

**FDPIR Funding Work Group
September 6, 2006 Conference Call Notes**

Attending	Not Attending
Thomas Yellowhair, Navajo Nation	Susie Roy, NAFDPIR Midwest Region Vice-President/Leech Lake Chippewa
Lindsay Rayon, Muscogee (Creek) Nation	Melanie Casey, Facilitator
Red Gates, NAFDPIR Mountain Plains Region Vice-President/Standing Rock Sioux	
Melinda Newport, Chickasaw Nation	
Gale Dills, Cherokee Tribe of North Carolina	
Nancy Egan., WAFDPIR President/Shoshone-Paiute Tribes	
Tony Nertoli, NAFDPIR President/Sault Ste. Marie Tribe of Chippewa Indians	
Elvira Jarka, FNS-MWRO	
Don DeBoer, FNS-MPRO	
Madeline Viens, FNS-WRO	
Chris Hennelly, FNS-SWRO	
Laura Castro, FNS-HQ, FDD	
Nancy Theodore, FNS-HQ (staff support)	

Melanie Casey was ill and could not facilitate the conference call.

General comments from the work group members: Nancy Theodore asked the work group members if they had any general comments.

- Red Gates stated that he concurred with Thomas Yellowhair’s email message in which Thomas expressed concern about putting “the cart before the horse” regarding decisions on some of the issues before the work group. Red also stated that he would report on the work group’s progress at a meeting of Tribal leaders in Bismarck, ND.
- Don DeBoer expressed concern that the work group needs to maintain momentum to ensure that we have a methodology in place by FY 2008.
- Laura Castro reported that the new Under Secretary, Nancy Montanez Johner, has been briefed on the work group. The Under Secretary is interested in seeing the work group’s product and attending the next NAFDPIR meeting.
- Thomas Yellowhair stated that some Tribes are questioning the need for a revision to the funding methodology. Laura explained the origin of the work group and stated that there is no common definition of an “underfunded” ITO. Laura also noted that the current budget process is time-consuming for the FNS Regional Offices and ITOs/State agencies.
- Red stated that we will need to be clear about the problems that the work group is trying to solve.
- Red reported that Tribal leaders had expressed concern about warehousing expenses for MT/ND coming out of administrative funds and asked why FNS can not take action to remedy this. Nancy

Theodore explained that this is a legal and operational issue and said she would send something in writing to Red and the other members. Nancy also pointed out that the work group had agreed to include a recommendation in the preliminary recommendation addressing this issue. [Draft language is included in the draft Attachment C.]

Draft notes from the August 10, 2006 conference call: Nancy Theodore asked the work group members if anyone had changes to the notes. No one offered any changes.

Determination of the funding amount to be used in the Component 2 calculation: This calculation would allocate funds based on 5% of the **highest** funding amount in a 3-year period. Red Gates, in the August 10, 2006 conference call, expressed concern that if federal allocation amounts were used in the Component 2 calculation, there would be no accounting for funds that were unspent by the ITOs/State agencies. Prior to the conference call, Nancy Theodore sent an email to the work group members requesting input on this issue. The email also inquired whether large capital expenditures should be excluded from the amounts used in the calculation and how should “large” be defined.

Seven of the 13 work group members responded to the request for input. Three members responded that they preferred to use the federal allocation amount, excluding large capital expenditures; 3 members responded that they preferred to use actual expenditure amounts (Federal share of outlays and unliquidated obligations); 1 member responded that actual expenditure amounts should be used, excluding large capital expenditures. The suggested limits for excluding large capital expenditures were \$20,000 and \$50,000.

There was discussion about this issue and the implications of using federal allocation amounts vs. actual expenditure amounts (e.g., when using actual expenditures, data from the most recent prior fiscal year would not be available; if large capital expenditures are not accounted for, an ITO may receive additional funding for a past one-time expenditure [a \$100,000 expenditure would result in an additional \$5000 in funding]). Each work group member in attendance was asked his/her opinion. The majority of members wanted to use actual expenditures, but exclude large capital expenditures of \$50,000 or more.

Guidelines for reallocation of funds: The issue for the work group was whether to develop the guidelines at this time **or** request input from the Tribal/State leaders and develop the guidelines later. Prior to the conference call, Nancy T. requested input on this issue, and 7 of the 13 work group members responded: 3 said develop the guidelines now; 4 said develop later. In the conference call, the work group members agreed to develop the guidelines later.

Guidelines for negotiation: The issue for the work group was whether to develop the guidelines at this time **or** request input from the Tribal/State leaders and develop the guidelines later. Prior to the conference call, Nancy T. requested input on this issue, and 7 of the 13 work group members responded: 2 said develop the guidelines now; 5 said develop later. In the conference call, the work group members agreed to develop the guidelines later.

Proposal for addressing MT and ND administrative funding needs: The Mountain Plains Regional Office is still working on this and hopes to have a proposal for the work group soon.

MT and ND warehousing funding: This issue generated additional discussion. Nancy pointed out that the work group had agreed to include a recommendation in the preliminary recommendation addressing this issue. [Draft language is included in the draft Attachment C.] Nancy T. also commented that the work group needed to move forward on the preliminary recommendation and that this issue could be addressed on a separate track. The new funding methodology would be implemented in FY 2008, at the

earliest. The National Warehouse Contract would soon be implemented, and there was hope that the ITOs served respectively by MT and ND could eventually be absorbed under the new system. Thomas Yellowhair asked if this issue could be presented to FNS' Administrator now, rather than waiting for the work group's recommendation to be finalized. Laura responded that she would check on the status of the National Warehouse Contract award.

Percentage of set-aside for Regional Negotiated Funding Amount – At the July meeting the work group narrowed the range for the percentage to 10%-15%, but no final decision was made on the specific percentage to include in the preliminary recommendation. The issue at hand for the work group is whether it wants to decide on a specific percentage at this time or present the range of 10%-15% to the Tribal/State leaders for their comment. The work group agreed to try to decide on a specific percentage prior to issuing the preliminary recommendation. Since time was running out on the conference call, Nancy T. suggested that she ask for input via email and present the results at the next conference call.

Consultation – Nancy T. reported that the decision memo on consultation was in clearance. She will advise the work group when a decision is made.

The next conference call is scheduled for September 12, 2006 at 12:30 Eastern time.

Assignments:

Work Group Member(s)	Action	Due Date
All Work Group Members	Provide input to Nancy T. via email on the specific percentage (i.e., 10%-15%) you recommend for the Regional Negotiated Funding Amount set aside.	Due ASAP prepare to discuss on 9/12/06
All Work Group Members	Review the draft Q&As and provide the input to Nancy T. via email:	prepare to discuss on 9/12/06
Don DeBoer	Recommend a proposal for the handling of administrative funding for the MT and ND State agencies	prepare to report to work group on 9/12/06
All Work Group Members	Review draft Action Plan and provide suggested changes to Nancy T. via email	prepare to discuss in call TBD

Work Group Member(s)	Action	Due Date
Nancy Theodore	Forward draft preliminary recommendation package to work group members	Completed 8/24/06
All Work Group Members	Review cover letter and attachments of the draft preliminary recommendation package and provide Nancy T. with suggested changes via email	prepare to discuss in call TBD
FNS lead, with input from Work Group Members	Develop a plan for consultation	Nancy T. will report to work group on the Administrator's response to the decision memo