



USET Resolution No. 2008:038

**REQUEST FOR FULL FUNDING OF CONTRACT SUPPORT COSTS
TO MAINTAIN TRIBALLY OPERATED PROGRAMS**

- WHEREAS,** United South and Eastern Tribes, Incorporated (USET) is an intertribal organization comprised of twenty-five (25) federally recognized Tribes; and
- WHEREAS,** the actions taken by the USET Board of Directors officially represent the intentions of each member Tribe, as the Board of Directors comprises delegates from the member Tribes' leadership; and
- WHEREAS,** Contract Support Costs (CSC) continue to be a major source of contention between Tribes and the Indian Health Service (IHS), both the historical shortfalls currently being litigated and the new agency CSC policies; and
- WHEREAS,** many Tribes and Tribal organizations are actively pursuing claims for damages based on the IHS's alleged breaches of their Indian Self-Determination and Education Assistance Act (ISDEAA) agreements; and
- WHEREAS,** the IHS continues its policy of allocating no CSC funding to new and expanded contracts and new funding allocations have been used only to address existing shortfalls; and
- WHEREAS,** any Tribe wishing to add new or expanded programs, functions, services or activities (PSFAs) would have to explicitly waive its right to CSC related to those PSFAs, thus essentially placing a moratorium on the expansion of self-determination and self-governance; and
- WHEREAS,** to further complicate the issue the National Budget Center, the federal agency within the Department of Interior charged with negotiating indirect cost agreements with Tribes and Tribal organizations, has indicated it will discontinue its longstanding policy of allowing, without documentation, 50% of Tribal Council expenses in Tribal indirect cost pools; and
- WHEREAS,** the decision to disallow a portion of Tribal Council costs in indirect cost pools was made without the benefit of Tribal consultation; and
- WHEREAS,** in a real world example the Penobscot Indian Nation's (PIN) indirect cost (IDC) rate increased by 8.7% in Fiscal Year (FY) 2007 and the Tribe was paid at a rate that represented 73% of their need; and
- WHEREAS,** the PIN Tribal Council had to make a difficult decision to either fully fund contract support cost by using health care dollars to fund the shortfall or to take only the amount allocated in the contract and forgive the rest of the debt; and
- WHEREAS,** if PIN chose to take 100% of the CSC, that would have meant health care services would have had to be cut either by eliminating staff hours and decreasing the availability of contract medical care or cutting back on contract health care; and
- WHEREAS,** the IHS has reported a national CSC shortfall at the end of FY06 of \$88M, and the shortfall is projected to exceed \$100M for both FY07 and 08; and
- WHEREAS,** the federal government has a legal and moral responsibility to fund 100% of CSC, this has been proven in court cases, yet once again Tribal people are suffering the adverse effects as a direct result of a lack of adequate funding; therefore, be it

"Because there is strength in Unity"

RESOLVED the USET Board of Directors strongly supports the need for Congress to fully fund Contract Support Costs for Tribally operated programs; and, be it further

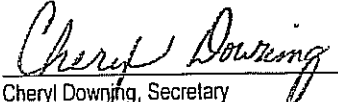
RESOLVED the USET Board of Directors instructs the USET Executive Director to concentrate efforts to achieve full funding of Contract Support Costs.

CERTIFICATION

This resolution was duly passed at the USET Impact Week Meeting, at which a quorum was present, in Arlington, VA, on Thursday, February 14, 2008.



Brian Patterson, President
United South and Eastern Tribes, Inc.



Cheryl Downing, Secretary
United South and Eastern Tribes, Inc.