

**FDPIR Funding Methodology Work Group
March 16, 2006 Conference Call Notes**

Attending	Not Attending
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	
Thomas Yellowhair, Navajo Nation representing Yunus Lakhani, Southern California Tribal Chairmen's Association	
Melinda Newport, Chickasaw Nation	
Linday Rayon, Muscogee (Creek) Nation	
Laura Castro, FNS-HQ, FDD	
Don DeBoer, FNS-MPRO	
Chris Hennelly, FNS-SWRO	
Elvira Jarka, FNS-MWRO	
Madeline Viens, FNS-WRO	
Nancy Theodore, FNS-HQ (staff support)	

▪ **Draft Notes from the March 9, 2006 Conference Call**

Nancy Theodore asked each of the work group members in attendance to provide comments on or changes to the draft notes of the March 9, 2006 conference call. No comments or changes were provided, so the notes are approved as written and will be posted on the FDPIR Funding Work Group website.

▪ **Should the Work Group Offer More than One Proposal**

In earlier discussions, the majority of the work group members agreed that every effort should be made to reach agreement on one proposal that would be offered for comment to the Tribal/State leaders and the FDPIR Program Directors. It was felt that the work group should stand united behind one proposal. The majority of the work group members agreed that the Tribal/State leaders and Program Directors would be invited to comment on the proposed funding methodology. Also, they would be provided a chart that describes the other funding methodologies considered by the work group (and including the perceived advantages and disadvantages of each methodology), and would be invited to submit their own ideas for a funding methodology.

As of the March 16, 2006 conference call, there appear to be differences of opinion among work group members as to whether the proposal developed at the Dallas meeting (Option 6B on Draft Attachment E2) should be offered or should be the only proposal offered. Several work group members have expressed support of a funding methodology developed by Yunus Lakhani (Option 2 on Draft Attachment E2), which was discussed by the work group members in the March 9, 2006 conference call. Also, in the

March 9, 2006 conference call, 45% of the members in attendance expressed interest in reconsidering tailgating expenses and other cost drivers for inclusion in a funding methodology.

Nancy asked each work group member to provide input on whether the original position of the work group should be changed and more than one proposal should be offered. The comments included the following:

- There should be an attempt to cultivate unity among the work group members
- The work group should stand united behind one proposal
- Go with the majority vote, but allow the minority to include dissenting opinion in the package to the Tribal/State leaders and FDPIR Program Directors
- Only one proposal should be offered—if the work group cannot agree, how can we expect the Tribes and Program Directors to agree on one proposal
- Offer one proposal based on majority vote, and include a description of all the other proposals considered by the work group
- Offer two proposals—Option 2 and Option 6B
- Offer Option 2
- Offer Option 6B

One of the work group members recommended that any proposal offered by the work group must pass with 75%-80% of the vote of the work group members.

▪ **Work Group Assignments from the March 9, 2006 Conference Call**

Assignment #1) The work group members were provided the list of cost drivers and other considerations that was originally developed in the June 22, 2005 meeting. They were asked to identify those cost drivers that they want the work group to reconsider. They were also asked to identify any additional cost drivers that should be added.

Nancy reviewed the list of cost drivers:

- Participation
- Service Delivery
 - Certification
 - Ordering and storage of commodities (e.g., number of warehouses)
 - Issuance (e.g., number of issuance outlets; store concept; tailgating; home delivery)
 - Reporting
 - Outreach
 - Nutrition Education
 - Training
- Geographic area
- Tribal match
- Indirect cost rate
- Tribal/State Human Resources policies (e.g., salary levels, COLAS, etc.)

Nancy asked each work group member in attendance to provide their input. Of the 12 work group members, 8 members supported the decisions that led to the development of Option 6B and did not feel that it was necessary to reconsider the other cost drivers. The comments included the following:

- Option 6B meets the work group's objective of a fair and simple methodology.
- Option 6B does the best job at capturing service delivery factors since participation is a primary cost driver.
- The current level of administrative funding provided by FNS can not cover all costs, so we can not look at all the individual cost factors [Note: this gets back to the original goal: to divide up the pie equitably, not decide how big the pie should be].
- It would be impossible to take into account all the unique differences among the ITOs in a funding formula.
- Under Option 6B, the grant amount (based primarily on participation) is designed to cover the basic program costs that are common to all programs; the Regional Negotiated Amount is designed to provide funding to the ITOs to cover those unique differences, like tailgating, that can not be properly captured under a formula.

Three of the work group members expressed interest in reconsidering all or most of the cost drivers identified. The comments included the following:

- All of the cost drivers should be reconsidered.
- Participation is a primary cost driver but it does not account for the fact that accessibility can be limited by the amount of the allocation received (e.g., a reduction in funding would restrict operations and could lead to a decline in participation due to reduced accessibility).
- Option 2 takes most cost drivers into account since it is based on past allocations and participation. [It was noted that there appears to be a circular reference in the Option 2 calculation. Nancy will continue to try to resolve this with Yunus Lakhani who proposed the funding methodology.]

One work group member did not offer comments.

Assignment #2) Those work group members that support the inclusion of tailgating, or any other cost drivers, as part of a proposed funding methodology, were asked to provide Nancy with a detailed description of their proposed methodology so she can prepare handouts for the work group members.

Two proposals are currently under consideration by the work group—Option 2 and Option 6B. Nancy asked the three work group members that supported reconsideration of the cost drivers if they had a proposal they would like to present. Two expressed support of Option 2. One work group member stated that he would develop an alternative methodology to Option 2 and Option 6B. Nancy asked the work group member to provide her with a description as soon as possible so she can develop handouts for the work group members (e.g., spreadsheets and a written description).

- **January 31, 2006 Proposal to Change the Percentage of the Regional Negotiated Funding Amount in Option 6B**

Nancy pointed out the effect of changing the percentage of the Regional Negotiated Funding Amount (i.e., the smaller the percentage, the more funds that go directly to the ITOs via the grant amount and less money held by the Regions to negotiate with the ITOs in order to accommodate the unique differences among the ITOs). Nancy asked each of the work group members in attendance to provide input on this issue. Of the 12 members in attendance, 8 members voted to retain the proposed 15%; one member voted to change it to 10%, and 3 members did not voice a preference.

- The time had run out on the conference call so Nancy said that the remaining item on today's agenda would be moved to next week's agenda (i.e., Funds provided to the Montana and North Dakota State agencies for warehousing and multi-food deliveries to ITOs within and outside these States). Also, a work group member had previously asked to include the tribal match as a topic on the agenda, so that will also be added to next week's agenda. Nancy asked the work group members to provide her with additional agenda items.
- **The next conference call is scheduled for Thursday, March 30 from 3-4:30pm Eastern time.**

Attachment: Draft Attachment E2, Methodologies Considered