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PORTLAND  
AREA  
INDIAN  
HEALTH  
BOARD**

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Chehalis Tribe  
Coeur d' Alene Tribe  
Colville Tribe  
Coos, Suislaw &  
Lower Umpqua Tribe  
Coquille Tribe  
Cow Creek Tribe  
Cowlitz Tribe  
Grand Ronde Tribe  
Hoh Tribe  
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Kalispel Tribe  
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Lummi Tribe  
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Swinomish Tribe  
Tulalip Tribe  
Umatilla Tribe  
Upper Skagit Tribe  
Warm Springs Tribe  
Yakama Nation

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(503) 228-8182 FAX  
www.NPAIHB.org

SENT BY TELEFAX: (301) 443-4794 – Hardcopy via Federal Express

December 21, 2009

Yvette Roubideaux, M.D., M.P.H  
Director  
Indian Health Service  
801 Thompson Avenue, Suite 440  
Rockville, MD 20852

Dear Dr. Roubideaux:

We are writing to you concerning the FY 2010 Contract Health Service (CHS) funding decisions and to provide you with our recommendations following the Senate Committee on Indian Affairs' recent oversight hearing on chronic underfunding of the CHS program.

Our letter makes the following recommendations with discussion following: (1) we recommend that the IHS Director use the "2002 blended formula" when allocating the final FY 2010 CHS funding increase; (2) Portland Tribes recommend Tribal consultation on the continued use of the CHS funding formula, and (3) that the IHS Director convene a new CHS Workgroup to address how the IHS allocates CHS funding so that we effectively address the disparity between need and resources available for CHS.

The FY 2009 Congressional appropriation provided a \$55.1 million increase for the CHS program. After applying mandatory pay costs, inflation, and population growth of \$30.1 million, there remained \$20.5 million that was available for distribution. It is the position of Portland Area Tribes that the \$20.5 million should have been allocated using the formula in effect since 1994, or the "blended formula" that was used to distribute increases in FY 2001, FY 2002, and again in FY 2003. Instead the IHS allocated 75% of the remaining funds based on costs of health care, and 25% based on access to inpatient care. This resulted in approximately 18-40% less CHS funding being available for Portland Area Tribes.

It is the position of Portland Area Tribes—and others nationally—that the 2001 CHS Workgroup *proposed funding methodology* has never been officially adopted by the Indian Health Service (IHS). This is evident following the development of the *proposed methodology* when in FY 2001 and FY 2002, there were CHS funding increases of \$34.9 million and \$15 million respectively, and the IHS Director, Dr. Michael Trujillo, decided to use a blended formula to allocate the funding increases. This was done in order to alleviate many of the "fairness" concerns associated with the new proposed methodology. The IHS Director allocated on a non-recurring basis one-half of the funding using the existing CHS formula (1994 formula) and the other half using the 2001 workgroup recommendations.

The gravity of this of this questionable policy will be felt considerably in FY 2010, in which Congress has provided a \$144.8 million increase for the CHS program. Our estimates indicate that the Portland Area will receive approximately 27% (\$1.6 million) less funding in FY 2010 if the same formula is applied that was used in FY 2009. Our analysis indicates that the effect of not using the 1994 formula is that following the FY 2001 and FY 2002 decisions, the Portland Area has lost over \$50 million when formula changes are compounded through FY 2009.

In FY 2003, the IHS Director, Dr. Charles Grim, made permanent this funding decision by allocating the \$49.9 on a recurring basis using the "2002 formula."<sup>1</sup> The 2002 formula in place was the blended formula. Dr. Grim also announced that in the future, "he planned," to use the 2001 workgroup formula. While this letter indicated the IHS Director's intention, it did not explicitly adopt the formula as a final policy for future use. Certainly, Dr. Trujillo never officially adopted it in light of his use of a blended formula when allocating funding increases in FY 2001 and FY 2002. Arguably, Dr. Grim didn't adopt it in practice since in FY 2003 he allocated the CHS funds using the "2002 blended formula."

Portland Area Tribes do not believe that new CHS formula has never been officially adopted through the use of a "Dear Tribal Leader" letter, which is the common practice of the IHS when making substantive policy changes. In fact the IHS Director's decision letters in FY 2001 and FY 2002 state the following:

*"I support the Workgroup's strong recommendation to convene a follow-up Workgroup to address these issues," and; "...the decision regarding recurring allocation can be deliberated more comprehensively with contemporary and agreed upon data. By using this approach, it is my hope that we will continue our dialogue on the outstanding issues related to the disparity between need and the resources available for CHS."*<sup>2</sup>

*Dr. Michael Trujillo, IHS Director*

These statements indicate that the IHS Director intended to continue to work to refine the CHS formula. There has not been a CHS funding increase sufficient until FY 2009 for the IHS to apply the new formulary components, in which the Agency allocated a \$20.1 million increase using the proposed 2001 Workgroup formula. Because the formula has never officially been adopted, the IHS should have conducted Tribal Consultation to determine if the Tribes would prefer to use the blended formula implemented by previous IHS Directors when there were CHS funding increases in 2001, 2002, and 2003 or use the 2001 Workgroup proposal. Thus, we recommend that you use the "2002 blended formula" when making final the FY 2010 CHS funding increase.

During the CHS hearing you testified that you would seek Tribal input about the continued use of CHS funding formulas. It is our position that the CHS formula decision is not a closed case, and that you should seek consultation with Tribes nationally on this issue. We further recommend that you convene a new CHS workgroup to address how the IHS allocates CHS funding so that we effectively address the disparity between need and resources available for CHS. We further recommend that the Agency take into consideration all available resources related to CHS including third party collections such as

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<sup>1</sup> See "Dear Tribal Leader Letter", by Dr. Charles Grim, IHS Director, dated April 10, 2003.

<sup>2</sup> See "Dear Tribal Leader Letter", by Dr. Michael H. Trujillo, IHS Director, dated June 7, 2001 and December 31, 2001.

Medicare, Medicaid, CHIP, and private insurance collections. Contrary to what many believe, this data is available and must be used to achieve CHS funding equity.

Our recommendations are consistent with your testimony about how it is important to consult and partner with Tribes about making important changes in the CHS program, including funding distribution. If you should have questions concerning our recommendations, feel free to contact Jim Roberts, Policy Analyst, at (503) 228-4185 or by email at [jroberts@npaihb.org](mailto:jroberts@npaihb.org).

We look forward to partnering with you on our recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Finkbonner". The signature is fluid and cursive, with the first name "Joe" being more prominent.

Joe Finkbonner, RPh, MHA  
Executive Director



**NORTHWEST  
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HEALTH  
BOARD**

Burns-Paiute Tribe  
Chehalis Tribe  
Coeur d' Alene Tribe  
Colville Tribe  
Coos, Suistaw &  
Lower Umpqua Tribe  
Coquille Tribe  
Cow Creek Tribe  
Cowlitz Tribe  
Grand Ronde Tribe  
Hoh Tribe  
Jamestown S'Klallam Tribe  
Kalispel Tribe  
Klamath Tribe  
Kootenai Tribe  
Lower Elwha Tribe  
Lummi Tribe  
Makah Tribe  
Muckleshoot Tribe  
Nez Perce Tribe  
Nisqually Tribe  
Nooksack Tribe  
NW Band of Shoshoni Tribe  
Port Gamble S'Klallam Tribe  
Puyallup Tribe  
Quileute Tribe  
Quinault Tribe  
Samish Indian Nation  
Sauk-Suiattle Tribe  
Shoalwater Bay Tribe  
Shoshone-Bannock Tribe  
Siletz Tribe  
Skokomish Tribe  
Snoqualmie Tribe  
Spokane Tribe  
Squaxin Island Tribe  
Stillaguamish Tribe  
Suquamish Tribe  
Swinomish Tribe  
Tulalip Tribe  
Umatilla Tribe  
Upper Skagit Tribe  
Warm Springs Tribe  
Yakama Nation

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**RESOLUTION #09-01-01**

**Recommend the IHS Director Reconvene the  
CHS Workgroup to Revise the Contract Health Service Formula**

**WHEREAS**, the Northwest Portland Area Indian Health Board (NPAIHB) is a Tribal organization under P.L. 93-638 that represents forty-three federally recognized Tribes in Idaho, Oregon, and Washington and is dedicated to assisting to promoting the health needs and concerns of Indian people in the Northwest; and

**WHEREAS**, the Northwest Portland Area Indian Health Board is dedicated to assisting and promoting the health needs and concerns of Indian people; and

**WHEREAS**, the primary goal of the NPAIHB is to improve the health and quality of life of its member Tribes; and

**WHEREAS**, the Contract Health Services (CHS) is the most important budget line item for Portland Area Tribes and other Indian Health Service (IHS) Areas (California, Nashville, Bemidji) that do not have inpatient care and must purchase specialty care from the private sector; and

**WHEREAS**, in 2002 a CHS Workgroup appointed by the IHS Director developed a new CHS formula that requires (1) Congressional earmarks, new Tribes funding, and CHEF requirements must be met first; (2) any remaining amount is used to fund CHS inflation requirements, and; (3) if there is a balance after funding inflation, it is to be distributed using the new formula recommendations; and

**WHEREAS**, the former CHS distribution methodology was made up of three components with a percentage appropriated to each as follows: (1) Workload and Cost – 20 percent; (2) Years of Productive Life Loss – 40 percent, and; (3) CHS dependency – 40 percent. The former methodology carried a greater weight for CHS dependency than the new formula, which resulted in more funding for CHS-dependent Areas.

**WHEREAS**, the new CHS dependence component was adopted because it was felt that the former component was not related to the population being served, did not recognize that all Areas have some degree of CHS dependence, did not consistently measure for CHS dependence, and was distorted when applied to the operating unit level data; and

**WHEREAS**, the new formula component results in significantly less funding for CHS dependent Areas due to the fact that there is less weighted value given to the new variable to measure CHS dependence; and

**WHEREAS**, the new formula requires that inflation be funded prior to allocating any remaining funds under its requirements and if an inadequate inflation factor is used, it can create a superficial surplus of CHS funds to be allocated under the new formula. It is not fair for any Tribe to receive less funding than what is needed to fund true inflation; and

**WHEREAS**, one of the recommendations by the CHS Workgroup was the IHS Director should revisit the formula to evaluate its implementation following several years of implementation and make adjustments as needed and recommended by Tribal leaders in order to improve its application.

**NOW THEREFORE BE IT RESOLVED**, that the Northwest Portland Area Indian Health Board recommends that the IHS Director reconvene the CHS Workgroup to revisit the new CHS formula as recommended by the 2002 CHS Workgroup Report.

**CERTIFICATION**

NO. 09-01-01

The foregoing resolution was duly adopted at the regular session of the Northwest Portland Area Indian Health Board. A quorum being established; 29 for, 0 against, 0 abstain on October 16, 2008.

*Lil Holt*  
Chairman

10-16-08  
Date

*Stella M. Washburn*  
Secretary

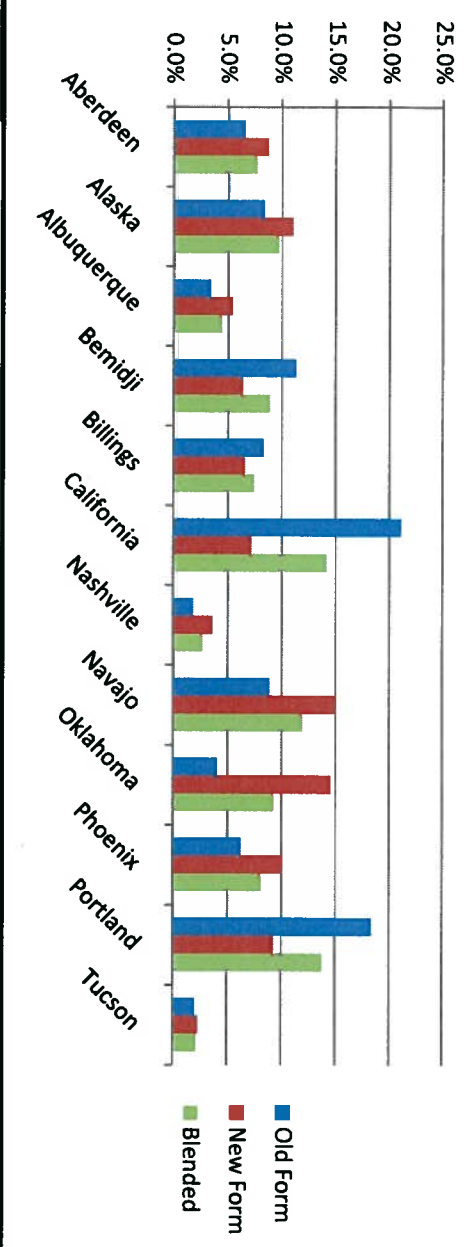
## **CHS FORMULA WORKING PAPERS**

**PLEASE NOTE:** These working papers were not included with the letter sent to Dr. Roubideaux. If you have questions or need an explanation of the worksheets, please contact Jim Roberts at (503) 228-4185 or by email at [jroberts@npaihb.org](mailto:jroberts@npaihb.org).

**EDS PROJECTIONS: 12/3/2009**

Workgroup	2001	
	Workgroup	Pro
Aberdeen	8.25%	11.68%
Alaska	11.07%	10.74%
Albuquerque	5.44%	5.03%
Bemidji	6.31%	7.07%
Billings	6.08%	8.47%
California	7.75%	5.25%
Nashville	3.48%	4.14%
Navajo	15.51%	11.76%
Oklahoma	14.91%	12.77%
Phoenix	10.14%	8.75%
Portland	8.85%	11.79%
Tucson	2.20%	2.55%
	100.00%	100.00%

**Impact of FY 2001 CHS Distribution**



**CHS Increase 2001**

Distribution:	\$ 40,000,000
Less CHIEF	\$ (3,000,000)
Less Ketchikan	\$ (140,000)
New Tribes	\$ (1,000,000)
Recission	\$ (949,863)
<b>TOTAL AVAIL.:</b>	<b>\$ 34,910,137</b>

**Summary of Changes for Portland Area:**

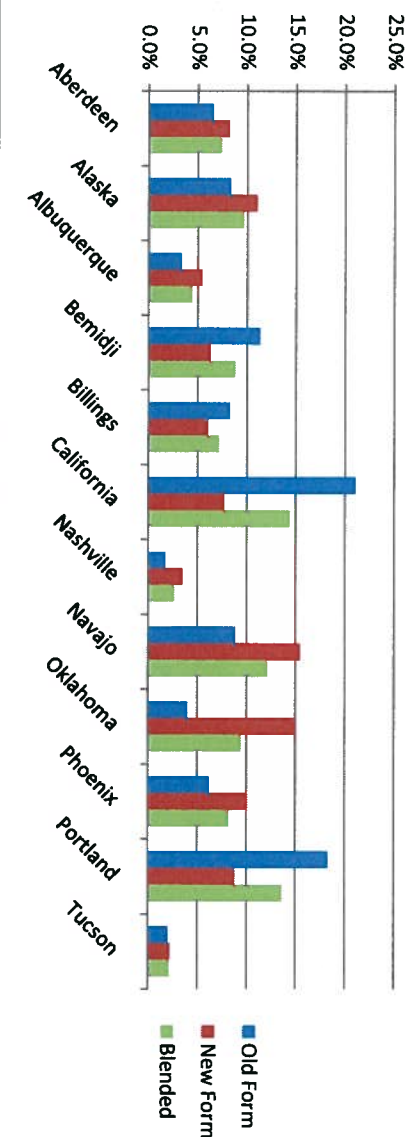
Old Formula vs. New Formula:	\$ 3,179,834	-49.7%
Old Formula vs. Blended:	\$ 1,589,917	-24.9%

	(AA)		(BB)		AA & BB		FY 2001 TOTAL PROPOSED CHS FUNDING			
	Old Methodology	% of Total	New Formula	% of Total	Mid Point	% of Total	FY 2000 Base*	Old Formula	New Formula	Blended Formula
Aberdeen	\$ 2,277,832	6.5%	\$ 3,036,282	8.7%	\$ 2,657,057	7.6%	\$ 339,668,286	\$ 41,946,118	\$ 42,704,568	\$ 42,325,343
Alaska	\$ 2,907,000	8.3%	\$ 3,846,688	11.0%	\$ 3,376,844	9.7%	\$ 336,307,812	\$ 39,214,812	\$ 40,154,500	\$ 39,684,656
Albuquerque	\$ 1,170,988	3.4%	\$ 1,877,892	5.4%	\$ 1,524,440	4.4%	\$ 17,100,220	\$ 18,271,208	\$ 18,978,112	\$ 18,624,660
Bemidji	\$ 3,956,510	11.3%	\$ 2,220,507	6.4%	\$ 3,088,509	8.8%	\$ 20,504,183	\$ 24,460,693	\$ 22,724,690	\$ 23,592,691
Billings	\$ 2,887,402	8.3%	\$ 2,278,432	6.5%	\$ 2,582,917	7.4%	\$ 30,782,366	\$ 33,669,768	\$ 33,060,798	\$ 33,365,283
California	\$ 7,356,586	21.1%	\$ 2,495,640	7.1%	\$ 4,926,113	14.1%	\$ 5,388,574	\$ 12,745,160	\$ 7,884,214	\$ 10,314,687
Nashville	\$ 612,474	1.8%	\$ 1,241,492	3.6%	\$ 926,983	2.7%	\$ 15,191,134	\$ 15,803,608	\$ 16,432,626	\$ 16,118,117
Navajo	\$ 3,085,873	8.8%	\$ 5,202,762	14.9%	\$ 4,144,318	11.9%	\$ 37,712,465	\$ 40,798,338	\$ 42,915,227	\$ 41,856,782
Oklahoma	\$ 1,398,667	4.0%	\$ 5,059,119	14.5%	\$ 3,228,893	9.2%	\$ 44,326,011	\$ 45,724,678	\$ 49,385,130	\$ 47,554,904
Phoenix	\$ 2,165,663	6.2%	\$ 3,472,055	9.9%	\$ 2,818,859	8.1%	\$ 28,962,282	\$ 31,127,945	\$ 32,434,337	\$ 31,781,141
Portland	\$ 6,394,348	18.3%	\$ 3,214,514	9.2%	\$ 4,804,431	13.8%	\$ 36,509,685	\$ 42,904,033	\$ 39,724,199	\$ 41,314,116
Tucson	\$ 696,794	2.0%	\$ 787,863	2.3%	\$ 742,329	2.1%	\$ 9,193,943	\$ 9,890,737	\$ 9,981,806	\$ 9,936,271
HQ Reserve	\$ 34,910,137	100%	\$ 34,910,137	100%	\$ 88,446	0.3%	\$ 321,646,960	\$ 356,557,097	\$ 356,557,097	\$ 88,446

**EDS PROJECTIONS: 12/3/2009**

	2001 Workgroup	Prio Rata	Blended
Aberdeen	8.25%	11.68%	7.38%
Alaska	11.07%	10.74%	9.70%
Albuquerque	5.44%	5.03%	4.40%
Bemidji	6.31%	7.07%	8.83%
Billings	6.08%	8.47%	7.18%
California	7.75%	5.25%	14.42%
Nashville	3.48%	4.14%	2.62%
Navajo	15.51%	11.76%	12.17%
Oklahoma	14.91%	12.77%	9.45%
Phoenix	10.14%	8.75%	8.17%
Portland	8.85%	11.79%	13.59%
Tucson	2.20%	2.55%	2.10%
	100.00%	100.00%	100.00%

**Impact of FY 2002 CHS Distribution**



**CHS Increase 2002**

Distribution: \$ 49,900,000 (\$34.9 million from FY 2001 non-recurring; \$15 million increase from FY 2002 non-recurring)  
 New Tribes \$ (900,000)  
**TOTAL AVAIL: \$ 49,000,000**

**Summary of Changes for Portland Area:**

Old Formula vs. New Formula: \$ 4,653,000  
 Old Formula vs. Blended: \$ 2,326,500

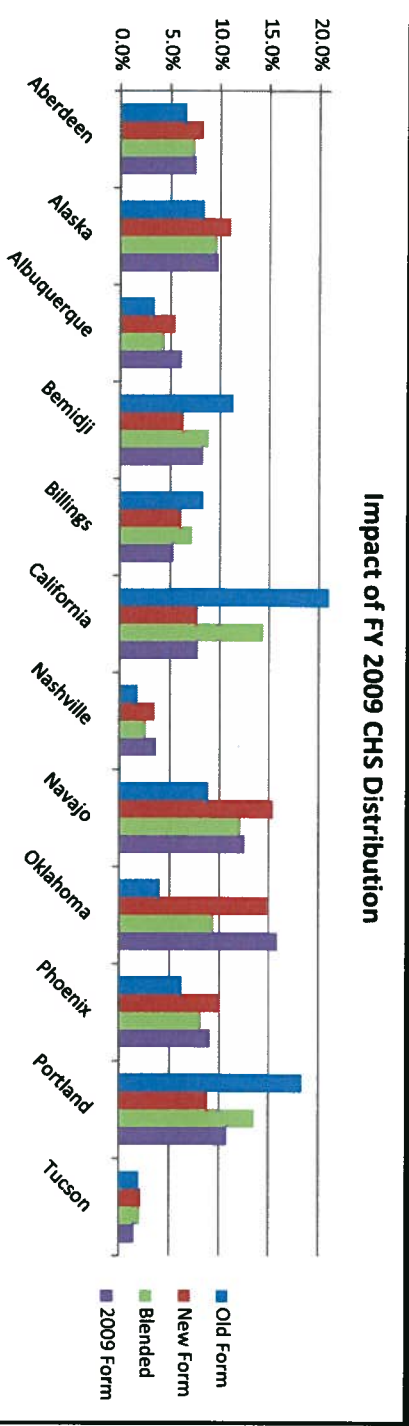
**YTD Loss**

\$ 7,832,834  
 \$ 3,916,417

	(AA)		(BB)		AA & BB		FY 2002 TOTAL PROPOSED CHS FUNDING			
	Old Formula	% of Total	New Formula	% of Total	Mid Point	% of Total	FY 2001 Base*	Old Formula	New Formula	Blended Formula
Aberdeen	\$ 3,197,000	6.5%	\$ 4,025,000	8.2%	\$ 3,611,000	7.4%	\$ 42,325,343	\$ 45,522,343	\$ 46,350,343	\$ 45,936,343
Alaska	\$ 4,080,000	8.3%	\$ 5,406,000	11.0%	\$ 4,743,000	9.7%	\$ 39,684,656	\$ 43,764,656	\$ 45,090,656	\$ 44,427,656
Albuquerque	\$ 1,644,000	3.4%	\$ 2,657,000	5.4%	\$ 2,150,500	4.4%	\$ 18,624,660	\$ 20,268,660	\$ 21,281,660	\$ 20,775,160
Bemidji	\$ 5,553,000	11.3%	\$ 3,080,000	6.3%	\$ 4,316,500	8.8%	\$ 23,592,691	\$ 29,145,691	\$ 26,672,691	\$ 27,909,191
Billings	\$ 4,053,000	8.3%	\$ 2,967,000	6.1%	\$ 3,510,000	7.2%	\$ 33,365,283	\$ 37,418,283	\$ 36,332,283	\$ 36,875,283
California	\$ 10,326,000	21.1%	\$ 3,793,000	7.7%	\$ 7,054,500	14.4%	\$ 10,314,687	\$ 20,640,687	\$ 14,097,687	\$ 17,369,187
Nashville	\$ 860,000	1.8%	\$ 1,698,000	3.5%	\$ 1,279,000	2.6%	\$ 16,118,117	\$ 16,978,117	\$ 17,816,117	\$ 17,397,117
Navajo	\$ 4,331,000	8.8%	\$ 7,572,000	15.5%	\$ 5,951,500	12.1%	\$ 41,856,782	\$ 46,187,782	\$ 49,428,782	\$ 47,808,282
Oklahoma	\$ 1,963,000	4.0%	\$ 7,260,000	14.9%	\$ 4,621,500	9.4%	\$ 47,554,904	\$ 49,517,904	\$ 54,834,904	\$ 52,176,404
Phoenix	\$ 3,040,000	6.2%	\$ 4,949,000	10.1%	\$ 3,994,500	8.2%	\$ 31,781,141	\$ 34,821,141	\$ 36,730,141	\$ 35,775,641
Portland	\$ 8,975,000	18.3%	\$ 4,322,000	8.8%	\$ 6,648,500	13.6%	\$ 41,314,116	\$ 50,289,116	\$ 45,636,116	\$ 47,962,616
Tucson	\$ 978,000	2.0%	\$ 1,074,000	2.2%	\$ 1,026,000	2.1%	\$ 9,936,271	\$ 10,914,271	\$ 11,010,271	\$ 10,962,271
HQ Reserve	\$ 49,000,000	100%	\$ 49,000,000	100%	\$ 49,000,000	100%	\$ 356,468,651	\$ 405,468,651	\$ 405,468,651	\$ 405,468,651

### Impact of FY 2009 CHS Distribution

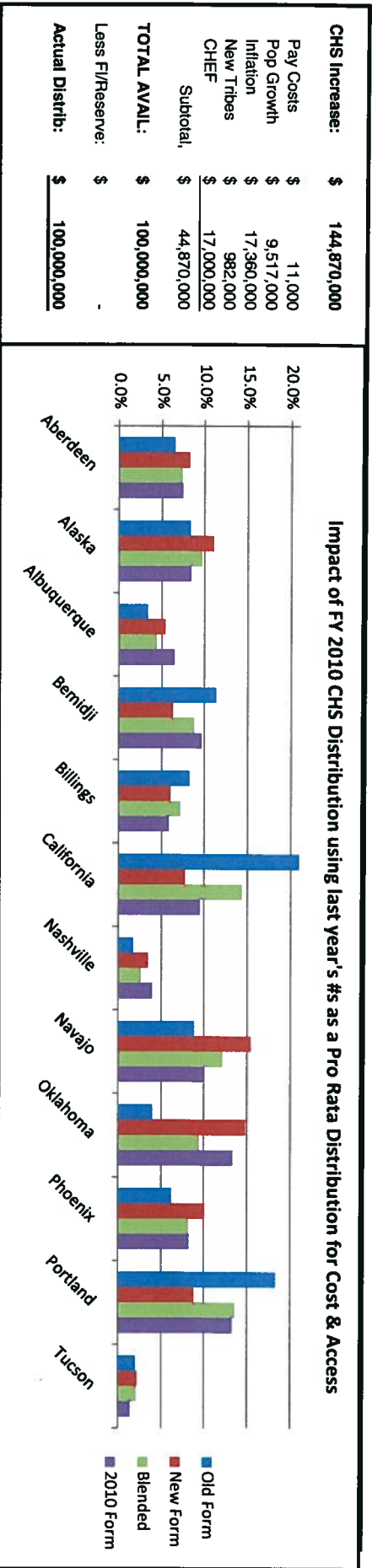
<b>CHS Increase:</b>	<b>\$ 55,143,000</b>
Pay Costs	\$ 23,000
Pop Growth	\$ 8,543,000
Inflation	\$ 21,577,000
New Tribes	\$ -
CHEF	\$ 4,421,000
Subtotal,	\$ 34,564,000
<b>TOTAL AVAIL:</b>	<b>\$ 20,579,000</b>
Less FY/Reserve:	\$ 391,000
<b>Actual Distrib:</b>	<b>\$ 20,188,000</b>



	FY 2008 Base (ADL - 5/11/09)	Current Services			FY 2009 Adj Base	Funding Increase			FY 2009 Total
		% of CHS Budget	Pop Growth Increase	Inflation Increase		75% on Cost	25% on Access	Total Increase	
Aberdeen	62,965,143	11.39%	\$ 973,145	\$ 2,457,866	\$ 66,396,155	\$ 1,152,478	\$ 387,395	\$ 1,539,873	\$ 67,936,028
Alaska	57,895,999	10.47%	\$ 894,800	\$ 2,259,991	\$ 61,050,790	\$ 1,790,702	\$ 226,384	\$ 2,017,086	\$ 63,067,876
Albuq	27,107,079	4.90%	\$ 418,948	\$ 1,058,134	\$ 28,584,161	\$ 844,808	\$ 404,198	\$ 1,249,006	\$ 29,833,167
Bemidji	38,095,014	6.89%	\$ 588,770	\$ 1,487,052	\$ 40,170,836	\$ 968,066	\$ 729,131	\$ 1,697,197	\$ 41,868,033
Billings	45,631,488	8.26%	\$ 705,248	\$ 1,781,241	\$ 48,117,978	\$ 711,071	\$ 382,415	\$ 1,093,486	\$ 49,211,464
California	28,280,641	5.12%	\$ 437,086	\$ 1,103,945	\$ 29,821,672	\$ 833,152	\$ 765,438	\$ 1,598,590	\$ 31,420,262
Nashville	22,288,969	4.03%	\$ 344,483	\$ 870,058	\$ 23,503,509	\$ 480,551	\$ 259,054	\$ 739,605	\$ 24,243,114
Navajo	63,397,710	11.47%	\$ 979,831	\$ 2,474,752	\$ 66,852,293	\$ 2,437,813	\$ 147,745	\$ 2,585,558	\$ 69,437,851
Oklahoma	68,792,633	12.45%	\$ 1,063,211	\$ 2,685,345	\$ 72,541,188	\$ 2,950,585	\$ 311,712	\$ 3,262,297	\$ 75,803,485
Phoenix	47,133,423	8.53%	\$ 728,461	\$ 1,839,870	\$ 49,701,754	\$ 1,556,792	\$ 303,570	\$ 1,860,362	\$ 51,562,116
Portland	63,503,636	11.49%	\$ 981,468	\$ 2,478,887	\$ 66,963,990	\$ 1,163,922	\$ 1,069,325	\$ 2,233,247	\$ 69,197,237
Tucson	13,723,875	2.48%	\$ 212,107	\$ 535,716	\$ 14,471,698	\$ 251,060	\$ 60,632	\$ 311,692	\$ 14,783,390
HQ Reserve	13,939,756	2.52%	\$ 215,443	\$ 544,143	\$ 14,699,342	\$ 293,249	\$ 97,751	\$ 391,000	\$ 15,090,342
<b>TOTAL</b>	<b>552,755,366</b>	<b>100.0%</b>	<b>\$ 8,543,000</b>	<b>\$ 21,577,000</b>	<b>\$ 582,875,366</b>	<b>\$ 15,434,249</b>	<b>\$ 5,144,750</b>	<b>\$ 20,578,999</b>	<b>\$ 603,454,365</b>
					CHEF	\$ 30,999,800			\$ 634,454,165

	(AA)		(BB)		AA & BB		FY 2009 TOTAL PROPOSED CHS FUNDING			
	Old Formula	% of Total	New Formula	% of Total	Mid Point	% of Total	FY 2009 Adj Base	Old Formula	New Formula	Blended Formula
Aberdeen	\$ 1,311,164	6.5%	\$ 1,658,300	8.2%	\$ 1,487,732	7.4%	\$ 66,396,155	\$ 67,713,319	\$ 68,054,455	\$ 67,883,887
Alaska	\$ 1,680,960	8.3%	\$ 2,227,272	11.0%	\$ 1,954,116	9.7%	\$ 61,050,790	\$ 62,731,750	\$ 63,278,062	\$ 63,004,906
Albuquerque	\$ 677,328	3.4%	\$ 1,094,684	5.4%	\$ 886,006	4.4%	\$ 28,584,161	\$ 29,261,489	\$ 29,678,845	\$ 29,470,167
Bemidji	\$ 2,287,836	11.3%	\$ 1,268,960	6.3%	\$ 1,778,398	8.8%	\$ 40,170,836	\$ 42,458,672	\$ 41,439,796	\$ 41,949,234
Billings	\$ 1,669,836	8.3%	\$ 1,222,404	6.1%	\$ 1,446,120	7.2%	\$ 48,117,978	\$ 49,787,814	\$ 49,340,382	\$ 49,564,098
California	\$ 4,254,312	21.1%	\$ 1,558,596	7.5%	\$ 2,906,454	14.4%	\$ 29,821,672	\$ 34,075,984	\$ 31,380,268	\$ 32,728,126
Nashville	\$ 354,320	1.8%	\$ 699,576	3.5%	\$ 526,948	2.6%	\$ 23,503,509	\$ 23,857,829	\$ 24,203,085	\$ 24,030,457
Navajo	\$ 1,784,372	8.8%	\$ 3,119,664	15.5%	\$ 2,452,018	12.1%	\$ 66,852,293	\$ 68,636,665	\$ 69,971,957	\$ 69,304,311
Oklahoma	\$ 808,756	4.0%	\$ 2,999,360	14.9%	\$ 1,904,058	9.4%	\$ 72,541,188	\$ 73,349,944	\$ 75,540,548	\$ 74,445,246
Phoenix	\$ 1,252,480	6.2%	\$ 2,038,988	10.1%	\$ 1,645,734	8.2%	\$ 49,701,754	\$ 50,954,234	\$ 51,740,742	\$ 51,347,488
Portland	\$ 3,697,700	18.3%	\$ 1,780,664	8.8%	\$ 2,739,182	13.6%	\$ 66,963,990	\$ 70,661,690	\$ 68,744,654	\$ 69,703,172
Tucson	\$ 402,936	2.0%	\$ 77,044	0.4%	\$ 38,522	0.2%	\$ 14,471,698	\$ 14,874,634	\$ 14,914,186	\$ 14,894,410
HQ Reserve									\$ 77,044	\$ 38,522
<b>TOTAL</b>	<b>\$ 20,188,000</b>	<b>100%</b>	<b>\$ 20,188,000</b>	<b>100%</b>	<b>\$ 20,188,000</b>	<b>100%</b>	<b>\$ 588,176,024</b>	<b>\$ 588,364,024</b>	<b>\$ 588,364,024</b>	<b>\$ 588,364,024</b>

Impact of FY 2010 CHS Distribution using last year's #'s as a Pro Rata Distribution for Cost & Access



CHS Increase:	\$ 144,870,000
Pay Costs	\$ 11,000
Pop Growth	\$ 9,517,000
Inflation	\$ 17,360,000
New Tribes	\$ 982,000
CHEF	\$ 17,000,000
Subtotal:	\$ 44,870,000
<b>TOTAL AVAIL:</b>	<b>\$ 100,000,000</b>
Less FI/Reserve:	\$ -
<b>Actual Distrib:</b>	<b>\$ 100,000,000</b>

FY 2009 Base (HQ Rpt CHS Dist)	% of CHS Budget	Current Services			FY 2010 Adj Base	Funding Increase			FY 2010 Total
		Pop Growth Increase	Inflation Increase	Total		75% on Cost	25% on Access	Total Increase	
Aberdeen	11.26%	\$ 1,071,360	\$ 1,954,272	\$ 3,025,632	\$ 70,958,443	\$ 5,612,055	\$ 1,882,477	\$ 7,494,532	\$ 78,452,975
Alaska	10.45%	\$ 994,599	\$ 1,814,252	\$ 2,808,851	\$ 65,874,414	\$ 7,351,254	\$ 1,100,073	\$ 8,451,327	\$ 74,325,741
Albuq	4.94%	\$ 470,460	\$ 858,169	\$ 1,328,629	\$ 31,159,588	\$ 4,551,993	\$ 1,964,128	\$ 6,516,121	\$ 37,675,709
Bemidji	6.94%	\$ 660,299	\$ 1,204,455	\$ 1,864,754	\$ 43,733,036	\$ 6,185,421	\$ 3,543,083	\$ 9,728,504	\$ 53,461,540
Billings	8.16%	\$ 776,154	\$ 1,415,786	\$ 2,191,940	\$ 51,406,340	\$ 3,985,201	\$ 1,858,278	\$ 5,843,479	\$ 57,249,819
California	5.21%	\$ 495,533	\$ 903,904	\$ 1,399,438	\$ 32,820,223	\$ 5,826,049	\$ 3,719,510	\$ 9,545,559	\$ 42,365,781
Nashville	4.02%	\$ 382,346	\$ 697,439	\$ 1,079,785	\$ 25,323,590	\$ 2,695,485	\$ 1,258,827	\$ 3,954,312	\$ 30,259,902
Navajo	11.51%	\$ 1,095,090	\$ 1,997,558	\$ 3,092,647	\$ 72,530,121	\$ 9,423,046	\$ 717,941	\$ 10,140,986	\$ 82,671,106
Oklahoma	12.56%	\$ 1,195,536	\$ 2,180,782	\$ 3,376,318	\$ 79,182,891	\$ 11,889,416	\$ 1,514,709	\$ 13,404,125	\$ 92,587,016
Phoenix	8.54%	\$ 51,563,659	\$ 813,204	\$ 1,483,369	\$ 53,860,232	\$ 6,780,075	\$ 1,475,145	\$ 8,255,219	\$ 62,115,451
Portland	11.47%	\$ 69,197,424	\$ 1,091,304	\$ 1,990,652	\$ 72,279,380	\$ 8,139,051	\$ 5,196,195	\$ 13,335,246	\$ 85,614,626
Tucson	2.45%	\$ 14,782,651	\$ 233,135	\$ 425,263	\$ 15,441,049	\$ 1,135,959	\$ 294,630	\$ 1,430,589	\$ 16,871,639
HQ Reserve	2.50%	\$ 15,089,780	\$ 237,979	\$ 434,099	\$ 15,761,858	\$ 1,899,995	\$ 475,004	\$ 2,374,999	\$ 18,136,856
<b>TOTAL</b>	<b>100.0%</b>	<b>\$ 603,454,166</b>	<b>\$ 9,517,000</b>	<b>\$ 17,360,000</b>	<b>\$ 26,877,000</b>	<b>\$ 630,331,166</b>	<b>\$ 75,474,999</b>	<b>\$ 25,000,000</b>	<b>\$ 100,474,999</b>
		<i>Balance to be Distributed (less \$988,000 New Tribes Funding):</i>		<b>\$ 117,011,000</b>					<b>\$ 30,999,800</b>
		<i>(less CHEF increase of \$17 million &amp; Pay Costs of \$11K):</i>		<b>\$ 100,000,000</b>			<b>\$ 75,000,000</b>	<b>\$ 25,000,000</b>	<b>\$ 762,787,965</b>
									<b>CHEF</b>
									<b>\$ 18,136,856</b>

Old Formula	% of Total	New Formula	% of Total	AA & BB		FY 2009 TOTAL PROPOSED CHS FUNDING			Blended Formula
				Mild Point	% of Total	FY 2009 Adj Base	Old Formula	New Formula	
Aberdeen	6.5%	\$ 8,524,490	8.2%	\$ 7,369,388	7.4%	\$ 70,958,443	\$ 77,482,933	\$ 79,172,729	\$ 78,327,831
Alaska	8.3%	\$ 8,326,531	11.0%	\$ 9,679,592	9.7%	\$ 65,874,414	\$ 74,200,945	\$ 76,907,068	\$ 75,554,006
Albuquerque	3.4%	\$ 3,355,102	5.4%	\$ 4,808,776	4.4%	\$ 31,159,588	\$ 34,514,690	\$ 36,582,037	\$ 35,548,363
Bemidji	11.3%	\$ 11,332,653	6.3%	\$ 8,399,184	8.8%	\$ 43,733,036	\$ 55,065,689	\$ 50,018,751	\$ 52,542,220
Billings	8.3%	\$ 8,271,429	6.1%	\$ 7,163,265	7.2%	\$ 51,406,340	\$ 59,677,769	\$ 57,461,442	\$ 58,569,605
California	21.1%	\$ 21,073,469	7.7%	\$ 14,396,939	14.4%	\$ 32,820,223	\$ 53,893,692	\$ 40,540,631	\$ 47,217,161
Nashville	1.8%	\$ 1,755,102	3.5%	\$ 2,610,204	2.6%	\$ 25,323,590	\$ 27,078,692	\$ 28,788,896	\$ 27,993,794
Navajo	8.8%	\$ 8,838,776	15.5%	\$ 12,145,918	12.1%	\$ 72,530,121	\$ 81,368,897	\$ 87,983,183	\$ 84,676,040
Oklahoma	4.0%	\$ 4,006,122	14.9%	\$ 9,431,633	9.4%	\$ 79,182,891	\$ 83,189,014	\$ 94,040,034	\$ 88,614,524
Phoenix	6.2%	\$ 6,204,082	10.1%	\$ 8,152,041	8.2%	\$ 53,860,232	\$ 60,064,313	\$ 63,960,232	\$ 62,012,273
Portland	18.3%	\$ 18,316,327	8.8%	\$ 13,568,367	13.6%	\$ 72,279,380	\$ 90,595,706	\$ 81,099,788	\$ 85,847,747
Tucson	2.0%	\$ 1,995,918	2.2%	\$ 2,093,878	2.1%	\$ 15,441,049	\$ 17,436,968	\$ 17,532,886	\$ 17,534,927
HQ Reserve	0.0%	\$ -	0.4%	\$ 190,816	0.2%	\$ -	\$ -	\$ 381,633	\$ 190,816
<b>TOTAL</b>	<b>100%</b>	<b>\$ 100,000,000</b>	<b>100%</b>	<b>\$ 100,000,000</b>	<b>100%</b>	<b>\$ 614,569,308</b>	<b>\$ 714,569,308</b>	<b>\$ 714,569,308</b>	<b>\$ 714,569,308</b>

**AS PRESENTED IN THE FY 2009 CONGRESSIONAL JUSTIFICATION**

SERVICES	FY 2007		FY 2008		FY 2009		Change 08 to 09	Proposed Distribution	OLD FORM.	Actual Increase	Actual Distribution	Change based on Old Form.
	Enacted	Estimate	Enacted	Estimate	Estimate	Estimate						
Aberdeen	\$ 61,862,196	\$ 65,450,212	\$ 64,240,876	\$ 65,450,212	\$ 1,209,336	\$ 1,209,336	11.9%	\$ 2,393,065	\$ 1,539,873	7.6%	(\$853,192)	
Alaska	\$ 58,328,195	\$ 59,148,136	\$ 58,055,245	\$ 59,148,136	\$ 1,092,891	\$ 1,092,891	10.7%	\$ 2,162,641	\$ 2,017,086	10.0%	(\$145,555)	
Albuquerque	\$ 26,180,121	\$ 27,692,036	\$ 27,180,365	\$ 27,692,036	\$ 511,671	\$ 511,671	5.0%	\$ 1,012,508	\$ 1,249,006	6.2%	\$236,498	
Bemidji	\$ 36,965,837	\$ 38,690,728	\$ 37,975,832	\$ 38,690,728	\$ 714,896	\$ 714,896	7.0%	\$ 1,414,654	\$ 1,697,197	8.4%	\$282,543	
Billings	\$ 46,714,154	\$ 47,936,743	\$ 47,051,006	\$ 47,936,743	\$ 885,737	\$ 885,737	8.7%	\$ 1,752,719	\$ 1,093,486	5.4%	(\$659,233)	
California	\$ 26,667,050	\$ 28,284,661	\$ 27,762,039	\$ 28,284,661	\$ 522,622	\$ 522,622	5.1%	\$ 1,034,178	\$ 1,598,590	7.9%	\$564,412	
Nashville	\$ 23,203,588	\$ 22,874,584	\$ 22,451,926	\$ 22,874,584	\$ 422,658	\$ 422,658	4.1%	\$ 836,366	\$ 739,605	3.7%	(\$96,761)	
Navajo	\$ 62,075,461	\$ 64,765,013	\$ 63,568,337	\$ 64,765,013	\$ 1,196,676	\$ 1,196,676	11.7%	\$ 2,368,073	\$ 2,585,558	12.8%	\$217,545	
Oklahoma	\$ 68,242,971	\$ 69,779,603	\$ 68,490,272	\$ 69,779,603	\$ 1,289,331	\$ 1,289,331	12.6%	\$ 2,551,361	\$ 3,262,297	16.2%	\$710,936	
Phoenix	\$ 46,076,121	\$ 48,358,043	\$ 47,464,522	\$ 48,358,043	\$ 893,521	\$ 893,521	8.8%	\$ 1,768,122	\$ 1,860,362	9.2%	\$92,240	
Portland	\$ 63,409,424	\$ 64,836,199	\$ 63,638,208	\$ 64,836,199	\$ 1,197,991	\$ 1,197,991	11.7%	\$ 2,370,615	\$ 2,233,247	11.1%	(\$137,368)	
Tucson	\$ 13,227,555	\$ 14,324,720	\$ 14,060,039	\$ 14,324,720	\$ 264,681	\$ 264,681	2.6%	\$ 523,757	\$ 311,692	1.5%	(\$212,065)	
Subtotal, Areas	\$ 532,952,673	\$ 552,140,678	\$ 541,938,667	\$ 552,140,678	\$ 10,202,011	\$ 10,202,011	100.0%	\$ 20,187,999	\$ 20,187,999	100.0%		
Headquarters	\$ 10,146,327	\$ 11,020,323	\$ 10,816,698	\$ 11,020,323	\$ 203,625	\$ 203,625						
Undistributed Funds - CHEF	\$ -	\$ 25,000,000	\$ 26,578,800	\$ 25,000,000	\$ -	\$ -						
<b>Total, CHS</b>	\$ 543,099,000	\$ 588,161,000	\$ 579,334,166	\$ 588,161,000	\$ 203,625	\$ 203,625						

(ProRata)