HOBBS STRAUS DEAN & WALKER

1899 L Street, NW, Suite 1200
Washington, DC 20036

T 202.822.8282
F 202.296.8834

HOBBSSTRAUS.COM

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GENERAL MEMORANDUM 26-044

GAO Identifies Opportunities to Improve Federal Assistance for Tribal Water Infrastructure

The U.S. Government Accountability Office (GAO) recently released Tribal Water Infrastructure: Opportunities Exist to Improve Federal Assistance, a report examining how the Indian Health Service (IHS), Environmental Protection Agency (EPA), and U.S. Department of Agriculture (USDA) fund and administer drinking water and wastewater infrastructure assistance for Tribal communities. GAO found that federal investments are heavily fragmented, and that eligibility restrictions, differing agency requirements, and limited support for routine operations and maintenance can delay projects and increase long-term costs.

Funding amounts. GAO estimates that about $1.05 billion was made available through the five major IHS, EPA, and USDA programs it reviewed for Tribal water projects in FY 2025. The report also notes that the Infrastructure Investment and Jobs Act provided $3.5 billion to the IHS Sanitation Facilities Construction Program and that EPA allocated more than $868 million of its infrastructure-law funding to Tribal water infrastructure. Even after those investments, IHS estimated in November 2025 that at least another $6 billion was needed to ensure all Tribal communities have access to safe drinking water and wastewater disposal.

Eligibility and administrative barriers. GAO found that IHS's interpretation of its authority to serve "Indian homes, communities, and lands" excludes some properties within Tribal communities, including certain homes where Tribal members live and many community buildings. When an IHS project includes an ineligible property, Tribes and IHS staff may need to spend countless hours securing separate funds before the project can proceed. Administrative burdens, such as differing agency applications, underwriting, procurement, invoicing, and funds-transfer requirements can also add substantial work for Tribes and federal staff.

Operations and maintenance. After construction, Tribes generally assume responsibility for routine operations and maintenance (O&M), without the help of IHS, contributing to premature system deterioration, creating health risks, and potentially requiring the federal government to fund repairs or replacement. GAO recommends that Congress consider an IHS pilot program, developed in consultation with Tribes and with EPA, to assist with routine Tribal water-system O&M and evaluate the resulting cost and health effects.

Recommendations. GAO asks Congress to consider defining "Indian homes, communities, and lands" in the Indian Sanitation Facilities Act; authorizing IHS to cover otherwise ineligible project costs when obtaining separate funding would cost more administratively; and establishing the O&M pilot. GAO also makes 12 recommendations to IHS,

HUD, EPA, and USDA, including streamlining certain EPA applications and USDA financial and underwriting requirements, improving interagency funding transfers, reassessing IHS limits for community-building assistance, and improving coordination between Tribal housing and water programs.

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Inquiries may be directed to:
Autumn Parrott (aparrott@hobbsstraus.com)