

Indian Health Service

Bipartisan Infrastructure Law (BIL) Funding

Tribal Consultation

April 12, 2023



Welcome & Opening Remarks

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Overview of the Bipartisan Infrastructure Law (BIL)



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Outline

- I. Review: Bipartisan Infrastructure Law (BIL) Funding
- II. Review: Sanitation Facilities Construction Project Tier Definitions
- III. Review FY 2022 BIL Year 1
- IV. Sanitation Deficiency System (SDS) Summary Statistics
- V. “Legacy” SDS Projects
- VI. Project Cost Increases
- VII. Key Questions for Consultation - BIL

I. Bipartisan Infrastructure Law (BIL) Funding

The President signed the Infrastructure Investment and Jobs Act (IIJA) on November 15. This Act is often referred to as the “Bipartisan Infrastructure Bill (BIL).”

- The BIL includes \$3.5 billion over five years for the IHS Sanitation Facilities Construction program (\$700 million/year).
- This funding level is sufficient to address the current estimate of all projects in the Sanitation Deficiency System as of end of year (EOY) 2021.

I. Bipartisan Infrastructure Law (BIL) Funding

(Continued)

The Act includes several important directions to the IHS.

- Directs that up to \$2.2 billion should be used for “economically infeasible” projects.
- Caps funding for “salaries, expenses, and administration.”
- Allocates 0.5% of funds each year to the HHS Office of the Inspector General for oversight activities.

I. Bipartisan Infrastructure Law (BIL) Funding

(Continued)

The BIL provides \$700 million per year, for FY 2022 – FY 2026.

Funding Category	Annual Amount	Total Amount
Project	\$675,500,000	\$3,377,500,000
Salaries, Expenses, and Administration (up to 3% Total)	\$21,000,000	\$105,000,000
DHHS OIG (0.5% Total)	\$3,500,000	\$17,500,000
Total	\$700,000,000	\$3,500,000,000[^]

[^]Provided further, That of the amounts made available under this heading, up to \$2,200,000,000 shall be for projects that exceed the economical unit cost and shall be available until expended.

II. Review: SFC – Project Tier Definitions

	Definition
Tier 1: Ready-to-Fund	Projects have a: <ul style="list-style-type: none">• a well-defined scope,• a detailed cost estimate,• foreseeable risks to construction, operation, and maintenance are identified and addressed,
Tier 2: Engineering Assessed	Project reflects an engineering assessment that accurately identifies the deficiency and a proposed solution to address the deficiency, additional work needed to refine the project scope, cost estimate, and assess project risks.
Tier 3: Preliminary Assessed	Project minimally identifies the deficiency and a preliminary solution to address. An engineering assessment is need to improve understanding of the deficiency and solutions.

III. Review: FY 2022 BIL Year 1

FY 2022 IIJA Fund Distribution					
Area	FY 2022 IIJA Tier 1 Project Funding	FY 2022 IIJA Tier 1 Design & Construction Documents Funding	FY 2022 IIJA Tier 2 and Tier 3 Planning, Design, and Construction Documents Funding	FY 2022 IIJA Special and Emergency Funding	FY 2022 IIJA Total Funding Distributed
AL	\$ 42,053,000	\$ 7,608,020	\$ 253,101	\$ -	\$ 49,914,121
AN	\$ 193,252,878	\$ 17,026,123	\$ 20,171,796	\$ -	\$ 230,450,797
BE	\$ 9,196,400	\$ 664,920	\$ 1,422,138	\$ -	\$ 11,283,458
BI	\$ 3,173,235	\$ 26,417	\$ 215,514	\$ -	\$ 3,415,166
CA	\$ 28,460,130	\$ 5,967,190	\$ 1,969,602	\$ -	\$ 36,396,922
GP	\$ 65,145,351	\$ 2,866,818	\$ 1,492,877	\$ -	\$ 69,505,046
NA	\$ 128,073,039	\$ 19,389,320	\$ 4,185,412	\$ -	\$ 151,647,771
NS	\$ 43,437,024	\$ 2,811,702	\$ -	\$ -	\$ 46,248,726
OK	\$ 24,831,667	\$ -	\$ 259,185	\$ -	\$ 25,090,852
PH	\$ 18,670,061	\$ 2,366,027	\$ 2,234,130	\$ -	\$ 23,270,218
PO	\$ 20,660,383	\$ 1,073,463	\$ 796,245	\$ -	\$ 22,530,091
TU	\$ 1,647,000	\$ -	\$ -	\$ -	\$ 1,647,000
Total Fund Distribution	\$ 578,600,168	\$ 59,800,000	\$ 33,000,000	\$ -	\$ 671,400,168
Remaining Balance:	\$ 2,599,832	\$ -	\$ -	\$ 1,500,000	\$ 4,099,832

III. Review: FY 2022 BIL Year 1 *(Continued)*

	Spend Plan Project Count	Funded Project Count
Project Funding Category: Construction (Tier 1)	456	452*
Project Funding Category: Planning (Tier 2&3)	183	182^
Total	639	634

* Portland Area Funded four (4) Tier 1 SDS projects into one (1) PDS project and two (2) Tier 1 SDS projects into one (1) PDS project.

^ Portland Area funded two (2) Tier 2&3 SDS projects into one (1) PDS project.

III. Review: FY 2022 BIL Year 1 *(Continued)*

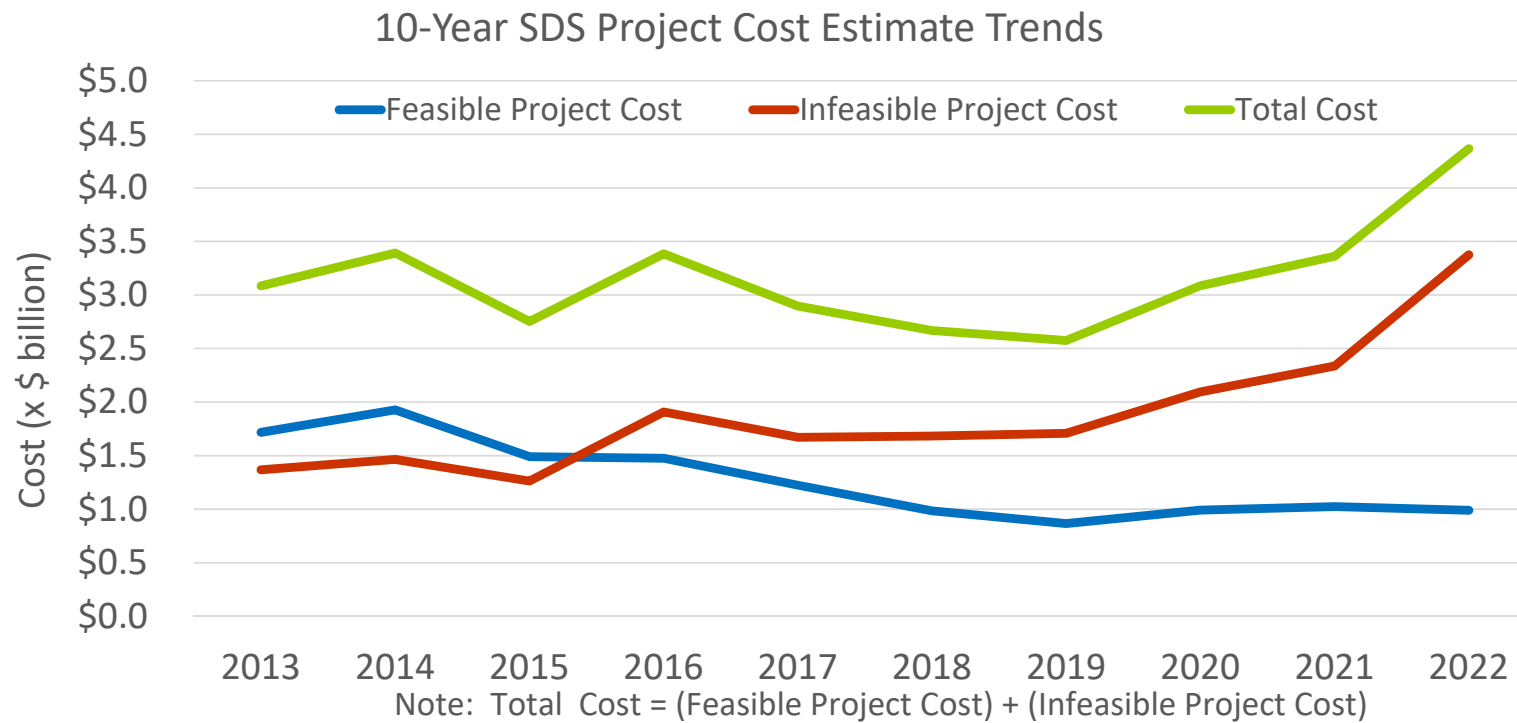
[DSFC Hub Site \(arcgis.com\)](https://arcgis.com)



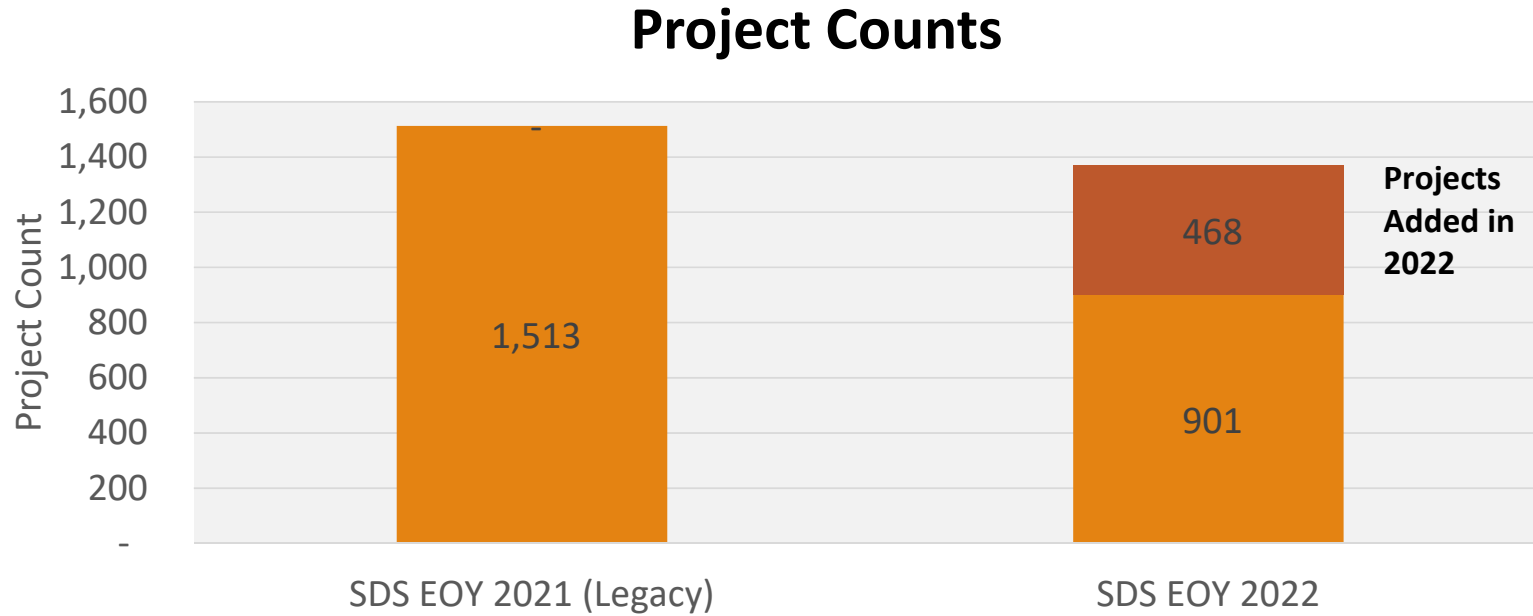
Explore Infrastructure Investment and Jobs Act Projects



IV. Sanitation Deficiency System (SDS) Summary Statistics

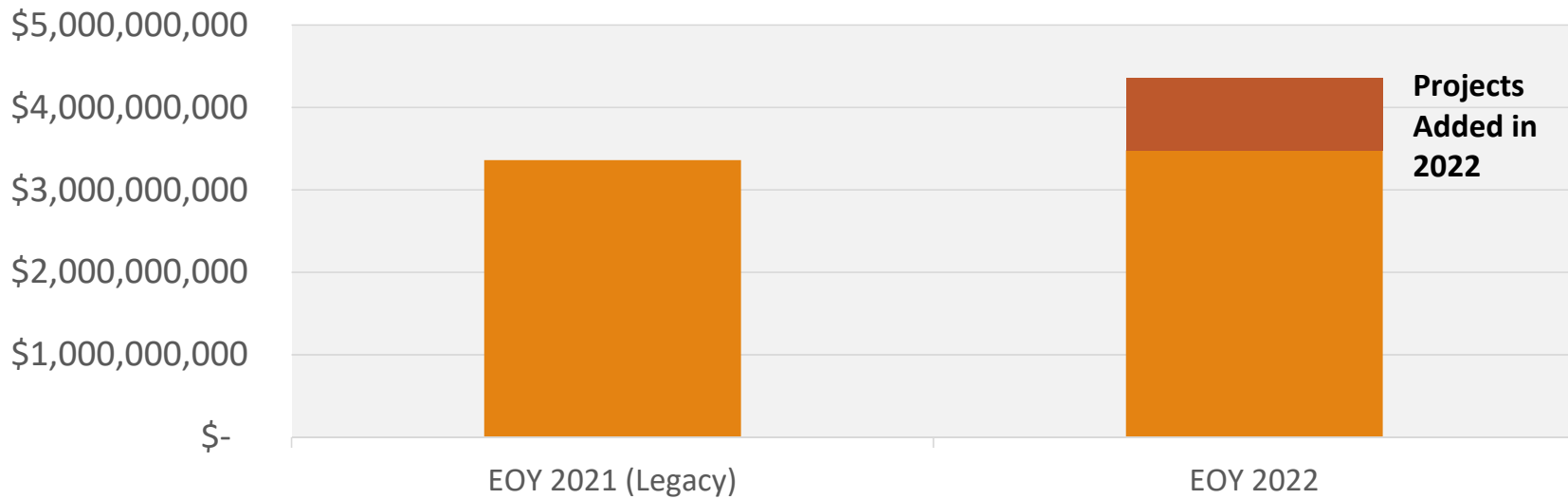


IV. Sanitation Deficiency System (SDS) Summary Statistics *(Continued)*



IV. Sanitation Deficiency System (SDS) Summary Statistics *(Continued)*

Eligible Costs

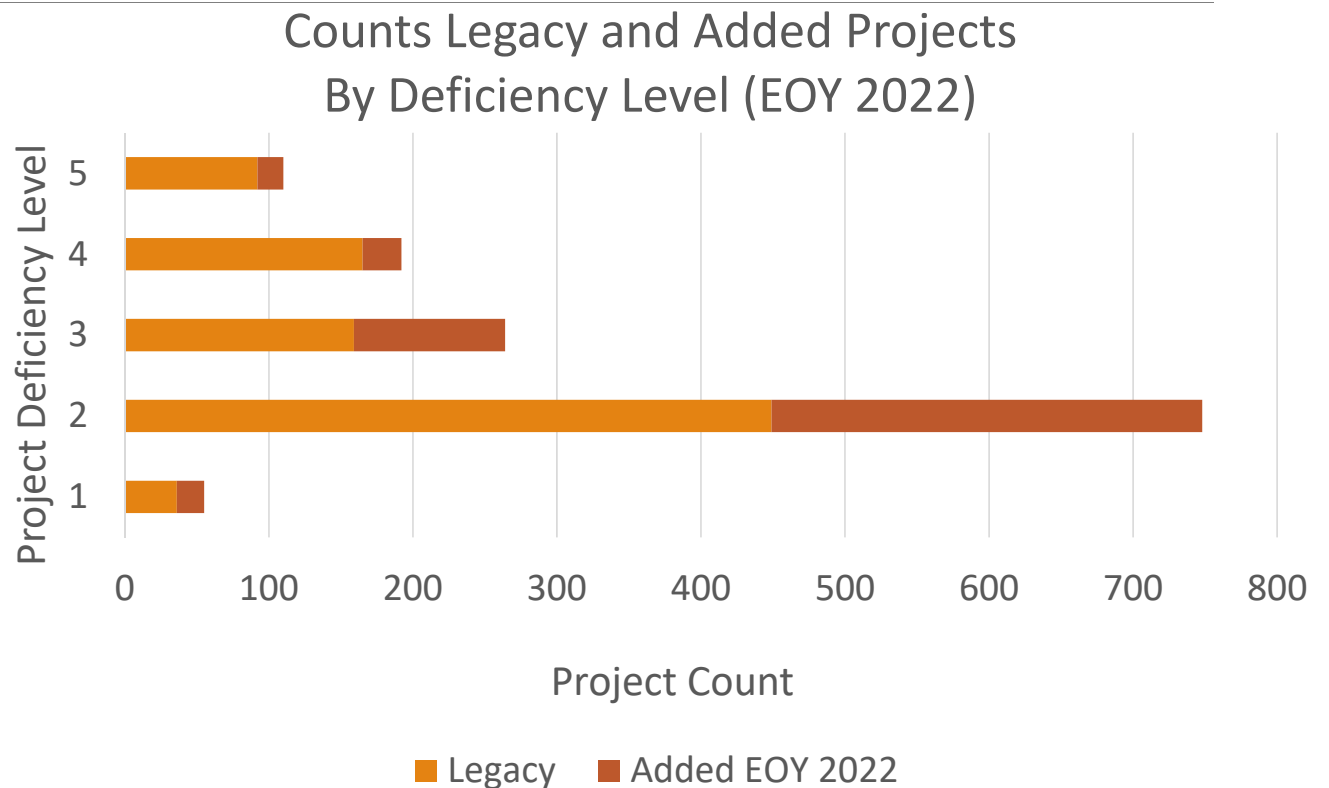


V. “Legacy” SDS Projects

- ✓ Congress intended projects included on SDS at the EOY 2021 to be funded with the BIL.
 - ❑ Total SDS Eligible Cost EOY 2021: \$3.4 B
 - ❑ Total BIL Project Funding: \$3.4 B

V. “Legacy” SDS Projects *(Continued)*

- ✓ Proportionally Legacy SDS Projects Address Higher Level Deficiencies Compared to Projects Added in 2022



V. “Legacy” SDS Projects *(Continued)*

✓ All Project Tiers

Area	Project Count	Eligible Construction Costs	Planning, Design, and Construction Document Costs
Albuquerque (AL)	59	\$ 135,069,731	\$ 8,161,400
Alaska (AN)	216	\$ 1,973,438,829	\$ 99,278,159
Bemidji (BE)	52	\$ 50,719,604	\$ 9,710,000
Billings (BI)	24	\$ 25,051,516	\$ 1,872,000
California (CA)	59	\$ 163,491,933	\$ 42,961,763
Great Plains (GP)	89	\$ 227,013,259	\$ -
Navajo (NA)	217	\$ 630,989,206	\$ 100,058,995
Nashville (NS)	3	\$ 7,923,665	\$ 900,000
Oklahoma (OK)	87	\$ 47,792,693	\$ 1,737,800
Phoenix (PH)	62	\$ 138,692,497	\$ 20,979,127
Portland (PO)	23	\$ 67,389,296	\$ 8,686,100
Tucson (TU)	10	\$ 12,502,835	\$ -
TOTAL	901	\$ 3,480,075,064	\$ 294,345,344

V. “Legacy” SDS Projects *(Continued)*

✓ Tier 1 Projects Only

Area	Project Count	Eligible Construction Costs	Design and Construction Document Costs
Albuquerque (AL)	12	\$ 33,400,901	\$ 2,227,700
Alaska (AN)	35	\$ 466,017,714	\$ 17,514,854
Bemidji (BE)	12	\$ 9,427,651	\$ 1,459,000
Billings (BI)	4	\$ 3,661,537	\$ 400,000
California (CA)	5	\$ 6,788,640	\$ 3,577,691
Great Plains (GP)	14	\$ 25,600,561	
Navajo (NA)	25	\$ 46,467,261	\$ 4,470,441
Nashville (NS)	0	\$ -	\$ -
Oklahoma (OK)	20	\$ 19,533,611	\$ 87,000
Phoenix (PH)	8	\$ 39,473,045	\$ 759,525
Portland (PO)	4	\$ 7,053,505	\$ 1,021,200
Tucson (TU)	3	\$ 2,105,000	\$ -
TOTAL	142	\$ 659,529,426	\$ 31,517,411

VI. Project Cost Increases

- ✓ SDS Legacy project construction cost estimates average 37% higher from Dec 2021 to Dec 2022

Source: IHS Sanitation Deficiency System Data

- ✓ Funded project construction bids averaged 27% above project estimates in 2023

Source: IHS Great Plains Area (8 projects) funded 2019, 2021 and 2022

- ✓ Construction Cost Increase 20% Oct 2021 to Oct 2022

Source: United States [Construction data intelligence](https://www.fgould.com/construction-data-intelligence)[®] - Faithful Gould (fgould.com)

VII. Key Questions for Consideration - BIL

IHS is seeking your input on the following questions:

1. Should IHS utilize the BIL funding to only complete “legacy projects” (e.g. projects included on SDS list at the EOY 2021)?
2. Should BIL funding be retained at IHS Headquarters to be used on a first come first serve basis to cover documented project costs above budgeted amounts for design, construction documents, and construction?
3. Should BIL funding only be obligated to Tier 1 design, construction documents, and construction cost?

Submission of Written Comments - Deadline

IHS encourages you to e-mail your written comments to consultation@ihs.gov.

Please use the following SUBJECT LINE: INFRASTRUCTURE INVESTMENT AND JOBS ACT.

The deadline to provide written comments for this Tribal Consultation is Friday, April 28, 2023.

