**Suggested Talking points on** **CSC and 105(l) to Mandatory**

* Congress provides “such sums as may be necessary” to meet the obligations for Contract Support Costs and 105(l) Lease Payments, but does not account for them as mandatory spending in the budget.
* These costs annually impact the overall Interior budget caps reducing funds available for critical services to our People and other areas of the Interior Appropriations bill like the EPA, Fish and Wildlife Service, National Parks, etc.
* In FY 2024, CSC increased by 8% and 105(l) leases increased by 34%. IHS overall, increased by 0.05%. This meant, cuts to facilities and services. It is not sustainable under discretionary appropriations.
* Furthermore, on June 6, the Supreme Court just ruled that Contract Support Costs must be paid on the revenue tribes receive from 3rd party payers such as Medicare, Medicaid and private insurance. The federal government estimated that this will cost up to an additional $2 billion.
* There just isn’t an additional $2 billion in the Interior appropriations bill. It *will* mean cuts to critical programs in the bill.
* Congress intended for these payments to be mandatory when ISDEAA was first enacted, and the Supreme Court upheld these payments as mandatory obligations.
* Appropriations Committees have cited this issue for nearly a decade and call on a solution, including reclassification of these accounts as mandatory. The President’s budget request supports this approach as well. Keeping these costs as discretionary in practice, though they are mandatory in reality, has only kept the IHS and BIA budgets flat, despite significant medical inflation and population growth over the last decade. This means, we are doing more with less.
* Congress can reclassify these accounts by simply coming to an agreement on how to score them with the Budget Committees, Congressional Budget Office, and OMB, as official scorekeepers. No changes in law are necessary – there just has to be an agreement. We urge you to work to reclassify this funding in negotiations.