

**FDPIR Funding Methodology Work Group  
January 31, 2006 Conference Call Notes**

<b>Attending</b>	<b>Not Attending</b>
Tony Nertoli, NAFDPIR President/Sault Ste. Marie Tribe of Chippewa Indians	Susie Roy, NAFDPIR Midwest Region Vice-President/Leech Lake Chippewa
Ray Capoeman, NAFDPIR Western Region Vice-President/Quinault Nation	Sharon Thompson, St. Regis Mohawk
Red Gates, NAFDPIR Mountain Plains Region Vice-President/Standing Rock Sioux	Gale Dills, Cherokee Tribe of North Carolina
Yunus Lakhani, Southern California Tribal Chairmen's Association	
Melinda Newport, Chickasaw Nation	
Lindsay Rayon, Muscogee (Creek) Nation	
Laura Castro, FNS-HQ, FDD	
Don DeBoer, FNS-MPRO	
Chris Hennelly, FNS-SWRO	
Madeline Viens, FNS-WRO	
Elvira Jarka, FNS-MWRO	
Nancy Theodore, FNS-HQ (staff support)	

First, all the work group members were given an opportunity to comment on the proposed methodology developed in Dallas. The comments included:

- Concern that the work group is losing momentum; some believe that consensus was reached in Dallas, but others do not agree;
- Concern about individual ITOs losing administrative funds under the proposed methodology, especially the smaller ITOs;
- Concern that more focus is placed on individual ITOs losing funds under the proposed methodology than on those ITOs that have historically been under funded under the current funding methodology;
- Concern about the overall need of additional funds for FDPIR;
- Concern that additional cost drivers (such as tailgating) should be considered in the proposed funding methodology, or an alternative methodology (averaging participation and approved budget amounts over a 3 year period and determine a per participant amount + a 5% inflation factor).

Next, the work group reviewed a proposal for a gradual implementation plan that would ensure that ITOs would not receive less administrative funds than the prior year. Under this plan the proposed funding methodology would be followed to calculate the grant amount for each ITO (i.e., \$15,000 base amount + the participation driven amount = ITO grant amount). The ITO grant amount would be compared to the previous year's allocation:

- If the prior year's allocation was the larger amount, the ITO would receive that amount. The ITO would continue to receive that amount each year until the grant amount calculated under the proposed funding methodology was the larger amount.
- If the ITO grant amount was the larger amount then the ITO would receive an amount that was 25% of the difference between last year's allocation and the ITO grant amount. Sufficient funds are not expected to be available to allow each ITO to receive its full increase under the funding methodology, which ranged from \$2603 to \$884,816.

Note: If the proposed funding methodology was implemented in FY 2006 (using FY 2006 allocations and FY 2005 participation levels) an additional \$3,972,558 million would be needed to:

- 1) keep those ITOs that would lose funding at the same level of funding as in FY 2005;
- 2) provide each ITO that would gain funding with the total increase in funds that it would be entitled to under the proposed methodology;
- 3) keep the Regional negotiated amount at 15%.

As proposed under the gradual implementation plan, the FNS Regional Offices would receive a Regional negotiated amount, but it would not be the 15% called for in the proposed methodology. Part of the 15% is being used to ensure that no ITO receives less than its prior year allocation. The amount of funds available for the Regional negotiated amount may vary from year to year. This amount may be used to provide additional funding to those ITOs whose allocations are held at the prior year level. It may not be sufficient to meet all of the additional funding requests from the ITOs.

An example of the individual ITO grant amounts over a 4-year period was provided to the work group on January 19. This example assumed no change in participation over the 4 years; assumed that implementation would begin in FY 2006; and assumed projected appropriation levels for years 2, 3, and 4.

Example #1: In FY 2005 the Rosebud Sioux received \$515,364 in administrative funds. Under the proposed funding methodology the ITO would receive \$479,691, which is \$35,673 less than FY 2005. The ITO grant amount would be \$515,364, which is the FY 2005 funding amount.

Example #2: In FY 2005 the Oglala Sioux received \$1,059,401 in administrative funds. Under the proposed funding methodology the ITO would receive \$1,074,401, which is \$63,887 more than FY 2005. The ITO grant amount would be \$1,026,486, which is \$15,972 more than FY 2005 (25% of \$63,887).

As discussed by the work group, this plan does not take into account dramatic decreases in participation. The work group may want to adjust for that in future discussions.

Next the work group discussed the components of the proposed methodology developed in Dallas.

Yunus Lakhani emailed Laura Castro with several proposals, which were shared with the other members of the work group:

- 1) to change the 15% Regional negotiated amount to 5% to cover "emergency, breakdown and unforeseen expenses";
- 2) to include a factor for tailgating; providing differing amounts based on 1-9 or 10 or more tailgates per month;
- 3) an alternative methodology that would average participation and approved budget amounts over a 3 year period to determine a per participant amount to which a 5% inflation factor would be added.

One work group member pointed out that the Regional negotiated amount was not just intended to cover emergencies and unforeseen expenses, but was added to provide a way for the ITOs to continue to negotiate funding with the FNS Regional Offices. After a short discussion on the proposal to change the Regional negotiated amount percentage, Nancy asked the work group members to consider this proposal and email her after the conference call on whether the 15% should be changed to 10% or 5%.

It was also proposed that the \$15,000 base should be graduated so that larger ITOs received a larger base amount.

Concern was expressed that there did not appear to be consensus on the proposed methodology developed in Dallas, and that more work was needed to address other proposals. Each of the work group members were asked if they agreed to suspend the original agenda, continue to hold conference calls to address these issues, and plan to use time set aside at the April NAFDPIR meeting to finalize the package that will go out to Tribal and State leaders. All of the attending work group members agreed.

#### WORK GROUP ASSIGNMENTS:

- The work group members were asked to put their concerns with the proposed methodology in writing so that all the work group members could review them.
- The work group members were asked to respond to the proposal to change the 15% Regional negotiated amount to 10% or 5%.
- The work group members were asked to review the tailgating chart sent to them on January 30 so the work group could consider the proposal to add a factor for tailgating.

The work group members are asked to provide all comments directly to Nancy, staff support for the work group, so she can ensure that the comments are shared with the other work group members.