

SELF-GOVERNANCE ADVISORY COMMITTEE

c/o Self-Governance Communication and Education

P.O. Box 1734, McAlester, OK 74501

Telephone (918) 302-0252 ~ Facsimile (918) 423-7639 ~ Website: www.tribalselfgov.org

Delivered Electronically to: sarah.walters@bia.gov

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December 5, 2016

Lawrence Roberts
Acting Assistant Secretary for Indian Affairs
Department of the Interior
MS-4141-MIB
1849 C Street, NW
Washington, DC 20240

Re: Contract Support Costs Policy

Dear Acting Assistant Secretary Roberts:

At the recent DOI Self-Governance Advisory Committee (SGAC) meeting in late October, there was much discussion on the topic of the draft Contract Support Cost (CSC) Policy. At the Committee meeting, Ms. Hankie Ortiz, Deputy Bureau Director, gave an excellent overview of the CSC Policy and the outstanding issues thereof. While there is much support for the proposed policy, two outstanding issues remain of significant importance to Self-Governance Tribes: 1) Reconsideration of 15% Direct Contract Support Cost Determination (DCSC); and, 2) Repayment Options for CSC Overpayments.

Reconsideration of 15% Direct Contract Support Costs Determination.

Self-Governance Tribes attending the SGAC meeting overwhelmingly endorsed increasing the DCSC calculation from 15% to 18% in an effort to more closely align with actual expenditures. As you are aware, that was also the request made by the Tribal members of the DOI CSC Workgroup. Below is an excerpt from a letter addressed to Acting Assistant Secretary Roberts from James Mackay, Tribal Co-Chair of the BIA CSC Workgroup dated August 17, 2016:

"In light of the crucial change in the legal landscape (i.e., full funding of CSC), and given the large number of comments received from the 2016 draft Contract Support Cost Policy consultation sessions, both verbal and written, the tribal representatives of the Workgroup respectfully request that you approve a change in the Direct Contract Support Cost calculation from 15% to 18% of budgeted salary cost, not including fringe, of Indian Affairs 106(a)(1) programs. This request is made based on the following factors:

- 1. Increased employee health insurance premiums Tribes have to provide to employees based on the Affordable Care Act.*
- 2. Increased facilities support costs (rent, leases, security, and maintenance) that are not included in Indirect Cost Rate Proposals.*
- 3. Increased communication rates (phone, telefax, high speed internet, maintenance agreements) that are not included in Indirect Cost Rate Proposals.*

4. *Increased training costs.*
5. *Increased minimum wage rates that reduce program dollars as the tribe's Tribal Priority Allocation (TPA) has not kept up with inflation rates.*
6. *Higher Workers Compensation Rates.*
7. *Additional administrative burden placed upon tribes by the BIA requiring tribes to submit in-depth competitive grant proposals vs. adding the funds to a tribe's funding agreement.*
8. *Increased property and life insurance costs.”*

We understand that this request was not accompanied by any documented expenses to support the increase in DCSC. Therefore, we worked with the CSC Workgroup to obtain Tribal samples of DCSC rates based upon actual expenditures. A data call was emailed to the Tribal CSC Workgroup members and 5 Tribes responded by completing a DCSC Worksheet utilizing FY 2015/FY 2016 Tribal expenditures (DCSC Rate Calculation Sample and 5 Tribal Scenarios are attached). The average amount of DCSC need for the 5 Tribes was 21.99%. While we recognize that this is a small sampling of Tribes, it does document that their full DCSC need is above 15%. Therefore, we again ask that the DCSC calculation rate be increased to 18%. Alternatively, we ask that the CSC Workgroup obtain additional samples as soon as possible and that this issue be given the highest priority at the next DOI CSC Workgroup meeting. As a matter of fairness and equity, we point out that Federal entities, including Interior and BIA, are periodically authorized to add increases to their budgets to offset the rising costs of health insurance premiums for their employees, but Tribes are excluded from these budget increases.

Repayment Options for CSC Overpayment.

The second concern raised at the quarterly meeting was in regard to repayment options when CSC overpayments occur. Tribal comments urged that overpayments be accounted for by reducing the subsequent year's CSC payment, instead of sending Tribes bills of collection. This request is in accordance with the FY 2016 appropriations provision, which appears to mandate a carry-forward credit of precisely this kind. The Federal Workgroup representatives stated that the reason IHS can do this, but not the Bureau, is because of their different financial payment systems. The Tribal Workgroup representatives asked that this be reviewed to see what can be done. Perhaps, future offsets could be adjusted in a manner similar to carryover adjustments made for Welfare Assistance funding.

Thank you for your consideration of these outstanding issues, and we look forward to working with the Bureau to ensure smooth implementation of the new Contract Support Cost policy.

Sincerely,



W. Ron Allen
Tribal Chairman/CEO, Jamestown S'Klallam Tribe
Chairman, DOI SGAC

cc: SGAC Members and Technical Workgroup

Direct Contract Support Cost Negotiation Template				
Row	Tribe: Citizen Potawatomi Nation	Sub Totals	Totals	Explanation
8	BIA Fringes			BIA Fringe rates were based on recent IHS rate examples; verify with BIA
9	FICA (includes Medicare)	6.20%		
10	Retirement	12.28%		
11	Insurance (Life, Health, Disability)	6.68%		
12	Total BIA Fringe Rate	25.16%		
4	Total of Tribe's OIP Program Salaries		\$1,379,040.00	Tribe Completes this field. .
15	T/TO Fringe			
16	FICA (includes Medicare)	7.65%		Tribe completes this field.
17	Retirement	2.50%		Tribe completes this field.
18	Insurance (Life, Health, Disability)	26.11%		Tribe completes this field.
19	Workers' Compensation	2.69%		Tribe completes this field.
20	SUTA (FUTA cannot be claimed)	0.52%		Tribe completes this field.
	Childcare expense	1.00%		Tribe completes this field.
	Sub-Total T/TO Fringe Rate	40.47%		
	Difference between BIA and T/TO Fringe Rate	15.31%		
29	DCSC Fringe Need for FICA, Retirement, Insurances, Other		\$211,131.02	Difference in BIA /Tribal Fringe Rate applied to OIP Program Salaries
35				
36	Other Activities			Other activities can be added if in accordance with the ISDEAA.
37				(Generally, items include any eligible DCSC costs not within the tribe's IDC pool)
38	Training -			
39	Staff Training	\$10,622.00		Training for x,y,z programs.
44	Legal -			
45	Legal Services	\$12,094.00		Example: tribal government legal services
	Other			
46	BIA Grant Manager salary	\$40,000.00		Example: grant manager who manages BIA grant programs
	BIA Grant Manager fringe	\$16,188.00		
47	DCSC Need for Other Activities		\$78,904.00	Sum of all Other eligible DCSC costs
48				
49	TOTAL DCSC NEED		\$290,035.02	
50	DCSC RATE		21.03%	

Direct Contract Support Cost Negotiation Template				
Row	Tribe: Citizen Potawatomi Nation	Sub Totals	Totals	Explanation
8	BIA Fringes			BIA Fringe rates were based on recent IHS rate examples; verify with BIA
9	FICA (includes Medicare)	6.20%		
10	Retirement	12.28%		
11	Insurance (Life, Health, Disability)	6.68%		
12	Total BIA Fringe Rate	25.16%		
4	Total of Tribe's OIP Program Salaries		\$1,379,040.00	Tribe Completes this field. CPN used OIP subtracting out CSC and WA because the rest is used for program salaries.
15	T/TO Fringe			
16	FICA (includes Medicare)	7.65%		Tribe completes this field.
17	Retirement	2.50%		Tribe completes this field.
18	Insurance (Life, Health, Disability)	26.11%		Tribe completes this field.
19	Workers' Compensation	2.69%		Tribe completes this field.
20	SUTA (FUTA cannot be claimed)	0.52%		Tribe completes this field.
	Childcare expense	1.00%		Tribe completes this field.
	Sub-Total T/TO Fringe Rate	40.47%		
	Difference between BIA and T/TO Fringe Rate	15.31%		
29	DCSC Fringe Need for FICA, Retirement, Insurances, Other		\$211,131.02	Difference in BIA /Tribal Fringe Rate applied to OIP Program Salaries
35				
36	Other Activities			Other activities can be added if in accordance with the ISDEAA.
37				(Generally, items include any eligible DCSC costs not within the tribe's IDC pool)
38	Training -			
39	Staff Training	\$10,622.00		Training for CPN's Court, Law Enforcement, and ICW staff
44	Legal -			
45	Legal Services	\$12,094.00		CPN tribal government legal services
	Other			
46	BIA Grant Manager salary	\$40,000.00		1 FTE CPN grant manager who manages BIA grant programs
	BIA Grant Manager fringe	\$16,188.00		
47	DCSC Need for Other Activities		\$78,904.00	Sum of all Other eligible DCSC costs
48				
49	TOTAL DCSC NEED		\$290,035.02	
50	DCSC RATE		21.03%	

Direct Contract Support Cost Negotiation Template				
Row	Tribes: Little Traverse Bay Bands of Odawa Indians	Sub Totals	Totals	Explanation
8	BIA Fringes			BIA Fringe rates were based on recent IHS rate examples; verify with BIA
9	FICA (includes Medicare)	6.20%		
10	Retirement	12.28%		
11	Insurance (Life, Health, Disability)	6.68%		
12	Total BIA Fringe Rate	25.16%		
4	Total of Tribe's OIP Program Salaries		\$1,557,036.00	LTBB used all the 2016 BIA funded Salaries, minus the BIA Manager below
15	T/TO Fringe			
16	FICA (includes Medicare)	8.80%		2017 Rate Calculation Used
17	Retirement (Employer 401(k) Match)	5.00%		2017 Rate Calculation Used
18	Insurance (Life, Health, Disability)	23.20%		2017 Rate Calculation Used
19	Workers' Compensation	0.50%		2017 Rate Calculation Used
20	SUTA (FUTA cannot be claimed)	0.50%		2017 Rate Calculation Used
	Childcare expense	0.00%		2017 Rate Calculation Used
	Sub-Total T/TO Fringe Rate	38.00%		
	Difference between BIA and T/TO Fringe Rate	12.84%		
29	DCSC Fringe Need for FICA, Retirement, Insurances, Other		\$199,923.42	Difference in BIA /Tribal Fringe Rate applied to OIP Program Salaries
35				
36	Other Activities			Other activities can be added if in accordance with the ISDEAA.
37				(Generally, items include any eligible DCSC costs not within the tribe's IDC pool)
38	Training -			
39	Staff Training	\$18,000.00		Training for Court, Law Enforcement, and Human Services staff
44	Legal -			
45	Legal Services	\$2,000.00		Treaty Rights Issues
	Other			
46	BIA Grant Manager salary	\$70,346.00		1 FTE BIA LE Police Chief
	BIA Grant Manager fringe	\$26,731.48		
47	DCSC Need for Other Activities		\$117,077.48	Sum of all Other eligible DCSC costs
48				
49	TOTAL DCSC NEED		\$317,000.90	
50	DCSC RATE		20.36%	

Direct Contract Support Cost Negotiation Template				
Row	Tribe: Susanville Indian Rancheria	Sub Totals	Totals	Explanation
8	BIA Fringes			BIA Fringe rates were based on recent IHS rate examples; verify with BIA
9	FICA (includes Medicare)	6.20%		
10	Retirement	12.28%		
11	Insurance (Life, Health, Disability)	6.68%		
12	Total BIA Fringe Rate	25.16%		
4	Total of Tribe's OIP Program Salaries		\$209,370.00	Tribe Completes this field. SIR used actual BIA Program Salaries.
15	T/TO Fringe			
16	FICA (includes Medicare)	7.65%		Tribe completes this field.
17	Retirement	4.00%		Tribe completes this field.
18	Insurance (Life, Health, Disability)	6.89%		Tribe completes this field.
19	Workers' Compensation	2.91%		Tribe completes this field.
20	SUTA (FUTA cannot be claimed)	6.20%		Tribe completes this field.
	Childcare expense	0.00%		Tribe completes this field.
	Sub-Total T/TO Fringe Rate	27.65%		
	Difference between BIA and T/TO Fringe Rate	2.49%		
29	DCSC Fringe Need for FICA, Retirement, Insurances, Other		\$5,213.31	Difference in BIA /Tribal Fringe Rate applied to OIP Program Salaries
35				
36	Other Activities			Other activities can be added if in accordance with the ISDEAA.
37				(Generally, items include any eligible DCSC costs not within the tribe's IDC pool)
38	Training -			
39	Staff Training	\$7,000.00		Training for ICWA staff
44	Legal -			
45	Legal Services	\$25,000.00		SIR tribal government legal services
	Other			
46	BIA Grant Manager salary	\$0.00		
	BIA Grant Manager fringe	\$0.00		
47	DCSC Need for Other Activities		\$32,000.00	Sum of all Other eligible DCSC costs
48				
49	TOTAL DCSC NEED		\$37,213.31	
50	DCSC RATE		17.77%	

Direct Contract Support Cost Negotiation Template				
Row	Tribe: Trinidad Rancheria	Sub Totals	Totals	Explanation
8	BIA Fringes			BIA Fringe rates were based on recent IHS rate examples; verify with BIA
9	FICA (includes Medicare)	6.20%		
10	Retirement	12.28%		
11	Insurance (Life, Health, Disability)	6.68%		
12	Total BIA Fringe Rate	25.16%		
4	Total of Tribe's OIP Program Salaries (2016 to date)		\$184,611.00	Tribe Completes this field. Trinidad Rancheria used past year figures.
15	T/TO Fringe			
16	FICA (includes Medicare)	7.65%		Tribe completes this field.
17	Retirement	3.30%		Tribe completes this field.
18	Insurance (Life, Health, Disability)	10.61%		Tribe completes this field.
19	Workers' Compensation	0.62%		Tribe completes this field.
20	SUTA (FUTA cannot be claimed)	0.82%		Tribe completes this field.
	Childcare expense	0.00%		Tribe completes this field.
	Sub-Total T/TO Fringe Rate	23.00%		
	Difference between BIA and T/TO Fringe Rate	-2.16%		
29	DCSC Fringe Need for FICA, Retirement, Insurances, Other		(\$3,987.60)	Difference in BIA /Tribal Fringe Rate applied to OIP Program Salaries
35				
36	Other Activities			Other activities can be added if in accordance with the ISDEAA.
37				(Generally, items include any eligible DCSC costs not within the tribe's IDC pool)
38	Training -			
39	Staff Training	\$0.00		
44	Legal -			
45	Legal Services	\$0.00		
	Other			
46	BIA Grant Manager salary	\$52,163.00		1 FTE Trinidad Rancheria Administrator who manages BIA grant programs
	BIA Grant Manager fringe	\$11,997.49		
47	DCSC Need for Other Activities		\$64,160.49	Sum of all Other eligible DCSC costs
48				
49	TOTAL DCSC NEED		\$60,172.89	
50	DCSC RATE		32.59%	

Direct Contract Support Cost Negotiation Template				
Row	Tribe: Ysleta del Sur Pueblo	Sub Totals	Totals	Explanation
8	BIA Fringes			BIA Fringe rates were based on recent IHS rate examples; verify with BIA
9	FICA (includes Medicare)	6.20%		
10	Retirement	12.28%		
11	Insurance (Life, Health, Disability)	6.68%		
12	Total BIA Fringe Rate	25.16%		
4	Total of Tribe's OIP Program Salaries		\$209,370.00	Tribe Completes this field. CPN used OIP subtracting out CSC and WA because the rest is used for program salaries.
15	T/TO Fringe			
16	FICA (includes Medicare)	7.65%		Ysleta del Sur Pueblo
17	Retirement	5.00%		Ysleta del Sur Pueblo
18	Insurance (Life, Health, Disability)	12.00%		Ysleta del Sur Pueblo
19	Workers' Compensation	1.20%		Ysleta del Sur Pueblo
20	SUTA (FUTA cannot be claimed)	3.90%		Ysleta del Sur Pueblo
	Childcare expense	0.00%		Ysleta del Sur Pueblo
	Sub-Total T/TO Fringe Rate	29.75%		
	Difference between BIA and T/TO Fringe Rate	4.59%		
29	DCSC Fringe Need for FICA, Retirement, Insurances, Other		\$9,610.08	Difference in BIA /Tribal Fringe Rate applied to OIP Program Salaries
35				
36	Other Activities			Other activities can be added if in accordance with the ISDEAA.
37				(Generally, items include any eligible DCSC costs not within the tribe's IDC pool)
38	Training -			
39	Staff Training	\$6,500.00		Training for ICWA staff
44	Legal -			
45	Legal Services	\$22,000.00		Ysleta del Sur Pueblo tribal government legal services
	Other			
46	BIA Grant Manager salary	\$0.00		
	BIA Grant Manager fringe	\$0.00		
47	DCSC Need for Other Activities		\$28,500.00	Sum of all Other eligible DCSC costs
48				
49	TOTAL DCSC NEED		\$38,110.08	
50	DCSC RATE		18.20%	