

Another prior section 2007, Pub. L. 95-561, title XI, §1127, Nov. 1, 1978, 92 Stat. 2320, related to policies and procedures for implementation of transferred administrative functions, prior to the general amendment of this chapter by Pub. L. 103-382.

EFFECTIVE DATE

Section effective Jan. 8, 2002, except with respect to certain noncompetitive programs and competitive programs, see section 5 of Pub. L. 107-110, set out as a note under section 6301 of Title 20, Education.

§ 2008. Administrative cost grants

(a) Definitions

In this section:

(1) Administrative cost

(A) In general

The term “administrative cost” means the cost of necessary administrative functions which—

- (i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program;
- (ii) are not customarily paid by comparable Bureau-operated programs out of direct program funds; and
- (iii) are either—
 - (I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds; or
 - (II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

(B) Inclusions

The term “administrative cost” may include—

- (i) contract or grant (or other agreement) administration;
- (ii) executive, policy, and corporate leadership and decisionmaking;
- (iii) program planning, development, and management;
- (iv) fiscal, personnel, property, and procurement management;
- (v) related office services and record keeping; and
- (vi) costs of necessary insurance, auditing, legal, safety and security services.

(2) Bureau elementary and secondary functions

The term “Bureau elementary and secondary functions” means—

- (A) all functions funded at Bureau schools by the Office;
- (B) all programs—
 - (i) funds for which are appropriated to other agencies of the Federal Government; and
 - (ii) which are administered for the benefit of Indians through Bureau schools; and
- (C) all operation, maintenance, and repair funds for facilities and Government quarters used in the operation or support of elementary and secondary education functions for the benefit of Indians, from whatever source derived.

(3) Direct cost base

(A) In general

Except as otherwise provided in subparagraph (B), the direct cost base of a tribe or

tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

- (i) the second fiscal year preceding such fiscal year; or
- (ii) if such programs have not been operated by the tribe or tribal organization during the 2 preceding fiscal years, the first fiscal year preceding such fiscal year.

(B) Functions not previously operated

In the case of Bureau elementary or secondary education functions which have not previously been operated by a tribe or tribal organization under contract, grant, or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

(4) Maximum base rate

The term “maximum base rate” means 50 percent.

(5) Minimum base rate

The term “minimum base rate” means 11 percent.

(6) Standard direct cost base

The term “standard direct cost base” means \$600,000.

(7) Tribal elementary or secondary educational programs

The term “tribal elementary or secondary educational programs” means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are funded through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract, grant, or agreement with the Bureau.

(b) Grants; effect upon appropriated amounts

(1) Grants

Subject to the availability of funds, the Secretary shall provide grants to each tribe or tribal organization operating a contract school or grant school in the amount determined under this section with respect to the tribe or tribal organization for the purpose of paying the administrative and indirect costs incurred in operating contract or grant schools, provided that no school operated as a stand-alone institution shall receive less than \$200,000 per year for these purposes, in order to—

- (A) enable tribes and tribal organizations operating such schools, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice; and

(B) carry out other necessary support functions which would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau-operated programs.

(2) Effect upon appropriated amounts

Amounts appropriated to fund the grants provided under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract or grant school.

(c) Determination of grant amount

(1) In general

The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate of the tribe or tribal organization to the aggregate of the Bureau elementary and secondary functions operated by the tribe or tribal organization for which funds are received from or through the Bureau.

(2) Direct cost base funds

The Secretary shall—

(A) reduce the amount of the grant determined under paragraph (1) to the extent that payments for administrative costs are actually received by an Indian tribe or tribal organization under any Federal education program included in the direct cost base of the tribe or tribal organization; and

(B) take such actions as may be necessary to be reimbursed by any other department or agency of the Federal Government for the portion of grants made under this section for the costs of administering any program for Indians that is funded by appropriations made to such other department or agency.

(d) Administrative cost percentage rate

(1) In general

For purposes of this section, the administrative cost percentage rate for a contract or grant school for a fiscal year is equal to the percentage determined by dividing—

(A) the sum of—

(i) the amount equal to—

(I) the direct cost base of the tribe or tribal organization for the fiscal year, multiplied by

(II) the minimum base rate; plus

(ii) the amount equal to—

(I) the standard direct cost base; multiplied by

(II) the maximum base rate; by

(B) the sum of—

(i) the direct cost base of the tribe or tribal organization for the fiscal year; plus

(ii) the standard direct cost base.

(2) Rounding

The administrative cost percentage rate shall be determined to the $\frac{1}{100}$ of a decimal point.

(3) Applicability

The administrative cost percentage rate determined under this subsection shall not apply

to other programs operated by the tribe or tribal organization.

(e) Combining funds

(1) In general

Funds received by a tribe or contract or grant school as grants under this section for tribal elementary or secondary educational programs may be combined by the tribe or contract or grant school into a single administrative cost account without the necessity of maintaining separate funding source accounting.

(2) Indirect cost funds

Indirect cost funds for programs at the school which share common administrative services with tribal elementary or secondary educational programs may be included in the administrative cost account described in paragraph (1).

(f) Availability of funds

Funds received as grants under this section with respect to tribal elementary or secondary education programs shall remain available to the contract or grant school without fiscal year limitation and without diminishing the amount of any grants otherwise payable to the school under this section for any fiscal year beginning after the fiscal year for which the grant is provided.

(g) Treatment of funds

Funds received as grants under this section for Bureau-funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived.

(h) Treatment of entity operating other programs

In applying this section and section 106 of the Indian Self-Determination and Education Assistance Act [25 U.S.C. 5325] with respect to an Indian tribe or tribal organization that—

(1) receives funds under this section for administrative costs incurred in operating a contract or grant school or a school operated under the Tribally Controlled Schools Act of 1988 [25 U.S.C. 2501 et seq.]; and

(2) operates one or more other programs under a contract or grant provided under the Indian Self-Determination and Education Assistance Act [25 U.S.C. 5301 et seq.],

the Secretary shall ensure that the Indian tribe or tribal organization is provided with the full amount of the administrative costs that are associated with operating the contract or grant school, and of the indirect costs, that are associated with all of such other programs, except that funds appropriated for implementation of this section shall be used only to supply the amount of the grant required to be provided by this section.

(i) Studies for determination of factors affecting costs; base rates limits; standard direct cost base; report to Congress

(1) Studies

Not later than 120 days after January 8, 2002, the Director of the Office of Indian Education Programs shall—

(A) conduct such studies as may be needed to establish an empirical basis for determining relevant factors substantially affecting required administrative costs of tribal elementary and secondary education programs, using the formula set forth in subsection (c); and

(B) conduct a study to determine—

(i) a maximum base rate which ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the smallest tribal elementary or secondary educational programs;

(ii) a minimum base rate which ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the largest tribal elementary or secondary educational programs; and

(iii) a standard direct cost base which is the aggregate direct cost funding level for which the percentage determined under subsection (d) will—

(I) be equal to the median between the maximum base rate and the minimum base rate; and

(II) ensure that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of tribal elementary or secondary educational programs closest to the size of the program.

(2) Guidelines

The studies required under paragraph (1) shall—

(A) be conducted in full consultation (in accordance with section 2011 of this title) with—

(i) the tribes and tribal organizations that are affected by the application of the formula set forth in subsection (c); and

(ii) all national and regional Indian organizations of which such tribes and tribal organizations are typically members;

(B) be conducted onsite with a representative statistical sample of the tribal elementary or secondary educational programs under a contract entered into with a nationally reputable public accounting and business consulting firm;

(C) take into account the availability of skilled labor commodities, business and automatic data processing services, related Indian preference and Indian control of education requirements, and any other market factors found to substantially affect the administrative costs and efficiency of each such tribal elementary or secondary educational program studied in order to ensure

that all required administrative activities can reasonably be delivered in a cost effective manner for each such program, given an administrative cost allowance generated by the values, percentages, or other factors found in the studies to be relevant in such formula;

(D) identify, and quantify in terms of percentages of direct program costs, any general factors arising from geographic isolation, or numbers of programs administered, independent of program size factors used to compute a base administrative cost percentage in such formula; and

(E) identify any other incremental cost factors substantially affecting the costs of required administrative cost functions at any of the tribal elementary or secondary educational programs studied and determine whether the factors are of general applicability to other such programs, and (if so) how the factors may effectively be incorporated into such formula.

(3) Consultation with Inspector General

In carrying out the studies required under this subsection, the Director shall obtain the input of, and afford an opportunity to participate to, the Inspector General of the Department of the Interior.

(4) Consideration of delivery of administrative services

Determinations described in paragraph (2)(C) shall be based on what is practicable at each location studied, given prudent management practice, irrespective of whether required administrative services were actually or fully delivered at these sites, or whether other services were delivered instead, during the period of the study.

(5) Report

Upon completion of the studies conducted under paragraph (1), the Director shall submit to Congress a report on the findings of the studies, together with determinations based upon such studies that would affect the definitions set forth under subsection (e) that are used in the formula set forth in subsection (c).

(6) Projection of costs

The Secretary shall include in the Bureau's justification for each appropriations request beginning in the first fiscal year after the completion of the studies conducted under paragraph (1), a projection of the overall costs associated with the formula set forth in subsection (c) for all tribal elementary or secondary education programs which the Secretary expects to be funded in the fiscal year for which the appropriations are sought.

(7) Determination of program size

For purposes of this subsection, the size of tribal elementary or secondary educational programs is determined by the aggregate direct cost program funding level for all Bureau-funded programs which share common administrative cost functions.

(j) Authorization of appropriations**(1) In general**

There are authorized to be appropriated to carry out this section such sums as may be necessary.

(2) Reductions

If the total amount of funds necessary to provide grants to tribes and tribal organizations in the amounts determined under subsection (c) for a fiscal year exceeds the amount of funds appropriated to carry out this section for such fiscal year, the Secretary shall reduce the amount of each grant determined under subsection (c) for such fiscal year by an amount that bears the same relationship to such excess as the amount of such grants determined under subsection (c) bears to the total of all grants determined under subsection (c) section¹ for all tribes and tribal organizations for such fiscal year.

(k) Applicability to schools operating under Tribally Controlled Schools Act of 1988

The provisions of this section shall apply to schools operating under the Tribally Controlled Schools Act of 1988 [25 U.S.C. 2501 et seq.].

(l) Administrative cost grant budget requests**(1) In general**

Beginning with President's² annual budget request under section 1105 of title 31 for fiscal year 2002, and with respect to each succeeding budget request, at the discretion of the Secretary, the Secretary shall submit to the appropriate committees of Congress information and funding requests for the full funding of administrative costs grants required to be paid under this section.

(2) Requirements**(A) Funding for new conversions to contract or grant school operations**

With respect to a budget request under paragraph (1), the amount required to provide full funding for an administrative cost grant for each tribe or tribal organization expected to begin operation of a Bureau-funded school as contract or grant school in the academic year funded by such annual budget request, the amount so required shall not be less than 10 percent of the amount required for subparagraph (B).

(B) Funding for continuing contract and grant school operations

With respect to a budget request under paragraph (1), the amount required to provide full funding for an administrative cost grant for each tribe or tribal organization operating a contract or grant school at the time the annual budget request is submitted, which amount shall include the amount of funds required to provide full funding for an administrative cost grant for each tribe or tribal organization which began operation of a contract or grant school with administrative cost grant funds supplied from the amount described in subparagraph (A).

¹ So in original.

² So in original. Probably should be preceded by "the".

(Pub. L. 95-561, title XI, § 1128, as added Pub. L. 107-110, title X, § 1042, Jan. 8, 2002, 115 Stat. 2032.)

REFERENCES IN TEXT

The Tribally Controlled Schools Act of 1988, referred to in subsecs. (h)(1) and (k), is part B (§§ 5201-5212) of title V of Pub. L. 100-297, Apr. 28, 1988, 102 Stat. 385, as amended, which is classified generally to chapter 27 (§ 2501 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2501 of this title and Tables.

The Indian Self-Determination and Education Assistance Act, referred to in subsec. (h)(2), is Pub. L. 93-638, Jan. 4, 1975, 88 Stat. 2203, which is classified principally to chapter 46 (§ 5301 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

PRIOR PROVISIONS

A prior section 2008, Pub. L. 95-561, title XI, § 1128, as added Pub. L. 103-382, title III, § 381, Oct. 20, 1994, 108 Stat. 3993, related to administrative cost grants, prior to the general amendment of this chapter by Pub. L. 107-110.

Another prior section 2008 and a prior section 2008a were omitted in the general amendment of this chapter by Pub. L. 103-382.

Section 2008, Pub. L. 95-561, title XI, § 1128, Nov. 1, 1978, 92 Stat. 2320; Pub. L. 96-46, § 2(b)(7), (8), Aug. 6, 1979, 93 Stat. 341; Pub. L. 98-511, title V, § 505, Oct. 19, 1984, 98 Stat. 2394; Pub. L. 99-89, § 5, Aug. 15, 1985, 99 Stat. 381; Pub. L. 99-228, § 1, Dec. 28, 1985, 99 Stat. 1747; Pub. L. 100-297, title V, §§ 5107(a), 5108(b), (c), Apr. 28, 1988, 102 Stat. 368, 375; Pub. L. 100-427, §§ 2(a), (b)(1), (c), 3, 5, Sept. 9, 1988, 102 Stat. 1604, 1605; Pub. L. 101-301, § 5(d)(1), May 24, 1990, 104 Stat. 208; Pub. L. 103-382, title III, § 393(b), Oct. 20, 1994, 108 Stat. 4026, related to allotment formula.

Section 2008a, Pub. L. 95-561, title XI, § 1128A, as added Pub. L. 100-297, title V, § 5108(a), Apr. 28, 1988, 102 Stat. 369; amended Pub. L. 100-427, § 4, Sept. 9, 1988, 102 Stat. 1604; Pub. L. 101-301, § 5(f), May 24, 1990, 104 Stat. 208, related to administrative cost grants.

EFFECTIVE DATE

Section effective Jan. 8, 2002, except with respect to certain noncompetitive programs and competitive programs, see section 5 of Pub. L. 107-110, set out as a note under section 6301 of Title 20, Education.

§ 2009. Division of Budget Analysis**(a) Establishment**

Not later than 1 year after January 8, 2002, the Secretary shall establish within the Office of Indian Education Programs a Division of Budget Analysis (hereafter in this section referred to as the "Division"). Such Division shall be under the direct supervision and control of the Director of the Office.

(b) Functions

In consultation with the tribal governing bodies and tribal school boards, the Director of the Office, through the Division, shall conduct studies, surveys, or other activities to gather demographic information on Bureau-funded schools and project the amount necessary to provide Indian students in such schools the educational program set forth in this chapter.

(c) Annual reports

Not later than the date on which the Assistant Secretary for Indian Affairs makes the annual budget submission, for each fiscal year after January 8, 2002, the Director of the Office shall submit to the appropriate committees of Con-