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FDPIR TRIBAL CONSULTATION MEETING

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January 10, 2007  
9:10 a.m. to 11:10 a.m.  
Radisson Hotel and Conference Center  
Green Bay, WI

APPEARANCES

OLLICE C. HOLDEN, Midwest Regional Administrator.

KATE HOUSTON, Deputy Administrator for Special  
Nutrition Programs.

LAURA CASTRO, Branch Chief FD Policy Branch.

ELVIRA JARKA, Regional Director, Special Nutrition  
Programs.

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P R O C E E D I N G S

MR. HOLDEN: Good morning. Thank you for joining us here today. This is an occasion that is important to us, and I'm sure it's important to you. I am Ollice Holden, the regional administrator for Food and Nutrition Service's midwest region in Chicago. With me are my staff, Elvira Jarka, she is the regional director of Special Nutrition Programs, and senior officials and staff from Food and Nutrition Service's national office in Alexandria, Virginia, is Kate Houston, she is deputy administrator for Special Nutrition Programs, and Laura Castro, who is policy branch chief for the food distribution division.

Today, of course, we are going to look at the administrative policy and formulation, and before we get started, I'd like to have Kate Houston make a few opening remarks. Kate?

MS. HOUSTON: Good morning everyone. I will keep this very brief. I joined the Food and Nutrition Service's Department of Agriculture in October, so I am relatively new to the department, and I was really looking forward to coming here to have the first opportunity to get to know all of you.

MR. DESCHAMPE: We can't hear.

1 MS. HOUSTON: I can speak up. Better?

2 MR. DESCHAMPE: A little bit better.

3 MS. HOUSTON: I don't want to blast out the  
4 people in the room.

5 MR. DESCHAMPE: It's fading in and out.

6 MS. HOUSTON: Why don't I stand over here,  
7 because my voice carries, and this way I'll be closer  
8 to the microphone. Can you hear better now?

9 MR. DESCHAMPE: Great, yes.

10 MS. HOUSTON: My name is Kate, I'm the new  
11 deputy administrator of Special Nutrition Programs at  
12 the Department of Agriculture, and I'm relatively new  
13 to the position and to the department arriving in  
14 mid-October. While I'm new to the department, I'm  
15 not new to nutrition programs and policy. I came  
16 from Capitol Hill, where I worked for five years on  
17 child nutrition programs. FDPIR, of course, is  
18 within the jurisdiction of the Department of  
19 Agriculture, so I spent less time working on FDPIR  
20 programs but a lot of time thinking about nutrition  
21 programs and how best to meet the nutritional needs  
22 of the country in general.

23 I am very delighted that all of you have  
24 come here today, and I think this is an important  
25 part of a larger process that has been ongoing for I

1 think several years now. I am grateful for the work  
2 of the working group and the product that they put  
3 forward, and I think today represents an important  
4 step in the process, an opportunity to hear from you  
5 all about ways in which we may improve upon what we  
6 have worked out. So, thank you again for coming  
7 today, taking time out of your busy schedules, and we  
8 really look forward to hearing your comments.

9 MR. HOLDEN: Thank you, Kate. Can you hear  
10 me over there, can you hear me?

11 MS. JARKA: Hello?

12 MR. DESCHAMPE: Hello.

13 MS. JARKA: We just want to make sure you  
14 are still there.

15 MR. HOLDEN: As Kate indicated, this meeting  
16 is a key milestone in an important process to address  
17 the concerns in the way that FDPIR administrative  
18 funds are allocated. The current method involves the  
19 distribution of appropriated funds to the Food and  
20 Nutrition Service regional offices, and, based on a  
21 fixed percentage, they have the ability to allocate  
22 those funds, and they have done that over the years  
23 just using those fixed percentages.

24 MR. DESCHAMPE: Are we having the same  
25 problem again?

1 MS. JARKA: Are you still not able to hear?

2 MR. DESCHAMPE: It's cutting out.

3 MR. HOLDEN: The best laid plans by mice and  
4 men sometimes go astray. As Kate indicated before,  
5 each region is allocated funds from the appropriated  
6 funds, and each office gets a fixed percentage that  
7 has been used for many years. Each regional office  
8 has developed its own method of funds allocation,  
9 funds allocation to each participating Indian tribal  
10 organization and state agency. Food and Nutrition  
11 Service leadership has heard your concerns over the  
12 years about funding inequities among the programs,  
13 and administrative funds per participant ranges from  
14 just over \$100 to \$2,000. We are all spending a  
15 great deal of time in the process of developing,  
16 reviewing, and negotiating individual budgets for  
17 each FDPIR program, and we are all mindful and know  
18 that we have to make the best use of the staff that  
19 we have, which is limited.

20 We have taken every step to ensure that the  
21 changes to the funding allocation are considered in  
22 an open and transparent process. The involvement of  
23 tribal and state agency officials and representatives  
24 of program participants is critical to the success of  
25 this process, and our common goal is to strengthen

1 the FDPIR program so that the eligible individuals  
2 have access to a healthy diet. The purpose of this  
3 meeting is to seek your input on the proposal  
4 developed by the FDPIR funding work group for a new  
5 methodology for the allocation of FDPIR  
6 administrative funds. The work group members have  
7 worked diligently in the process of the development  
8 of this allocation methodology. In a few minutes,  
9 Laura will go through the process of the proposal and  
10 how it will work, and at some point in the meeting  
11 today you will have the opportunity to give your  
12 input and ask questions about this process. Laura?

13 MS. CASTRO: Thank you, Ollice. I want to,  
14 first of all, go around and do introductions, because  
15 I know I've met some of you, but perhaps not all of  
16 you, and I think we have one other group joining us  
17 by phone.

18 MR. HOLDEN: Why don't we start on this end.

19 ATTENDEE INTRODUCTIONS: My name is Melisa  
20 Corbine, Bad River Band food distribution  
21 coordinator. Susie Roy, program director for the  
22 Leech Lake Band of Ojibwe. George Goggleye, Jr.,  
23 Chairman, Leech Lake Band of Ojibwe. Betty Graveen,  
24 program director for the food distribution program in  
25 Lac du Flambeau, Wisconsin. Connie Corbine, Lac

1 Courte Oreilles tribal counsel member. Pat Roberts,  
2 program director for Menominee. Ed Delgado, tribal  
3 counselor, Oneida tribe. Tony Nertoli, tribal  
4 program director Sault Ste. Marie Tribe of Chippewa  
5 Indians. Jennifer Gauthier, administrative offices  
6 in Menominee.

7 MR. HOLDEN: Could you speak up?

8 CONTINUED ATTENDEE INTRODUCTIONS: Jennifer  
9 Gauthier, administrative services offices in  
10 Menominee.

11 MR. HOLDEN: Thank you.

12 MS. CASTRO: On the phone, can you introduce  
13 yourself?

14 CONTINUED ATTENDEE INTRODUCTIONS: Norman  
15 Deschampe, Grand Portage of Lake Superior Chippewa,  
16 and with me is John Morrin, vice chairman, and  
17 Lorraine Wipson of tribal counsel.

18 MS. CASTRO: Anyone else on the line?

19 MR. WILSON: Pat Wilson, Tribal Ogema.  
20 Along with me is Yvonne Theodore and Frances  
21 Lawrence, food distribution manager.

22 MS. CASTRO: Anyone else on the line? To  
23 make sure everyone can hear me in the room and on the  
24 phone, would it be all right if I sat here and did my  
25 presentation rather than go up to the podium? Can



1           everybody see and hear me?

2                           UNIDENTIFIED MAN: That works for us, we  
3           can hear you real clear.

4                           MS. CASTRO: I will just mention, my name is  
5           Laura Castro, I'm the branch chief of the food  
6           distribution division's policy branch, but I am here  
7           today in the capacity of being one of the members of  
8           the FNS working group that put together the proposed  
9           funding methodology that we are going to share with  
10          you today. There are a few other members that I want  
11          to recognize in the room. One is Elvira Jarka,  
12          sitting here in the front row. Susie Roy and Tony  
13          Nertoli have all been on our working group as well.  
14          What I want to do today is give you a brief overview  
15          of the proposal. I'm going to be covering the same  
16          material that's in the November 28 package that was  
17          mailed to all the tribal chairmen, but I'm going to  
18          illustrate the proposal with some examples. In doing  
19          that, I hope to be able to answer some of the  
20          questions you might have about the proposal, and I  
21          imagine there's one that's on everyone's mind, I want  
22          to address it up front, and that is, will my program  
23          lose funding as a result of this funding methodology.

24                           The work group has developed a gradual  
25          limitation plan that would mean that no state agency

1 or Indian tribal organization operating FDPIR would  
2 face a reduction in funding while we are implementing  
3 the methodology. We would phase it in in order to  
4 avoid any reductions. So that's something that was  
5 very important to the work group, and I want to  
6 mention that up front so that you have that context  
7 as you are listening to the proposal.

8 With that in mind, let's go to to the first  
9 slide. One of the other questions that you may have  
10 is why are we doing this, why do we need a new  
11 funding methodology for this program. One reason is  
12 we have heard from several programs -- I'll talk a  
13 little bit about some of the data that bears this  
14 out -- the current funding allocation process has  
15 created funding inequities we really need to address.  
16 A lot of those inequities are created by the current  
17 process Ollice walked you through a little bit, and  
18 I'm going to reiterate here to make sure everyone has  
19 a good understanding of how this goes.

20 What we do right now is we allocate  
21 funding, the administrative funds we get from  
22 Congress, which is probably about \$25/\$27 million a  
23 year right now for FDPIR administrative funding, we  
24 take that out of over \$25 million, we divide it  
25 amongst each of the six FNS regions that have FDPIR

1 programs using fixed percentages that have not  
2 changed in over a decade, they do not change from  
3 year to year. So, for example, in the midwest  
4 region, every year we take about 11 percent of that  
5 roughly \$25 million and give it to the midwest  
6 region. The midwest region, as you know, in turn,  
7 works with you to individually review and negotiate  
8 budgets and allocates the funds from there. What  
9 ends up happening when all this happens across the  
10 country is we have very different funding processes,  
11 both in terms of how each region negotiates funds,  
12 but, also, the amount of funding that each program  
13 gets, and a lot of times there doesn't seem to  
14 necessarily be the same underpinning for funding.

15 So on the slide here we show that in fiscal  
16 year 2006, FDPIR administrative funding ranged from  
17 about \$129 to a little over \$1,800 per participant.  
18 And we are not saying there shouldn't be some range,  
19 that there isn't a reason, necessarily, for having  
20 the range, but what we are saying is we are not sure  
21 there's any operational differences that can explain  
22 that, because right now we don't have a way to make  
23 sure that those kinds of differences are being taken  
24 into account in every region consistently.

25 One of the handouts you got today is a list

1 of all of the FDPIR programs across the country, it's  
2 arranged by region, and in that handout, we wanted to  
3 show you the participation levels and the funding  
4 levels for each of the programs across the country in  
5 case you are not as familiar with programs outside of  
6 your own. In the last column is the per participant  
7 funding amount for each of the programs. You'll see  
8 there are some programs that have very similar sizes  
9 in terms of participants, but the amount of funding  
10 that they get is very different, and that happens  
11 both within regions and between regions. So that's  
12 one thing that we are looking to address, or at least  
13 provide some basis for rationally advocating funding.

14 Another point, again, Ollice made earlier,  
15 was the fact that right now our current budget  
16 negotiation process is time-consuming for both the  
17 FNS staff and your programs as well in that we are  
18 negotiating more than 100 different budgets every  
19 year, and certainly our staff has been shrinking, it  
20 is very limited, and I'm sure you all face the same  
21 constraints, so we wanted to make a process that is  
22 as efficient as possible and still make sure that we  
23 are getting the funding out in an effective way. So  
24 that's why we are doing this.

25 The next slide goes into a little bit of

1 the how, and we had a work group that was convened in  
2 2005 and charged with the development of a proposal  
3 for a new funding methodology. There were three  
4 overall objectives here. One, to allocate funds on  
5 an equitable basis; second, to be objective and easy,  
6 a formula or methodology that's objective and easy to  
7 understand; and come up with a methodology that's  
8 administratively efficient to implement.

9 In terms of our work group, I introduced a  
10 few of us here, but the work group overall had 13  
11 members. Eight came from ITOs and state agencies  
12 that administer FDPIR, including the president and  
13 the regional vice presidents from the National  
14 Association of Food Distribution Programs on Indian  
15 Reservations, and we also had five representatives  
16 from FNS headquarters and the regions that have FDPIR  
17 programs. So the work group has been meeting since  
18 May 2005, and has developed a preliminary proposal  
19 that was mailed to each of the tribal chairmen on  
20 November 28 of 2006. In that package was the  
21 proposal itself, and, also, a request for comments.

22 The work group is definitely very committed  
23 to getting as much feedback as possible, so we are  
24 trying to make as many avenues or mechanisms for  
25 feedback on the proposal. These meetings are one

1 source, and we have listed there the other three  
2 meetings that are going to be happening across the  
3 country where we have invited all tribal chairmen and  
4 their representatives to come and talk to us about  
5 what they would like to see with the funding  
6 methodology. In addition, if you have any written  
7 comments you brought with you today, we'd be happy to  
8 take them, or we will be accepting written comments  
9 up through March 16. Your package you got on the  
10 28th gives you the address for submitting those  
11 comments, and if you have any questions about the  
12 process, certainly get in touch with your regional  
13 offices, and they can make sure that your comments  
14 get to the working group.

15 The work group, when it first started  
16 meeting, gathered an awful lot of data on FDPIR  
17 programs. We looked at things such as the  
18 operational expenses of each of the programs,  
19 participation levels, indirect cost rates, matching  
20 rates, staffing levels, the geographic areas that  
21 were served by the different programs, the extent of  
22 tailgating and home delivery operations, and salary  
23 levels. After we collected the data, we also went  
24 through a process of developing guidelines or  
25 overarching principalities we wanted any proposal to

1 meet. I've listed those on the slide today.

2           The first one, again, given the current  
3 inequities, it was very important the proposal treat  
4 all ITOs and state agencies fairly. It was important  
5 that the proposal consider operational differences  
6 between individual programs. And that leads to the  
7 third guideline there, the work group realized that a  
8 strict funding formula would not be able to account  
9 for the differences that each of the programs has, so  
10 the work group felt it was important to maintain some  
11 component for negotiation, and this proposal does do  
12 that. We also wanted to streamline the process as  
13 much as possible, maintaining these other important  
14 objectives as well, and have a proposal that was  
15 transparent. So we were looking for a methodology  
16 that would be clear, that we could easily explain and  
17 talk to one another about, and that would be  
18 administratively efficient to implement.

19           As we were going through and looking at the  
20 data and talking about what we wanted to have in the  
21 methodology, we realized participation is a primary  
22 cross-driver in a lot of the programs, but we  
23 realized participation-based methodology wouldn't  
24 necessarily provide sufficient funding to very small  
25 programs. All programs have a set level of fixed

1 costs that come with just setting up the program. So  
2 we wanted to make sure we were taking care of the  
3 smallest programs as well, and they received  
4 sufficient funding.

5 Another critical feature I mentioned once  
6 and I will go into more detail about later is the  
7 gradual implementation plan, so that ITOs and state  
8 agencies aren't facing a severe reduction in funding  
9 when we implement this particular proposal. We  
10 wanted an objective process where we could try to  
11 filter out as much bias or subjectivity as possible.  
12 Just as everything I'm going through today is  
13 something that the work group is asking for feedback  
14 on, so these guidelines, if there's anything there  
15 that you think is either something you support or  
16 something that you think is not important for funding  
17 methodology, please share that with us, because that  
18 will be very helpful to the work group in finalizing  
19 our proposal.

20 So now I've given you a little bit of  
21 context and background, and I want to now get into  
22 the proposal and describe the concepts and show you  
23 an example of how this would work. Under our  
24 preliminary proposal there were two mechanisms by  
25 which each of the FDPIR programs could receive



1 funding, so what would happen is each year when we  
2 get our appropriation from Congress, the roughly \$25  
3 million that we get nationally for administrative  
4 funding, we would divide that into two funding  
5 streams: a basic grant amount and regional  
6 negotiated amount. Let me mention briefly as an  
7 aside that there's also a third funding stream, a  
8 very small one for nutrition education, and the work  
9 group has basically not made any change to how we do  
10 nutrition education funding. Most of you probably  
11 know we take \$200,000 off our federal appropriation  
12 right now nationally, give that out to the regions  
13 for nutrition education funding, and at the moment  
14 the work group is not making any changes to that.  
15 What we are looking at is everything else. So still  
16 we are talking roughly \$25 million in administrative  
17 funding for purposes other than nutrition education.

18 So with that \$25 million we divide it up  
19 into the two components: the basic grant amount and  
20 the regional negotiated amount. I'm going to talk  
21 about the regional negotiated amount in a few  
22 minutes, but let me say here the work group has  
23 proposed that 15 percent of the funding be devoted to  
24 the regional negotiated amount, so we would divide  
25 that 25 million roughly 15 percent for the regional

1 negotiated amount and the remaining 85 percent would  
2 go towards the basic grant amount.

3 I am going to now start walking you through  
4 the 85 percent of the national appropriation, which  
5 would go towards the basic grant amount. The purpose  
6 of the basic grant is to accommodate the basic  
7 administrative needs that all of the programs share  
8 no matter what their size or type of operation, and  
9 every program would receive a basic grant amount.  
10 The basic grant amount is comprised of three  
11 components I'm going to talk about, but it's all  
12 based on data that we have available at the regional  
13 office headquarters, so it's something we would  
14 calculate at headquarters. Because it's a  
15 formula-based component, it would help us streamline  
16 the process of getting our funds out to the programs.

17 So the basic grant amount has three  
18 components, each of which addresses some of the  
19 guidelines that I talked about earlier. The first  
20 component we refer to as a fixed base amount, the  
21 second component is based on past expenditures, and  
22 the third component is a participation-driven  
23 component. I am going to break each of those down  
24 for you.

25 The first component, the fixed base amount,

1           this is probably the clearest and simplest piece of  
2           the whole proposal in that right away every program  
3           starts out with \$10,000. You can think about that as  
4           a floor. That's the amount of funding everyone would  
5           get right away. The reason we are doing this is to  
6           make sure that programs with the fewest participants  
7           kind of get an underpinning of funds to start off  
8           with. How did we decide \$10,000? Well, the work  
9           group looked at the funding levels for the various  
10          programs and particularly the funding levels of those  
11          with the fewest participants right now. We decided  
12          that a \$10,000 fixed base amount combined with the  
13          amount of funding that those programs were likely to  
14          get under the other funding streams would be a  
15          reasonable starting point for all the FDPIR programs.  
16          We did consider looking at different base amounts,  
17          either for all programs or actually tiering them  
18          where, say, small programs would get one base amount  
19          and larger programs would get a higher base amount,  
20          and we did not put that forth in this proposal  
21          because we couldn't determine a way to do that  
22          without creating some subjectivity and bias in terms  
23          of creating the tiers and the base amounts. But that  
24          was something we considered and, here again, we  
25          welcome your input on whether or not having a base

1 amount is a good component for a funding methodology,  
2 whether or not the base amount makes sense, or  
3 whether or not we should have variable base amounts.

4 The next component, component two, is based  
5 on past expenditures, and what we would do here is  
6 take five percent of the highest expenditure,  
7 excluding any large capital expenditures or nutrition  
8 education that each program had over the last three  
9 fiscal years. And the reason for this component is  
10 to account for historical spending levels by ITOs and  
11 state agencies and, also, to account for any funds  
12 that a program may have turned back and not spent.  
13 So let me show you on the next slide an example of  
14 how this one would work.

15 Let's say we have a program that for the  
16 last three fiscal years had the expenditures that you  
17 see in the second column, again, these are the  
18 federal share of the expenditures, so \$450,000 in FY  
19 '03, \$475,000 in FY '04, \$500,000 in FY '05. We take  
20 out any capital expenditures that are over \$50,000,  
21 so in each of those fiscal years the only year in  
22 which there was a large capital expenditure was FY  
23 '05, so there we subtract out \$55,000 and come up  
24 with the amounts you see in the third column. We  
25 would then select the largest of those three, which

1 in this case is \$475,000, and take five percent of  
2 that. Again, we chose the three-year time period to  
3 account for any fluctuations that may have happened,  
4 any one-time kind of bump-ups or bump-downs, and  
5 taking out the capital expenditures also doesn't  
6 reward or punish anyone for having a large one-time  
7 expense. So that's component two.

8 We'd like feedback on whether or not having  
9 a component based on past expenditures makes sense  
10 and, if so, is this the right way to do it  
11 proportionally with the rest of the funding formula.  
12 For most of the programs this would be a relatively  
13 small component of the funding because, again, we are  
14 only taking five percent of the expenditures for this  
15 component.

16 The next component, component three, is the  
17 basic grant amount, participation-driven component.  
18 This, for most of the programs, will provide the bulk  
19 of the funding, so let me make sure that we explain  
20 it. What will happen here is once we have given  
21 everyone \$10,000 and given them five percent of their  
22 high three expenditures over the last three fiscal  
23 years, the amount of money that's left in the whole  
24 pot for the basic grant amount, after we take out  
25 those two things, will then be split amongst all the

1 programs based on their national share of  
2 participation, and we are doing this because the work  
3 group felt participation is really a primary cost  
4 driver and that it is appropriate to base a large  
5 proportion of the funding based on the number of  
6 individuals served in the program. So, again, to  
7 account for fluctuations in participation, we are  
8 looking at a three-year average when we compute this  
9 share of participation. On the next slide I'll show  
10 an example of how this would work.

11 Let's say that after we give all of the  
12 programs the \$10,000 fixed base amount and then we  
13 also add in the five percent of the last three years,  
14 highest of the three years' expenditures, we have \$20  
15 million left. What we would do then is for each  
16 program take their last three years average monthly  
17 participation, average it, and come up in this  
18 particular example with 522. We would then divide  
19 that by the total participation nationally, which for  
20 this example is a little over \$100,000, and that  
21 comes up with a percentage, in this example, of .5040  
22 percent. And if you multiply that by 20 million, you  
23 get \$100,800.

24 On the next slide, we then sum up what we  
25 have done for this particular program so far. They

1 received a fixed base amount of \$10,000; past  
2 expenditures, \$23,750; and participation-driven  
3 amount we just computed of \$100,800, for a total of  
4 \$134,550 coming through on the first of the two  
5 funding streams as a basic grant amount.

6           The next page is a question that I'm sure  
7 you all have as well, what if that's not enough?  
8 Once headquarters calculates my basic amount and the  
9 region tells me what it is, what if that's not enough  
10 to fund our program? That's where the regional  
11 negotiated amount comes in, and that's exactly why we  
12 included that second funding mechanism as well. As I  
13 mentioned earlier, each regional office is going to  
14 receive a pot of funds, about 15 percent of the  
15 national appropriation, that they can then use to  
16 allocate to ITOs and state agencies to supplement the  
17 basic grant amount. This feature is designed to  
18 account for programs that have higher funding needs,  
19 either periodically or regularly, and the region  
20 would then be able to work individually with those  
21 programs to see what those funding needs were and  
22 make decisions about how to fund those. This  
23 component also maintains the ability of each of the  
24 programs to negotiate a portion of the funding that  
25 they receive.

1                   As I mentioned, we are proposing 15 percent  
2                   for this regional negotiated amount at this point in  
3                   time. We certainly did look at different  
4                   percentages, and the work group members, I think,  
5                   still have different opinions about what percentage  
6                   is most appropriate, so we definitely want feedback  
7                   on whether or not there should be a regional  
8                   negotiated amount and, if so, how much of the funding  
9                   should come through that particular component. What  
10                  I wanted to do is show you on the next slide what  
11                  will happen if we bump the percentage -- first let me  
12                  show you how it's calculated, and then if we vary it,  
13                  what happens.

14                  On the next slide we show what the regional  
15                  negotiated amount would be computed for a region. So  
16                  here we are not talking about a program, we are  
17                  looking at the whole region. So we would total up  
18                  the participation for all the tribes, all the  
19                  programs in the region, and in this example you see  
20                  for the last three fiscal years it's hovered around  
21                  24,000, so it comes up with an average of 24,617.  
22                  Again, assuming a national participation level a  
23                  little over 100,000, that means this particular  
24                  region has 23.77 percent. So we would take that 15  
25                  percent of the \$25 million, and of that total pot of



1 funds, 23.77 percent would go to this particular  
2 region instead of the historical percentage that has  
3 been used to allocate funds so far.

4 The next slide talks a little bit about  
5 what would happen if we changed the regional  
6 negotiated percentage. Here we show in the middle a  
7 15 percent set-aside for regional negotiated amounts,  
8 assuming that we get, let's say, a little over \$25  
9 million nationally. That means that for all the  
10 regions, we would have the 941,000. I'm sorry, let  
11 me start again. We'd have \$25 million. We would  
12 then take 15 percent of that for the regional  
13 negotiated amount, and then this particular region  
14 that we just looked at has a 23.77 percent share of  
15 that, which equates to the 941,000 that you see there  
16 in the middle. If we vary the percentage that we  
17 give overall for the regional negotiated amount, that  
18 region's share of the funding would either go up or  
19 it would come down. But what that means is let's say  
20 we go to a 25 percent regional negotiated amount, it  
21 means there's less money available to be given out  
22 through that component that is based on your  
23 percentage share of national participation, so the  
24 third component of the basic grant amount. Since we  
25 are dealing with one pot of money, anytime we devote

1 more to the regional negotiated amount, it means less  
2 is given out through the basic grant amount, the  
3 participation-driven component of it. So that's  
4 something to think about as you are considering your  
5 thoughts on the methodology is what's an appropriate  
6 level for the regional negotiated funding amount. We  
7 certainly welcome your feedback on that.

8 Just to recap on the regional negotiated  
9 amount, the regional offices would allocate available  
10 funds to the ITOs and the State agencies based on  
11 need as determined through budget negotiations, and  
12 to ensure consistency across the regions, the work  
13 group would develop guidelines. We haven't done that  
14 yet, and it's something we would definitely like to  
15 get feedback on, what do you think are the  
16 appropriate guidelines that should be used by each of  
17 our regions in working with the individual programs  
18 on their budgets.

19 Now, the next slide, we have covered the  
20 components and showed you some sample calculations  
21 how it would work, now I want to outline the process,  
22 the time frames for you. How this would flow is in  
23 June of each year, FNS headquarters would calculate  
24 the ITOs/state agencies basic grant amount for the  
25 upcoming fiscal year. At that point in time we would

1 not have congressional appropriations yet, we would  
2 know what we proposed, so we would have a rough idea  
3 what we were going to receive in the upcoming fiscal  
4 year, so we would give out tentative basic grant  
5 amounts to each of the FDPIR programs. Those ITOs  
6 and state agencies that look at that basic grant  
7 amount and say, that makes sense for me, I can run my  
8 program on that amount of funding, they would not be  
9 required to submit a budget or do anything further.  
10 The regional offices would simply allocate the basic  
11 grant amount to those programs when the funding  
12 became available. If that was not the case, then on  
13 the next slide we talk about the ITOs and state  
14 agencies that require additional funding beyond what  
15 they get through the basic grant amount, a  
16 formula-like component of the methodology, would then  
17 need to submit a budget to their regional offices to  
18 justify their needs for supplemental funding through  
19 the regional negotiated amount.

20 Here again, I want to talk in more details  
21 about what we think is a very critical feature of the  
22 program, the gradual implementation plan. We all  
23 know that anytime we take a fixed pot of funds and we  
24 carve it up differently, it means there would be a  
25 potential for some programs to lose funding. We

1 didn't want that to happen because we know that  
2 everyone is accustomed to having a certain level of  
3 funding, and we need to recognize that the programs  
4 need to be run effectively as we transition into this  
5 new methodology. So what we wanted to avoid was  
6 having any ITO or state agency face an immediate  
7 significant reduction in funneling what we are  
8 proposing as a multiyear phased in implementation.

9           What we would do is provide each ITO and  
10 state agency a basic grant amount that is no less  
11 than the federal allocation that they received in the  
12 year prior to implementing this methodology. So if a  
13 program got \$500,000 in the year before we implement  
14 the methodology, they would get at least \$500,000 the  
15 next year. Since overall funding is limited to the  
16 appropriation we receive, what this means is we, in  
17 effect, could not give those tribes that would get  
18 increases otherwise, if we just ran the methodology,  
19 their full increases. So what we are doing is, in a  
20 sense, not fully implementing the methodology. We  
21 are going to run it, and for those who would benefit  
22 the new methodology, we would try to give them some  
23 increase, but we would use a lot of the funds to keep  
24 everybody whole from year to year, and we would do  
25 this for a number of years until we get to the point

1           where there's sufficient administrator funding in the  
2           program to be able to give everyone what they should  
3           actually have as a result of running the methodology  
4           but, at the same time, not causing a reduction in  
5           funds for any program for the prior year. It may  
6           also be necessary to limit the regional negotiated  
7           amount to keep every program whole. So the phased in  
8           implementation means that we essentially wouldn't be  
9           implementing the formula in its full force for a  
10          number of years, until we can have enough money to be  
11          able to keep everybody at least where they were in  
12          the previous fiscal year.

13                        So the next slide is a recap, an overview,  
14                        of what I've described. The federal appropriation  
15                        would be divided into these two funding streams,  
16                        basic grant amount and a regional negotiated amount.  
17                        The basic grant amount again is the formula-like  
18                        component we would calculate at headquarters, and it  
19                        consists of a fixed base amount of \$10,000, the five  
20                        percent of the highest or the last three years  
21                        federal expenditures for each program, and then an  
22                        amount based on your share of national participation.  
23                        Then at this point, we are saying 15 percent of total  
24                        national funding would go towards a regional  
25                        negotiated amount. That pot of funds would be

1 further distributed to each of the regions based on  
2 their share of participation based on the last three  
3 fiscal years. Finally, as I mentioned, we would have  
4 a gradual implementation plan that would avoid a  
5 reduction in funding for ITOs and state agencies as  
6 we phase in the methodology.

7 So the last slide is giving you information  
8 about where you can look for hopefully anything that  
9 you want to find out about the working group. We  
10 established a website, we have been using this to  
11 post information about our meetings and what we have  
12 been doing. The November 28 package, you've all had  
13 a chance to at least look through it, it has  
14 questions and answers, and I know we have made copies  
15 for you as well, and several working group members  
16 are here, so we can answer questions as well.

17 At this point, I think that's the  
18 conclusion of my presentation. I'll turn it back  
19 over to Ollice.

20 MR. HOLDEN: Okay. You have heard the  
21 presentation of the proposal which gave a very good  
22 overview of how the proposal will work. At this  
23 point we are getting ready to go into the second  
24 phase of the listening session where you will have an  
25 opportunity to give your comments, and we will

1 transcribe the comments that are made here today and  
2 provide those to the working group and to the senior  
3 officials at the national level for their review. As  
4 was indicated in your packet, if there are written  
5 comments, they need to be provided by March 16 to the  
6 working group, and, of course, the working group will  
7 take all of the information provided and what has  
8 come out of each of these listening sessions, and  
9 then they will be developing a final recommendation  
10 from that group to the administrative Food and  
11 Nutrition Service.

12 So we are now ready to hear your comments.  
13 If you would like to start, I don't know how we are  
14 going to do this, but who would like to be first to  
15 give comments? Step up to the mike.

16 MS. CASTRO: I have questions, too, because  
17 I know I went through that relatively quickly, and  
18 certainly this is an opportunity for asking questions  
19 as well any of us on the work group.

20 MR. HOLDEN: We will definitely try to make  
21 clarifications. It's supposed to be on.

22 MS. GRAVEEN: I have a question. Maybe you  
23 don't need it.

24 MR. HOLDEN: For the recorder, state your  
25 name.

1 MS. GRAVEEN: Betty Graveen from Lac du  
2 Flambeau. On these costs, is there any possibility  
3 of indirect cost rates, could there be an add-on from  
4 some funding source?

5 MR. HOLDEN: Did everyone hear the question?

6 MS. GRAVEEN: Because that is one of the  
7 things that takes away from our programs, one of the  
8 things.

9 MR. HOLDEN: The question was, could there  
10 be an add-on for indirect costs?

11 MS. GRAVEEN: And not included in our --

12 MR. HOLDEN: Not included in the formula  
13 grant amount?

14 MS. GRAVEEN: Right.

15 MR. HOLDEN: Is there a response to that, or  
16 do we come back with that later?

17 MS. CASTRO: What I would say at this point,  
18 that's something the work group could consider.  
19 That's the kind of feedback we are looking for is  
20 what haven't we gotten in looking at this.

21 MS. GRAVEEN: I don't know if that's the  
22 rule or if it's the law or what, but our tribe takes  
23 it just on salaries.

24 MS. JARKA: The work group did discuss  
25 indirect costs at great length, and basically had



1           decided there really wasn't anything we could  
2           influence, because the indirect cost is negotiated  
3           with another federal agency and it varies. It will  
4           be something that each ITO would have to work out  
5           themselves, but it is still something that we could  
6           look into again if a regulation would have to be  
7           changed to consider indirect costs because there are  
8           other federal programs that do have limitations on  
9           direct costs.

10                         MR. HOLDEN: Was that response heard on the  
11           phone there, on the conference phone?

12                         MS. CASTRO: Those of you participating by  
13           phone, did you hear the response?

14                         UNIDENTIFIED MAN: No, we didn't.

15                         MS. JARKA: I can try to repeat what I just  
16           said closer to the phone. This is Elvira Jarka, I  
17           have been a member of the work group and also was  
18           assigned to study the indirect costs and make a  
19           recommendation to the work group. Indirect cost is  
20           negotiated with another federal agency, and each ITO,  
21           as any state agency, as any local government agency,  
22           they determine what they want to include in indirect  
23           costs. So, for example, Betty says that hers is all  
24           salary. In some places, indirect costs would  
25           consider how much the electricity costs,

1 administrative support, county support, it varies,  
2 but it's something that the ITO negotiates, and it's  
3 just accepted by almost any other federal program.  
4 So the work group, basically, has set it aside  
5 waiting to hear what the other comments would be. So  
6 although we can't influence the rate of negotiation,  
7 there could be something that could be done in terms  
8 of the actual rules and regulations, because there  
9 are other federal programs that limit the amount of  
10 indirect costs that can be charged by a particular  
11 organization, head Start is one, but it is in the  
12 actual law of the program. So does that help clarify  
13 that a little bit?

14 MS. GRAVEEN: I guess there's a lot of  
15 programs through the Department of Interior that you  
16 can add that cost on instead of taking it out of the  
17 grant money.

18 MS. JARKA: Ah-huh.

19 MS. GRAVEEN: That was what I was --

20 MR. HOLDEN: What we will need to do is come  
21 back to you with a more definitive answer in the  
22 process that we are going to go through to try to  
23 address some of the comments that you bring forth  
24 today. There was someone who raised their hand?  
25 Identify yourself.

1 MS. ROY: Susie Roy from Leech Lake. What  
2 we do is go with the basic grant amount, some of this  
3 indirect costs, that would be the total. The base  
4 grant amount, even to start operating the programs,  
5 that is a certain.

6 MR. HOLDEN: Yes?

7 MS. ROBERTS: Pat Roberts from Menominee.  
8 I've done some calculation on this, and there are  
9 some of the smallest programs that actually would be  
10 gaining from this, there are some small programs that  
11 are losing a lot of money, and a lot of money, I  
12 think, seems to be from no consideration for a  
13 part-time employee.

14 MR. HOLDEN: The people on the phone can't  
15 hear, so you have to come up. Pat, restate.

16 MS. ROBERTS: My concern is for the smaller  
17 ITO. Some of the smallest ITOs I know in the  
18 calculations have received a little more money,  
19 others have lost a lot of money. And I think there's  
20 no consideration for some of the smaller ones that  
21 need the part-time worker, because there's a lot of  
22 them that cannot do everything or take a vacation or,  
23 you know, just handle everything by themselves. They  
24 need that extra help. And in looking at the formula,  
25 the five percent from past expenditures actually

1 benefits more the largest ITOs. It looks like about  
2 75 percent participation would benefit the largest  
3 ITOs.

4 MR. HOLDEN: Okay. Anyone else raise your  
5 hand? And you may need to come up to the mike so  
6 that the participants on the phone can hear. Anyone  
7 else? Yes, identify yourself.

8 MR. DELGADO: Ed Delgado, Oneida tribe.  
9 This is my first shot at this, so my understanding of  
10 it is very limited. I don't know about our  
11 administrative people within the tribe, maybe they  
12 know more, but just in case they don't know more, I  
13 don't feel as though I know enough. Is there a way I  
14 could find out more about this so I could -- I just  
15 don't know enough, and I need to find out. I  
16 appreciate, because by looking at some of this  
17 information, this just raises a lot more questions,  
18 and I just need to be schooled in this. Is there a  
19 way I could be?

20 MS. CASTRO: Yes. I think we could do a  
21 number of things. The November 28 package was the  
22 work group's attempt to explain in writing in as much  
23 detail as we could what the proposed methodology was,  
24 so I don't know if you had an opportunity to read  
25 through that package yet or not.

1                   MR. DELGADO: I've been reading through it,  
2                   and it's still --

3                   MS. CASTRO: You still have questions about  
4                   it, okay. We could do a couple of things. One is,  
5                   as I mentioned, there's several work members here in  
6                   the room, and so you can either get in touch with  
7                   Elvira at your regional level, or Susie or Tony, I'm  
8                   sure, would be happy to talk with you as well, and  
9                   just ask questions, and we will be happy to.

10                  MS. JARKA: If you can talk to any of us  
11                  with your specific questions, we can try to answer  
12                  them for the work group, or at least take the  
13                  questions to our next meeting and try to get answers.  
14                  The work group does meet very regularly. Anything  
15                  positive that you see about the funding formula  
16                  components?

17                  MR. DELGADO: I was sitting here, and my  
18                  initial understanding of this, the schedules here, I  
19                  don't know if this is past funding.

20                  MS. CASTRO: That's last fiscal year.

21                  MR. DELGADO: So this is based on past  
22                  funding, and future funding is based more on an  
23                  increased amount based on participation, that's the  
24                  way I understand it. I would agree with that.  
25                  Again, I wasn't sure if I understood it right.

1 MS. JARKA: Yes.

2 MR. DELGADO: Increased consideration of  
3 participation, I agree with that.

4 MR. HOLDEN: That is a portion for our  
5 participation. The lady on the right here raised her  
6 hand. Are you still --

7 MS. GAUTHIER: Jennifer from Menominee. I  
8 have two questions. My first question, was inflation  
9 considered in the basic grant amount, and if it was,  
10 at what percent per year?

11 MS. CASTRO: It's not an explicit part of  
12 the basic grant amount except that each year when we  
13 go to Congress to get the whole national funds, we  
14 request an inflation adjustment for the national pot,  
15 so that roughly 25 million goes up slightly every  
16 year for an inflation adjustment, which means there  
17 is more money each year for the basic grant amount.

18 MS. GAUTHIER: My next question is in  
19 regards to reallocation of an obligated fund, what is  
20 the process for that, and how do tribes go about  
21 asking for it?

22 MS. CASTRO: That's something the work group  
23 has yet to fully address. We have agreed that it's  
24 important. We want to do something to develop a  
25 process to take any funds that are turned back either

1 at the beginning of the year, say, for example, a  
2 program can't use all of its basic grant amount, or  
3 if during the course of the year there are funds it  
4 doesn't look like will be used. So that's something  
5 the work group has not yet addressed in materials of  
6 how that would happen. Again, we welcome input and  
7 feedback.

8 MS. GAUTHIER: Would those funds be possibly  
9 carried over into the next fiscal year or would they  
10 have to be spent within that fiscal year?

11 MS. CASTRO: At this point they have to be  
12 spent within the fiscal year. That's something that  
13 is federal law regulation, so we can't address that  
14 without a legislative change.

15 MS. GAUTHIER: Thank you.

16 MR. HOLDEN: I believe there was someone  
17 over on the left here, left-hand side, someone over  
18 there raising their hand. Tony?

19 MR. NERTOLI: Thank you. For purposes of  
20 those people up there, I have never needed a mike.  
21 Just a couple comments. First of all, to help  
22 everyone out, I sat on the funding methodology  
23 committee. I will, and thank you for the outline, I  
24 will comment extensively, but not today. One of the  
25 things, going over the budgets with the tribes, we

1 looked strictly at the federal allocation. I think  
2 the 25 percent match from the tribes has got to be  
3 looked at. I feel there's tribes that do not meet  
4 the 25 percent. In any of these things, I know they  
5 use what they call the word compelling justification.  
6 Any increase fiscally to their budgets has got to be  
7 considered differently. The second part of matching,  
8 there are a lot of tribes, I know the tribes from the  
9 midwest, most of them, do a hard match as opposed to  
10 a soft match. I would like to see that in these  
11 budgets because your costs -- some of the costs are  
12 phenomenal. Most of your smaller programs have  
13 extremely high costs. But the other side is what the  
14 tribe will match is they are doing it through  
15 compelling justification, 25 percent in kind by hard  
16 or by soft match. That has a definite impact on  
17 that.

18 The other thing that has an impact is that  
19 when your regions administer any funds as they  
20 currently are, all of your regions do not administer  
21 the program uniformly. I think that is really  
22 important. That's created a lot of the funding. I  
23 guess what I'm going to do based on my knowledge is  
24 make a recommendation that the national office take a  
25 look at this and use the midwest region's methodology



1 of administration, because speaking with our regional  
2 office, we did it by the book, other regions don't do  
3 it by the book, and that has made a lot of problems  
4 with it.

5 The other question I have right now is,  
6 again, I think you have to look at some of these  
7 state plans of operation. Just simply even going  
8 through this, your larger tribes and your smaller  
9 tribes, the costs are not equal, but the question  
10 comes back to is the state plan of operation and,  
11 again, comes back to the in kind services, how they  
12 are achieved.

13 My last question is, I've got a lot of  
14 chinks in this thing, I appreciate what came out of  
15 this is a first consultation with tribes, and I  
16 believe the real answer to any of this belongs with  
17 our elected officials carrying out the program, and I  
18 want to say from my tribe's perspective and from the  
19 midwest, because this is where we are at, we do an  
20 excellent job as employees of administering the  
21 program. Our region has always led the country in  
22 innovative ways in doing things, and in selection,  
23 and I think that reflects well on FNS employees and  
24 on our tribal program directors.

25 My question comes back to who will be the

1           senior officials that review this proposal and pass  
2           it on, because, basically, just to be frank with you,  
3           it's come from the secretary on down, and we haven't  
4           heard a whole lot from any of the top-appointed  
5           officials about the funding formula, and we got to do  
6           it. That's why I am glad we have tribal officials  
7           here that are elected so they can comment on it.  
8           That's all I have to say right now.

9                         MR. HOLDEN: Thanks, Tony.

10                        MR. NERTOLI: You are welcome.

11                        MR. HOLDEN: You gave us a lot of accolades.  
12           I feel good.

13                        MR. NERTOLI: It's true.

14                        MR. HOLDEN: Yes. Identify yourself so the  
15           stenographer can record your name.

16                        MR. GOGGLEEYE, JR.: George Goggleye, Jr.,  
17           chairman for the Leech Lake tribe. I guess, first of  
18           all, I want to say, I'm not very knowledgeable about  
19           this whole process as well, but I did have a chance  
20           to speak with two representatives of the group last  
21           night, and I have to share their concern with the  
22           proposed methodology that I think it negatively  
23           impacts, I'll speak on behalf of my tribe, it doesn't  
24           suit us, and that's why I think it's important, as  
25           Tony stated, for the leadership to maybe take on a

1           little bit more of a role here. I'm going to back up  
2           a little bit, because I'm going to point out some  
3           things to you guys as far as this consultation goes.

4                         You know, a lot of this stuff we have been  
5           hearing lately is something very new. Yeah, we want  
6           to get out and consult with the tribes, but in the  
7           end, it seems the administration has already made  
8           their mind up of what direction they are going to go.  
9           The president, he will issue his executive order and  
10          say, this is what we want to do, but, you know what,  
11          he's already made up his mind. I think the  
12          department has already made up their mind as well how  
13          this is going to be administered, so that's my  
14          concern.

15                        The trust responsibility is something I'm  
16          not sure if you are aware of that they have to the  
17          tribes, that's something that just seems to be  
18          forgotten when we start talking about these things.  
19          Realizing that there are a lot of people who are in  
20          need of nutrition services out there, you, the  
21          federal government, has an obligation to the tribes.  
22          My personal feeling is that there should not be any  
23          cuts anywhere. By treaty you have an obligation to  
24          provide that to us. It makes no difference how  
25          successful we are in our business or wherever, it

1 doesn't make a difference how large we are or how  
2 small we are, but that's a responsibility that  
3 exists.

4           The people that you see in this room here  
5 are tribal representatives for us, for me as a Leech  
6 Lake Band of Ojibwe. They will speak on behalf of  
7 us, and if there's concerns that they have, I would  
8 ask you listen to what they say, because to me they  
9 are the experts. They are the ones who are much more  
10 knowledgeable about program -- about this particular  
11 program than me as a tribal chairman. But when I sit  
12 down and listen to what they have to say, and I  
13 listen to their concerns, that makes me also  
14 concerned.

15           I'm not sure -- you used the term  
16 "equitable" in this methodology. I really would like  
17 to know exactly where that came from. What is  
18 equitable, that's the biggest question that I have.  
19 And why, where did this decision come from to say,  
20 okay, we need to look at this program, and we need to  
21 refine it so it serves all these people equitably. I  
22 think I need to know that as a tribal leader. I need  
23 to know of where this decision is coming from and by  
24 who.

25           I know you aren't going to be the ones that

1           make this decision, it's going to be handed up to  
2           somebody else. In the same fashion as these people  
3           working in here, they are not going to be the ones  
4           that make any decisions, because they are going to  
5           recommend to tribal leadership, and in the spirit of  
6           government to government relationship here, you know,  
7           we are on that same level. I believe that we are on  
8           the same level as the president, as a sojourn nation  
9           we make our own laws, so the only difference is the  
10          size of the country and the size of the nation and,  
11          of course, our nations, that's the only difference  
12          that exists. This treaties created that, gave us  
13          that right.

14                        So that's the one thing I'm going to ask  
15          that you honor when you go back and talk to your  
16          boss, that that's my feeling as Chairman George  
17          Goggleye's feeling from the Leech Lake Band, I think  
18          this process has to take a different approach because  
19          you are going to have some tribal leaders that are  
20          going to be adamantly opposed to this, you are  
21          probably going to have some that say, well, gee, this  
22          gives us a little bit more because maybe we are  
23          smaller, I don't know, but I think there has to be a  
24          lot more put into this than just a series of meetings  
25          that last over six months.

1 I've been involved in consultations with  
2 the bureau on the utility right of ways, and to me  
3 it's the same old thing. I'm not directing this at  
4 any of you, but it's more directed at the federal  
5 government. To me it's lip service. I don't want to  
6 hear that. For generations our people have been  
7 affected by decisions made by the United States of  
8 America, without really coming up here and saying how  
9 is this going to impact you, how is this going to  
10 impact your people.

11 My final word is you have an obligation, a  
12 trust obligation. I ask that you honor that and  
13 respect that. Whatever decision or whatever  
14 methodology that you have come up with, I've got some  
15 questions about that as well, so I will get to that  
16 at some point here, but my first message to all of  
17 you is what I've just said here. I think that's  
18 where we start. And if it means you go back to the  
19 drawing board and start this process all over again,  
20 maybe that's what you do, because I absolutely  
21 believe that tribal leadership must and has to be  
22 involved when you guys start making decisions that  
23 affect our people. Thank you.

24 MR. HOLDEN: Thank you. We will definitely  
25 transcribe in the notes what you've said.

1 MS. JARKA: Do you want to take the  
2 opportunity --

3 MR. HOLDEN: Hello?

4 MS. CASTRO: We do want to give an  
5 opportunity to those on the phone. One thing, I  
6 guess, I feel like I should do to make sure that  
7 everybody has as much information as we do and as is  
8 possible about the process, how we got here and how  
9 we are going to go forward. Let me just say that the  
10 working group was convened by the Food Nutrition  
11 Service's former undersecretary, Eric Bost, back in  
12 2005, and we describe in the November 28 package some  
13 of the things that led up to the formation of the  
14 work group. But it was convened because there were  
15 concerns that have been heard from individual FDPIR  
16 programs over a period of years about what they  
17 perceived as inequities in the process. So that was  
18 the primary reason that the work group was convened,  
19 to try to look at those and bring together both staff  
20 within the agency and those who operate the programs  
21 to take a look at the program from top to bottom and  
22 see if we could come up with a proposed methodology.  
23 As you can imagine, that's a very tall order, and I  
24 certainly would say all of us on the work group have  
25 worked very hard to come up with something that we

1 can put out for comment. I think all of us probably  
2 still have differing opinions about how much we feel  
3 supportive of individual pieces of the methodology,  
4 but it's the best that we as a working group felt we  
5 could come up with and put forward at this point in  
6 time.

7 What is slated to happen next is after the  
8 period for this round of comments closes, which,  
9 again, is March 16, the work group is going to get  
10 back together in April, consider all of the comments  
11 that came in, both in writing, here at the forums,  
12 look at the transcriptions that we are having done of  
13 each of the meetings, and we will all then talk about  
14 what we heard and decide whether or not we want to  
15 propose changes in the methodology. Once we come up  
16 with a final proposal, we would give that over to the  
17 administrator of the Food Nutrition Service for the  
18 consideration of what would be the final methodology.  
19 So we are still quite a ways from having a new  
20 methodology.

21 MR. GOGGLEYE, JR.: I guess my biggest  
22 concern is how this proposal looks to me is you are  
23 going to lump the tribes all into one group and  
24 service them in that fashion. That's not going to  
25 work. Like I said, you guys are going to take this



1 information back to wherever and it's going to be  
2 somebody else that makes that decision regardless.  
3 Like I said, all I'm asking is that you take the  
4 message back to your boss and say, you know what,  
5 listen to what these tribal representatives are  
6 saying, because as far as I'm concerned, they are on  
7 the same level as you guys, and I would ask that you  
8 treat them that way. They are working on behalf of  
9 our governments to carry the message that we want.  
10 They know best what works for our programs. Like I  
11 said, I understand everybody's differences, but I  
12 think those have to be taken into consideration. If  
13 the methodology is to put us all into one group and  
14 serve us in that fashion, I don't think that's going  
15 to work. It's not going to be as effective.

16 I see one of your goals is to be more  
17 efficient and effective in doing this, but I don't  
18 think that's going to happen. I think this has a lot  
19 of work to be done. To have comments by March and  
20 make a decision by April, I'd ask that you not, that  
21 you hold off. I ask that you -- I'm not sure if all  
22 tribes can do this, I guess I don't know, but I need  
23 to voice my opinion, and I also need to voice my  
24 opinion with Congressman Peterson and the elected  
25 delegation for Minnesota, because I'm just not real

1 clear how this is going to impact us.

2 MS. CASTRO: Just to clarify, we wouldn't  
3 make a decision in April, that would be the first  
4 time the work group would reconvene after hearing  
5 these meetings to start looking at comments. So it  
6 would be, I'm sure, months before we would be able --

7 MR. HOLDEN: In fact, April is just a target  
8 so that they can have -- would have received all of  
9 the comments and input that tribal organizations and  
10 state agencies have given us. I'm sure we are not  
11 going to come out with a decision in a few days  
12 behind that, because then we have to go through the  
13 whole process of looking at what we got as compared  
14 to what we had and see if there's anything else we  
15 can look at empirically, in terms of statistics, of  
16 the facts.

17 The word equitable, it kind of tries to  
18 level the playing field so that everybody is treated,  
19 the word is, fairly, because the complaints that we  
20 have been getting is that some are more fairly  
21 treated than others, and it's not based on size but,  
22 of course, you are looking at participation, you are  
23 looking at previous history, and if there's anything  
24 else that we can look at, we look to you to help us  
25 find that information or that thing that we can look

1 at that helps us make an appropriate solution to this  
2 problem of inequity that has existed. Some are  
3 treated better than others. I don't know if that's  
4 appropriate given that some need more and they are  
5 getting less.

6 MR. GOGGLEYE, JR.: I think the issue here  
7 is, is this a current administration initiative to  
8 streamline this program.

9 MR. HOLDEN: I don't know it from that  
10 perspective. Every year we are getting more  
11 potentially in terms of inflation, but not less, but  
12 it's still going out in a fashion that, the way we do  
13 it now, it's not scientific, we are just doing  
14 something based on percentages of the appropriation.  
15 Is it appropriate that the midwest region gets only  
16 11 percent, another region gets 25 or 30 percent of  
17 the appropriated dollars? We don't know. That's  
18 what we are looking at.

19 MR. GOGGLEYE, JR.: I guess the reason why I  
20 say that is you look at the history of this  
21 administration, and you look at everything that is  
22 labeled discretionary funding, and how it's not been  
23 a priority because of what discretionary funding  
24 serves. Do we consider the expenditures for the war  
25 in Iraq discretionary money? No, that's priority.

1           That's where I'm trying to get with this. I know you  
2           are just somebody who is going to take this back to  
3           another person, but I think it's important that they  
4           understand this is how I feel.

5                       MR. HOLDEN: That's why we are seeking your  
6           input.

7                       MR. GOGGLEYE, JR.: Was it the tribes that  
8           came to you and asked you to do this or you guys that  
9           came to the tribes?

10                      MR. HOLDEN: Historically, from my  
11           understanding, and Tony can speak to that, we have  
12           been receiving, according to the information I have,  
13           complaints about the inequities from tribal  
14           organizations. It's not something we jumped out and  
15           wanted to take on because we knew it would be  
16           controversial, so it's not like it's something --  
17           things could go on like they always have and we'd  
18           still have complaints. Then when you attack a  
19           problem as complex as this one, then, of course, the  
20           criticism comes to us trying to address something  
21           that's gone on for years. So the question is are we  
22           better off doing nothing, are we better off trying to  
23           work with you in a collective way to try to come up  
24           with what is better overall in terms of a level  
25           playing field and equity where people get service and

1           dollars based on the work versus just a handout.

2                       MR. GOGGLEYE, JR.: So they serve just  
3           undernourished people, it doesn't make any difference  
4           who they are, people of color, and I have no issue  
5           with that. What I do have issue, what I am taking  
6           issue with is that the federal government has a trust  
7           responsibility to us. It doesn't have a trust  
8           responsibility to the African Americans, the Latinos,  
9           the Hmong people or any of the other people. That's  
10          what's important, and that's what needs to be  
11          understood.

12                      MR. HOLDEN: I understand that perspective,  
13          yes, I do.

14                      MR. GOGGLEYE, JR.: Cuts in funding to  
15          tribal programs and services, it's been par for the  
16          course with this administration. Same thing with  
17          healthcare. We are talking about this on direct  
18          service tribes as well. We decided that our  
19          direction was to insist that I just restore funding  
20          to previous levels and in many cases increase funding  
21          because that's, again, it's a trust responsibility.  
22          The theme of this thing is as long as the grass grows  
23          and the river flows. Well, the river still flows, my  
24          friend, and the grass still grows out there, and  
25          that's what your boss has to understand. That's what

1 the people who make these decisions have to  
2 understand, nothing has changed. You have a trust  
3 responsibility to the tribes of this country. I'm  
4 not sure, I don't mean to put you on the spot, but do  
5 you understand what it is, and has your boss actually  
6 taken the time to read some of these treaties to see  
7 what the wording says, because as far as I'm  
8 concerned, nothing has changed, and Congress has not  
9 made any changes to those treaties, because they  
10 can't. They'd have some huge challenges in court if  
11 they decided to say, we don't want to do this anymore  
12 with the tribes.

13 MR. HOLDEN: I'll take your message back, I  
14 certainly will. Yes, Tony?

15 MR. NERTOLI: In consideration, again, for  
16 the funding methodology, I guess the question I would  
17 have, if they pass the resolution to help some of  
18 these tribes that are underfunded, in this equity  
19 process, the question comes back to, the big one  
20 comes back to, we are talking, I guess, what is  
21 underfunded, defined by what administrative process?  
22 If it's strictly one of the gaps in terms of looking  
23 at this equity, it's again coming back to what the  
24 different tribes do for the program. It's supposedly  
25 found in our state plans of operation. To use my

1           tribe as an example, they fund administrative costs  
2           at about 52 to 54 percent, USDA contributes the  
3           balance. Programs that are out there saying they are  
4           underfunded, by what definition, and no one has come  
5           up with that. There was a large cry some of these  
6           programs would go out of business if they didn't get  
7           all this money. We heard that at the national. As  
8           I'm standing here, I know of no program that is shut  
9           down.

10                         So, again, in looking at the question of  
11           equity versus inequity, I guess what I'm saying,  
12           number one, our region loses in this funding, in my  
13           opinion, big time, and we are being -- my competence,  
14           and I'll speak for the other program directors here  
15           on this one, because we are as a region, maybe  
16           individually, better administrators, why are we being  
17           penalized, and our tribe is putting money into the  
18           program, why are we can penalized? It's all a  
19           question of equity going back to what the Honorable  
20           Chairman said. This is the first time to address, as  
21           you said, a very complex program or very complex  
22           situation. It goes back to we are not all in that  
23           one nice little box. It doesn't work. Every one of  
24           us do it a different way. Betty has been what, how  
25           many years?

1 MS. GRAVEEN: Twenty seven-years this year.

2 MR. NERTOLI: Same here, 27, 27, same thing.

3 So one of the things we have to experience, that's  
4 when I look at the midwest and looking at my own  
5 tribe, we cross the I's, dot the T's, and the federal  
6 register came up, we run the program essentially the  
7 same way today. Take a look at the overall  
8 statistics for the midwest region in terms of not  
9 only participation but in compliance with rules and  
10 regulations, and, again, I think in making that  
11 determination of equity the first thing the USDA has  
12 to do is sit down and make sure all the regional  
13 offices are administrating the program uniformly in  
14 cost, rules, and regulations, and then apply that.

15 The second thing I would ask is what would  
16 be good for us when we meet again is to take a look  
17 at in kind, because everything you hear, it's great  
18 except for one thing, the 25 percent match has not  
19 been waived and is a regulation that enters into this  
20 program in the overall cost and participation. I  
21 understand these other ones, try to balance is good,  
22 try to be fair is good, but what my mind comes back  
23 to is competence speaks for itself. In this process,  
24 I don't see that. It's a good one from the people  
25 involved, but when it gets back to the other



1 administrators, where is it? If I'm a real good  
2 program writer, which I think I am, I know where to  
3 get the money and how to get it, in our case, what we  
4 have to do here in the midwest, and we simply comply  
5 with all the rules and regulations. The other side  
6 for you again, sir, you got a better staff.

7 MR. HOLDEN: Yes?

8 MS. ROBERTS: Pat Roberts.

9 MS. CASTRO: After you speak, Pat, I want to  
10 get to those who are on the phone. Go right ahead.

11 MR. HOLDEN: You have it on mute. It looks  
12 like it's on mute.

13 MS. CASTRO: It shouldn't be.

14 MS. JARKA: It says inside mute.

15 (Phone checked.)

16 MS. ROBERTS: I agree with everything that  
17 Tony said. I agree because I know our midwest region  
18 and how efficient they are. I also know that we have  
19 had to provide documentation for almost everything,  
20 salary schedules, the whole works. I like the way  
21 the midwest region is run, I like the way the midwest  
22 region office handles all of our needs and helps us  
23 whenever we need help, and that they are there for  
24 us. I like the way they handle the budget situation,  
25 also. There is no hassle at all. There's no --

1           actually, he does follow a funding formula, so to  
2           speak, after everybody receives their same amount  
3           from the previous year, and then it is based on, of  
4           course, equipment and other needs, but it is based on  
5           a formula that he has. But I would like to read  
6           something from our tribe for tribal concerns.

7                           I know that the tribe and other sources  
8           supplemented the FDPIR program at an increased rate  
9           in an effort to maintain the existing level of  
10          services. Had this not occurred, clients served  
11          would have been impacted by reduced hours or  
12          services. Current FDPIR administrative funding does  
13          not meet the tribe's existing needs. We do, as Tony  
14          does, our tribe puts in 42 or more percent matching  
15          funds. At current, the tribe relies on a large pool  
16          of volunteers to meet distribution needs. The tribe  
17          would be opposed to any proposed funding methodology  
18          that continues to fund tribes at a stagnant level or  
19          reduce funding levels.

20                         MR. HOLDEN: Will you be submitting that to  
21          us?

22                         MS. ROBERTS: Yes.

23                         MR. HOLDEN: Thank you. Anyone else?

24                         MS. GRAVEEN: After them.

25                         MS. CASTRO: Anyone from Grand Portage?

1                   MR. DESCHAMPE: We have been having kind of  
2 a hard time hearing, but components one and two are  
3 fairly self-explanatory. We can calculate --

4                   MS. CASTRO: Could you start back at the  
5 beginning, what you were saying about component one  
6 and two, so she can record it, please?

7                   (Reporter moves closer to phone.)

8                   MS. CASTRO: We are there, and we are sorry,  
9 we are going to have to ask you to start from the top  
10 again, if that's all right, but we do have the court  
11 reporter right next to you.

12                  MR. DESCHAMPE: I got a question about  
13 component number three, that seems to be the gray  
14 area, as far as we are concerned. We are a small  
15 program, and in developing our comments, in looking  
16 at the overall impacts here, if that's the area, is  
17 there a way to get a handle on actually what the per  
18 participant level would be there at this point or  
19 even a ballpark figure?

20                  MS. CASTRO: We really can't. We have  
21 struggled with this as a work group, because we  
22 obviously know that everybody would love to see some  
23 kind of table that shows exactly what you would get  
24 if we ran the methodology, and the difficulty is  
25 that, for one, we obviously don't know how much

1 Congress is going to give us on a year-to-year basis.  
2 We also don't know how the regions would allocate out  
3 the regional negotiated amount. So as we talked  
4 about earlier, component three is a residual after  
5 you take off component -- the amount you need for  
6 giving everybody \$10,000 and everyone five percent of  
7 their last highest three federal expenditures. And  
8 then you take away, say, 15 percent for the regional  
9 negotiated amount.

10 We can certainly put some kind of ballpark  
11 estimate on what you would get for a basic grant  
12 amount, but it doesn't then show what you would get  
13 for a regional negotiated amount. And because the  
14 regional negotiated amount is an important stream of  
15 funding, if we did that, it would look like there  
16 would be more, I think, loss than there might be  
17 because we wouldn't be factoring in the regional  
18 component, and we just have no way to know how the  
19 regions would give out their funds. So there are a  
20 lot of variables that prevent us from being able to  
21 give you a specific impact, but that's also why we  
22 wanted to emphasize the gradual implementation plan.

23 What we are really shooting for is an  
24 impact of keeping everyone at least where they were  
25 the previous fiscal year and then, as we move forward

1           and get inflation adjustments in the program, try to  
2           use those to try to give increases to those who are  
3           due increases while keeping those who might otherwise  
4           lose funds if we were to run the methodology without  
5           any kind of adjustment, keep them at their prior year  
6           funding level. So the impact of this really is that  
7           after all is said and done, each program would keep  
8           at least what they had the previous fiscal year, and  
9           we would phase in the increases for those who are due  
10          increases under the methodology.

11                         MR. HOLDEN: Does that make sense?

12                         MR. DESCHAMPE: Yeah, it answered my  
13          question. Thank you.

14                         MR. HOLDEN: Is there anything else out  
15          there?

16                         MS. CASTRO: I think we only have one  
17          program on the phone now. We originally had two. Do  
18          we still have -- who was the other program?

19                         MS. JARKA: We just heard from Grand  
20          Portage.

21                         MS. CASTRO: Right.

22                         MS. JARKA: The other teleconference was  
23          Little River Band. Is Patrick Wilson still there?

24                         MR. HOLDEN: Pat, Patrick?

25                         MS. CASTRO: If they come back on, we'll

1 cycle back.

2 MS. JARKA: There were three individuals  
3 from Little River Band of Ottawa Indians.

4 MR. HOLDEN: Is there a number we can call  
5 and find if they got kicked off?

6 MS. JARKA: We don't have their numbers.  
7 They could be calling from anywhere.

8 MR. HOLDEN: I won't try then.

9 MS. ROY: I would just like to say that as  
10 an elected officer present for the midwest region  
11 Food Distribution Program on Indian Reservations,  
12 what really impacts me personally, as working with  
13 the staff we have over the years, is that when this  
14 comes into effect, this methodology, that some tribes  
15 will end up getting less and some tribes will end up  
16 getting more, and the only reason they are going to  
17 get more is because they are taking from our fellow  
18 tribes. I guess that's what really hurts me as  
19 speaking out for the midwest region, is I don't want  
20 to, if I get the increase, I wouldn't want it to come  
21 from the rest of the region or any other region, you  
22 know? It's like bidding programs against programs  
23 for money, for funds. With this whole funding  
24 methodology, that's what touches me the most is that  
25 whoever loses and whoever gains, we are affecting

1 program services to all programs. We won't be able  
2 to serve -- some of these programs won't be able to  
3 serve the quality service that they are serving now  
4 to their participants.

5 MR. DESCHAMPE: I can't hear you again.

6 MS. ROY: To the participants of the  
7 programs.

8 MS. CASTRO: Did the Little River Band come  
9 back on, Patrick Wilson? No. We still have Grand  
10 Portage?

11 MR. DESCHAMPE: We're still here. You are  
12 fading in and out.

13 MS. CASTRO: Okay.

14 MR. HOLDEN: That was because she was kind  
15 of far away.

16 MS. ROY: Okay.

17 MR. HOLDEN: Let me summarize what I think I  
18 heard. I think the statement was that within the  
19 midwest region, if there are tribes who are losing  
20 money because of other tribes within the same region  
21 gaining, they would not feel good about it, nor would  
22 they feel good about money being moved from another  
23 region from a tribe that is small that would be  
24 losing money as a result of the formula reallocation.  
25 Is that what you said?

1 MS. ROY: Yes.

2 MR. HOLDEN: So as a consequence --

3 MS. ROY: And the bottom line is that's  
4 exactly what's going to happen with this funding  
5 methodology, that we are going to hurt some tribes at  
6 the cost of other tribe programs.

7 MR. HOLDEN: So what you are saying --

8 MS. ROY: What I'm saying --

9 MR. HOLDEN: Let me try, there is no  
10 win/win, there's a win/lose the way you see the  
11 operation of the formula; is that correct?

12 MS. ROY: Yes.

13 MR. HOLDEN: That's what I heard.

14 MS. ROY: Right, that's correct. There's no  
15 win/win situation for my tribe if I -- if Leech Lake  
16 loses or if they gain, it's not a win/win situation,  
17 because it's the cost of another program, and at the  
18 cost of the service that we carry to our low income  
19 houses. I guess, in other words, you'd bid tribe for  
20 tribe for the funding is what you do. You take from  
21 one tribe to give to another tribe.

22 MR. HOLDEN: I understand, I really do. Are  
23 there any other comments?

24 MS. GRAVEEN: I just have a couple. Can you  
25 hear me?



1 MS. CASTRO: Grand Portage?

2 MS. GRAVEEN: This is Betty again from Lac  
3 du Flambeau. Our tribe, we have discussed the  
4 formula or the methodology that you are using, and we  
5 have a real concern about using participation, and it  
6 shouldn't be because of the quantity of people but  
7 more the quality of service that these tribes have  
8 had since 1980 that we have established. With our  
9 nutrition education, and for various reasons, when  
10 people don't pick their food up, our participation  
11 goes down, especially with this one question that's  
12 here about the per capita payments. I think it comes  
13 from the administration on down that gaming tribes  
14 have gazillions of dollars of money, and I know my  
15 tribe puts in at least 30 or 40 percent in kind. We  
16 were way over the in-kind match, which we really  
17 can't afford.

18 We are paying for healthcare costs. I'm  
19 sure all other tribes are paying. Like the chairman  
20 here, he said that any health service doesn't provide  
21 enough funding, and they are going down all the time  
22 and the tribes pick up. When we get a per capita  
23 payment once a month, once a year, I'm sorry, I'm  
24 lucky if I have 40 or 50 people that pick up because  
25 our proceeds are considered income but, yet, a lot of

1           our people get -- this year we got \$1,250, every  
2           November we get it, and the costs are still there.  
3           It's still cold, we still have to heat the building,  
4           we have a lot of paperwork. The tribes in the  
5           midwest, most of us are all remote areas. The price  
6           of gasoline, the propane, those costs are going up,  
7           and that's why we are going to be adamant about using  
8           participation in the formula because of those  
9           reasons.

10                         We provide a lot of services, and I'm sure  
11           Tony and Pat, I mean, the ones that we have been  
12           there for so long, we have become more than just  
13           distributing food. And I'm not going to play the  
14           blame game, but I think FNS has helped our  
15           participation to decrease by the quality of food, the  
16           problems that we are having with Americold. And  
17           people get discouraged, then they switch over to food  
18           stamps. And I have a problem with food stamps  
19           because there's millions and millions of dollars for  
20           nutrition education, but yet we get \$200,000  
21           nationwide, but yet they can go and buy Doritos, soda  
22           pop, or whatever they want, and here we have  
23           nutritious foods. When we had Reinhart, I don't know  
24           if that all started because the midwest was fortunate  
25           to have that prime vendor project, I believe our

1 participation went way up when we had that program.  
2 Even the labels make a difference. Then there's also  
3 people around the surrounding areas. I think we are  
4 the only race in society that has to prove that they  
5 are Indian. If they are not residing right on the  
6 reservation and they are not Indian, they are not  
7 enrolled, we cannot serve them. So those are some  
8 issues that we have about participation.

9 As Mr. Chairman here says, the government  
10 has the trust responsibility, that's for health,  
11 education, and welfare in our treaty of 1854, but  
12 somebody is not listening. Lac du Flambeau is going  
13 to be against that particular part of that formula.  
14 Thank you.

15 MR. HOLDEN: Thank you. That's real clear.  
16 Anybody else? Have we wound down? I am going to  
17 listen as long as you talk. I have at least another  
18 hour before I miss my flight, so I'm not rushing you.  
19 If it was across the street, it would be great, but  
20 I've got to go to O'Hare. So I got three hours to  
21 drive, unless you have a faster way to get me there.  
22 So I'm not rushing you because I haven't run out of  
23 time. Is there anything else that you haven't  
24 offered that we can use as we transcribe and put the  
25 information on paper so that we will have your

1           comments to consider? We are genuinely interested in  
2           what you have to say. Even though you may think we  
3           are not, Mr. Chairman, we are. I have a great  
4           interest in seeing this through. I don't know if we  
5           are going to come up with anything everybody likes.  
6           It's never that way. Does that mean we stay where we  
7           are or that we go forward with something different?  
8           Or maybe what we got is not good enough, and if  
9           there's something else that we need to consider, we  
10          are looking to you to help us see that, because I'm  
11          appearing in abstract, I'm not committed to anything,  
12          but whatever comes out of this, hopefully it serves  
13          the benefit of the organizations that we try to  
14          serve. So I'm abstract. I'm listening to hear  
15          something that can be a linchpin in making something  
16          better rather than making it worse.

17                        Laura, I'd like to thank you for your  
18          presentation. You made it perfectly clear to me,  
19          even though I'm not always perfectly clear on what I  
20          hear. You did a good job. I thank everyone here who  
21          participated. We will be looking forward to getting  
22          additional documentation from you. If you have  
23          something that you want to put in writing, there is  
24          the address on the package that was sent out November  
25          28. If you need a copy of that package, we have some

1 extra copies in case you were not the one who  
2 received the full package. Within that package there  
3 are questions and answers to the questions. And,  
4 additionally, today or the other day some of you  
5 received the presentation that Laura did. That  
6 presentation has some sample examples that helped me  
7 to understand it better, even though I read the  
8 documentation and the questions and the responses to  
9 the questions. I know I understand it much better.  
10 I'm not saying that I know that that is the perfect  
11 solution to the problem, it never is.

12 One thing that I've learned over my years,  
13 and I'm pretty old, I'm not going to tell you how old  
14 I am, there is no perfect answer to anything.  
15 There's usually something in there that doesn't quite  
16 work well for everyone, but doesn't bring you to a  
17 consensus of something that is a little better but  
18 not so bad, or does it make it worse, and there needs  
19 to be, as you've indicated in the regional  
20 formulation, the ability to adjust with the  
21 supplemental funding that we have available. So I'm  
22 hearing we do a pretty good job of that, I'm pleased  
23 to hear that. I'm used to hearing complaints we  
24 don't do as well, but you guys are saying we do a  
25 great job. I hope we continue to service you at a

1 level that is better than what you expect rather than  
2 just meeting the normal and minimal expectation. So,  
3 again, I thank you for your participation, I  
4 appreciate everything that you've said that will  
5 allow us to go back with the consensus of your input  
6 to the process that we sincerely appreciate. Would  
7 you like to say something?

8 MS. CORBINE: I'd like to start off saying I  
9 agree 100 percent what's been said here today, but a  
10 comment that you made earlier stands out in my mind,  
11 that wealthier -- I can't say wealthier. I can't  
12 remember just exactly, you said some getting more  
13 when they shouldn't be.

14 MR. HOLDEN: That is the information that we  
15 have been getting feedback on that there's a lack of  
16 equity overall. Some are doing better than others,  
17 and that was the complaint that needs to be looked at  
18 how we are doing it so that the distribution can  
19 be --

20 MS. CORBINE: So it can be fair across the  
21 board?

22 MR. HOLDEN: Yes, a level playing field. If  
23 there is any certain thing --

24 MS. CORBINE: I don't know if it's the  
25 lobbyist out there or who you know that will make

1           these adjustments for you. I've been in office for a  
2           long time, and I've seen a lot of things. This is  
3           where I'm coming from, it seems like it's a lesser  
4           track, and one that's pretty well up there as far as  
5           distributing. That's all I had to say. I was  
6           wondering what you do or what you could do to correct  
7           that, make sure everybody gets, you know, fair, as  
8           far as allocating the money to the ones that really  
9           need it. Thank you.

10                         MR. HOLDEN: Thank you. Tony, have you put  
11           in everything you'd like to say?

12                         MR. NERTOLI: I think I don't want to say a  
13           whole lot more. Susie and Pat, Betty, made some real  
14           good comments. I guess in all this process, in terms  
15           of the tribal program directors, it's not like we  
16           administer the program. We live it and we work it,  
17           and I guess when I look at things, it's not a matter  
18           of less or more, it's a matter of competence. I know  
19           there are people here who are not only tribal  
20           members, but they are good friends. This is why we  
21           have what we have. We look like we have more. I  
22           guess what I'm saying, if we have more, it's within  
23           the program rights and how we run it, the innovations  
24           that we bring, those types of things. Comes down to  
25           it's a service we give our tribal members. We do it

1 good, that's what I'm saying. Under this process  
2 right now, I know the tribes in the midwest,  
3 including mine, we get penalized, we lose. I do not  
4 want my other tribes gaining at what expense and at  
5 what level. And when you look at the fact that  
6 administratively, again, I sound like a broken  
7 record, but when the USDA doesn't have uniform  
8 administrative policies and we do, we are getting  
9 penalized. Until the federal government comes up  
10 with a standard procedure that they use, the tribes  
11 should not be doing it.

12 The other thing, there's tribes that are  
13 underfunded. One of the things we have always  
14 requested from the department is adequate  
15 administrative funds. Food stamps gets over \$33  
16 billion, your nutrition ed money, food stamps, \$226  
17 million. We are state agencies, we are over \$27  
18 million. It's good, but it doesn't come close to food  
19 stamps. We should be able to access those. We are  
20 under the same authorization. We put in a million  
21 dollars for nutrition ed, and that doesn't cover  
22 anything. The best part about it is this food is  
23 regulated, so when it goes on that table, it can be  
24 nutritionally advantageous to the client. There's  
25 much better control.



1 MR. HOLDEN: Okay. Thank you for your  
2 closing comments. Okay, having nothing else for me  
3 to say, and you will let us know where you are with  
4 the facts of the formulation, the administrative fund  
5 formulation process that we are going through. We  
6 hope to be giving you feedback at some period of time  
7 in the future. We are documenting your comments  
8 today, those comments will be elevated through the  
9 work group, and the work group will take the total  
10 input that comes from all of the different listening  
11 sessions in April of '07, which is this year, they  
12 will be sitting down and looking at it. Again, I  
13 don't know how long it's going to take them to go  
14 through what they will need to go through, but this  
15 is not the end, this is the beginning. We are the  
16 first to have our listening session, so hopefully out  
17 of all of the listening sessions that are scheduled,  
18 we will be able to get something that is valuable for  
19 significant impact on where we are headed, and not  
20 where we will end up, but it will also help us find  
21 out where we are going to end up. I hope this is not  
22 a problem so big we can't tackle it. No problem is  
23 such a challenge that we can't overcome those  
24 difficulties that we sometimes see, because we are  
25 innovative and creative, you have already indicated

1           that in this region you are, and we are going to try  
2           to take your pattern of creativity and try to come up  
3           with something working with our national leaders that  
4           will benefit you overall. Thank you.

5                               (Proceedings concluded at 11:10 a.m.)

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