEALTH SERVICES  
 PROGRAM AND FINANCING (in thousands of dollars)

Identification of the	19 actual	19 76	19 76 estimate	19 76 estimate
<u>Program by Activities:</u>		<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Proposed Supplemental</u>
1. Patient care .....		150,832	150,832	---
2. Preventive Health & Ambulatory Care .....		120,656	132,656	12,000
3. Program Management .....		3,347	3,347	---
Total, Program Costs, funded-obligations ....		274,835	286,835	12,000
<u>Financing:</u>				
Budget authority (proposed supplemental appropriation)		274,835	286,835	12,000
<u>Relation of obligations to Outlays</u>				
Obligation incurred, net		274,835	286,835	12,000
Obligated balance, start of year .....		46,503	46,503	---
Obligated balance, end of year .....		-55,229	-64,046	-8,817
Outlays .....		266,109	269,292	-3,183
(Mono cast: 22.13)	(Mono cast: 5.9)	(Mono cast: 5.9)	(Mono cast: 5.9)	(Mono cast: 5)

**OBJECT CLASSIFICATION (in thousands of dollars)**

Identification code	19 actual	19 76	19 76 estimate	19 76 estimate
<b>Personnel compensation:</b>		<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Proposed Supplement</u>
11.1 Permanent positions.....		101,204	101,367	163
11.3 Positions other than permanent.....		2,072	2,072	---
11.5 Other personnel compensation.....		4,896	4,896	---
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Special personal services payments XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
<b>Total personnel compensation.....</b>		108,172	108,335	163
<b>Personnel benefits:</b>				
12.1 Civilian.....		19,384	19,400	16
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Benefits for former personnel XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
21.0 Travel and transportation of persons.....		11,296	11,308	12
22.0 Transportation of things.....		2,517	2,556	39
23.0 Rent, communications, and utilities.....		9,379	9,384	5
24.0 Printing and reproduction.....		800	800	---
25.0 Other services.....		100,016	111,733	11,717
26.0 Supplies and materials.....		20,192	20,194	2
31.0 Equipment.....		3,684	3,730	46
32.0 Lands and structures.....		315	315	---
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Investments and loans XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Grants, subsidies, and contributions XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Insurance claims and indemnities XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Interest and dividends XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
<del>XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Reserves XXXXXXXXXXXXXXXXXXXXXXXXXXXXX</del>				
<b>Sub-Total.....</b>		275,755	287,755	12,000
95.0 Quarters & Subsistence Charges.....		-920	-920	---
99.0 Total obligations.....		274,835	286,835	12,000
(Mono cast: 22.13)	(Mono cast: 5.9)	(Mono cast: 5.9)	(Mono cast: 5.9)	(Mono cast: 5.9)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
 HEALTH SERVICES ADMINISTRATION  
 INDIAN HEALTH SERVICES

PERSONNEL SUMMARY

Identification code	19 76 actual	19 76 estimate	19 76 estimate
	Presently Avail.	Revised Est.	Proposed Suppl.
Total number of permanent positions .....	8,500	8,538	38
Full-time equivalent of other positions .....	170	170	--
Average number of all employees .....	7,922	7,931	9
Employees in permanent positions, end of year ..			
Employees in other positions, end of year .....			
Average GS grade .....			
Average GS salary .....			
Average salary of ungraded positions .....			

## NARRATIVE JUSTIFICATION

The Indian Self-Determination and Education Assistance Act, P.L. 93-636 was signed into law January 4, 1975. Rules and Regulations to implement this law were published in the Federal Register on November 14, 1975. This Act directs the Secretary, HEW, upon the request of any Indian tribe, to contract with the tribal organization to carry out any or all of his functions, authorities and responsibilities under the Act of August 5, 1954 (68 Stat. 675, 42 U.S.C. 2001). The Secretary of HEW may in accordance with regulations adopted pursuant to section 107 of this Act, make grants to any Indian tribe or tribal organization for (1) the development, construction, operation, provision, or maintenance of adequate health facilities or services including the training of personnel for such work, from funds appropriated to the Indian Health Service for Indian health services or Indian health facilities; or (2) planning, training, evaluation or other activities designed to improve the capacity of a tribal organization to enter into a contract or contracts pursuant to section 103 of this Act.

Implementation of this law requires that new or expanded mechanisms will be initiated which were not a part of the Indian Health Service operation. Contracts are one of several mechanisms by which Indian tribes will exercise their right to plan, conduct, and administer programs or portions thereof which the Secretary is authorized to administer for the benefit of Indians. Another mechanism afforded Indian tribes is the initial use of grants to plan the manner in which it wishes the Indian Health Service to operate a program. This mechanism also requires additional staff for IHS to initiate a grants management program.

Currently, various tribal groups have submitted projects exceeding \$12,000,000. These projects have been reviewed and evaluated by IHS and meet the criteria of the Rules and Regulations as published in the Federal Register on November 14, 1975 for capacity building, operation and other development toward assisting tribes to man and manage their own health programs.

In view of the above, the Indian Health Service requests a supplemental of 38 positions (i.e., Contract Administrators, Cost Analysts, and Grants Management Officers, etc.) and \$12,000,000 in the Indian Health Services appropriation. For 1976, it is anticipated that the majority of the funding will be by contract in lieu of grants. Regardless of the funding mechanism, the Indian Health Service must invest time, positions, and funds to put into place the response systems for providing the training and technical assistance to the respective tribal organization. Exclusive of the funds to support the 38 positions, funds are immediately required:

to respond to unsolicited requests from Indian tribes enabling them to formulate and manage their own health organizations including such costs as training of Indians in the field of health administration;

for feasibility studies of various community health programs to assist in determining the method, procedures, costs and capabilities of managing their health programs.

Fiscal year 1976 will be largely a matter of laying the groundwork and establishing the basis for a fiscal year 1977 program, and to continue development and intensification of contract and grant compliance systems. To accomplish this, the Indian Health Service must establish the capability to meet subsequent tribal requests. For a full year operation in 1977, it is anticipated that \$25,000,000 will be required over and above the \$12,000,000 herein requested for 1976.

There is no legal issue related to initiating this program if the amount of funds available are insufficient to make grants and contracts for all interested and qualified Indian groups.

Since the Indian Health Service is not meeting its identified health needs at this time, it cannot fund P.L. 93-638 activities with existing IHS resources without further decreasing the level of services currently provided. The IHS appropriation is the only source of funds available for this program.

This supplemental request of \$12.0 million will result in estimated outlays of \$3.2 million in 1976.

THE WHITE HOUSE  
WASHINGTON

May 18, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN

FROM: JAMES E. CONNOR *JEC*

SUBJECT: HEW 1976 Supplemental Appropriation  
Request for the Indian Health Service

The President reviewed your memorandum of May 10, 1976 on the above subject and approved the following option:

"Option 1 - Approve \$12 million for 1976 and  
\$25 million for 1977."

Please follow-up with appropriate action.

cc: Dick Cheney



THE WHITE HOUSE  
WASHINGTON

5/10/76

TO: BOB LINDER

FROM: TRUDY FRY

The attached is sent to you for  
review before it is forwarded to the  
President.

A handwritten signature in dark ink, appearing to read 'TRUDY FRY', is located in the lower right quadrant of the page. The signature is stylized and somewhat cursive.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAY 10 1976

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. Lynn *JS/L*

SUBJECT:

HEW 1976 Supplemental Appropriation  
Request for the Indian Health  
Service

The attached HEW request seeks your approval for a \$12 million supplemental appropriation and 38 additional positions for 1976 for the Indian Health Service (IHS). These increases would be to the current 1976 IHS appropriation level of \$336 million and 8,500 positions. The request is to fund discretionary authorities in P.L. 93-638, the "Indian Self-Determination and Education Assistance Act of 1975." HEW has advised us that IHS will need an additional \$37 million and 85 positions in 1977 and in 1978 continuation funding, if this 1976 supplemental is approved.

Background. P.L. 93-638 authorizes the Secretaries of Health, Education, and Welfare, and the Interior to enter into contracts with recognized Indian tribes to carry out any or all of the program functions, authorities, and responsibilities of either Secretary with respect to IHS or Bureau of Indian Affairs (BIA) activities.

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(BA in \$ millions)

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Options

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Option 2. Disapprove the HEW request, but indicate that you will consider this request in developing the 1978 budget.

Option 3. Approve \$5 million for 1976 and \$5 million in 1977.

Considerations. We believe the following considerations bear upon your decision:

- Your 1977 budget already requests \$21 million in 1976 and \$33 million in 1977 for BIA to implement P.L. 93-638. These funds will provide for training and technical assistance for both BIA and tribal staffs, indirect overhead costs, and a formula grant program for general tribal management improvement with funding based on the population of each recognized tribe. These funds may be used at the discretion of tribal leaders for such purposes as strengthening or improvement of overall tribal governments and the planning, designing, monitoring, and evaluating of Federal programs serving the tribe, including health and health-related activities.
- Significant increases in the IHS budget have already occurred at a time when many other programs have been proposed for reduction or level funding. IHS funding has grown from \$112 million in 1969 to \$355 million in 1977, an increase of 214 percent in eight years. The 1977 level represents IHS funding of over \$685 per Indian or over \$2,740 per Indian family of four. This amount does not include spending for Indians from other HEW and Federal sources.

- HEW argues that no funds can be found within the existing and proposed funding levels for 1976--which Congress already increased \$25 million over your request--and 1977 for the purposes of P.L. 93-638. Moreover, HEW believes funds specifically earmarked for health activities would provide IHS with "credibility" in negotiating with tribes interested in eventually assuming responsibility for managing health programs now operated by IHS. HEW describes the request as funds to "piggyback" BIA funds, by providing funds targeted on health.
- A smaller supplemental of \$5 million in 1976 and \$5 million in 1977 would allow IHS to fund fewer grants, but would allow additional IHS funding for implementation of P.L. 93-638.
- The House has completed action on the 1976 Second Supplemental Appropriations Bill and the Senate is close to completing action. Both Appropriations Committees have indicated that no further supplemental requests will be considered. Consideration of the HEW request in the context of the 1978 budget--for a 1977 supplemental--will allow HEW and IHS to determine the relative priority of this activity within the context of your efforts and their proposals to realize a balanced budget by 1979.
- P.L. 93-638 does not require the Secretary of HEW to award grants to tribal organizations for feasibility or planning activities. IHS is already doing some of the activities envisioned by P.L. 93-638. The fact that IHS will only expand those activities if additional resources are available indicates the relatively low priority IHS accords to them.
- By not providing special funding for Indian health activities, the extent to which tribes allocate BIA funds for health activities can be better assessed. Tribes will also have had a better opportunity to determine the priority for health activities.

Recommendation. We recommend Option 2. IHS has always had self-determination as one of its goals. IHS has, over the years, expanded efforts to (1) train Indians for health careers, (2) increase participation in policy making by tribal health authorities, and (3) increase Indian

involvement in the delivery of health services. We believe that any expanded efforts to implement the provisions of P.L. 93-638 should be accomplished incrementally within overall IHS and HEW priorities and resources in the development of your annual budget requests.

Decision

- Option 1: Approve \$12 million for 1976 and \$25 million for 1977. (HEW request)
- Option 2: Disapprove the HEW request, but indicate willingness to consider this request within the context of the 1978 budget. (OMB recommendation)
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Attachment:



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

RECEIVED

APR 5 2 46 PM '76

APR 7 1976

SUBJECT  
MANAGEMENT & BUDGET

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D.C. 20503

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Regulations to implement this law were published in the Federal Register on November 14, 1975. In response thereto, various tribal groups have submitted proposed projects exceeding \$12 million. These projects, which have been reviewed and evaluated by us, meet the criteria of the regulations and are, therefore, eligible for funding.

I urge your approval of this request.

Cordially,

Under Secretary

Enclosure

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
HEALTH SERVICES ADMINISTRATION

Indian Health Services

For an additional amount for "Indian Health Services", \$12,000,000

For "Indian Health Services" for the period  
July 1, 1976, through September 30, 1976,  
\$210,000.

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 INDIAN HEALTH SERVICES  
 PROGRAM AND FINANCING (in thousands of dollars)

Identification	19 actual	19 76	19 76 estimate	19 76 estimate
<u>Program by Activities:</u>		<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Proposed Supplemental</u>
1. Patient care .....		150,832	150,832	---
2. Preventive Health & Ambulatory Care .....		120,656	132,656	12,000
3. Program Management .....		3,347	3,347	---
Total Program Costs, funded-obligations .....		274,835	286,835	12,000
<u>Financing:</u>				
Budget authority (proposed supplemental appropriation)		274,835	286,835	12,000
<u>Relation of obligations to Outlays</u>				
Obligation incurred, net		274,835	286,835	12,000
Obligated balance, start of year .....		46,503	46,503	---
Obligated balance, end of year .....		-55,229	-64,046	-8,817
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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
HEALTH SERVICES ADMINISTRATION  
INDIAN HEALTH SERVICES

STANDARD FORM 304-T  
June 1975, Office of Management and Budget  
Circular No. A-11, Revised.  
304-103T

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	19 actual	19 76	19 76 estimate	19 77 estimate
<b>Personnel compensation:</b>		<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Proposed Supplies</u>
11.1 Permanent positions.....		101,204	101,367	163
11.3 Positions other than permanent.....		2,072	2,072	---
11.5 Other personnel compensation.....		4,896	4,896	---
<del>11.6 Special personnel services payments.....</del>				
<b>Total personnel compensation.....</b>		108,172	108,335	163
<b>Personnel benefits:</b>				
12.1 Civilian.....		19,384	19,400	16
<del>13.0 Benefits for non-Federal employees.....</del>				
21.0 Travel and transportation of persons.....		11,296	11,308	12
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31.0 Equipment.....		3,684	3,730	46
32.0 Lands and structures.....		315	315	---
<del>33.0 Investments and loans.....</del>				
<del>34.0 Grants, subsidies, and contributions.....</del>				
<del>35.0 Information systems and telecommunications.....</del>				
<del>36.0 Information management.....</del>				
<del>37.0 Rental.....</del>				
<b>Sub-Total.....</b>		275,755	287,755	12,000
95.0 Quarters & Subsistence Charges.....		-920	-920	---
99.0 Total obligations.....		274,835	286,835	12,000
(Mono cast: 22.13)	(Mono cast: 5.0)	(Mono cast: 5.0)	(Mono cast: 5.0)	(Mono c...

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
HEALTH SERVICES ADMINISTRATION  
INDIAN HEALTH SERVICES

PERSONNEL SUMMARY

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	Presently Avail.	Revised Est.	Proposed Suppl.
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Employees in permanent positions, end of year ..			
Employees in other positions, end of year .....			
Average GS grade .....			
Average GS salary .....			
Average salary of ungraded positions .....			

## NARRATIVE JUSTIFICATION

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Currently, various tribal groups have submitted projects exceeding \$12,000,000. These projects have been reviewed and evaluated by IHS and meet the criteria of the Rules and Regulations as published in the Federal Register on November 14, 1975 for capacity building, operation and other development toward assisting tribes to man and manage their own health programs.

In view of the above, the Indian Health Service requests a supplemental of 38 positions (i.e., Contract Administrators, Cost Analysts, and Grants Management Officers, etc.) and \$12,000,000 in the Indian Health Services appropriation. For 1976, it is anticipated that the majority of the funding will be by contract in lieu of grants. Regardless of the funding mechanism, the Indian Health Service must invest time, positions, and funds to put into place the response systems for providing the training and technical assistance to the respective tribal organization. Exclusive of the funds to support the 38 positions, funds are immediately required:

to respond to unsolicited requests from Indian tribes enabling them to formulate and manage their own health organizations including such costs as training of Indians in the field of health administration;

for feasibility studies of various community health programs to assist in determining the method, procedures, costs and capabilities of managing their health programs.

Fiscal year 1976 will be largely a matter of laying the groundwork and establishing the basis for a fiscal year 1977 program, and to continue development and intensification of contract and grant compliance systems. To accomplish this, the Indian Health Service must establish the capability to meet subsequent tribal requests. For a full year operation in 1977, it is anticipated that \$25,000,000 will be required over and above the \$12,000,000 herein requested for 1976.

There is no legal issue related to initiating this program if the amount of funds available are insufficient to make grants and contracts for all interested and qualified Indian groups.

Since the Indian Health Service is not meeting its identified health needs at this time, it cannot fund P.L. 93-638 activities with existing IHS resources without further decreasing the level of services currently provided. The IHS appropriation is the only source of funds available for this program.

This supplemental request of \$12.0 million will result in estimated outlays of \$3.2 million in 1976.

STAFFING

May 14, 1976

MR PRESIDENT:

**HEW 1976 Supplemental Appropriation  
Request for Indian Health Service**

Staffing of the attached memorandum resulted  
recommendations and comments:

Jack Marsh, Jim Cannon and Jack Marrs all  
recommend Option 1.

Jack Marrs further comments: "Concur in basic  
paper but disagree with OMB recommendation.  
Option 1 is the only humanitarian decision possible  
in view of 48 year average age at death of Indian  
people."

Phil Buchea and Max Friedersdorf recommend  
Option 2.

Tim Austin had no objection to OMB recommendation.

Jim Connor

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 11, 1976

Time:

FOR ACTION:

cc (for information):

- ✓ Phil Buchen
- ✓ Jim Cannon
- ✓ Bill Baroody
- ✓ Max Friedersdorf
- ✓ Jack Marsh
- ✓ Tim Austin

FROM THE STAFF SECRETARY

DUE: Date: Thursday, May 13 Time: 2 P.M.

SUBJECT:

James T. Lynn memo 5/10/76 re HEW 1976 Supplemental Appropriation Request for the Indian Health Service

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

*later sent comments (see) attached*  
 Baroody (Marsh) - ~~at agree OMB~~  
 Friedersdorf - Option 2  
 Marsh - Option 1  
 Austin - No objection to OMB recommendation  
 Buchen (Schmeltz) option 2  
 Cannon - option 1

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE

WASHINGTON

5-12-76

ACTING MEMORANDUM

LOG NO.:

Date: May 11, 1976

Time:

FOR ACTION:

cc (for information):

- Phil Buchen
- Jim Cannon
- Bill Barody
- Max Friedersdorf
- Jack Marsh
- Tim Austin

FROM THE STAFF SECRETARY

DUE: Date: Thursday, May 13 Time: 2 P.M.

SUBJECT:

James T. Lynn memo 5/10/76 re HEW 1976 Supplemental Appropriation Request for the Indian Health Service

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

*Concern in basic paper  
but disagree with OM B recommendations  
Decision is the only human factor  
of 48 year average age  
of death of Indian people  
glenn*

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Jim Connor  
For the President



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

*Dr. Marsh*

Date: May 11, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen  
Jim Cannon  
Bill Baroody

Max Friedersdorf  
Jack Marsh  
Tim Austin

FROM THE STAFF SECRETARY

DUE: Date: Thursday, May 13

Time: 2 P.M.

SUBJECT:

James T. Lynn memo 5/10/76 re HEW 1976  
Supplemental Appropriation Request for the  
Indian Health Service

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

*Concur  
Marsh*

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Jim Connor  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 11, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Max Friedersdorf

Jim Cannon

Jack Marsh

Bill Baroody

Tim Austin

FROM THE STAFF SECRETARY

DUE: Date: Thursday, May 13

Time: 2 P.M.

SUBJECT:

James T. Lynn memo 5/10/76 re HEW 1976  
Supplemental Appropriation Request for the  
Indian Health Service

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

*Support Option 2  
Edward Schmults  
5/13/76*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE

WASHINGTON

May 13, 1976

MEMORANDUM FOR: JIM CANNON

FROM: SARAH MASSENGALE *SM*

I concur with HEW appropriation request.  
Recommend approval of Option I -- seek  
budget supplemental.

*Jim Cannon*

*Wk Concur with  
opt. I*

*[Signature]*

THE WHITE HOUSE

WASHINGTON

May 12, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: MAX FRIEDERSDORF *M.G.*

SUBJECT: James T. Lynn memo 5/10/76 re HEW 1976  
Supplemental Appropriation Request for the  
Indian Health Service

The Office of Legislative Affairs recommends Option 2 (Disapprove the HEW request, but indicate that you will consider this request in developing the 1978 budget.)