

TIBC 105(l) Lease Program Briefing

November 19th 1:30 pm

Agenda

- ISDEAA 105(l) Overview
- Staffing Update
- Pending Applications
- Process Improvements
- Budget and future need
- Question or Comments



STATUTORY DEFINITION • 25 U.S.C. § 5324(L)

Section 105(l) Lease

A mandatory federal funding agreement reimbursing tribes for facilities used to administer contracted or compacted federal programs.



01

Property Interest

Tribe holds title, leasehold, or trust interest in the facility.

02

Program Nexus

Facility houses ISDEAA-contracted or compacted services.

03

Mandatory Execution

Federal agencies must negotiate a lease upon tribal request.

105(l) Is Not a Conventional Lease

The word "lease" is used for contracting but the federal government does not occupy or manage the space.

Standard Commercial Lease

Occupancy: Landlord yields possession to the tenant.

Compensation: Driven solely by local fair market rent.

Agency Discretion: Government chooses whether to lease.

Daily Control: Tenant governs facility usage rules, with reasonable limitations.

Purpose: Commercial landlord-tenant relationship

Section 105(l) Agreement

Occupancy: Tribe retains full possession and operations.

Compensation: Based on actual facility cost recovery.

Mandatory Duty: Agencies cannot refuse or negotiate away.

Daily Control: Tribe exercises full sovereign management.

Purpose: Federal funding for tribal infrastructure

COMPENSATION FRAMEWORK • 25 CFR PART 900 SUBPART H

Costs Covered Under 105(l)



Depreciation

Asset value recovery over facility useful life.

O&M Expenses

Utilities, maintenance, and routine repairs.

Debt Service

Principal and interest on facility loans.

Reserve & Ins.

Replacement reserves and property insurance.

Core Function: Provide reimbursement of cost for the facilities required to carry out federal programs.

Staff exclusively dedicated to the tribal lease process and the Department's hiring plan for further staff

- 3 federal FTE's, 7 contract staff, 3 details.
- The department is in the process of hiring one FTE.

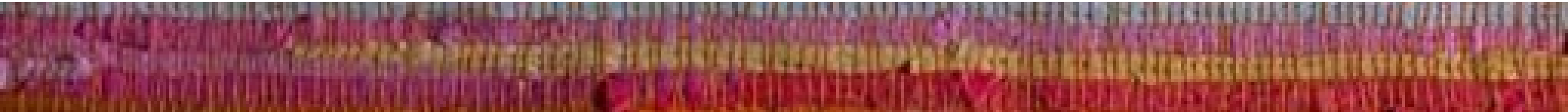
Current applications and FY2027 status update

- 3,000+ applications pending
- To date in FY2027 over 250 leases have been completed.
- In FY2027 $100 Million of leases have been completed.



Process Improvements

- Provided Tribal Consultation in September to address question with the 105(l) guide.
- This month we went live with the new LeasePro software with plans for the Tribal portal to go live in February of 2027.
- LeasePro will allow for greater transparency allowing Tribes to login and monitor the status of their leases and track the status and location of funds pending distribution.
- LeasePro will allow for increased communications where we can send emails to all the Tribes as a group or provide status and reminders through triggered emails such as reminders to submit renewal requests.



Budget and future need

- FY2027 Continuing Resolution through December 11th we have received $10,457,000
- FY2026 The program has $222,046,595 available
- Expired funds have been requested for the following backlogged years.
  - FY 2022: $340,935.34
  - FY 2023: $7,036,004.08
  - FY 2024: $53,736,157.80
  - FY 2025: $198,668,051.72
- The 105(l) program is expanding rapidly and is expected to surpass $1 billion annually by 2028.
- The program needs to receive the bulk of the funds early in the year to give the Office of Tribal Leases time to process the leases and distribute the fund before the accounts are swept at the beginning of the fiscal year.





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