

**FDPIR Funding Work Group  
August 2, 2007 Conference Call Notes**

| <b>Attending</b>   | <b>Not Attending</b>  |
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| Yunus Lakhani (Southern California Tribal Chairmen's Assoc), NAFDPIR Regional Vice President for the Western Region                                  | Susie Roy (Leech Lake Chippewa), NAFDPIR Regional Vice President for the Midwest Region |
| Gale Dills (North Carolina Department of Agriculture and Consumer Services/Cherokee Tribe of North Carolina), representing the Southeast Region ITOs | Betty Jo Graveen (Lac Du Flambeau), representing the Midwest Region ITOs                |
| Nancy Egan (Shoshone-Paiute Tribes), representing all FDPIR programs as NAFDPIR President  | Mary Trottier (Spirit Lake), representing the Mountain Plains Region Executive Board    |
| Red Gates (Standing Rock Sioux), NAFDPIR Regional Vice President for the Mountain Plains Region  | Thomas Yellowhair (Navajo Nation), representing WAFDPIR                                 |
| Melinda Newport (Chickasaw Nation), representing ONFACT  |   |
| Linday Rayon (Muscogee (Creek) Nation), representing the NAFDPIR Regional Vice President for the Southwest Region                                    |   |
| Cindy Wheeler, Program Specialist, FNS-SERO  |   |
| Madeline Viens, Assistant Director, Field Operations, FNS-WRO  |   |
| Chris Hennelly, Program Specialist, FNS-SWRO   |   |
| Elvira Jarka, Director, Special Nutrition Programs, FNS-MWRO   |   |
| Laura Castro, Chief, Policy Branch, FNS-HQ   |   |
| Don DeBoer, Senior Program Specialist, FNS-MPRO  |   |

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| Work Group Staff Support: Nancy Theodore, Program Analyst, FNS-HQ |
| Work Group Facilitator: Melanie Casey, Program Analyst, FNS-HQ    |

- Nancy Theodore asked the work group members if they had any changes to the draft notes from the July 11, 2007 conference call, or comments about the July 11, 2007 conference call. No comments were offered.
- Nancy Theodore briefed the work group members on the House and Senate FY 2008 Appropriations Bills. The House bill includes \$34.2 million for FDPIR administrative funding and the Senate bill includes \$35.2 million for FDPIR administrative funding. Since the House and Senate are so close in their proposed amounts, FNS is cautiously optimistic that FDPIR will receive at least \$34 million for FY 2008. This is a significant increase over the \$29.2 million proposed in the President's Budget for FY 2008.

- Melanie Casey offered some ground rules for the conference call, and suggested that Nancy Theodore review the goal of the work group. Nancy restated the goal of the work group, which is to provide FNS Administrator Roberto Salazar with a final recommendation that includes one or more proposals for a funding allocation process for FDPIR that is objective, equitable, easy to understand, and achieves the greatest level of acceptability among the ITOs and State agencies. Nancy also restated a goal she suggested for the individual work group members, which is to ensure that each work group member supports at least one proposal in the final package that will go to Mr. Salazar.
- Nancy Theodore also summarized the actions of the work group in the July 11, 2007 conference call: The work group reviewed Proposals D and H and agreed to eliminate Proposal D as they felt that Proposal H adequately presented Approach #1 (ITOs/State agencies would submit budgets based on need and the total of those budgets would be compared to the annual FDPIR appropriation; if the total budget amount exceeds the appropriation, cuts would be made).
- Nancy Theodore suggested that the work group focus next on Approach #2, which is demonstrated by Proposal C and E. Under Approach #2, FNS would determine by formula the amount of funds allocated to each Regional Office; the Regional Offices would use these funds to approve budget submissions from each ITO/State agency.
- The following information had been provided to the work group members prior to the conference call:
  - Side-by-side description of Proposal C and E
  - Spreadsheets that show proposed Regional allocation amounts for Proposals C and E using FY 2007 available funds and FY 2008 proposed funding
  - A chart comparing the FY 2007 Regional allocations amounts to the proposed allocations amounts from the spreadsheets for Proposals C and E
- The work group members discussed Proposal C and generally agreed that allocating funds based on the establishment of tiers is problematic. The primary concern is the arbitrariness of a system that involves the setting of tiers. The work group members agreed to eliminate Proposal C for this reason.
- The work group members discussed Proposal E. The comments are summarized below:
  - Concern about using participation as a factor
  - Support for using participation as a factor
  - Concern about the arbitrariness of weights
  - Support for using tailgating (home deliveries, etc.) as a factor
  - Concern that using tailgating (home deliveries, etc.) as a factor would penalized programs without tailgating
  - Concern that it is difficult to measure and quantify tailgating (home deliveries, etc.)
  - Support for factoring in cost of living differences from area to area
  - Support for the feature that allows individual negotiation, which will address operational differences
- Nancy Theodore remarked that several work group members expressed concern that there may not be an easy and objective way to measure/quantify tailgating (home deliveries, etc.) and that using tailgating as a factor might penalize some ITOs that do not have tailgating. Nancy suggested an alternative proposal that would allocate funds to the Regional Offices based on two factors:
  - a) Region's share of national participation (average over 3 years) and;
  - b) Region's share of national number of programs.

Under this proposal, the Regional Offices would use the available funds to conduct individual budget negotiations with each ITO/State agency. Nancy agreed to develop spreadsheets that show how various weights applied to the two factors would impact Regional allocations.

The use of the number of programs as a factor is expected to accomplish the following:

- Each program has basic operational needs that must be met to run the program. This means that each Region needs a certain amount of funding to cover the basic needs of each program. We don't know specifically what that ideal amount is, but this factor would acknowledge that need by providing funding based on the number of programs.
- Each program also has unique operational needs that must be met (tailgating, stores, home delivery, multiple warehouses). Again, we do not know what that ideal amount is for each program, but by increasing the weight for this factor, more funding would be available so the Regions would have sufficient funds to negotiate individually with each program on their unique operations.
- Yunus Lakhani also suggested an alternative proposal that would provide funding based on tailgating. Yunus will provide a written description of the proposal to share with the work group members.
- Red Gates asked about the cost to convert to stores and whether it increased overall program costs. It was suggested that there would be initial start up costs for certain related items (e.g., shelving, shopping carts. Linday Rayon has one warehouse and she has converted issuance in that warehouse to the store concept. She reported that her program did not experience a change in cost. She still does tailgating. Melinda Newport has three stores and reported that she has reduced her tailgating operations by 15 days each month.
- To be accomplished:
  1. Complete final recommendation to Roberto Salazar for proposals for a new funding allocation methodology;
  2. Resolve any remaining "parking lot" issues that pertain to any of the proposals in the final recommendation;
  3. Include in the package to Roberto Salazar a recommendation on additional consultation with Tribal and State officials
- Next conference calls:

August 14, 2:30-4:30pm ET

August 20, 2:30-4:30pm ET

September 6, 2:30-4:30pm ET

September 17, 2:30-4:30pm ET