

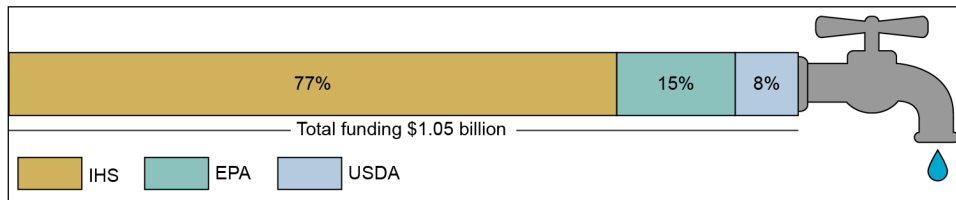
A report to the Chairman, Committee on Indian Affairs, U.S. Senate

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What GAO Found

As part of the federal government's efforts to support Tribes and tribal members' health and to help prevent disease, an Indian Health Service (IHS) program provides Tribes with technical and financial assistance to build drinking water and wastewater infrastructure in tribal communities. Through this program, IHS staff work closely with Tribes to identify their needs and design and build water projects. Several U.S. Environmental Protection Agency (EPA) and U.S. Department of Agriculture (USDA) programs also provide assistance for tribal water projects, and the three agencies often work together and with Tribes.

Selected Agencies' Funding for Tribal Water Projects, Fiscal Year 2025



Source: GAO analysis of IHS, EPA, and USDA documents. | GAO-26-107178

IHS has determined that only certain homes are eligible for funding as part of a community tribal water project based on its interpretation of its statutory authority to build water infrastructure for "Indian homes, communities, and lands." This excludes various homes that tribal members live in, such as those owned by a spouse or grandparent who is not a tribal member—something tribal officials said is common in tribal communities. It also excludes homes owned by Tribes or tribal members that are rented to other tribal members with fewer than 5 years on the lease or to community service providers (e.g., teachers or law enforcement) who are not tribal members.

Examples of Water Infrastructure in Underserved Tribal Communities



Water pipe

Watering point

Wastewater haul tank

Source: GAO. | GAO-26-107178

When an IHS-funded project includes ineligible properties, such as nontribal homes or community buildings, Tribes and the IHS staff helping them must provide or obtain other funding for these properties' costs. This can lead to high administrative costs, such as to help Tribes navigate other federal agencies' differing application processes. This can be expensive and inefficient for IHS

Why GAO Did This Study

Safe drinking water and wastewater disposal are critical to public health, but many Tribes have limited resources to build, operate, and maintain water infrastructure. Tribes often do not have access to the same financing options and traditional tax bases as other communities. Tribal water systems have been underdeveloped, and many have fallen into disrepair because of chronic underfunding, according to the U.S. Commission on Civil Rights. IHS estimated that as of November 2025, \$6 billion was needed to ensure all tribal communities have access to safe water.

GAO has previously reported that Tribes face systemic barriers to accessing federal assistance, including for tribal water infrastructure. IHS, within the Department of Health and Human Services, EPA, and USDA have taken steps to better collaborate with each other, including through a tribal infrastructure task force, but Tribes may continue to experience barriers. Many Tribes also have limited capacity to operate and maintain their water infrastructure, according to agency studies.

GAO was asked to review federal tribal water infrastructure assistance. This report examines the extent to which (1) IHS can fund water infrastructure for various properties in a tribal community, (2) opportunities exist to address differing agency processes and requirements when IHS collaborates with other agencies, and (3) IHS funds the operations and maintenance of tribal water infrastructure.

GAO reviewed agency data and program documents, including interagency and task force documents; conducted site visits to Alaska and Arizona; and interviewed Tribes, tribal organizations, and headquarters and regional agency officials.

What GAO Found (continued)

when such activities cost as much or more than the project costs of these properties. For example, IHS officials reported spending over 80 hours helping one Tribe obtain a \$8,000 grant, plus more hours helping the Tribe report on how it spent the grant.

Congress could help IHS more efficiently fund projects and expedite delivering safe water to more tribal members by (1) defining in law “Indian homes, communities, and lands” to clarify which homes and buildings in a tribal community should be eligible for IHS funding, and (2) authorizing IHS to create an exception to allow it to fund ineligible properties when administrative costs would exceed the costs to serve them. These changes would enable IHS to focus more of its limited resources on projects when Tribes do not need to pursue other funding for IHS-ineligible properties.

EPA, USDA, and IHS have opportunities to streamline processes and requirements to reduce administrative burdens for Tribes and IHS staff, help Tribes more easily access funding, and make agency collaboration efforts more cost effective. For example:

- USDA requires additional financial information from Tribes for underwriting to help ensure project sustainability, which can be burdensome for Tribes. IHS and EPA do not require such information or underwriting for their programs.
- Further streamlining the standard interagency agreements that EPA and IHS use in part to facilitate joint funding of water projects, changing how IHS can distribute EPA funding for projects to Tribes, and streamlining EPA’s application process for certain projects in IHS’s project database could minimize the additional time IHS staff spend helping Tribes pursue EPA funding and administering that funding, which can be significant.

Maintenance of a Tribal Water Tank



Before water storage tank cleaning Cleaning of tank

After tank cleaning

Source: Indian Health Service. | GAO-26-107178

After water infrastructure construction is complete, Tribes’ limited financial capacity can contribute to challenges with operating and maintaining their infrastructure, which can lead to it deteriorating and failing early. For example, Tribes face difficulties with hiring and retaining certified water operators who keep systems in working order, according to an agency study. This can create risks to tribal health and increase costs to the federal government from needing to repair or replace infrastructure.

IHS generally does not provide funding to Tribes for routine operations and maintenance (O&M). While IHS has assessed tribal capacity to fund O&M, it has not assessed whether funding O&M could result in federal cost savings and better tribal health. Since Tribes’ needs can vary, more information on the effects of funding O&M on federal costs could help Congress make decisions on how to cost effectively meet those needs. However, IHS officials have said IHS does not have the authority or funding to pay O&M costs. By establishing an IHS pilot program for routine O&M assistance for tribal water infrastructure, Congress would enable IHS to provide direct, on-the-ground assistance to participating Tribes while collecting data that could inform decision-making on whether it is cost-effective to provide that assistance to Tribes on a broader scale.

What GAO Recommends

GAO recommends that Congress consider (1) defining “Indian homes, communities, and lands” in the Indian Sanitation Facilities Act to clarify which homes and buildings in tribal communities should be eligible for IHS funding, (2) authorizing and directing IHS to create an exception to fund ineligible properties when their capital costs are less than IHS’s administrative costs, and (3) establishing a pilot program for IHS to provide assistance for Tribes’ routine O&M costs (e.g., operator salaries and energy costs).

GAO is also making 12 recommendations to the agencies, including that USDA streamline or eliminate requirements for obtaining financial information from Tribes; that IHS and EPA work together to address invoicing requirements and funds transfer processes that result in high administrative costs; and that EPA streamline its application process for certain projects.

IHS agreed with the recommendations and described actions it was taking or planned to take to address them. EPA generally agreed with the recommendation to work with IHS to address invoicing requirements and funds transfer processes. It disagreed with the recommendation as originally written regarding its required application process for certain projects, and GAO revised the recommendation to clarify that EPA should streamline the application process for those projects. USDA disagreed with the recommendation to streamline or eliminate its financial information grant application requirements. GAO maintains that the agencies should implement the recommendations.