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**Staffing Shortages Limited IHS's
Capacity To Effectively Administer
Much-Needed Sanitation Projects
Funded by the Infrastructure
Investment and Jobs Act**



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Why OIG Did This Review

- A substantial number of American Indian and Alaska Native (AI/AN) homes lack essential water and waste disposal facilities, putting many AI/AN people at higher risk for disease.
- In 2021, Congress appropriated \$3.5 billion in Infrastructure Investment and Jobs Act (IIJA) funding to [IHS](#) for Sanitation Facilities Construction (SFC) projects for AI/AN people.
- The IIJA appropriation necessitated that IHS expand its staffing and other capacity to administer the rapid influx of project funds. In 2022, OIG identified difficulties with this expansion. We conducted this study in 2023 and 2024 to further examine IHS's capacity, including its progress in addressing previously identified challenges.

What OIG Found

At the time of our review, IHS reported taking several promising steps to address the challenges OIG identified in 2022. Despite these efforts, IHS struggled to overcome some of the challenges, which threatened its ability to complete projects and meet essential sanitation needs in a timely manner.



Inadequate Staffing: IHS implemented a new SFC hiring plan, but some IHS officials said the plan rolled out slowly. Officials also said that having to compete with the private sector and other Federal agencies over a limited pool of applicants, staff having difficulty finding housing, and other barriers made it challenging for IHS to resolve high staff vacancy rates.



Heavy Workload: The high volume of SFC projects coupled with staffing shortages resulted in heavy workloads for existing staff and was expected to extend project durations.



Hesitancy to Outsource: IHS procured engineering services through contractors and Federal partners to reduce its workload, but some IHS Area Offices said higher costs and other limitations made these options less desirable.

What OIG Recommends

The challenges facing IHS have impeded efforts to ensure that AI/AN communities have access to water and can appropriately dispose of waste, which calls for further action from the agency. We recommend that IHS:

1. assess the relative benefits of its current recruitment and retention strategies to guide future staffing plans, as well as exploring new tools to address staffing shortfalls; and
2. explore options for expanding housing for Division of Sanitation Facilities Construction staff.

IHS concurred with both recommendations.

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BACKGROUND

OBJECTIVE

To assess Indian Health Service (IHS) efforts to expand staffing and related capacity to administer and oversee Sanitation Facilities Construction (SFC) projects funded by the Infrastructure Investment and Jobs Act (IIJA).

Background

The need for water and waste disposal services among American Indian and Alaska Native (AI/AN) people is high. At the end of fiscal year (FY) 2023, approximately one-third of AI/AN homes needed some form of sanitation improvement, and some homes lacked any water supply or wastewater disposal facilities.¹

IHS operates the SFC program as part of its mission to raise the health status of AI/AN people and prevent the spreading of disease in Tribal communities. SFC projects provide AI/AN homes and communities with essential water supply, sewage disposal, and solid waste disposal facilities.² SFC funding historically has been too low to address all sanitation needs in Tribal communities, creating a large backlog of projects. To address these needs, Congress appropriated \$3.5 billion to IHS through IIJA in November 2021.³ This influx of funds required IHS to rapidly increase its capacity for administering SFC projects and meeting related hiring and administrative needs.

Congress appropriated a portion of the IIJA funding to OIG for oversight.⁴ In FY 2022, OIG conducted an early review of IHS's capacity to administer and oversee IIJA funding and associated SFC projects. OIG determined that IHS quickly began preparing to administer the \$3.5 billion, but that IHS faced considerable challenges recruiting and retaining necessary staff and otherwise expanding IHS's capacity.⁵ OIG conducted this evaluation to further monitor IHS's progress in building this capacity.

IHS

IHS is responsible for providing Federal health and disease-prevention services to approximately 2.8 million AI/AN people who are members of 574 federally recognized Tribes in the United States.⁶ IHS headquarters provides overall program direction, policy development, and oversight for each of 12 IHS Area Offices. Area Offices oversee deliveries of services and provide administrative and technical support to IHS and tribally operated health care delivery sites and other programs.^{7, 8}

In addition to providing health services to AI/AN people, IHS operates the SFC program. The SFC program delivers environmental engineering services and

sanitation facilities to AI/AN communities by providing technical and financial assistance for the cooperative development and construction of water supply, sewage disposal, and solid waste disposal facilities.⁹

Sanitation Needs in AI/AN Communities

There is a substantial need for sanitation facilities in AI/AN communities. A 2019 report found that AI/AN people are more likely than members of any other racial group in the United States to have limited access to water. The report said 58 out of every 1,000 AI/AN households lacked complete plumbing, compared to 3 out of every 1,000 White households.¹⁰ IHS reported that about 1.2 percent of all monitored AI/AN homes lacked water supply or waste disposal facilities in FY 2023, and approximately 32 percent of AI/AN homes needed some form of sanitation facilities improvements.¹¹

AI/AN people who live in homes without adequate sanitation facilities are at a higher risk for gastrointestinal, respiratory, and other chronic diseases.¹² This risk was highlighted during the COVID-19 pandemic, when access to water was critical for hand washing and other preventative measures.¹³ Further, the risk is compounded by the fact that many of these homes are located in remote areas with limited access to health care.¹⁴

IHS Division of Sanitation Facilities Construction

The IHS Office of Environmental Health and Engineering Division of Sanitation Facilities Construction (DSFC) administers the SFC program and has staff in the 12 Area Offices working with Tribes on SFC projects.¹⁵ DSFC administers four types of SFC projects: (1) providing sanitation facilities to existing homes; (2) providing sanitation facilities to newly constructed and like-new homes; (3) special projects, such as SFC-related studies or training; and (4) addressing water supply and waste disposal emergencies caused by natural disasters or other unanticipated situations. DSFC also maintains sanitation deficiency inventories; provides operation and maintenance training; and provides technical assistance.¹⁶

In FY 2021, before receiving the IJA appropriation, IHS funded 390 SFC projects costing \$220 million using IHS appropriations and funds contributed from other sources. IHS stated that, once constructed, those projects would benefit an estimated 188,000 AI/AN people and help avoid more than 379,600 inpatient and outpatient visits related to gastrointestinal diseases and other conditions over 30 years.¹⁷ At the end of FY 2021, however, more than 1,500 SFC projects still needed to be funded.¹⁸

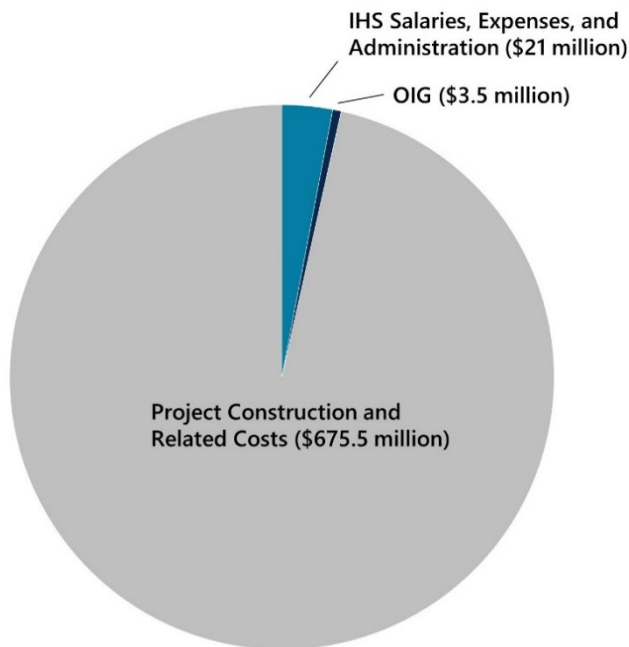
SFC Funding

Annual Appropriations: In FY 2024, IHS's \$7 billion annual budget included \$123.7 million specifically for SFC projects. DSFC staff and support functions are funded separately under the overarching budget for Facilities and Environmental Health Support, which was \$303.7 million in FY 2024.

IIJA Appropriations: IHS’s annual SFC project funding was historically too low to address all identified deficiencies, which created a large backlog of projects.¹⁹ To address sanitation needs, Congress in November 2021 appropriated \$3.5 billion (\$700 million per year for FYs 2022 through 2026) to SFC projects through IIJA. Of that amount, Congress appropriated 0.5 percent, or \$3.5 million per fiscal year, to OIG for oversight. The \$3.5 billion is available until expended (i.e., IHS has no statutory deadline for using the IIJA funds).²⁰

The IIJA requires IHS to allocate most of the funding directly to project construction by limiting use for payroll and other administrative expenses to 3 percent (i.e., \$21 million per fiscal year).^{21, a} (See Exhibit 1.) The 3 percent can be used to hire IHS term positions to work on IIJA-funded projects. However, IHS in 2022 raised concerns to OIG that the 3-percent limit would likely be insufficient for addressing increased staffing needs associated with the influx of IIJA funds. At that time, IHS reported that it may need to supplement the IIJA funding using its annual appropriations to support those costs.²²

Exhibit 1: IHS is limited to using only 3 percent of the IIJA funds (\$21 million per fiscal year) for staffing and other administrative costs



Source: IIJA, P.L. No. 117-58, Division J, Title VI, 1411-1412 (Nov. 15, 2021).

IHS’s total annual SFC project funding is four times greater than it was before the addition of the IIJA funding (totaling \$799.2 million in combined annual and IIJA SFC project funding in FY 2024 compared to \$196.6 million in annual SFC project funding in FY 2021). As OIG has previously reported, IHS viewed quickly administering the

^a This 3 percent is limited to Federal activities only; it may not be used by Tribes that choose to administer IIJA-funded SFC projects themselves.

funding as a welcome challenge for improving the health outcomes of AI/AN people, but IHS also said the \$3.5 billion would not be sufficient to address all the sanitation deficiencies that had been identified when Congress appropriated the funding.²³

SFC Project Phases

IHS collaborates with Tribes to administer SFC projects. Tribes may elect to enter into memorandums of agreement (MOAs) authorized by the Indian Sanitation Facilities Act of 1959 to cooperatively administer SFC projects.²⁴ Alternatively, Tribes may elect to manage projects themselves, pursuant to the Indian Self-Determination and Education Assistance Act (ISDEAA).^{25, 26} IHS and Tribes complete each SFC project in four phases:

- 1. Deficiency Identification, Preplanning, and Funding.** During the first phase, IHS and Tribes identify and create high-level plans for addressing eligible sanitation deficiencies.^{27, b, c} IHS and Tribes then refine the plans until they are categorized as “ready to fund.”^{28, 29} IHS prioritizes projects for funding using up to eight scoring factors (e.g., project deficiency level and health impact).³⁰

When a project is selected for funding, IHS signs an agreement with the Tribe (i.e., an MOA or an agreement authorized by ISDEAA).^{31, 32, 33, d} An agreement obligates funding and determines the roles and responsibilities of all parties, such as which parties will be responsible for completing a project and how materials and services will be acquired.³⁴ If IHS is responsible, the agency can contract with another entity or use IHS employees. If the Tribe assumes responsibility, it can contract with another entity or use Tribal employees.³⁵

- 2. Design and Document Completion.** During the second phase, IHS or the Tribe finalizes the project design and construction documents.³⁶
- 3. Construction.** During the third phase, IHS or the Tribe completes any necessary procurement and constructs the project.³⁷
- 4. Closeout.** During the last phase, the project manager finalizes documents for the new facility and IHS transfers ownership of the facility to the Tribe (if applicable). The Tribe is then responsible for operating and maintaining the facility.³⁸

^b A project manager (sometimes known as a “project engineer”) is responsible for implementing and completing an SFC project. Under an MOA, an IHS project engineer serves as project manager. For tribally administered projects, a Tribe appoints someone to serve as project manager.

^c SFC funding may not be used to provide services to ineligible recipients, including nonresidential buildings and non-AI/AN homes. If a portion of a project will benefit ineligible recipients, those costs are considered ineligible and must be paid for by other sources, such as other Federal agencies.

^d Tribes with existing ISDEAA Title I Contracts or Title V Compacts may use Title I Subpart J Construction Contracts. Tribes with ISDEAA Title V Compacts may also choose to use Title V Subpart N Construction Project Agreements.

SFC Project Oversight

IHS is responsible for overseeing all SFC projects. Oversight differs depending on the agreement and which entity administers the project. For IHS-administered projects, a project manager monitors construction progress and expenditures and regularly reports on those matters to an IHS district engineer. Project managers sometimes serve as contracting officer representatives and have additional oversight responsibilities when Federal procurement is used.³⁹ For tribally administered projects (i.e., those using MOAs or ISDEAA Construction Contracts or Construction Project Agreements), Tribes must submit regular reports to IHS for monitoring purposes. IHS typically has more involvement in projects completed under MOAs than in projects completed under ISDEAA, for which Tribes are only required to submit progress reports to IHS a few times per year.^{40, 41}

Each completed SFC project undergoes a final inspection. The responsibility for performing an inspection varies. IHS and Tribes participate in final inspections of facilities constructed under MOAs.⁴² IHS is not responsible for arranging or conducting final inspections for tribally administered projects completed under other agreements. However, Tribes may invite IHS to participate in those final inspections.⁴³

U.S. Public Health Service Commissioned Corps

IHS relies heavily on the U.S. Public Health Service (USPHS) Commissioned Corps to staff positions. As of October 2023, IHS employed 24 percent of USPHS's roughly 6,000 Commissioned Corps officers, including 47 percent of all USPHS engineers. Officers provide public health services across IHS and other Federal agencies to carry out USPHS's mission to protect, promote, and advance the health and safety of the nation.⁴⁴

USPHS recruits full-time officers and students to serve within IHS and other Federal agencies. Students can enter the service through a variety of programs, including the Commissioned Corps Officer Student Training and Extern Programs (COSTEP), which are available to students studying in programs related to public health and engineering.⁴⁵

Related OIG Work

OIG has implemented an interdisciplinary plan for overseeing IHS's use of IJA that includes audits, evaluations, and investigations. OIG is currently conducting audits of IHS and Tribal controls over SFC costs, including controls for awarding, recording, monitoring, and reporting about SFC projects and costs.^{46, 47} The plan also includes this evaluation and OIG's 2022 review of IHS's capacity to administer projects funded by IJA.

OIG's Initial Observations of IHS Capacity To Administer IJJA-Funded SFC Projects

In FY 2022, OIG conducted an early review of IHS's capacity to administer IJJA funding and oversee related projects. OIG conducted interviews with key IHS officials and staff, and reviewed staffing and other data in June and July 2022. The resulting memo, *Initial Observations of IHS Capacity to Manage Supplemental \$3.5 Billion Appropriated to Sanitation Facilities Construction Projects*, identified several expected challenges to IHS's capacity, including:

- **Difficulty recruiting and retaining qualified, experienced DSFC staff.** DSFC had a 27.4 percent staff vacancy rate, and Area Offices described difficulties recruiting due to a national shortage of engineers; challenges in working with USPHS to recruit and retain Commissioned Corps officers; and other barriers.
- **New challenges associated with IHS efforts to increase its capacity by outsourcing.** IHS had plans to increase its capacity—despite limited staff—by contracting with outside firms and working with other Federal partners. However, Area Offices noted challenges to those efforts, including limited contractor availability and increased administrative burden.
- **Inadequate office space, housing, and information technology (IT) capabilities.** Some Area Offices reported inadequate office space, housing, or IT capabilities. Strategies used to address those concerns included relying on telework or remote work, but Area Offices said those strategies were limited by job demands and other factors.

OIG concluded that the expected challenges to IHS's capacity to administer projects funded by IJJA warranted continued attention and oversight.^{e, f}

Methodology

For this evaluation, we reviewed IHS's capacity to administer and oversee IJJA-funded SFC projects, including changes IHS made after the initial memo. We interviewed DSFC officials and staff at IHS headquarters and at all 12 Area Offices, many of whom we had previously interviewed in 2022. We also interviewed officials from other IHS offices (e.g., the Office of Environmental Health and Engineering and the Office of Human Resources) and USPHS. We reviewed supporting data and documentation (e.g., staffing and staff vacancy rates). Our data collection spanned from September 2023 to April 2024. Interviewing the same offices and reviewing related

^e For further information about the challenges identified during OIG's preliminary research, see OIG, [Initial Observations of IHS Capacity to Manage Supplemental \\$3.5 Billion Appropriated to Sanitation Facilities Construction Projects \(OEI-06-22-00320\)](#), Sept. 30, 2022.

^f OIG has a substantial body of work examining IHS and Tribal programs that is not related to IJJA. See the [OIG Indian Health and Human Services](#) featured topics web page for more information.

data allowed us to assess how processes and issues have evolved since our initial review. See Detailed Methodology for additional information.

Limitations

For this evaluation, we used data, documentation, and interviews from IHS and USPHS and did not seek information from engineering contractors or Tribal members.

Standards

We conducted this study in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

FINDINGS

The \$3.5 billion IJA appropriation was a significant boost in funding for SFC projects but presented challenges for IHS. The appropriation necessitated that IHS quickly expand its staffing and associated capacity to administer four times more SFC project funding than in previous years. In 2022, less than 1 year after IJA's passage, OIG identified vulnerabilities in IHS's capacity to administer IJA-funded SFC projects, including considerable challenges to staffing. IHS struggled with high staff vacancy rates and limited office space and IT capabilities, as well as new demands associated with its plans to outsource work. We revisited these concerns in 2023 and 2024 and found that despite making significant efforts, IHS faced many of the same challenges that limited its capacity before. These challenges threatened the agency's ability to complete projects in a timely manner, which could prolong the public health concerns associated with a lack of essential water and waste disposal facilities in AI/AN communities.



IHS implemented a new hiring plan but struggled to get applicants and resolve high staff vacancy rates

In 2022 and 2023, IHS leaders and Area Offices reported that staffing shortages were a top challenge to administering and overseeing IJA-funded SFC projects. IHS data from September 2023 showed that staff vacancy rates for DSFC were high, with 39 percent of the engineer positions and 36 percent of the technician positions vacant.⁴⁸ The agency reported that 396 permanent DSFC staff members were available to handle SFC projects and 20 term staff had been onboarded since September 2022 to assist with IJA-funded projects. IHS estimated that to meet demands, it needed to fill an additional 518 positions, including 196 vacant permanent positions and 304 term positions. The remaining 18 vacancies were for term positions at DSFC headquarters and offices that support DSFC, including the Office of Human Resources.

39%

staff vacancy
rate for
engineers

IHS reported that it implemented a centralized hiring plan that holds promise for addressing high vacancy rates

In 2022, IHS reported that it created a centralized DSFC hiring plan to reduce the recruitment-related demands facing Area Offices, ensure uniformity across DSFC, and increase other hiring-related efficiencies. IHS said that the new plan involved standardized DSFC position descriptions that were made available to Area Offices. Job postings have been centrally advertised through IHS headquarters, and applicants are evaluated by headquarters and Area Offices. IHS also announced a broader "one human resources" initiative to consolidate administrative systems and streamline resource provisioning across the agency.⁴⁹

155
job announcements

In 2023, all Area Offices reported using the hiring plan and many recognized its benefits. However, IHS leaders and some Area Offices said that the hiring plan was slow to roll out. In documentation, IHS noted that creating the centralized hiring plan involved many time-consuming efforts, including developing standardized position descriptions and completing other foundational work. Area Offices said they were just beginning to see the benefits of the plan when we conducted our interviews in September 2023. IHS reported that between August 2022 and September 2023, it posted 155 centralized job announcements to fill DSFC vacancies and related openings at IHS headquarters and 69 locations throughout all 12 Area Offices. During a similar timeframe (from September 2022 to December 2023), IHS hired 84 applicants for term or permanent positions in DSFC and a related office. Although the number of staff hired was significant, it was not sufficient to meet IHS's growing needs.

IHS reported that it used several strategies related to the hiring plan to recruit candidates and retain existing staff, including the following:

Incentives. To attract potential hires and retain existing staff, IHS used incentives including monetary recruitment, relocation, and retention incentive offers worth 10 percent or more of an individual's regular pay; salaries above the minimum rate; service credits for annual leave; and remote work or telework for some staff.

Special Pay Authorities. IHS worked with the Department of Health and Human Services (HHS) and the Office of Personnel Management to obtain special pay authorities, including a waiver allowing use of incentives of up to 50 percent of an individual's regular pay to recruit, retain, or relocate engineers.

Outreach. To reach potential candidates, IHS used several modes of outreach, including posting job announcements on Handshake (a platform for recruiting students) and LinkedIn; participating in career fairs at colleges and universities; issuing letters to engineering college programs; and establishing a new program for hiring interns through an agreement with a Federal partner. IHS is also working to identify new marketing and rebranding opportunities to support its recruitment efforts.⁵⁰

Officials said that competition with the private sector and other Federal agencies over a limited workforce, and other barriers, affected IHS's ability to recruit DSFC staff

In 2022, IHS officials said that national engineer shortages, remote locations of many job sites, and lengthy onboarding processes limited the agency's ability to recruit DSFC staff. These barriers continued to affect recruiting in 2023, as several Area Offices reported that they received few, and sometimes no, applicants for job postings. Leaders and Area Offices attributed the low number of applicants to a nationwide shortage of engineers or said that DSFC positions are often located in rural and remote locations, where job opportunities and schools for accompanying

family members are not always available. Area Offices said that although IHS was trying to attract applicants using incentives, the agency sometimes had difficulty competing with offers from the private sector or special pay rates offered by some of the other Federal agencies to recruit engineers to hard-to-fill positions.

A few Area Offices reported that long onboarding timelines could also affect recruitment, as applicants might accept other job offers while waiting for an onboarding process to be completed. IHS reported that as of September 2023, the average period from when a DSFC position was posted until a new staff member started working on the job was 136 days. IHS noted that the time spent completing foundational work for the hiring plan contributed to long onboarding timelines. IHS expected onboarding timelines to improve as it finished staffing a human resources group dedicated to SFC and other efforts related to centralized hiring.

Officials in half of the Area Offices said that DSFC staff had difficulty finding or affording housing, which further limited recruitment

Half of the Area Offices reported challenges related to the availability or affordability of housing near worksites for staff. As we found in 2022, some Area Offices said that it was difficult for staff to find housing in remote areas. One Area Office reported that some staff lived far from an office and traveled long distances to work. IHS leaders explained that in some locations no housing is available for non-Tribal members, and if housing is available the cost is very high because of limited inventory. One Area Office said that the lack of housing made recruitment difficult. Several Areas with offices in urban locations also reported high housing costs, which an official said made potential recruits less interested in positions.

IHS reported that it offered housing-related incentives to mitigate the challenges. For example, IHS reimbursed newly hired staff for incurred moving expenses and offered relocation incentives worth a percentage of pay (up to 50 percent for engineers). One official said those incentives had been successful and helped recruit new staff.

IHS also tried to identify other solutions to the housing challenges but noted that those options were limited. One IHS official reported that the funding IHS received to provide Federal living quarters for staff in remote locations, which is separate from SFC funding, was insufficient to meet the agency's needs.⁹ In February 2024, IHS reported that it needed an additional 2,000 living quarters for clinical staff—without accounting for SFC's needs—that it had been unable to fund. Officials reported that the living quarters IHS did have were available only in the most remote locations and were typically used for health care providers to help ensure continuity of services at IHS's health care delivery sites. Furthermore, officials said the living quarters were

⁹ IHS rents Federal living quarters to staff in some locations where there is not an adequate private housing market within a reasonable commuting distance to the IHS facility. IHS has processes for prioritizing who lives in these quarters, with essential health care staff receiving the highest priority. See IHS, *Indian Health Manual*, pt. 5; Ch. 13 (Quarters Management).

sometimes in poor condition or unaffordable, making them less effective tools for recruiting staff. In FY 2018, Congress authorized a housing subsidy program to help IHS and Tribes recruit staff, but use of the pilot program was restricted to health care staff in one Area.^{51, 52} One official said IHS had short-term housing available to temporary staff (e.g., interns) in some locations. IHS also explored contracting for temporary housing units near worksites, but one official noted that this option was too costly. Some Area Offices had explored partnerships with the Bureau of Indian Affairs (BIA), the Bureau of Indian Education, or Tribes for housing, but those efforts were still in the initial stages.

Area Offices said they experienced more difficulty recruiting and retaining Commissioned Corps officers than in the past

IHS has relied heavily on Commissioned Corps officers to fill various positions within the agency. In September 2023, 92 of the 396 filled permanent DSFC positions (23 percent) were occupied by Commissioned Corps officers.

23%
of filled DSFC positions are occupied by Commissioned Corps officers

Despite USPHS's large presence in DSFC, 10 of the 12 Area Offices said they experienced difficulty recruiting or retaining Commissioned Corps engineering officers. USPHS reported receiving almost 1,000 COSTEP applicants for a variety of agencies and public health fields each summer, but IHS reported that few applicants were engineering students seeking to work within IHS. Some Area Offices said changes had been made to student COSTEP programs over the previous decade, such as by setting earlier application deadlines and more stringent qualification requirements, which made recruiting students more difficult. Area Offices also reported that it was harder to recruit Commissioned Corps officers—other than COSTEP applicants—than in the past, partly because of a lengthy application process.⁵³ Furthermore, some Area Office officials said that engineering officers working in IHS had the perception that they were less likely to receive a Commissioned Corps promotion than officers working in other Federal agencies, partly because IHS's written descriptions of job responsibilities made them appear less qualified for promotions than officers in other agencies. Officials said that this perception had a negative impact on morale and sometimes caused staff to seek job opportunities elsewhere.

At the time of our review, USPHS and IHS officials reported meeting weekly and had undertaken efforts to increase the pool of potential candidates and fill positions more quickly. In May 2024, IHS and USPHS initiated a 7-year strategic plan to improve recruitment and retention of engineers and other officers, including engineering COSTEP applicants.⁵⁴ USPHS reported that it also updated its application information web page and developed an online package of job category-specific presentations to make it easier for existing officers to recruit applicants. USPHS officials said that they shortened the application and screening process from 2 years to between 9 and

12 months, and that they refer to priority agencies (including IHS) any Commissioned Corps candidates not selected by an agency during their first 6 months of eligibility.

IHS and USPHS were also exploring opportunities to increase pay and the promotion potential for Commissioned Corps officers. IHS and USPHS were assessing whether they could expand assignment pay (i.e., special pay for working in isolated hardship sites with high staff vacancy rates) to more locations. USPHS officials also said the agencies had discussed opportunities for increasing staff promotion potential (e.g., by raising the rank of District Engineer) and improving promotion packages.



The large volume of SFC projects coupled with staff shortages resulted in heavy workloads for staff and was expected to extend project durations

In September 2023, DSFC had more than 3,000 active projects, including those funded by IJA and other appropriations and sources. IHS calculated that the IJA funding had increased the program's overall workload by 11 percent, which a DSFC leader said was a "heavy lift" given DSFC's limited staffing.^h In interviews, all 12 Area Offices raised concerns about high workload levels for their staff.ⁱ

"You walk in on day one and you have a suite of projects assigned to you. Working in the private sector you may only have two or three at a time. You walk in at SFC [and] it's 10 or 15 or 30 projects waiting for your attention."

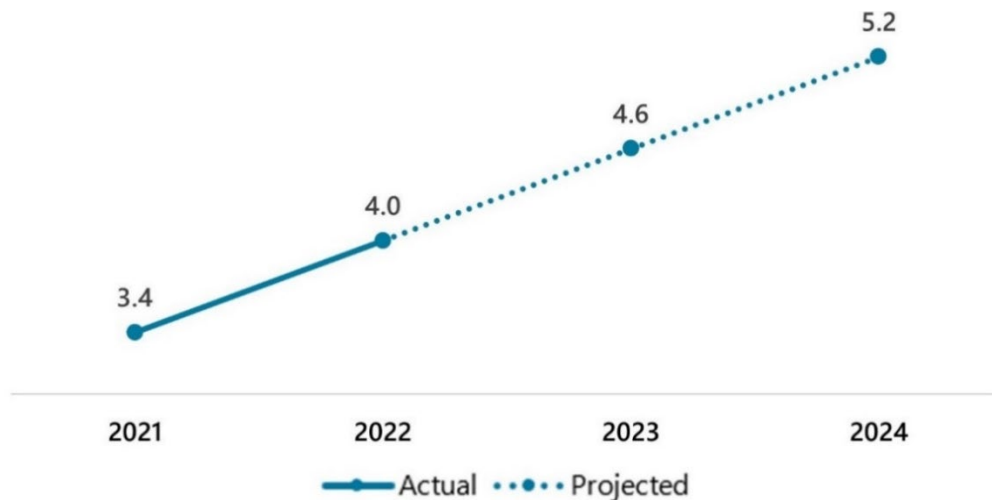
– Area Office DSFC Director

IHS reported that it expected staffing shortages and high workloads to significantly increase the average duration of an SFC project. IHS estimated that by the end of 2024, the average period for completing an SFC project would be 5.2 years, compared to 3.4 years at the end of 2021. (See Exhibit 2 on the next page.) One Area Office noted that some projects take less time than the average, while complex projects sometimes take longer. Potential project complexities include remoteness of the project location, lack of existing infrastructure, number of homes served, intricacy of the project design, and number of entities involved (e.g., Tribal utility managers and other Federal agencies). Area Offices also noted that several factors outside of IHS's control, such as Tribal timelines, contractor availability, and shorter construction seasons in areas with colder weather, affect the timelines for some projects.

^h In 2022, some Area Offices said workloads had increased before IJA when additional projects were funded by COVID-19-related appropriations. IHS uses a "Resources Requirement Methodology" to measure relative workload across projects and Area Offices. See IHS Office of Environmental Health and Engineering DSFC, [Criteria for the Sanitation Facilities Construction Program](#), ver. 1.02, June 1999, Ch. 7. Accessed on Jan. 8, 2024.

ⁱ The representative from a Tribal organization that has a compact with IHS to deliver SFC services throughout one Area also reported that their organization had a high staff workload.

Exhibit 2: IHS expected the average time needed to complete an SFC project to increase to more than 5 years by the end of 2024



Source: IHS project duration projections (Oct. 2023).

The influx of IIJA funds not only increased SFC project volumes but also increased DSFC staff workloads not directly related to the projects. For example, DSFC officials in many Area Offices said that staff assisted with recruitment by attending career fairs at colleges and universities or serving as representatives on Handshake. The DSFC Director for one Area Office said that staff had to balance recruitment efforts and outreach with a large amount of project work. IHS leaders and Area Offices described how the increases in demand for oversight and reporting regarding IIJA and SFC added to workloads. Officials at one Area Office said that reporting and oversight of SFC projects had recently “exploded,” and that staff were spending a significant amount of time responding to ad hoc requests for SFC data because no automated systems were in place. During a Tribal consultation in December 2023, IHS leaders said that they were devoting time to educating Federal entities (e.g., HHS and the White House) about the status of and steps needed to complete IIJA-funded projects.

The increased need for staffing and other support functions related to IIJA also put pressure on other offices. For example, IHS headquarters had to quickly hire additional human resources staff to support the substantial amount of DSFC hiring as well as additional acquisitions staff to support contracting. The Office of Environmental Health and Engineering Director for one Area Office said of the influx of IIJA work, “This additional workload has put stress collaterally on other departments. It has stressed our human resources department because we’re trying to ramp up, [and] it stresses our IT department because they’re supporting additional staff.”



IHS procured services through contractors and Federal partners to reduce its workload, but some Area Offices said higher costs and other limitations made these options less desirable

In an effort to increase its capacity to administer IJA-funded SFC projects, IHS reported, it procured engineering services through consulting firms and other Federal partners. The Office of Environmental Health and Engineering's Division of Engineering Services procured architectural and engineering (A&E) services from four consulting firms in 2020 using Indefinite Delivery Indefinite Quantity (IDIQ) contracts. Under these contracts, the firms could provide A&E services to IHS over a 1-year contract period that IHS could choose to extend by 1-year periods up to 5 total years (until April 2025). A DSFC leader said that Area Offices were encouraged to use the services available through those consultants—including site selection assessments, design concepts, engineering calculations, construction administration, and other types of services—to complete some IJA-funded SFC projects. According to the contracts, all deliverables by the firms must follow IHS's A&E design guide.

In addition to contracting with external A&E firms, IHS formed partnerships with other Federal agencies and explored additional partnerships. In August 2022, IHS signed an interagency agreement with the Army Corps of Engineers to leverage engineering expertise. The interagency agreement had a capacity of up to \$250 million, but the actual total cost would be determined by the number and costs of service orders executed under the agreement. A DSFC leader reported that IHS was engaging with the Environmental Protection Agency (EPA) and the Bureau of Reclamation to determine whether IHS could use engineering resources available through those agencies as well.^{j, k}

8 of 12 Area Offices

used consultant services, but some said these services were limited or costly

At the time of our review, six Area Offices reported that they had used the IDIQ contracts and five had started working with the Army Corps of Engineers. Eight Area Offices reported using one or both options. Many of these Area Offices were in the early stages of the outsourcing process or had used the consultants for only one

or two projects so far. At the time of our interviews with IHS in September 2023, a DSFC leader said that the \$250 million available through the interagency agreement with the Army Corps of Engineers had “not been touched.” Some Area Offices that

^j In addition to partnering with other Federal agencies for engineering expertise, DSFC partners with agencies, including EPA and the Bureau of Reclamation, for SFC project funding. Those partnerships can be used to cover ineligible costs or larger portions of projects.

^k In April 2024, IHS announced that it had signed a memorandum of understanding with the Bureau of Reclamation to improve collaboration on water infrastructure projects. See HHS press release, [“Biden-Harris Administration Announces \\$700 Million in Bipartisan Infrastructure Law Funding. Partnership with Bureau of Reclamation at White House Clean Water Summit,”](#) Apr. 23, 2024. Accessed on Apr. 30, 2024.

had not yet used one or either outsourcing option reported not identifying any projects that needed consulting services. Other Area Offices that had not used the IDIQ contracts or the partnership with the Army Corps of Engineers said they decided after meeting with consultants that such services were not a good fit for their projects.

In interviews, a DSFC leader and several Area Offices described reasons for which they believed the IDIQ contracts and partnerships with other Federal agencies would not sufficiently reduce the time required of IHS's staff or were otherwise not desirable options for projects. They said IHS could reduce the workload placed on staff by using consultants but that outsourcing cannot entirely alleviate the need for IHS to have sufficient staffing capacity because some responsibilities, including project oversight, are inherently governmental functions. One Area Office SFC Director said outsourcing sometimes places additional coordination needs on IHS staff. The Director said, "They really lean on field staff. In some situations, it makes it more difficult for the field engineer to manage that project . . . because now they're kind of the go-between for the A&E firm and the Tribe." A DSFC leader and Area Offices also reported typically paying higher costs when completing projects through the Army Corps of Engineers and some A&E firms, which made outsourcing less appealing. Additionally, Area Offices said consulting firms were often located in the Southwest, which meant they were distant from project sites located in other parts of the country, and therefore had limited knowledge about and availability to visit those Tribes and construction sites. Furthermore, a few Area Offices said contracted firms sometimes had limited capacity to do work.

"As we push more and more projects out to A&E firms, the costs for these projects [are] going to go up. The best thing for the dollar is to have IHS design these."

– DSFC Leader during a December 2023 Tribal consultation about IJJA

To procure A&E services, many Area Offices reported that they used Tribal procurement rather than IDIQ contracts or the Army Corps of Engineers for most projects. A DSFC leader and Area Offices explained that using tribally procured A&E firms, which were typically more familiar with the Tribes and Tribal cultures, was often easier and more expedient.



Many Area Offices made progress improving IT capabilities and increasing office space for staff since 2022

In 2022, IHS officials reported constraints related to office space and IT capabilities that affected SFC staffing and projects. In 2023, many Area Offices said they had resolved or were working to resolve those challenges. At the time of our interviews, 11 of the 12 Area Offices reported no major concerns regarding IT capabilities. Area Offices stated that they had recently increased data speeds; updated or purchased computers; provided hardware and software; or otherwise addressed challenges we

had identified in 2022. The only Area Office that reported IT challenges described issues with technical support services and broadband access in remote field offices.¹

At the time of our 2023 review, 5 of the 12 Area Offices said that they were working to improve office space to fit additional staff. To address space issues, Area Offices said they had recently expanded or reconfigured space to add desks or were in the process of doing so. One Area Office was considering opening a new field office in a location where many Area IJJA-funded projects would be constructed. Another Area Office was trying to obtain space from another Federal agency. Some Area Offices said use of staff telework and remote work options had reduced burdens on physical space. One Area Office official said telework allowed staff to rotate and share existing office space. However, as they had reported in 2022, several Area Offices noted that administration and oversight of SFC projects require staff to be at project sites, and that telework and remote work could not be used to address all office space concerns.

¹ A representative for the Tribal organization that compacts to deliver SFC services in one Area also reported challenges accessing the internet in remote locations.

CONCLUSION AND RECOMMENDATIONS

To ensure that AI/AN people are provided access to essential water and waste disposal facilities, it is crucial that IHS have the proper capacity to efficiently and effectively manage its projects and safeguard the significant amount of funding it received through IJJA. As OIG recognized in the past, HHS has faced substantial challenges in quickly distributing an influx of unprecedented funds and meeting large-scale needs.^{55, 56}

Although the IJJA appropriation has allowed IHS to fund a long list of water and waste facility projects for AI/AN homes, the rapid influx of funds has tested IHS's ability to expand its staffing and associated capacity. In 2022, OIG identified early vulnerabilities to IHS's capacity, including considerable challenges to staffing. When we revisited these challenges in 2023, DSFC staffing shortages continued to be a top concern. IHS noted that several barriers, including limited housing for staff, made it difficult to resolve high vacancy rates. The staffing shortages and the influx of funds and projects created heavy workloads for existing staff that were expected to delay the completion of the much-needed projects. Such delays could negatively affect AI/AN communities by prolonging the heightened risk for disease associated with the lack of access to adequate sanitation facilities.

IHS reported taking several steps to address the challenges but has not yet overcome them. This highlights the need for further action from IHS, as well as ongoing oversight by OIG.

To overcome staffing and related capacity challenges and meet urgent sanitation needs, we recommend that IHS:

Assess the relative benefits of its current recruitment and retention strategies to guide future staffing plans, as well as exploring new tools to address staffing shortfalls

IHS reported that it used a range of strategies to recruit applicants for DSFC positions and retain current staff, including providing monetary and other incentives (e.g., telework) and conducting outreach to potential applicants. To best allocate limited funding and staff time, IHS should assess the effectiveness of these strategies and prioritize those that yield the greatest results. The assessment could include determining whether any of the agency's monetary incentives (e.g., recruitment incentives) have resulted in an increase in applicants seeking jobs with DSFC. IHS's assessment could also include identifying which forms of outreach (e.g., Handshake and career fairs) have connected DSFC with the largest numbers of applicants. In addition to assessing its current strategies, IHS should explore other tools for filling vacancies to identify the most effective strategies.

Explore options for expanding housing for DSFC staff

In 2022 and 2023, Area Offices reported that a lack of housing near SFC worksites affected IHS's ability to attract candidates and adequately staff DSFC. Although IHS sought solutions for the housing issue, its options were limited by budgetary and other constraints, including limited options for constructing additional Federal living quarters. IHS should examine its current policies and processes to determine whether any opportunities exist to increase housing available to DSFC staff near SFC worksites. This review should include assessing the processes for assigning staff to existing Federal living quarters to ensure that available housing is used to its maximum benefit. The agency should also examine possibilities for expanding its partnerships with other Federal agencies (e.g., BIA) to use vacant government housing near worksites, and explore whether it can repurpose administrative funds to procure temporary housing for additional DSFC staff where needed. IHS should target these efforts to the job sites most in need of additional housing for staff.

AGENCY COMMENTS AND OIG RESPONSE

IHS concurred with our recommendations and reported its ongoing and planned actions to implement them.

In response to our first recommendation—that IHS assess the relative benefits of its current recruitment and retention strategies to guide future staffing plans, as well as exploring new tools to address staffing shortfalls—IHS stated that it has taken a number of actions to bolster and assess its staffing efforts. One of those actions involved assessing the impact of the agency’s use of Handshake to recruit applicants for certain DSFC internship positions, which it found had a positive correlation. IHS also said it examined the annual turnover rates of key DSFC positions and that it is using several tools to promote and fill employment opportunities with DSFC (some of these tools are mentioned in Findings).

IHS noted that it has additional actions planned to implement the recommendation. Within the next year, the agency will assess the impact of some of its recruitment efforts by measuring the number of contacts made with potential applicants, the number of job applications received, and the number of staff that DSFC onboarded as a result. IHS noted that it will also seek feedback from staff about their hiring experiences to evaluate the agency’s recruitment efforts. Further, IHS stated that it will continue working with USPHS, through the joint strategic plan (described on page 11), to assess efforts related to the recruitment, retention, and placement of Commissioned Corps engineers and environmental health officers in IHS.

In response to our second recommendation—that IHS explore options for expanding housing for DSFC staff—IHS stated that it has taken several actions to address the housing situation, including requesting additional funds for staff living quarters. IHS noted that it has plans to expand upon its existing commitment to ensure availability of quality housing for IHS and Tribal staff. IHS stated that within the next year, it will explore opportunities to increase DSFC staff access to existing housing; fund the design, construction, or purchase of additional housing; and provide housing subsidies for DSFC staff.

OIG appreciates these actions and believes that IHS’s assessments of its recruitment efforts and the housing strategies for DSFC staff will help the agency address its staffing challenges.

For the full text of IHS’s comments, see the Agency Comments appendix at the end of the report.

DETAILED METHODOLOGY

We reviewed IHS's capacity to administer and oversee IJJA-funded SFC projects, including changes IHS made since we conducted our initial review in 2022. We interviewed relevant IHS and USPHS officials and staff and reviewed related data and documentation. Our data collection period spanned from September 2023 to April 2024.

Data Collection

Interviews. We conducted 16 group interviews with 76 respondents. Interview respondents included key IHS leaders (from the Office of Environmental Health and Engineering, DSFC, Office of Human Resources, and other offices) and USPHS leaders. We also interviewed each of IHS's 12 Area Offices, which included Area-level Office of Environmental Health and Engineering and DSFC officials, Area Directors, and other staff, whom we refer to collectively as "Area Offices" in this evaluation. One Area Office interview included a representative from a Tribal entity that has a compact with IHS to deliver SFC services. Although we did not assess Tribes' capacity to manage IJJA-funded SFC projects, we included context from that entity representative's responses in footnotes i and l in Findings.

During interviews with IHS, we used semistructured interview formats that included questions about previously identified challenges and IHS's progress in addressing them. During our interview with USPHS, we asked about coordinating with IHS on DSFC recruitment and retention efforts, including any challenges facing those efforts.

Data and Documentation. We reviewed data and documentation related to staffing, workloads, and outsourcing. This review included DSFC staffing and vacancy rates, turnover rates, and workload data. It also included the number of DSFC job openings posted since our last review (regardless of status), as well as examples of job postings. We collected data on the starting pay levels of newly hired staff as a proxy to determine experience levels; copies of contracts and agreements with engineering firms and the Army Corps of Engineers; and SFC project data. Finally, we reviewed timelines for onboarding DSFC staff and average project duration to determine whether the increase in projects and hiring efforts had any effect on those timelines.

Data Analysis

We analyzed interview data and supporting documentation to identify themes and describe IHS's capacity to administer and oversee IJJA-funded SFC projects. We used this analysis to determine which vulnerabilities and challenges IHS was facing in relation to staffing, availability of staff housing near worksites, workload, outsourcing, office space, and IT capabilities. We reviewed staff vacancy, staffing, and turnover rates and associated data (e.g., job postings) to assess IHS's progress in addressing the staffing concerns that we identified in 2022. We conducted an analysis of SFC

project data to determine the number of IJJA-funded projects and IHS's overall SFC project workload.

APPENDIX

Agency Comments

Following this page are the official comments from IHS.



DATE: November 12, 2024

TO: Ann Maxwell, Deputy Inspector General for Evaluation and Inspections

FROM: Director

SUBJECT: IHS Response to OIG Draft Report: *Staffing Shortages Limited IHS's Capacity to Effectively Administer Much-Needed Sanitation Projects Funded by the Infrastructure Investment and Jobs Act*, OEI-06-24-00010

We appreciate the opportunity to provide our official comments on the draft Office of Inspector General (OIG) report entitled, *Staffing Shortages Limited IHS's Capacity to Effectively Administer Much-Needed Sanitation Projects Funded by the Infrastructure Investment and Jobs Act*. The Indian Health Service (IHS) concurs with the two OIG recommendations below.

OIG Recommendation No. 1:

OIG recommends that IHS assess the relative benefits of its current recruitment and retention strategies to guide future staffing plans, as well as explore new tools to address staffing shortfalls.

The IHS concurs with this recommendation.

Completed and planned actions:

The IHS has **taken actions** to:

- Assess the impacts of Handshake (a platform for recruiting students) in applications to the Oak Ridge Institute for Science and Education (ORISE) internship with the IHS Division of Sanitation Facilities Construction (DSFC) and found a positive correlation.
- Develop new branding and marketing tools to promote employment opportunities within the DSFC through the U.S. Office of Personnel Management and the Department of Health and Human Services (HHS), Office of the Assistant Secretary for Public Affairs.
- Track the increase in job applicants and the time to hire for filling positions.
- Request a Title 5 special salary rate for DSFC engineers as a new recruitment and retention tool.
- Enter into a new cooperative agreement with the American Indian Science and Engineering Society (AISES) to promote engineer and environmental health career opportunities to American Indian and Alaska Native students.
- Assess annual turnover rates of key DSFC positions.

Within the next year the IHS has **planned actions** to:

- Assess the impacts of candidate engagement at AISES sponsored events in attracting American Indians and Alaska Natives by measuring the number of i) contacts made, ii) applicants to job opportunity announcements (JOAs), iii) qualified applicants on certificates, and iv) on-boarded staff from AISES events to the DSFC.
- Convert ORISE and U.S. Public Health Service Commissioned Corps (Commissioned Corps) internship participants to applicants for permanent positions and staff on-boarded to the DSFC.
- Assess utilization of Handshake/LinkedIn, external job boards, and in-person recruitment events on the number of i) contacts made, ii) applications to JOAs, and iii) staff on-boarded into the DSFC.
- Develop a survey tool(s) to gather qualitative data on the employee hiring experience to evaluate recruitment approaches and utilization of compensation flexibilities.

The IHS is **working on** action items in the 2024-2030 IHS and Commissioned Corps Strategy¹ that includes on-going assessments of:

- Commissioned Corps support for short term engineer and environmental health officer staffing needs of the IHS.
- Number of engineers and environmental health applicants applying to the Commissioned Corps and assigned to the IHS.
- IHS engineer and environmental health officer promotion success rates.
- Efficiency and speed of the Commissioned Corps on-boarding process for engineers and environmental health officers.
- Number of Commissioned Corps environmental and engineering interns on-boarded at the IHS.

OIG Recommendation No. 2:

OIG recommends that IHS explore options for expanding housing for DSFC staff.

The IHS concurs with this recommendation.

Completed and planned actions:

The IHS has **taken actions** to:

- Allocate \$37 million of fiscal year (FY) 2022 – FY 2024 enacted staff quarters appropriations for 89 new staff quarters units.
- Request \$11.5 million for staff quarters in the FY 2025 President’s Budget.
- Establish a housing subsidy program for IHS Billings Area direct health care staff to help defray housing and commuting costs.

¹ US Public Health Service and Indian Health Service Strategic Priorities to support Engineering and Environmental Health Services that protect American Indian and Alaska Native Community Health - CY2024-CY2030, available at <https://www.usphs.gov/media/2r0p2ki2/ihs-cchq-strategic-plan.pdf>.

The IHS has **planned actions** to explore the following within the next year:

- Further expansion of IHS’s existing commitment to ensure available quality housing for Tribal and IHS staff.
- Increase DSFC staff access to existing IHS and Tribal-managed staff quarters units.
- Access to or transfer of ownership of existing federally owned staff quarters in Tribal communities that are presently unoccupied.
- Additional funding opportunities to design and construct staff quarters or purchase and install temporary quarters units (e.g., trailer homes) in Tribal communities to support all IHS staff.
- Housing subsidies for DSFC Civil Service staff to attract prospective DSFC candidates and help off-set staff expenses associated with living in distant or high-cost communities and commuting to the workplace.

Thank you for the opportunity to review and comment on this draft report. Please refer any follow up questions you have regarding our comments to Mr. Benjamin Smith, Deputy Director, IHS, by email at Benjamin.Smith@ihs.gov.

Roselyn Tso

ACKNOWLEDGMENTS AND CONTACT

Acknowledgments

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This report was prepared under the direction of Petra Nealy, Regional Inspector General for Evaluation and Inspections in the Dallas Regional Office, and Amy Ashcraft, Deputy Regional Inspector General.

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ENDNOTES

- ¹ IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2025](#), pp. CJ-154 and CJ-155. Accessed on Mar. 15, 2024.
- ² IHS, [Division of Sanitation Facilities Construction](#). Accessed on Jan. 7, 2024.
- ³ IJA, P.L. No. 117-58, Division J, Title VI, 1411-1412 (Nov. 15, 2021).
- ⁴ IJA, P.L. No. 117-58, Division J, Title VI, 1411-1412 (Nov. 15, 2021).
- ⁵ OIG, [Initial Observations of IHS Capacity to Manage Supplemental \\$3.5 Billion Appropriated to Sanitation Facilities Construction Projects \(OEI-06-22-00320\)](#), Sept. 30, 2022.
- ⁶ IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2024](#), p. CJ-2. Accessed on Jan. 7, 2024.
- ⁷ IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2021](#), pp. CJ-179 and CJ-180. Accessed on Jan. 7, 2024.
- ⁸ IHS, [Locations](#). Accessed on Jan. 7, 2024.
- ⁹ IHS, [Division of Sanitation Facilities Construction](#). Accessed on Jan. 7, 2024.
- ¹⁰ Dig Deep and US Water Alliance, [Closing the Water Access Gap in the United States: A National Action Plan](#), p. 22, 2019. Accessed on Jan. 7, 2024.
- ¹¹ IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2025](#), pp. CJ-154 and CJ-155. Accessed on Mar. 15, 2024.
- ¹² IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2025](#), p. CJ-155. Accessed on Mar. 15, 2024.
- ¹³ According to the Centers for Disease Control and Prevention (CDC), COVID-19 infection rates were 1.6 times higher among AI/AN people than among non-Hispanic White people. Hospitalization rates were 2.4 times higher and death rates were 2 times higher for AI/AN people than for non-Hispanic White people. See CDC, [Risk for COVID-19 Infection, Hospitalization, and Death By Race/Ethnicity](#), updated May 25, 2023. Accessed on Sept. 21, 2024. For an IHS discussion of the need for water to prevent the spread of COVID-19, see [Testimony of RADM Michael Toedt, then Chief Medical Officer for IHS, before the Senate Committee on Indian Affairs](#), Apr. 14, 2021. Accessed on Sept. 21, 2024.
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- ¹⁶ IHS, ["About Us," Division of Sanitation Facilities Construction](#). Accessed on Jan. 7, 2024.
- ¹⁷ IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2024](#), p. CJ-210. Accessed on Jan. 7, 2024.
- ¹⁸ IHS, [Annual Report To the Congress of the United States On Sanitation Deficiency Levels for Indian Homes and Communities, Fiscal Year 2021](#), p. 11. Accessed on Feb. 26, 2024.
- ¹⁹ IHS, [All Tribal and Urban Indian Organization Leaders Call: American Rescue Plan Act, Infrastructure Investment and Jobs Act, and Build Back Better Bill](#), Dec. 9, 2021. Accessed on Jan. 7, 2024.
- ²⁰ IJA, P.L. No. 117-58, Division J, Title VI, 1411-1412 (Nov. 15, 2021).
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- ²² OIG, [Initial Observations of IHS Capacity to Manage Supplemental \\$3.5 Billion Appropriated to Sanitation Facilities Construction Projects \(OEI-06-22-00320\)](#), Sept. 30, 2022.

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- ²⁴ The Indian Sanitation Facilities Act of 1959 (P.L. No. 86-121) authorized IHS to provide essential water supply, sewage, and solid waste disposal facilities for AI/AN homes and communities. Congress reaffirmed this authority in the Indian Health Care Amendments of 1988 (P.L. No. 100-713), which amended the Indian Health Care Improvement Act (P.L. No. 94-437).
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- ²⁶ IHS Office of Environmental Health and Engineering, [*Technical Assistance Guide: Public Law 93-638 Construction*](#), Oct. 2017, Sections 1 D-2 and E. Accessed on Jan. 8, 2024.
- ²⁷ IHS Office of Environmental Health and Engineering DSFC, [*Project Management Guideline For the SFC Project Management Program \(PMPro\): A Guide for Planning, Designing, and Constructing SFC Projects*](#), Ch. 3, Dec. 2019. Accessed on Jan. 8, 2024.
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- ²⁹ IHS Office of Environmental Health and Engineering DSFC, [*Sanitation Deficiency System \(SDS\): A Guide for Reporting Sanitation Deficiencies for American Indian and Alaska Native Homes and Communities*](#), Section 6b, Sept. 2019. Accessed on Jan. 8, 2024.
- ³⁰ IHS Office of Environmental Health and Engineering DSFC, [*Sanitation Deficiency System \(SDS\): A Guide for Reporting Sanitation Deficiencies for American Indian and Alaska Native Homes and Communities*](#), Section 7, Sept. 2019. Accessed on Jan. 8, 2024.
- ³¹ IHS Office of Environmental Health and Engineering DSFC, [*Project Management Guideline For the SFC Project Management Program \(PMPro\): A Guide for Planning, Designing, and Constructing SFC Projects*](#), Ch. 4, Dec. 2019. Accessed on Jan. 8, 2024.
- ³² IHS Office of Environmental Health and Engineering, [*Technical Assistance Guide: Public Law 93-638 Construction*](#), Oct. 2017, Section 2 B. Accessed on Jan. 8, 2024.
- ³³ The Indian Self-Determination and Education Assistance Act, P.L. No. 93-638 (codified at 25 U.S.C §§ 5321-5332 and 5381-5399).
- ³⁴ IHS Office of Environmental Health and Engineering DSFC, [*Project Management Guideline For the SFC Project Management Program \(PMPro\): A Guide for Planning, Designing, and Constructing SFC Projects*](#), Ch. 4, Dec. 2019. Accessed on Jan. 8, 2024.
- ³⁵ IHS, *Indian Health Manual*, pt. 5; Ch. 2, sections 5-2.2(I) (Indian Self-Determination) and 5-2.3 (Project Development).
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- ³⁷ IHS Office of Environmental Health and Engineering DSFC, [*Project Management Guideline For the SFC Project Management Program \(PMPro\): A Guide for Planning, Designing, and Constructing SFC Projects*](#), Ch. 6, Dec. 2019. Accessed on Jan. 8, 2024.
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- ³⁹ IHS, *Indian Health Manual*, pt. 5; Ch. 2, sections 5-2.5 (Administrative Requirements) and 5-2.6(E) (Role of the IHS Project Engineer).
- ⁴⁰ IHS, *Indian Health Manual*, pt. 5; Ch. 2, sections 5-2.9(A) (Tribal Force Account), 5-2.9(B) (Tribal Procurement), and 5-2.9(C) (Procedures Common to Tribal Force Accounts and Procurement).
- ⁴¹ 25 CFR § 900.130(b)(8) and 25 CFR § 900.131(b)(9) require Tribes completing projects under Title I Construction Contracts to submit quarterly financial and progress reports to IHS and allow IHS to visit the projects' construction sites monthly; 42 CFR § 137.351 and 42 § CFR 137.366 require Tribes completing projects under Title V Construction Project Agreements to submit semiannual progress and financial reports to IHS and allow IHS to visit the projects' construction sites semiannually.

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- ⁴³ IHS Office of Environmental Health and Engineering DSFC, [Criteria for the Sanitation Facilities Construction Program](#), ver. 1.02, June 1999, Ch. 8, sections II and III, pp. 14 and 17. Accessed on Jan. 8, 2024.
- ⁴⁴ USPHS Commissioned Corps, [Who We Are](#). Accessed on Jan. 8, 2024.
- ⁴⁵ USPHS Commissioned Corps, [Officer and Student Training Programs](#). Accessed on Jan. 8, 2024.
- ⁴⁶ OIG, Work Plan, [Audit of Internal Controls in Place to Identify, Record, and Track Indian Health Service Sanitation Facilities Construction Program Costs \(W-00-22-59474\)](#).
- ⁴⁷ OIG, Work Plan, [Audit of Tribal Controls Over Indian Health Service Sanitation Facilities Construction Program Costs \(W-00-24-59487\)](#).
- ⁴⁸ The 2023 vacancy rates for engineers and technicians were not comparable to the 27.4-percent DSFC-wide vacancy rate IHS reported in 2022 because the 2023 and 2022 rates were calculated using two different data sources. The 2023 rates were calculated using data from a human resources system and supplemented using feedback from DSFC, while the 2022 rate was estimated using a survey of Area DSFC Directors.
- ⁴⁹ IHS Director Roselyn Tso, [letter to Tribal leaders](#), Mar. 4, 2024. Accessed on Mar. 15, 2024.
- ⁵⁰ IHS, [Fact Sheet: 2024 Agency Work Plan First Quarter Summary Report](#), Apr. 2024. Accessed on Apr. 16, 2024.
- ⁵¹ Consolidated Appropriations Act, 2018, P.L. No. 115-141, Division G, Title III, 677 (Mar. 23, 2018).
- ⁵² IHS, [Justification of Estimates for Appropriations Committees, Fiscal Year 2024](#), p. CJ-177. Accessed on Jan. 7, 2024.
- ⁵³ The USPHS commissioning process includes application and medical qualification screenings, as well as an appointment board recommendation, Presidential nomination, and security clearance process. An applicant is called to active duty to begin work after passing each step and being selected by an agency.
- ⁵⁴ USPHS Commissioned Corps, [The HHS Indian Health Service and USPHS Commissioned Corps Unite to Increase Safe Drinking Water and Adequate Sanitation to Tribal Communities](#), May 7, 2024. Accessed on May 29, 2024.
- ⁵⁵ OIG's [The Provider Relief Fund Helped Select Nursing Homes Maintain Services During the COVID-19 Pandemic, but Some Found Guidance Difficult to Use \(OEI-06-22-00040\)](#) and related OIG reports found that HHS faced challenges in quickly distributing relief funding when facing urgent and unprecedented circumstances caused by the COVID-19 pandemic.
- ⁵⁶ OIG's [Operational Challenges Within ORR and the ORR Emergency Intake Site at Fort Bliss Hindered Case Management for Children \(OEI-07-21-00251\)](#) found that the Office of Refugee Resettlement experienced a number of operational issues when it had to increase its capacity to care for a historically high influx of unaccompanied children in 2021.

Report Fraud, Waste, and Abuse

OIG Hotline Operations accepts tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement in HHS programs. Hotline tips are incredibly valuable, and we appreciate your efforts to help us stamp out fraud, waste, and abuse.



TIPS.HHS.GOV

Phone: 1-800-447-8477

TTY: 1-800-377-4950

Who Can Report?

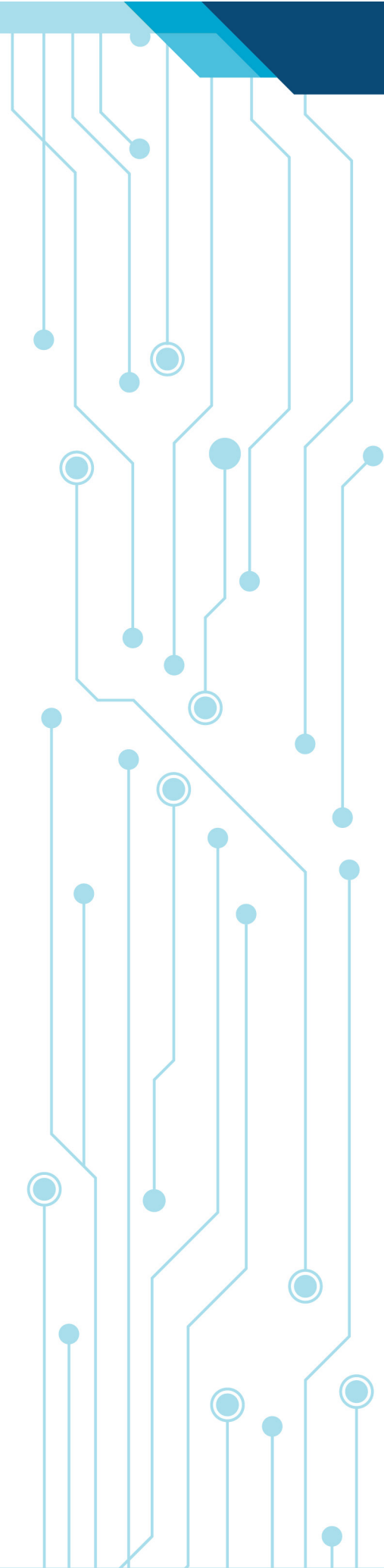
Anyone who suspects fraud, waste, and abuse should report their concerns to the OIG Hotline. OIG addresses complaints about misconduct and mismanagement in HHS programs, fraudulent claims submitted to Federal health care programs such as Medicare, abuse or neglect in nursing homes, and many more. [Learn more about complaints OIG investigates.](#)

How Does It Help?

Every complaint helps OIG carry out its mission of overseeing HHS programs and protecting the individuals they serve. By reporting your concerns to the OIG Hotline, you help us safeguard taxpayer dollars and ensure the success of our oversight efforts.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act of 1978, and other applicable laws protect complainants. The Inspector General Act states that the Inspector General shall not disclose the identity of an HHS employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the investigation. By law, Federal employees may not take or threaten to take a personnel action because of [whistleblowing](#) or the exercise of a lawful appeal, complaint, or grievance right. Non-HHS employees who report allegations may also specifically request confidentiality.



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