

United States Department of the Interior

**Bureau of Indian Affairs
Office of Indian Services
Division of Self-Determination**

Fiscal Year 2014 Report to Congress

Pursuant to 25 U.S.C. §450j-1(c)

on the

Funding Requirements for

Contract Support Costs

Fiscal Year 2014 Report to Congress

The Indian Self-Determination and Education Assistance Act of 1975 (ISDEAA), 25 U.S.C. §450 et seq., authorizes the Secretary of the Interior to enter into Self-Determination contracts and Self-Governance funding agreements with Indian tribes and tribal organizations that choose to take over the operation of programs and services that would otherwise be provided by the Secretary, such as law enforcement and social services. The contracts and funding agreements provide the funding that the Secretary would have used to operate the programs had they not been turned over to a tribe, 25 U.S.C. §450j-1(a)(1).

This funding pays for expenses of delivering the programs and services (program costs). However, because program costs do not cover all operating expenses of the programs and services, Self-Determination contracts and Self-Governance funding agreements also annually provide funds for two types of contract support costs (CSC): (1) “direct CSC” are costs attributable to a particular program, such as unemployment taxes or workers compensation insurance, 25 U.S.C. §450j-1(a)(3)(A)(i); and (2) “indirect CSC” are overhead expenses for items such as facilities, equipment and data processing that are shared with other programs, 25 U.S.C. §450j-1(a)(3)(A)(ii).¹

Congress provides annual appropriations for the Secretary to finance the Secretary’s direct operation of programs on behalf of Indian tribes and the operation of programs by tribes and tribal organizations through Self-Determination contracts and Self-Governance funding agreements.

Since 1988, 25 U.S.C. §450j-1(c)(2) requires the Secretary to provide an annual report to Congress that includes “an accounting of any deficiency in funds needed to provide required contract support costs to all contractors for the fiscal year for which the report is being submitted.” This report is submitted to meet the Secretary’s obligations under 25 U.S.C §450j-1(c) for Fiscal Year 2014.

The report has been prepared with the most accurate information available, but may contain errors or omissions. The report does not represent an assessment of the amount due under any contract or funding agreement with any tribe or tribal organization.

The CSC policy requires the 12 regions of the Bureau of Indian Affairs (BIA) and the Office of Self-Governance to maintain records of funds negotiated and awarded to tribes and tribal organizations in categories identified in Appendix A, and to provide that data to the awardees for any changes or corrections – BIA, National Policy Memorandum, NPM-SELFD-1, Contract Support Cost, section 9(A),(B) & (C),

¹ Self-Determination contracts and Self-Governance funding agreements also provide funds on a one-time basis for two other types of CSC: “startup” CSC incurred during the initial year of the agreement, 25 U.S.C. §450j-1(a)(3)(5), and “pre-award” CSC incurred before the initial year of the agreement, 25 U.S.C. §450j-1(a)(6). This report does not include information on startup and pre-award funding.

<http://www.bia.gov/cs/groups/mywvsp/documents/collection/idc017331.pdf>. The CSC policy requires the BIA to consolidate this information and to provide the CSC summary for the most recently concluded fiscal year – BIA, National Policy Memorandum, NPM-SELFD-1, Contract Support Cost, section 9(D),

<http://www.bia.gov/cs/groups/mywvsp/documents/collection/idc017331.pdf>.

For Fiscal Year 2014, the Secretary distributed to Indian tribes and tribal organizations \$899,793,055 from all sources, of which \$647,440,075 is the base for calculating the Fiscal Year 2014 CSC of \$242,000,000. The attached documents show that, for Fiscal Year 2014, the apportioned contract support cost funds were sufficient to meet 100% of all contractors' need for required contract support cost funding, leaving an undistributed balance of \$117,123. This is a historical accomplishment for the Department of the Interior – BIA in funding 100% of the need for CSC for Indian tribes and tribal organizations contracting and/or compacting under ISDEAA.

Appendix A provides by region, and by tribe and tribal organization, an accounting for the amounts of funding provided for direct program operation, start-up costs, pass-through and exclusion related funds, and direct and indirect costs. Appendix A also provides the negotiated indirect cost rate and type of rate for each tribal organization, the total direct cost base amount, and the direct and indirect CSC requirements (including the unduplicated direct and indirect CSC requirements with sub-awards). A more detailed explanation of the categories is provided at the end of the appendix, "Guidance and Interpretation to Shortfall Report Labels for Appendix A Spreadsheets." The spreadsheets in Appendix B provide the same type of information for tribally-controlled schools and Appendix C provides the same type of information for contract support fund eligible Public Law 102-477 programs.