

Support for Tribal Governments



Contract Support Costs (CSC) at BIA and IHS and Tribal Grant Support Costs (TGSC) for Tribally Operated Schools directly support the governmental functions of tribes. Failure to fully fund CSC and TGSC penalizes tribes in the exercise of their self-determination rights under the law. Steady funding is necessary for tribes to fulfill their role as governments.

Key Recommendations

DEPARTMENT OF THE INTERIOR AND DEPARTMENT OF HEALTH AND HUMAN SERVICES

Interior, Environment Appropriations Bill

Contract Support Costs

- Increase IHS Contract Support Costs by \$100 million, for a total of \$543 million.
- Increase BIA Contract Support Costs by \$50 million, for a total of \$212 million.

Every tribe in the United States, directly or through intertribal consortia, operates one or more contracts with the IHS or the BIA under the Indian Self-Determination and Education Assistance

Act (ISDA, P.L. 93-638). ISDA establishes a critical mechanism to maximize tribal self-determination by moving essential governmental functions from federal agency administration to tribal government administration. The statute requires that IHS and BIA fully reimburse every tribal contractor for the “contract support costs” that are necessary to carry out the transferred federal activities. Cost-reimbursable government contracts similarly require payment of “general and administrative” costs. Full payment of fixed contract support costs is essential. Without this support, offsetting program reductions must be made, vacancies cannot be filled, and services are reduced, all to make up for the shortfall.

For the past 15 years, the Administration has failed to request full funding for contract support cost payments, and the resulting shortfalls have grown. The only meaningful increase in the past 10 years occurred in FY2010, when Congress made a \$116 million increase for IHS CSC payments and a \$19 million increase for BIA CSC payments due to President Obama’s advocacy. Even still, these increases left a net shortfall of \$100 million in IHS CSC requirements and approximately \$50 million in BIA CSC requirements. NCAI Resolution #ABQ-10-005 calls upon President Obama and Congress “to finally close the gap in funding contract support cost requirements.”

The recent FY2010 CSC increases produced a stunning increase in Indian Country jobs. For example:

- the Cherokee Nation received an increase of nearly \$8 million and added 124 positions in the Nation’s health care system;
- the Forest County Potawatomi Community received a nearly \$400,000 increase and added 13 positions;
- the Little River Band of Ottawa Indians received almost \$300,000 and added six positions to its clinical operations;
- the Riverside San Bernardino County Indian Health consortium received \$2 million and added 23 positions; and
- the Southcentral Foundation tribal organization received nearly \$9 million and added 97 positions.

These are recurring funds that enabled the hiring of hundreds of tribal employees across the nation in critical health care positions. Recent BIA CSC distributions for FY2010 have led to similar increases in staffing for law enforcement, real estate, probate, education, and employment assistance programs.

The FY2010 funding level for IHS contract support costs was \$398 million. President Obama recommended, and the House appropriations subcommittee approved, an increase of \$45 million in this line-item to \$443 million. The National Tribal Contract Support Cost Coalition recommends an increase in this line-item for FY2012 of \$100 million, bringing the total line-item to \$543 million.



The FY2010 funding level for BIA contract support costs was \$147 million. The president recommended, and the House appropriations subcommittee approved, an increase of \$15 million in this line-item to \$162 million. The National Tribal Contract Support Cost Coalition recommends an increase in this line-item for FY2012 of \$50 million, bringing the total line-item to \$212 million.

Tribal Grant Support Costs (TGSC) for Tribally Operated Schools

- Provide \$72.3 million for Tribal Grant Support Costs.

The operation of schools by tribes or locally elected tribal school boards is a major exercise of tribal self-determination, encouraged by federal Indian policy for the last 35 years. Tribes and tribal organizations that exercise this option are entitled by law to receive Tribal Grant Support Costs or TGSC (formerly known as Administrative Cost Grants) to cover the administrative or indirect costs incurred when they take over a school. Currently, 124 of the 183 BIE-funded schools are operated by tribes or tribal school boards. In FY2010 the funding available for TGSC met only 60 percent of need, the lowest rate to date. Given this reality, schools are required to reduce staff to bare bones levels and to divert funds from educational programs to meet their statutorily mandated administrative requirements. For current contract and grant schools, \$70.3 million should be appropriated to fully fund TGSC need, with an additional \$2 million to fund the administrative needs of those schools that convert to contract or grant status in FY2012, to avoid diverting funds from existing tribally operated schools. (More detailed justification of this request can be found in the Education section on page 34 of this document.)

DEPARTMENT OF THE INTERIOR

Interior, Environment Appropriations Bill

BIA Tribal Priority Allocations (TPA)

- Provide at least a 10 percent increase over FY2011 for Tribal Priority Allocations.

TPA is one of the most important funding areas for tribal governments. It covers such needs as scholarships and higher education funding, human services, economic development and natural resource management. Since tribes have the flexibility to use TPA funds to meet the unique needs of their individual communities, they are the main resource for tribes to exercise their powers of self-governance.

