



July 24, 2025

Dear Tribal Leader:

I am writing in follow-up to the January 7, 2025-dated, letter to share the final funding allocations by the Indian Health Service (IHS) for the Fiscal Year (FY) 2025 annual Sanitation Facilities Construction (SFC) program appropriation.

On March 15, 2025, the Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. Law No. 119-4 appropriated \$106.6 million to the IHS for FY 2025 SFC activities.

The “Full-Year Continuing Appropriations and Extensions Act, 2025” funding is separate from the resources appropriated in the Infrastructure Investment and Jobs Act (Pub. Law No. 117-58), also referred to as the Bipartisan Infrastructure Law (BIL). Annual SFC appropriations continue to play a critical role in funding SFC projects.

In determining how to allocate this annually appropriated SFC funding, the IHS balanced the goals of maximizing resources for projects listed in the Sanitation Deficiency System (SDS) with ensuring SFC resources remain available for other core SFC program functions. To that end, the annually appropriated SFC funding for FY 2025 will support the following activities:

- \$49.8 million to resolve sanitation deficiencies at existing homes included in the SDS by supporting design, construction document preparation, and construction costs;
- \$34.3 million to provide sanitation facilities to new homes and like-new homes in Tribal communities;
- \$1.5 million to support Emergency and Special Projects.

As in prior years, the IHS plans to use the remaining \$21 million to increase funding for program support activities related to implementing the BIL, and to ensure that Tribes constructing SFC projects funded by the BIL also have access to program support funding.

I trust this update is helpful.

Sincerely,

Phillip B.
Smith -S

Digitally signed by Phillip
B. Smith -S
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P. Benjamin Smith, M.B.A., M.A.
Acting Director