

**DEPARTMENT OF  
PUBLIC HEALTH AND HUMAN SERVICES**



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In regards: Comments to FDPIR funding formula proposal based on participation

Ms. Theodore:

The State of Montana does not support the proposed funding formula which is heavily based on participation. Currently Montana tribal programs determine how best to serve their tribal members. They prepare a budget that accounts for the costs necessary to deal with geographical issues that take into account distances traveled, conditions of roads and weather conditions. They consider tribal populations locations, warehousing and tailgating needs, their cultural needs and they determine staffing, facility, equipment, and overhead to meet these needs. This budget is sent to the state for review and negotiation and then sent on with the entire Montana and tribal budget to USDA for further review. A final budget is negotiated. The proposed funding in three parts is backwards, a pot of money will be available for each tribe comprised of part one a base amount and part three, a per participant amount times the average participation for the previous year. Part two of the funding is proposed @ 15% of the national admin budget allocated to each region based on regional average participation percentage to the national participation. This small portion must be divided up between all tribes in the region by a negotiation process that will pit every tribe against one-another as they all attempt to receive the funds necessary to run their programs effectively. The total amount available will not come close to the historic budgets approved for the Mountain Plains region. It will not be sufficient for Montana's tribal FDPIR programs to provide services at the level currently provided to program participants as Montana tribal budgets will be cut by at least 50% or more depending on the tribe. The tribal governments cannot absorb these funding deficiencies of \$100,000 or more annually. Allowing for a gradual move to this new budgeting process will not change the final outcome; many Montana FDPIR programs will close. This is unacceptable, our

Montana tribal population and their FDPIR program needs cannot be reduced to allocated participation dollars, amounts insufficient to run an effective program that will result in the loss of a stable and nutritious source of food necessary to those that participate in this program. Therefore this proposed funding methodology is unacceptable.

Montana does not support the Attachment E recommendation that the ITO tribes currently delivered by Montana and N. Dakota to be delivered by the national multi contractor. **Loss of the ITO tribes will close the Montana warehouse and result in the loss of the other commodity programs it now serves.** The Attachment E recommendation was proposed because the Montana and N. Dakota warehouse operations are funded by Administrative dollars. The funding methodology group stated and Montana agrees the appropriate source of funding warehousing and delivery costs should be under the USDA food budget. Montana does not agree, however, that the ITO tribes it currently delivers should be delivered under the national multi contract. Montana's warehouse was built because a private or non-profit operation did not exist to fill this roll, and that continues to be true today. Montana orders direct shipments from ECOS, receives, warehouses, processes and picks orders, loads and delivers those orders for the FDPIR program, the CSFP program, the TEFAP program, and the NSIP program. The Montana warehouse receives direct shipments, warehouses, picks orders, loads trucks, and delivers the local school orders for the NSLP. Costs are allocated to each commodity program based on a percentage size of operational cost. The FDPIR program is approximately 33% of the total Montana warehouse operation and, of that, the ITO tribes are about 1/3 of the FDPIR program. The loss of the ITO tribes to the Montana FDPIR warehouse operation cannot be made up by the remaining FDPIR programs and cannot be covered by the remaining commodity programs. Their loss would shut down the Montana warehouse. The TEFAP program would cease to exist in Montana. The CSFP program would cease to exist in most of the state. The national multi contractor will only deliver to large centralized locations that have loading docks and/or forklifts for unloading. Most of the 49 CSFP delivery sites in Montana are hand unload facilities with the average delivery being less than 6,000 pounds. The Montana CSFP program currently provides service in 55 of 56 counties and that includes service areas within all seven Montana tribal boundaries. The loss of the Montana TEFAP program and inability for the Montana CSFP programs to continue to serve remote regions would negatively impact low income persons living within tribal boundaries, many of which also participate in the FDPIR program.

No estimates have been provided to indicate the cost for the national multi-contractor to deliver to all FDPIR and CSFP sites Montana. The distance required to deliver one way from Kansas City to Helena, MT is approximately 1300 miles. Make no mistake, if the ITOs are removed from the Montana warehouse, the Montana warehouse will close its doors and the national multi contractor will have to take on the responsibility to deliver the FDPIR and CSFP programs in Montana. At what cost and at what level of service would these programs be served? The table below compares delivery distances to the four ITO delivery locations and the 6 Montana administered tribal organizations currently delivered by the Montana State Warehouse to the miles required for delivery by Paris Brothers in Kansas City, Missouri. Paris Brothers is the Western Region multi contractor and its distribution area includes Montana, Wyoming and Utah.

Tribal Program	Tribal Location	Miles from the MT Warehouse Helena, MT	Miles from the Paris Bros Whse Kansas City	Miles saved by delivery by MT Whse
Blackfeet ITO	Browning, MT	224 miles	1,437 miles	<b>1213 miles</b>
Shoshone ITO	Ft Washakie, WY	385	928	<b>543</b>
N. Arapaho ITO	Riverton, WY	385	926	<b>541</b>
N. Ute ITO	Ft Duchesne, UT	630	1027	<b>397</b>
Fort Peck	Poplar, MT	432	1100	<b>668</b>
Fort Belknap	Harlem, MT	249	1278	<b>1029</b>
Rocky Boy	Box Elder, MT	191	1356	<b>1165</b>
Flathead Res.	St. Ignatius, MT	157	1463	<b>1306</b>
Crow Res.	Hardin, MT	284	1033	<b>749</b>
N. Cheyenne	Lame Deer, MT	338	1020	<b>682</b>

The Montana warehouse delivery trucks log approximately 14,000 miles per month making deliveries throughout Montana and to the two tribes in Wyoming and one in N. Utah. Many of those miles are to deliver the FDPIR accounts (10 total) and the 49 CSFP sites. Although the multi contractor may be able to initially deliver the FDPIR sites, it must be understood they are not required to deliver to the small CSFP sites throughout Montana that require as stated in the paragraph above.....hand unloads of shipments that average less than 6,000 pounds. The CSFP sites are run by volunteers and are not open 7 days a week. Each CSFP site requires a specific delivery date and time to coordinate with their volunteers to be there to help hand unload these orders. I anticipate the multi contractor would be sending 14 to 15 trucks monthly into Montana. Most all of these deliveries will require a trucker to leave Montana empty.....There are not sufficient loads exiting Montana for cost effective private carrier multi deliveries to be made which will increase delivery costs into Montana. The Montana warehouse will only require approximately 10 total multi loads for CSFP (3) & FDPIR (7) for FFY2007. October 2006 through March 2007, only four multi orders have been placed. Montana placed and received over 193 direct shipment order through ECOS for the three household programs and NSIP program. Over 100 truckloads of direct shipments for the NSLP were also received in FFY2006, receiving a total of over 12,000,000 lbs of commodities.

The following is an excerpt from a letter sent to the Mtn Plains Regional office in FFY 2006 justifying Montana's request for CSFP funding for warehousing and delivery by the Montana State Warehouse, it is justification for continuing Montana's warehouse as an ongoing operation into the future: "The state of Montana operates a regional warehouse and delivers orders for CSFP, FDPIR, TEFAP and NSIP and also warehouses National School Lunch Program Foods. Our distribution area is the entire state of Montana, northern Wyoming and Utah. We coordinate our deliveries so all program foods can be delivered simultaneously when possible to keep costs down for all programs. FDPIR and CSFP requested delivery dates receive priority. Based on those dates the delivery dates are set for TEFAP and NSIP foods. The Montana warehouse picked and delivered a total of 1,430 orders in FFY2005; 378 for CSFP, 99 for FDPIR of which 18 were intra-state to Wyoming and Utah, 658 for TEFAP and 295

for NSIP. The warehousing and delivery role performed by the state of Montana enables the USDA commodity programs to be operational in Montana; likewise we enable the local area agencies to operate the commodity programs with little or no warehousing or shipping capabilities by providing their requested orders for a variety of commodities when and where they need them without regard to weight or case lot minimums; we also provide hand unloads at the majority of our sites where loading docks or forklifts are unavailable. Given the unique nature of the delivery requirements and size of the state, the multi-program warehousing, and the inter-state and intra-state delivery roles for the state of Montana's warehouse and delivery fleet, consideration should be given to place the state of Montana's commodity warehousing and shipping operation under food costs and not administrative costs. "

I have documentation indicating that Montana has been attempting to negotiate food cost funding of our warehousing and delivery operation for the FDPIR program since 1999, an effort supported at the time by the Mountain Plains Regional Director of FNS, John Merz. It is an effort whose time has come. The delivery of four FDPIR ITO sites by the national multi contractor will jeopardize all of Montana's household commodities programs that provide commodities to 49 CSFP sites serving 6,783 people statewide monthly, 70 TEFAP food banks/pantries that serve thousands of low income Montanans monthly, 85 TEFAP congregate feeding sites providing thousands of meals monthly and to the 10 FDPIR programs is an UNACCEPTABLE option. Moving FDPIR and CSFP warehousing and delivery operational costs under food funding through entering into an agreement with Montana and N. Dakota to run their warehouses is the acceptable option.

In closing I suggest two alternative proposals for administratively funding the FDPIR program.

Suggestion #1: Continue the traditional funding through tribal determined budget negotiations but make additional funds available to the tribes that have indicated they have inadequate funding. USDA indicated it would be requesting additional administrative funding as part of the new funding proposal. USDA should continue to pursue that additional funding and make it available to the tribes that initiated this alternative funding in the first place. It should be determined however that any tribe requesting additional funding does not have a history of returning unused funding.

Suggestion #2: Negotiate directly with Montana and N. Dakota to fund their warehousing and delivery operations for both FDPIR and CSFP. A precedent has been established as USDA has funded these operations in the past and USDA also determined that both warehouses were to be the delivery locations for the national multi contractor for both those commodity programs. USDA recommended the construction of the Montana warehouse because it was the only way the commodity programs could exist in the state and that is still true today. Losing the ITO's as part of the Montana warehousing operation would result in closing the warehouse and the loss of the household programs in Montana and seriously jeopardizing the Montana school lunch program. The funding committee was correct that the state warehouses should be funded out of food costs and not by administrative dollars but the answer is not so simple as changing who delivers the ITO's.

Thank you for the opportunity to provide comments on the funding proposal. Please contact me if you have any questions in regards to my comments.

Respectfully,

Forest Farris  
MT Food Distribution Section Chief