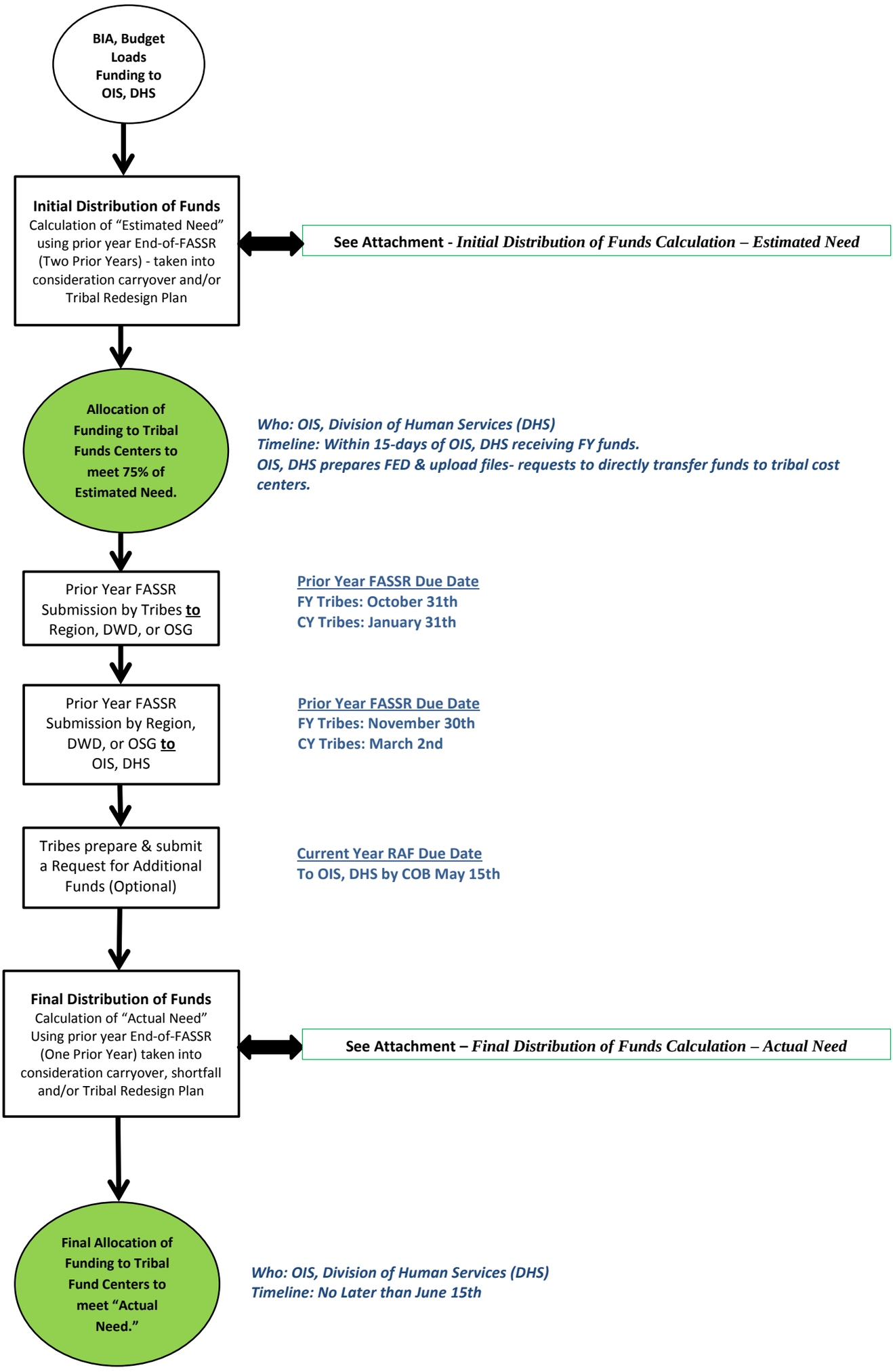
# WELFARE ASSISTANCE FUNDING DISTRIBUTION METHODOLOGY
## [Budget Roadmap]



**Welfare Assistance Methodology**
**Initial Distribution of Funds Calculation – Estimated Need**

On October 1st, Indian Affairs uses actual expenditures reported in the end-of-year FASSR for the **last complete year** (which would be two years before the current year), adjusted for carryover to calculate the estimated need for each Tribe and BIA agency.

**Step 1: Calculate % of Need Met from Prior Year Fiscal Year (FY)**

$$\text{Percent of Need Met} = \frac{\textbf{Prior Year Available Funding}}{\textbf{Actual Expenditures, Column P, FASSR}}$$

For FY2017:
Prior Year Available Funding = Sum of Actual Allocation of 2016 Welfare Assistance Funding to the Tribe + the Reported Carryover, Column R, 2015 FASSR
Actual Expenditures, Column P, FASSR = As reported by the Tribe on the 2015 FASSR – Column P

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**Step 2: Determination of Estimated Need using % of Need Met from Step 1. One of Three Scenarios will occur:**

***Scenario #1:*** If a Tribe's % of Need Met **is at or below 100%,** then Estimated Need will equal the Tribe's Expenditures as reported on the Tribe's FASSR (Two Prior Years)

For example, for FY2017:
If Tribes' % of Need is below 100%, then the Tribe's 2017 Estimated Need = Total Expenditures, Column P, from **2015** FASSR

***Scenario #2:*** If a Tribe's % of Need Met **is above 100% but below 200%**, then Estimated Need will be calculated by using the following formula:

**[(Total Expenditures, Column P, FASSR, Two Prior Years)*2) - Prior Year Available Funds]**

For example, for FY2017:
To calculate the Tribe's 2017 Estimated Need under Scenario #2 = (Tribe's 2015 Reported Expenditures, Column P, 15'FASSR * 2) - 2016 Available Funding

***Scenario #3:*** If a Tribe's % of Need Met **is at or above 200%** then Estimated Need will be set at zero

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**Step #3: Conduct Initial Distribution @ 75% of Estimated Need**

Full Year Appropriation vs. Continuing Resolution(s)

In a FY year when Congress enacts a full year appropriation by October 1, the initial distribution of welfare assistance funds meets 75 percent of a Tribe or BIA agency's estimated need for that year.

**Formula for Initial Distribution under a full Year CR**
Initial Distribution = Estimated Need * .75

In a FY in which Congress enacts a continuing resolution(s), OIS, DHS distributes welfare assistance funds by prorating the funding based on the calculated 75 percent of a Tribe or BIA agency's estimated need.

**Formula for Initial Distribution under a CR:**
Prorata Distribution: $\frac{\text{Tribe's Estimated Need}}{\text{Total National Estimated Need}}$

Initial Distribution = Prorata Distribution* Total Available Appropriation enacted under CR

**Welfare Assistance Methodology**
**Final Distribution of Funds Calculation – Actual Need**

The methodology for the final distribution of welfare assistance funding will use reported ***actual expenditures*** to adjust the estimated need.

**Step #1: Calculate Available Funding Prior to Final Distribution**

Formula:

Total Available Funding Prior to Final Distribution = Total Current Year Allocations + Reported Carryover on Prior Year FASSR

For example, for FY 2017: Sum of 2017 Actual Welfare Assistance Allocations (75%) + Reported Carryover, Column R, 2016 FASSR).

**Step #2: Adjust "Estimated Need" to "Actual Need"**

"Actual Need" = Actual prior year expenditures as reported on prior year FASSR, taken into consideration carryover, shortfall and/or Tribal Redesign Plans.

For example, for FY 2017: Actual Need = Actual Expenditures, Column P, 2016 FASSR or Column P, 2017 Request for Additional Funds (Shortfall Request).

**Step #3: Conduct Final Distribution**

If the annual appropriations act caps the amount of welfare assistance funding that can be distributed and if the national welfare assistance need, as determined by expenditures reported on the end-of-previous year FASSRs, is greater than the capped welfare assistance amount, the following will occur:

Welfare assistance funds will be disbursed pro rata based on the final calculated actual need for all Tribes and BIA agencies operating welfare assistance programs. A pro rata distribution ensures that the total distribution does not exceed the funding amount enacted by Congress.

This would result in a pro rata distribution in which each Tribe and BIA agency receives a percentage of its calculated actual need.

**Formula for Final Distribution: [=Roundup(Sum(ActualNeed*%)-AvailableFunding,0)]**