



MAR 2 2012

Dear Tribal Leader:

I am writing to request input on selected issues related to Contract Support Costs (CSC). In my letter to you dated October 11, 2011, I initiated a consultation on CSC and planned to convene a workgroup of Tribal leaders to evaluate the 2007 IHS CSC Policy. The workgroup met a month ago and began discussions on the CSC Policy. Two issues came up during the last meeting and I would like to get input on these issues from all Tribes.

The first issue relates to annual CSC data for each Tribe. In the fall of each year, Area Office staff work with Tribes to make sure their CSC data is correct from the previous fiscal year (FY), and to see if there will be any new CSC needs for the current year. The Tribe's data is very important as it determines the CSC shortfall from the previous year. From discussions with the CSC workgroup in January, we recently requested Area Directors to contact Tribes again to make sure their Tribal CSC data for FY 2011 was correct. The CSC workgroup requested to see the Area level and national level data for the CSC shortfall for FY 2011 for all Tribes. I asked the CSC workgroup if they thought that any Tribes would be concerned about sharing their individual Tribal CSC data with other Tribes. The Tribal data in the shortfall report includes direct program funding, indirect rates for each Tribe, and direct and indirect CSC amounts. I have heard that some Tribes may be reluctant to share this type of financial data with other Tribes. If you have any concerns about sharing your individual Tribal data with other Tribes, Tribal employees and technical staff, please let me know by **March 30, 2012**. If I do not hear from you, I will assume you are providing your consent to share your Tribal CSC data with other Tribes.

The second issue relates to the allocation of the FY 2012 CSC increase. The 2007 CSC policy indicates that the IHS Director can decide whether or not to establish an Indian Self-Determination (ISD) Fund to fund CSC associated with new and expanded contracts or compacts with Tribes. If the IHS Director does not establish an ISD Fund, then the policy allows the CSC associated with new and expanded contracts or compacts with Tribes to be funded as part of the CSC shortfall (though any appropriations limits still apply). In the past, I have heard from most Tribes that they would prefer that all CSC increases be applied to the CSC shortfall for ongoing/existing contracts and compacts with Tribes. However, I have heard recently that some Tribes would want to allow new Tribes to share in the funding increase. For FY 2012, Congress authorized the use of up to \$10 million for CSC associated with new or expanded contracts or compacts with Tribes. I would like your input on whether you support using the entire \$74 million CSC increase in FY 2012 for the shortfall on existing/ongoing contracts and compacts with Tribes, or whether you support using a portion of the increase, up to \$10 million, to set up an ISD Fund for new and expanded contracts and compacts with Tribes. Please let me know by **March 16, 2012**, so that we can complete the distribution of CSC shortfall funding on the usual schedule.

I am sorry for the short turnaround time, but I wanted to give all Tribes an opportunity to provide input on these topics. I am interested in your general preference on this topic; a detailed response is not required. If you have any additional comments about the 2007 CSC policy, please e-mail your feedback by **March 30, 2012**, to consultation@ihs.gov, or send your comments by postal mail to: Yvette Roubideaux, M.D., M.P.H., Director, IHS, 801 Thompson Avenue, Suite 440, Rockville, Maryland 20852.

Thank you for your input on these issues. I will keep you updated on the progress of the CSC workgroup in evaluating the 2007 CSC policy.

Sincerely,

/Yvette Roubideaux/

Yvette Roubideaux, M.D., M.P.H.
Director