

Project to Revise Tribal Shares for the Appraisal Services Program

OFFICE OF THE SPECIAL TRUSTEE
FOR AMERICAN INDIANS

Office of Appraisal Services
Office of External Affairs

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Background

- In 1995 BIA developed region-by-region formulas used to allocate tribal shares for the appraisal program
- When the appraisal program was transferred from BIA to OST in 2002, BIA Awarding Officials and OST agreed to continue the region-by-region formulas to maintain continuity

Existing Tribal Share Formulas

- Many different formulas across 12 regions
 - Equal division
 - *Easy to calculate, but likely not in compliance with the statute*
 - Land-based division
 - *No strong correlation with appraisal needs*
 - Population-based division
 - *No strong correlation with appraisal needs*
 - Workload-based division
 - Hybrid division (weighted components)

Reasons for Revising

- Tribal shares calculated in 1995 have not changed
- Tribal shares have not been recalculated in step with increased regional appraisal budgets
- Appears to be inequitable for tribes that have contracted or compacted after the 1995 date

Benefits of Revising

- Revised formulas will ensure uniformity and transparency in determining:
 - tribal shares, and
 - funding residual for the inherent federal functions

Statutes and Regulations

- 25 USC §450j-1(a): “The amount of funds provided under the terms of the self-determination contracts entered into pursuant to this subchapter shall not be less than the appropriate Secretary would have otherwise provided for the operation of the program or portions thereof for the period covered by the contract...”
 - OST interprets this to mean: what the Secretary otherwise would have expended providing direct services to the now contracting or compacting Tribe for that program.

Statutes and Regulations

- 25 CFR §1000.94:

- “BIA residual funds are the funds necessary to carry out BIA residual functions. BIA residual functions are those functions that only BIA employees could perform if all Tribes were to assume responsibilities for all BIA programs that the Act permits.”

- 25 CFR §1000.95:

- (a) “...Residual information will consist of residual functions performed by the BIA, brief justification why the function is not compactable, and the estimated funding level for each residual function. Each regional office and the central office will compile a single document for distribution each year that contains all the residual information of that respective office...”

Residual

- The current residual for the appraisal program is 20%
- Future ?? OST will need to ensure that the residual is sufficient to fund those activities which, by law, must be carried out by federal officials

Appraisal Process



Idea 1 (Workload-based)

Tribal Share =
(Regional Budget – Residual) ×
(Average Tribal Workload / Average Regional
Workload)

- This is a workload-based formula
- The workload will be averaged over the three most recent fiscal years to smooth out demand spikes
- OST intends for this formula to be dynamic, i.e., adjusted every year

Workload-based

	FY 2006	FY 2007	FY 2008
Tribe A	35	30	31
Tribe B	0	2	10
Tribe C	20	10	6

- Regional Budget = \$100,000
- Residual = \$20,000 (20%)
- Available Budget = \$80,000

- Regional Average = 48

- Tribe A average = 32 (66.67%):
- Tribe B average = 4 (8.33%):
- Tribe C average = 12 (25%) :

Tribal Share = \$53,336

Tribal Share = \$6,664

Tribal Share = \$20,000

Workload-based (+1 year)

	FY 2007	FY 2008	FY 2009
Tribe A	30	31	31
Tribe B	2	10	10
Tribe C	10	6	6

- Regional Budget = \$100,000
- Residual = \$20,000 (20%)
- Available Budget = \$80,000

•Regional Average = 45.33

- Tribe A average = 30.67 (67.66%): Tribal Share = \$54,128
- Tribe B average = 7.33 (16.17%): Tribal Share = \$12,936
- Tribe C average = 7.33 (16.17%): Tribal Share = \$12,936

Idea 2 - Equal Division

	FY 2006	FY 2007	FY 2008
Tribe A	35	30	31
Tribe B	0	2	10
Tribe C	20	10	6

- Regional Budget = \$100,000
- Residual = \$20,000 (20%)
- Available Budget = \$80,000

- Regional Average = 48

- Tribe A average = 32 (66.67%):
- Tribe B average = 4 (8.33%):
- Tribe C average = 12 (25%) :

Tribal Share = \$26,667

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Tribal Share = \$26,667

Idea 3: Land-based

	Acres	Percentage
Tribe A	1000	62.5%
Tribe B	500	31.25%
Tribe C	100	6.25%

- Regional Budget = \$100,000
- Residual = \$20,000 (20%)
- Available Budget = \$80,000

- Regional Acreage = 1600 acres

- Tribe A acreage = 62.5%: Tribal Share = \$50,000
- Tribe B acreage = 31.25%: Tribal Share = \$25,000
- Tribe C acreage = 6.25%: Tribal Share = \$5,000

Idea 4: Population-based

	Tribal Members	Percentage
Tribe A	3000	46.15%
Tribe B	2000	30.77%
Tribe C	1500	23.08%

- Regional Budget = \$100,000
- Residual = \$20,000 (20%)
- Available Budget = \$80,000

- Regional Population = 6500
 - Tribe A = 46.15%: Tribal Share = \$36,920
 - Tribe B = 30.77%: Tribal Share = \$24,616
 - Tribe C = 23.08%: Tribal Share = \$18,464

Idea 5: Hybrid formula (weighted components)

	Land (0.25)	Population (0.25)	Workload (0.5)	Total Weight
Tribe A	62.5% ➤ .1563	46.15% ➤ .1154	66.67% ➤ .3334	.6050
Tribe B	31.25% ➤ .0781	30.77% ➤ .0769	8.33% ➤ .0417	.1967
Tribe C	6.25% ➤ .0156	23.08% ➤ .0577	25% ➤ .1250	.1983

- Regional Budget = \$100,000
- Residual = \$20,000 (20%)
- Available Budget = \$80,000

- Tribe A weight = .6051: Tribal Share = \$48,398
- Tribe B weight = .1967: Tribal Share = \$15,736
- Tribe C average = .1983: Tribal Share = \$15,866

Title IV Funding Sources

- Most of the tribes now compacting the appraisal program receive base funding from OSG.
- If it is determined that more funding is required under the new formula, OST will make up the difference with a supplemental transfer to OSG; this supplement is not added to the base due to dynamic nature of the formula.

THANK YOU

- QUESTIONS?
- COMMENTS?
- SUGGESTIONS?

Points of contact:

Office of Appraisal Services; Eldred Lesansee 505-816-1602

Office of External Affairs; Lee Frazier 202-208-7587