



Memorandum

Indian Health Service
Rockville MD 20857

TO: Area Sanitation Facilities Construction (SFC) Program Directors

FROM: Mark A. Calkins
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SUBJECT: SFC Program, Interim Guidance Memo (IGM) #2026-03
Requesting Housing Support Funds in the Housing Priority System (HPS)

This guidance provides directions to Area SFC programs regarding the procedures for requesting Housing Support funds through the Housing Priority System (HPS). It is issued to ensure consistent implementation of existing SFC policy and to strengthen the quality, reliability, and accountability of HPS data.

This IGM is effective upon issuance and shall remain in effect until incorporated into a future revision of the Criteria for the Sanitation Facilities Construction Program or superseded by subsequent written guidance.

Issue/Topic Area:

Instructions for requesting Housing Support Funds in the Housing Priority System.

Background:

Accurate and complete data within the Sanitation Tracking and Reporting System (STARS) is mission-critical to the SFC Program. STARS data are used to report sanitation facility needs to Congress, support budget formulation, track active project status, allocate program and project funding among IHS Areas, and inform funding allocation methodologies used by other agencies.

STARS includes the HPS module and a Home Inventory Tracking System (HITS) module. Data entered and maintained within these systems must be accurate and complete to enable the SFC program to reliably track, report, and justify tribal housing needs.

Housing Support Funds support sanitation facilities for eligible new and like-new tribal housing. The policies governing housing eligibility, prioritization, and allocation of Housing Support funds are established in the [Criteria for the Sanitation Facilities Construction Program](#) (Criteria Document).

In accordance with the Criteria Document, all Areas shall:

- Establish and maintain an Area-Specific HPS policy consistent with the Headquarters (HQ) SFC Program policies.

- Establish and maintain unit cost caps, defined as the maximum average funding amount per home for each housing support projects. These cost caps shall be less than the total allowable unit cost established for projects serving existing tribal homes by the SDS guidelines.
- Annually request in writing from tribes the number of eligible homes to be served by IHS housing support funds.
- Maintain project status reports and financial records for previously allocated housing support funds; and
- Submit an annual HPS report to Headquarters documenting how Housing Support funds were allocated to support new and like-new housing projects, and if requested the report should be made available to the Tribal Advisory Committee (TAC) prior to HQ submission.

The instructions identified in this IGM are intended to operationalize existing SFC policy requirements defined in the Criteria Document, improve the overall quality and consistency of HPS data, and clarify reporting expectations. The guidance also modifies specific sections of the Criteria Document, as identified below.

Definitions:

Housing Classifications, Priority Groups, and Designations; see Table 6-1 from the Criteria Document (reprinted below). Please note the “PDS” Priority Designation referred to in Table 6-1 is the “HPS” Priority Designation.

**Table 6-1
IHS SFC Program
Housing Priority System**

The priority of service for new or like-new homes determined eligible for housing support projects is as presented in this table, with the highest priority listed first:

HOUSING CLASSIFICATION	GROUP PRIORITY	PDS PRIORITY DESIGNATION
BIA HIP new home and eligible like-new home projects.	I.	A
New homes completed in the previous fiscal years.	II.	B
New homes to be completed during the funding year.		C
Existing eligible “like-new” homes.	III.	D

1. A new home is one that is newly constructed or newly manufactured.
2. Eligibility is established by each Area; however, an eligible like-new home must meet the eligibility criteria in Chapter 5, Section III (including a plumbed kitchen, one bathroom with toilet, insulation, heat, etc.). If a home is considered to be substandard after a BIA-HIP renovation, it is ineligible for service.
3. This housing classification system is to be used in Project Data System (PDS) Housing Reports.
4. Homes of patients with certified medical conditions may be provided with sanitation facilities using housing support funds under any housing support project if the home meets the criteria specified in Chapter 5, Section III, on eligible homes for housing support projects.

Guidance:

1. Roles and Responsibilities

HQ is responsible for overall SFC program oversight, establishment of national program guidelines, allocation of appropriated project funds, development and recommendation of IHS policy, performing periodic program reviews, and ensuring Area programs operate in accordance with national policies and requirements.

Area SFC program managers are accountable for the effective and efficient operation of the Area SFC Program. This includes ensuring the accuracy of all HPS data submitted for all Tribes and Tribal Organizations within their Area, establishing and managing Project Data System (PDS) projects, monitoring project execution and funding status, and submitting required reports, including the annual HPS report.

Self Determination (SD)/Self Governance (SG) Tribes and Tribal Organizations:

When a Tribe or Tribal Organization assumes responsibility for an SFC program or project under a PL 93-638 Title I contract, Title V compact, Annual Funding Agreement, the Tribe or Tribal organization is responsible for executing the project in accordance with the terms of the

applicable agreement. Area SFC Program Managers retain responsibility for federally inherent and contract oversight functions, including ensuring that accurate and complete data are maintained in HPS.

Area SFC Program Managers shall work collaboratively with all SD/SG Tribes and Tribal Organizations to ensure reporting requirements are met. Project status and financial reports submitted by SD/SG entities shall be maintained in the appropriate PDS project record and used to support requests for additional Housing Support funds through the annual HPS process.

2. Deadlines

Unless modified by HQ in writing for a particular year, the following deadlines apply:

- November 1:
 - Area requests for Housing Support Funds must be submitted through HPS
 - Annual HPS Reports must be submitted
- Within 30 days of HQ-allotment of funds to the Area:
 - Areas shall establish new housing support funded PDS projects

3. Annual HPS Request Process

A. Establishing Area Housing Support Priority Lists

In accordance with Chapter 6, Section III “*Establishing Area Housing Support Project Priority Lists*” of the Criteria Document, Area SFC Program Managers shall follow the required steps for developing Area Housing Support project lists.

The following paragraph in Chapter 6, Section III is hereby modified:

Page 4, second column:

Original:

5. Each Area provides its projects and cost estimates to IHS Headquarters using the project funding report in the PDS.

Revised:

5. Each Area provides its projects and cost estimates to IHS Headquarters using the HPS module in STARS.

B. HPS Project Requirements

Areas shall create and maintain proposed projects in the HPS module.

All HPS projects must:

1. Be established by Tribe.
2. Use standard HPS priority designation categories of A-D, plus Category E (Homes of

Patients with Medical Conditions/ Medical Referrals).

3. Use HITS to identify all homes proposed for service, except for Category C (New Homes – to be completed).
4. For Category C homes, include supporting documentation describing the housing program, construction schedule, and funding source. This documentation shall be attached to the HPS project.
5. Include an estimated unit cost of service per home that does not exceed the Area’s established unit cost cap.
6. Include a current financial status report for all active IHS housing support projects serving the Tribe or Tribal Organization. Financial status reports shall be in the format shown below and included as an attachment to justify the need for each new specific HPS project.

Housing Support Funds: Active Project Financial Status Report by Tribe: _____						
Date: _____						
Active PDS Project #	Project Name:	Project Phase	(A) \$ Total Project Funds, in UFMS (Allowanced) Note 1	(B) \$ Total Expended, in UFMS (Disbursed) Note 1	(C) \$ Total Expended, per SG Tribe (Disbursed) Note 1	(D) \$ Funds Remaining (Undisbursed) Note 2
Totals:						
Notes: 1) For projects established under a PL-86-121 MOA, financial data shall come from UFMS status of fund reports; ignore column (C). For projects established under a PL-93-638 Title V CPA, expended funds (column C) information shall come from the financial status reports provided by the Self Governance (SG) tribe/ tribal organization. 2) For MOA projects, (D) = (A)-(B) For CPA projects, (D) = (A)-(C)						

4. Annual HPS Report:

In accordance with Chapter 10, Section IV, “*Other Required Reports*”, of the Criteria Document, Area SFC Program Managers shall submit an annual HPS report documenting how Housing Support funds were allocated to support new and like-new housing projects.

The following paragraph in Chapter 10, Section IV, page 5 is hereby modified with new content identified in ***bold italics*** and removed content in ~~strike through~~ font:

HPS Report. The Housing Priority System (HPS) report is a project status report which identifies how housing support funds were allocated by the Area SFC Programs to new and like-new housing sanitation facilities projects. ~~As a minimum, t~~ This report shall ***show all***

projects that were funded with the previous year's allocation of housing funds, the actual homes served over the past fiscal year from any housing project, and current balances in the Area's bulk account and (if maintained) risk pool. Actual home information shall include HITS house identification numbers, Tribe, type of service provided (water or sewer), HPS priority designation category code, actual cost, and project number. ~~for each home to be served by the project.~~ The report shall **be signed by the Area Program manager**, submitted to **HQ** and the IHS Area Office, and made available to the Area Tribal Advisory Committee (TAC), if requested. The purpose of the report is to inform **HQ**, the IHS Area Office and the Area TAC of how previously allocated funds were committed, **disclose any unobligated fund balances**, and to record specifically which homes were served with IHS funding. This information is needed to justify new funding requests and to assist the TAC to recommend policies for project funding priorities. The TAC may wish to request that additional information be provided in the report to better enable the TAC to form these recommendations.

An example format for the HPS Annual Report is shown below:

Housing Priority System (HPS) Annual Report Sanitation Facilities Construction Program							
Area: _____				End of FY: <u>2025</u>			
Submitted by: _____				<u>November 1, 2025</u>			
NAME: Area SFC Program Director				Date:			
I. FY 2025: Allocation of Housing Support Funds. \$ _____							
PDS Project #	Project Name:	Tribe:	# Estimated Homes	\$ Allocation of New Funds			
Total:							
II. Total Balance in Bulk Account Housing Funds: \$ _____							
III. Total Balance in any Risk Pool Housing Funds \$ _____							
IV. FY2025: Total Actual Homes Served over the past FY: _____							
_____ FY2025: Total Actual Cost to Serve Those Homes \$ _____ Unit Cost \$ _____							
HITS home #	PDS Project #	Tribe	Community/ location	Date Served	Service Type (W, S, or W/S)	HPS. Priority Designation	\$ Actual Cost

A. Upload a pdf copy of the annual report into HPS.

End IGM