



June 17, 2026

Dear Tribal Leader:

I am writing in follow-up to the April 22, 2026-dated, letter to share the final funding allocations by the Indian Health Service (IHS) for the fiscal year (FY) 2026 annual Sanitation Facilities Construction (SFC) program appropriation.

On January 23, 2026, the “Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026” (Public Law No. 119-74) was enacted, providing a total FY 2026 appropriation of \$107.9 million to the IHS for SFC activities. This total includes \$17.0 million for Congressionally Directed Spending (CDS) projects.

The FY 2026 appropriations are separate from the resources provided under the Infrastructure Investment and Jobs Act (Public 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 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. Accordingly, the FY 2026 SFC appropriations will support the following activities:

- \$28.0 million to provide sanitation facilities to new and like-new homes in Tribal communities;
- \$41.9 million to resolve sanitation deficiencies at existing homes included in the SDS by supporting design, construction document preparation, and construction costs; and
- \$17.0 million for CDS projects supporting specific sanitation infrastructure investments.

As in prior years, the IHS plans to use the remaining \$21.0 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,

CLAYTON W. FULTON -S  
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Clayton W. Fulton  
Chief of Staff  
(Delegated Authority of the IHS Director)