



# NATIONAL CONGRESS OF AMERICAN INDIANS

## The National Congress of American Indians Resolution #AK-21-015

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### NCAI HEADQUARTERS

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### **TITLE: Option to Exclude All One-Time, Non-Recurring COVID-19 Funds from Direct Cost Base When Negotiating New Indirect Cost Rate**

**WHEREAS**, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants the inherent sovereign rights of our Indian nations, rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States and the United Nations Declaration on the Rights of Indigenous Peoples, to enlighten the public toward a better understanding of the Indian people, to preserve Indian cultural values, and otherwise promote the health, safety and welfare of the Indian people, do hereby establish and submit the following resolution; and

**WHEREAS**, the National Congress of American Indians (NCAI) was established in 1944 and is the oldest and largest national organization of American Indian and Alaska Native tribal governments; and

**WHEREAS**, American Indian/Alaska Native (AI/AN) people have been disproportionately impacted by COVID-19 with significantly higher rates of COVID-19 cases, hospitalizations, and deaths than non-Hispanic whites; and

**WHEREAS**, Tribal Nations and Tribal Organizations that enter into contracts and compacts with the United States government operate programs funded under the Indian Self-Determination and Education Assistance Act are required to negotiate with the Secretary of Health and Human Services or other federal agencies an indirect cost rate for administrative costs associated with carrying out their contractual requirements; and

**WHEREAS**, Tribal Nations and Tribal Organizations have received a historical level of one-time, non-recurring funding in Fiscal Years 2020 and 2021 to respond to the COVID-19 pandemic in order to help mitigate the health and economic impacts during this public health emergency; and

**WHEREAS**, the impact of such a large influx of one-time, non-recurring funding can destabilize and drive down indirect cost rates that are negotiated with the federal government in future years, and result in a decreased amount of contract support costs (CSC) payments provided to Tribal Nations and Tribal Organizations in future years; and

**WHEREAS**, Treasury guidance explains that Tribal Nations and Tribal Organizations may not apply their indirect cost rates to Coronavirus Relief Fund amounts, while at the same time such funds will significantly expand a tribal program's direct cost base—this will cause tribal indirect cost rates to drop (and therefore CSC payments to decrease) unless both the direct and indirect pool amounts increase proportionately; and

**WHEREAS**, this will result in large swings in CSC payments made to Tribal Nations and Tribal Organizations when their indirect cost rates are driven down by COVID-19 funds and when indirect cost rates swing back up in future years without the COVID-19 funding; and

**WHEREAS**, this will wreak havoc on ISDEAA contractors who rely on CSC payments to support the administrative costs in carrying out their contractual requirements with the United States government.

**NOW THEREFORE BE IT RESOLVED**, that the National Congress of American Indians (NCAI) calls on the Indian Health Service (IHS), Bureau of Indian Affairs (BIA), and Office of Management and Budget to issue instructions permitting Tribal Nations and Tribal Organizations to exclude all one-time, non-recurring COVID-19 funds from their direct cost base when negotiating new indirect cost rates; and

**BE IT FURTHER RESOLVED**, that NCAI calls on the IHS to convene the Contract Support Costs (CSC) Workgroup to update its Indian Health Manual, Part 6 – Services to Tribal Governments and Organizations, Chapter 3 – Contract Support Costs (CSC), also referred to as the “CSC policy” to develop a provision to address such one-time funding anomalies on a permanent basis; and

**BE IT FURTHER RESOLVED**, that NCAI urges the BIA to convene their Contract Support Costs Workgroup to incorporate consistent principles within the BIA CSC policies.

**BE IT FINALLY RESOLVED**, that this resolution shall be the policy of NCAI until it is withdrawn or modified by subsequent resolution.

**CERTIFICATION**

The foregoing resolution was adopted by the General Assembly at the 2021 Mid Year Conference of the National Congress of American Indians, held June 20, 2021 - June 24, 2021, with a quorum present.



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Fawn Sharp, President

**ATTEST:**



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Juana Majel Dixon, Recording Secretary