

Date Signed: June 26, 1995

MEMORANDUM**SUBJECT:** Revised Uses, Distribution, and Timing of Indian Land PWSS Grant Funds**FROM:** Robert J. Blanco, Director
Drinking Water Implementation Division (4604)**TO:** Ground Water/Drinking Water Branch Chiefs, Regions I-X

Thank you for your comments to my February 16, 1995, memorandum discussing tentative changes in the way in which the three percent set-aside of PWSS grant funds for program implementation on Indian Lands is distributed and utilized. Most of the comments supported the planned changes. A summary of the new process is attached for your information. We will implement it in FY 1996.

The new approach differs from the current one in three major respects. First, assuming no significant increase in the number of Tribes receiving program development or primacy grants, the size of the Headquarters reserve will be reduced significantly. We will now make decisions about funding Headquarters-managed grants (such as the current grants to NAWA and NETA) and support for Alaskan Native Villages at the start of each fiscal year. The Headquarters reserve will consist of funding for these activities, if any, plus a contingency fund of 10 percent of the total Indian-Land set-aside. The funding needed to cover known Tribal program development and primacy grants (such as Standing Rock Sioux and the Navajo Nation) and any funds to support Alaskan Native Villages will be advised to the appropriate Regions early in the fiscal year, along with the distribution of the rest of the set-aside. At current levels, the size of the Headquarters reserve will be reduced by approximately 70 percent.

The second major change affects the distribution of the Indian Land funds among the Regions. Starting in FY 1996, we will base 100% of the Regional distribution on the Indian Land formula. As such, both the Fall allotment, and any Spring reallocation, will be based solely on Indian lands, populations, and water system inventories. The Fall allotment will provide for a minimum to Regions with Federally-recognized Tribes—the greater of \$30,000 or 2 percent of the available funds—any Spring reallocation will not.

The final major change is our policy on use of the Indian Land funds. Effective with the FY 1996 distribution, we expect Regions to use their allotments strictly for support of their Indian Land activities, i.e., for direct implementation of the PWSS program on Indian Lands, for grants to Tribes to build their capacity to operate Tribal PWSS programs, and for other PWSS related Indian Land activities. We will track the use of the funds and plan to reduce the size of subsequent allotments to those Regions which are not using the funds for PWSS Indian Land activities, unless the Region has specific plans to increase its Indian Land activities during the fiscal year. Any such

funds will be redirected to Regions that have additional need for Indian Land PWSS program support.

Three Regions expressed concern about basing 100% of the allocation on the Indian Lands formula and the loss of flexibility to use the funds for non-Indian Lands purposes. I am sensitive to these concerns. Nevertheless, I believe the changes are appropriate, given the growing need for Indian Land funds and the ability of most Regions to effectively use increased funds for Indian Land activities. At the same time, I recognize that Regions with small Indian Land programs may be precluded from expanding their activities if the size of the Regional allotment is reduced based on prior year utilization. In such cases, we will take the Region's plans for expanding Indian Land activities into consideration when deciding whether to reduce the size of a Region's allocation.

This revised process gives you use of most of the set-aside early in the fiscal year and I believe it will result in a more effective utilization of this resource for PWSS program implementation on Indian Lands. If you have any questions, please give me a call on 202-260-5522 or have a member of your staff contact Judy Lebowich on 202-260-7595.

Attachment

cc: Cynthia Dougherty
Terry Williams, AIEO
PWSS Section Chiefs, Regions I-X

**ALLOCATION OF 3% SET-ASIDE
FOR PWSS IMPLEMENTATION ON INDIAN LANDS**
Beginning Fiscal Year 1996

Fall

- After consultation with Regions,¹ HQ makes decisions about funding HQ managed grants/contracts for PWSS program implementation support on Indian Lands (e.g., NAWA and NETA grants for training/TA).
- 10% of the total Indian Land set-aside,² plus amount needed to fund HQ managed grants, if any, retained in HQ Reserve.
- HQ makes decisions about support for Alaskan Native Villages. These funds, if any, plus funds needed to fund known³ Tribal PWSS program development/primacy grants advised to Regions as part of Fall allotment.
- Remaining funds allotted to Regions with Federally-recognized Tribes based on PWSS Indian Lands formula.
 - S** Regions with Tribes receive a minimum of \$30,000 or two percent of available funds, whichever is greater.⁴
 - S** Allowable uses are direct implementation of the PWSS program on Indian Lands, grants to Tribes to build their capacity to operate Tribal PWSS programs, and other special PWSS Indian Land activities.

SPRING

- Any funds remaining in HQ reserve distributed among Regions with Federally-recognized Tribes based on Indian Lands formula (without Regional minimum).

¹Regional recommendations will be requested in the September time-frame. HQ will make final decisions based on Regional input plus HQ policy considerations.

²To be used to fund Tribal PWSS program development/primacy grants received during the fiscal year, special PWSS Indian-related activities, and other PWSS contingencies.

³Based on approved applications and complete applications under review in the Regions. Population, land area, and PWSs associated with these Tribes are subtracted from the Regional total in the PWSS Indian Lands Formula.

⁴Starting with the FY 1997 allocation, HQ plans to reduce the size of a Region's allotment by the amount not used by the Region in the previous fiscal year for PWSS Indian Land activities, unless the Region has specific plans for increasing its Indian Land activities during the fiscal year. Any such funds will be redirected to Regions that have additional need for Indian Land PWSS program support.