

**FDPIR Funding Work Group
September 17, 2007 Conference Call Notes**

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

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

- The following information had been provided to the work group members prior to the conference call:
 - September 7, 2007 and September 14, 2007 emails from Nancy Theodore transmitting the draft notes from the September 6, 2007 conference call, revised Attachment I, and revised spreadsheet showing proposed Regional allocation amounts for Proposal K using FY 2008 proposed funding amounts and reflecting a 50% weight for factor A (Region's share of total participation), 25% weight for factor B (Region's share of total number of programs), and 25% weight for factor C (Region's share of total number of programs with tailgating, home delivery, and multiple warehouses and/or stores).

- September 14, 2007 email from Nancy Theodore transmitting a sample draft letter to Roberto Salazar that describes the work group’s proposals for a new funding methodology and other recommendations.
- Melanie Casey reviewed the Ground Rules that the work group had previously established:
 - Make efficient use of limited time; stay on track; keep to relevant issues
 - Be productive; we’re here to complete a task
 - Respect the previous work of colleagues

Melanie also reminded the members of the goal of the work—to develop proposals for a new funding methodology for FDPIR. And that these proposals should be the best choices that serve everyone. She pointed out that the work group members were not expected to support all of the proposals to be offered—but they are expected to support at least one of the proposals. She suggested that the work group be open in its final recommendation and show the work that has been done. In response to a question from one of the work group members, it was confirmed that the work group could offer more than one proposal in its final recommendation.

- Nancy Theodore reviewed the draft notes from the September 6, 2007 conference call and asked the work group members if they had any changes to the draft notes from the September 6 conference call, or comments about the September 6 conference call. No changes to the draft notes were offered, and no comments on the September 6 conference call were offered.
- The next discussion focused on a review of the revised Attachment I. The work group members reviewed the description of Proposal H. In regards to Step 2 of the proposal, Nancy Theodore raised the issue of whether the description should specify that any significant increases from one year to the next in the budget submission must be justified and approved by the Regional Office. Some work group members commented that this is a regular part of the Regional Office review and so it doesn’t have to be stated. It was noted that some audiences may not understand the Regional budget submission review process, so it may be necessary to clarify this point. Other work group members commented that the language should refer to any significant change (decreases or increases).

In regard to Steps 5a and 5b of Proposal H, Nancy Theodore raised the issue of whether the description should specify that the Regional Offices would have discretion to set aside funds for emergency or unanticipated needs during the fiscal year. Some work group members felt that the budgets submitted by the ITOs/State agencies should build in funding for emergencies. Some commented that not all of the Regional Offices choose to set aside funds. Others commented that this provision should apply to all proposals. Some work group members questioned whether the funds for a set aside would diminish the funding of the ITOs since the total amount of funds requested by the Regional Office is based on the total need of all of the ITOs and State agencies in the region.

The final issue in regard to Proposal H concerned the proposed methodology to reduce funds in the event that the total budget request in any year exceeds the amount of funds appropriated for that year. As stated on Attachment I, each region would receive “a reduction equal to its share of the total budget amount.” It was suggested that all Regional Offices should be subject to the same percentage cut. In the discussion, it was clarified that the current description meant to reduce a Region’s budget request by the Region’s percentage of the total as applied to the amount of reduction that is needed nationally. For example, if the budget requests totaled \$28,600,000 and the available funding was \$27,000,000, a Region with 31% of the total budget request would have its budget request reduced by an amount equivalent to 31% of \$1,600,000.

Cindy Wheeler reported that she had compared the proposed reduction methodology with one that would reduce the budget submissions of all Regions based on the same percentage. Cindy found no differences in the results. Nancy Theodore stated that she would prepare a chart that compares the two methodologies and provide the chart to the work group members.

- Next, the work group reviewed the description of Proposal K on Attachment I. A large part of the discussion on this proposal centered on the weights assigned to each of the three factors. Some of the work group members did not support a 50% weight for factor A (Region's share of total participation), 25% weight for factor B (Region's share of total number of programs), and 25% weight for factor C (Region's share of total number of programs with tailgating, home delivery, and multiple warehouses and/or stores). The work group members who did not support the above weight assignment were asked to suggest other weight assignments. One work group member suggested 40% weight for factor A (Region's share of total participation), 30% weight for factor B (Region's share of total number of programs), and 30% weight for factor C (Region's share of total number of programs with tailgating, home delivery, and multiple warehouses and/or stores). Another work group member supported an equal weight for all three factors.

Nancy Theodore summarized some of the issues concerning the weights: some Tribal officials and work group member had spoken out against participation being used as a primary factor; some Tribal officials and work group members had spoken out on the importance of considering tailgating and other operational costs; and using weights can be problematic because without objective measures for assigning them, weights are arbitrary. Melanie Casey pointed out that the work group could: 1) not assign any weights and leave that to be done by FNS; 2) provide some choices to FNS; or 3) chose to assign weights arbitrarily, but explain in the final recommendation that that work group recognizes that the proposed weights are arbitrary, but it is the recommendation of the work group. It was suggested that the work group members vote on the weight assignment they preferred. The options on the table were: 50% for participation and 25% for each of the other factors; equal weights for all three factors; 40% for participation and 30% for each of the other factors; or no answer. Sixty-four percent (7) of the work group members in attendance at the time of the vote preferred 50% for participation and 25% for each of the other factors; 18% (2) of the work group members in attendance at the time of the vote preferred 40% for participation and 30% for each of the other factors; 9% (1) of the work group members in attendance at the time of the vote preferred equal weights for all three factors; and 9% (1) of the work group members in attendance at the time of the vote stated no preference. Five of the work group members were not in attendance at the time of the vote.

- Nancy Theodore asked the work group members if there was anyone who could not support either Proposal H or Proposal K. No work group members in attendance at that time responded that they could not support either proposal. Nancy indicated that, unless the work group objected, there did not seem to be a need to develop a proposal that represented Approach #3, a formula that determines all or part of each ITO's allocation and may or may not include some individual budget negotiation. Nancy and Laura felt that Mr. Salazar would not be inclined to support such a formula given the comments submitted by the Tribal and State officials. No work group members in attendance at that time objected to limiting the work group's proposals to Proposals H and K. Nancy suggested that the work group proceed with finalizing the transmittal letter with just Proposals H and K and the other recommendations discussed in the September 6, 2007 conference call. Nancy suggested that the work group set a date for another conference call to discuss the transmittal letter to Mr. Salazar.
- Next conference call:
October 3, 2007 from 2:30-4:30pm Eastern Time