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## Department of Public Instruction

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<http://www.dpi.state.nd.us>

Dr. Wayne G. Sanstead  
State Superintendent

March 15, 2007

Nancy Theodore, Program Analyst  
USDA, Food and Nutrition Service  
Food Distribution Division  
3101 Park Center Drive, Room 506  
Alexandria, Virginia 22302

Dear Ms. Theodore:

This letter is in response to the Food Distribution Program on Indian Reservations (FDPIR) Funding Methodology Work Group's request for comments on the proposal for a new methodology to allocate federal administrative funds for the FDPIR. This letter specifically addresses Attachment E of the proposal, the proposed recommendation to terminate current arrangements under which seven ITOs not administered by the North Dakota or Montana State agencies receive commodities through warehouses maintained by those State agencies. We believe that implementation of this part of the proposal will have a negative impact not only on the seven ITOs, but the FDPIR program as a whole in the states affected.

The current arrangement for the seven ITOs is an efficient and effective means of addressing the geographic challenges inherent to North Dakota and Montana. The attached spreadsheet compares current rates and mileage to those from Paris Brothers and Americold. Based on data received from the work group and other sources, we have determined that the proposed changes would increase the warehousing and transportation costs for Standing Rock, Cheyenne River and Spirit Lake by over \$225,000 from current rates. The current system in North Dakota provides the same type of service that is currently implemented in the alternative systems, for one-third of the cost. Our contracted warehouse is a new "state of the art" food storage facility and transportation is direct to the recipients with no interline deliveries.

The Work Group's Guidelines for developing a funding methodology support the continued arrangement. Guideline number 2, "Considers operational differences among the ITOs and State agencies" acknowledges that different regions will have different needs and the methodology should allow for that. The current warehouse and transportation arrangement for the seven ITOs not only reduces administrative costs for those programs, it ensures lower costs for the other FDPIR programs that are administered by the state agencies. Due to the large land base and sparse population, the states must consider the administration of all Food Distribution Programs when planning for warehousing and transportation. To obtain a reasonable bid from a reliable contractor, the entire volume of USDA commodity foods must be included in the bid specs. Reduction in the volume of foods to be warehoused and distributed will certainly result in an increase in rates overall.

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That's assuming the contractor will bid on the contract again; North Dakota received only one bid during the most recent bid period.

We appreciate the Work Group's efforts in developing a funding methodology that meets their established guidelines and is acceptable to all parties involved. However, changes made for the sake of conformity with no proof of savings, such as those proposed in Attachment E, will not only harm the FDPIR programs in our state but will tarnish the trust of the people for which it is intended.

Thank you for the opportunity to provide comment on this issue. Our agency would be honored to assist the Work Group in working towards a funding methodology that is acceptable to all.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Glaser". The signature is fluid and cursive, with the first name "Linda" being more prominent than the last name "Glaser".

Linda Glaser, Director  
Child Nutrition and Food Distribution Programs  
North Dakota Department of Public Instruction

Cc: Darlene Sanchez, MPRO  
Charles "Red" Gates, Standing Rock Sioux Tribe  
Theresa Lofton, Cheyenne River Sioux Tribe  
Mary Trottier, Spirit Lake Sioux Nation  
Forrest Farris, Montana DHS

