

# REPORT HIGHLIGHTS



September 2026 | OAS-25-05-078

## Snapshot of Indian Health Service Sanitation Facilities Construction Projects Funded Under the Infrastructure Investment and Jobs Act

### Why OIG Did This Data Brief

- In November 2021, Congress appropriated to the [IHS](#) through the Infrastructure Investment and Jobs Act (IIJA) \$700 million each year from fiscal year (FY) 2022 to FY 2026, for a total of \$3.5 billion in no-year funds for the IHS Sanitation Facilities Construction (SFC) Program.
- The SFC Program provides essential water supply, sewage, and solid waste disposal facilities for American Indian and Alaska Native (AI/AN) homes and communities. As of December 31, 2021, IHS had 1,513 SFC Program projects totaling approximately \$3.4 billion in its sanitation deficiency projects database.
- We conducted this audit to: (1) provide a national snapshot of how IHS used funds received under the IIJA for its SFC Program and (2) identify any challenges that IHS faced to administer SFC Program projects and actions taken to address those challenges.

### What OIG Found

For FYs 2022 through 2025, IHS allocated IIJA funding for 702 Tier 1 projects and 233 Tier 2 or Tier 3 projects. (Tier 1 projects are categorized as ready to fund for design and construction. Tiers 2 and 3 projects are those that need additional planning.) The funding allocated to these projects totaled \$2.6 billion of the \$3.5 billion that the IIJA appropriated to the IHS SFC Program.

- IHS is using IIJA funding to address sanitation deficiencies in AI/AN homes and communities, such that when current SFC projects are completed, IHS will have reduced, by more than half, the number of previously unfunded projects for communities with severe sanitation deficiencies that lack a safe water supply and a sewage disposal system.
- Although the total number of projects to address sanitation deficiencies has been reduced, costs have increased, and the FY 2026 IIJA funding will not be sufficient for IHS to address the remaining deficiencies.
- IHS Area Offices and Tribes face staffing and contracting challenges in delivering SFC projects, many of which deliver services and facilities to geographically isolated communities.

This data brief does not contain recommendations to IHS. However, information in this data brief, including details on challenges faced and approaches taken by Area Offices and Tribes to mitigate those challenges, may help IHS strengthen its management and oversight of IIJA-funded sanitation projects.