



Memorandum

Indian Health Service
Rockville MD 20857

TO: Area Sanitation Facilities Construction (SFC) Program Directors

FROM: Mark A. Calkins March 2, 2026
RADM Mark Calkins, PE
Director, Division of Sanitation Facilities Construction

SUBJECT: SFC Program, Interim Guidance Memo (IGM) #2026-01
EHSA Program Funds to Support SFC Preliminary Engineering Reports

This memorandum provides interim guidance to Sanitation Facilities Construction (SFC) program managers regarding the use and management of Environmental Health Support Account (EHSA) funds earmarked for Preliminary Engineering Reports (PERs).

Issue/Topic Area:

Use and management of EHSA funds specifically earmarked to support SFC Preliminary Engineering Reports (PERs).

Background:

Beginning with the FY 2022 Appropriation Act for the Indian Health Facilities account, the Facilities and Environmental Health Support Activity line item included an additional \$3.0 million specifically earmarked for “preliminary engineering reports”. This additional \$3.0 million has been included in each successive appropriations act to date.

This Congressional action to earmark a portion of the Facilities and Environmental Health Support Activity line item for a specific purpose is similar to the 1994 Congressional action that initially earmarked \$1.0 million for “tribal training on operation and maintenance of sanitation facilities”.

The Headquarters (HQ) Office of Environmental Health and Engineering (OEHE) Director distributes funds within this line item to Area OEHE Directors as part of the annual distribution of the EHSA, sometimes referred to as OEHE “program” funds.

Beginning in FY2022, the EHSA distribution table (see Appendix A) included a separate column to account for \$3.0 million earmarked to support Area SFC programs in the development and delivery of PERs. To ensure these earmarked funds are properly managed at the Area OEHE level and used exclusively to support Area SFC programs, the HQ OEHE Director has maintained this separation of the \$3.0 million PER funding in all subsequent EHSA distributions.

Guidance:

EHSA funds earmarked for PERs are allocated to Areas based on the SFC Resource Requirements Methodology (RRM) workload.

Area SFC program managers shall utilize these funds to support programmatic or project-level activities that directly contribute to the development and delivery of PERs, or equivalent engineering technical documents and deliverables commensurate with project complexity, to advance the planning of SFC construction projects.

Allowable Uses

Allowable activities include, but are not limited to:

- PER's that document alternatives, engineering evaluation, planning, and decision making, and are sealed by a licensed Professional Engineer.
- Technical memos for less complex projects that document engineering evaluation, planning, and decision making, and are sealed by a licensed Professional Engineer.
- Specialty engineering evaluations, modeling efforts, investigations and reports sealed by a licensed Professional Engineer that support the development of PER's such as:
 - hydraulic modelling of public water systems
 - hydrogeologic studies
 - geotechnical investigations

Non-Allowable Uses

Non-allowable uses of EHSA PER earmarked funds include, but are not limited to:

- Activities unrelated to the development or delivery of SFC PER's.
- Construction, construction management, or construction inspection activities.
- Operation and maintenance (O&M) activities.
- General environmental health services or routine program operations not directly tied to PER development.
- Equipment, vehicles, office rent, or capital purchases not directly supporting PER preparation.

Delivery Mechanisms

Appropriate vehicles to use for delivering allowable PER-related activities include:

- Program shares distributed to Tribes under the Indian Self Determination and Education Assistance Act (ISDEAA) contracts and compacts.
- Federal engineering positions (temporary or permanent).
- Contracted engineering staff.
- Public Law (PL) 86-121 Memorandum of Agreement (MOA) Planning Agreements.
- PL 93-638 Title 1, Subpart J Design Contracts.
- Federal Acquisition Regulation (FAR) contracts.
- Interagency Agreements.

If these funds are used to support federal engineering positions, the associated position descriptions and/or performance plans must include reference to engineering reports and/or supporting engineering activities consistent with PER development.

Requirements for Use Under PL 86-121

If these funds are managed as project funds in support of a PL 86-121 project, the Area SFC Program Manager shall ensure:

- A valid PL 86-121 Planning Agreement (PA) is established in accordance with IHS policy ([Indian Health Manual Part 5, Chapter 2](#)) and [IGM 2025-01](#).
- The project is established and tracked in the Project Data System (PDS) with the following attributes:
 - Project Category: “Planning”
 - Fund Advice Fund Source: “IHS EHSA – PER”.
 - The Fund Advice record is flagged as not eligible for RRM credit.
- Upon execution of the PA and allowance of the funds to a unique UFMS Project Account, the Area shall promptly obligate the funds using a UFMS requisition.

Note: EHSA funds are not subject to the UFMS “MOA tie up” process designed to obligate project funds under the PL 86-121 MOA. Therefore, these funds must be affirmatively obligated through a UFMS requisition.

End IGM

Appendix A: HQ OEHE approved EHSA distribution table, FY 2022

EHSA

Area Office	FY 2021 Distribution			FY 2022 Distribution											Total Dist.
	Base (Recurring)	Non-Base (workload adjusted)	Total	Current Year Recurring Adjustments				Non-Base (Non-recurring)							
				New Facilities Staffing								SFC Preliminary Engineering Reports			
	a	b	a + b = c	Current Years	Base w/ staffing	Pay Cost	Inflation	Base 2022 Sub Total	Inflation	Pay Cost	Workload Adjustment	O & M Training	per	Non-Base 2022 Sub-Total	b ₂₂ + q = t
Albuquerque	\$3,449,329	\$519,796	\$3,969,125		\$3,449,329	\$83,623	\$20,271	\$3,553,223	\$4,909	\$20,250	\$451,796	\$68,000	\$170,510	\$715,465	\$4,268,688
Alaska	\$12,628,107	\$268,193	\$12,896,300	\$354,000	\$12,982,107	\$306,145	\$74,214	\$13,362,466	\$0	\$0	\$75,193	\$193,000	\$399,638	\$667,831	\$14,030,297
Bemidji	\$4,557,193	\$1,471,694	\$6,028,887		\$4,557,193	\$110,481	\$26,782	\$4,694,456	\$1,371	\$5,656	\$1,422,694	\$49,000	\$229,345	\$1,708,066	\$6,402,522
Billings	\$3,077,367	\$845,734	\$3,923,101		\$3,077,367	\$74,605	\$18,085	\$3,170,057	\$2,185	\$9,012	\$808,734	\$37,000	\$168,604	\$1,025,535	\$4,195,592
California	\$2,977,998	\$1,744,423	\$4,722,421		\$2,977,998	\$72,196	\$17,501	\$3,067,695	\$23,738	\$97,922	\$1,661,423	\$83,000	\$256,098	\$2,122,181	\$5,189,876
Great Plains	\$6,658,044	\$957,108	\$7,615,152		\$6,658,044	\$161,412	\$39,129	\$6,858,585	\$2,221	\$9,162	\$871,108	\$86,000	\$322,639	\$1,291,130	\$8,149,715
Nashville	\$3,486,653	\$947,408	\$4,434,061		\$3,486,653	\$84,527	\$20,491	\$3,591,671	\$0	\$0	\$915,408	\$32,000	\$142,161	\$1,089,569	\$4,681,240
Navajo	\$11,378,742	\$1,601,282	\$12,980,024		\$11,378,742	\$275,856	\$66,872	\$11,721,470	\$0	\$0	\$1,479,282	\$122,000	\$488,982	\$2,090,264	\$13,811,734
Oklahoma	\$7,965,503	\$1,113,009	\$9,078,512		\$7,965,503	\$193,109	\$46,812	\$8,205,424	\$25,735	\$106,160	\$1,074,009	\$39,000	\$393,224	\$1,638,128	\$9,843,552
Phoenix	\$8,256,624	\$547,301	\$8,803,925		\$8,256,624	\$200,166	\$48,523	\$8,505,313	\$0	\$0	\$447,301	\$100,000	\$214,094	\$761,395	\$9,266,708
Portland	\$4,247,139	\$320,561	\$4,567,700		\$4,247,139	\$102,964	\$24,960	\$4,375,063	\$1,992	\$8,219	\$254,561	\$66,000	\$152,447	\$483,219	\$4,858,282
Tucson	\$2,091,102	\$37,976	\$2,129,078		\$2,091,102	\$50,695	\$12,289	\$2,154,086	\$0	\$0	\$12,976	\$25,000	\$62,258	\$100,234	\$2,254,320
Subtotal	\$70,773,801	\$10,374,485	\$81,148,286	\$354,000	\$71,127,801	\$1,715,779	\$415,929	\$73,259,509	\$62,151	\$256,381	\$9,474,485	\$900,000	\$3,000,000	\$13,693,017	\$86,952,526
New Staff Awaiting BOC															\$521,000
Subtotal			\$81,148,286												\$87,473,526
IP Proj./Reimbursements			\$3,734,092												\$3,734,092
Totals			\$84,882,378												\$91,207,618

Workload Adjustment. This column represents adjustment toward RRM parity in all Areas.

\$354,000 for Current Year New Facilities Staffing is for Bethel, AK.

SFC Preliminary Engineering Report funds allocated according to SFC RRM.

FY2022 amounts for injury prevention projects and reimbursements:

\$2,766,698 for injury prevention projects including those announced through the Federal Register process.

\$967,394 is retained as reimbursements to Areas/Tribes for Injury Prevention Fellowship, COSTEPs, etc. & available as Tribal shares.

Remaining 2022 new staff funds held at HQ for BOC are \$521,000.

FY 2022 amount for facilities awaiting BOC (\$521,000) includes \$76,000 for Ysleta Del Sur, \$11,000 for Naytahwaush, \$31,000 for Elbowoods, and \$403,000 for Dilkon.

Base (recurring) FY 2021 distribution for Alaska includes \$355,000 FY 2021 New Staff (Bethel) and \$69,890 FY 2021 New Staff Prior Year distributed in September 2021.