



U.S. Department of Housing and Urban Development

Washington, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING

April 2, 2003

Dear Tribal Leader:

I am writing to provide important information on your Tribe's Fiscal Year (FY) 2003 Indian Housing Block Grant (IHBG) formula allocation. HUD is required to provide this information annually to Indian tribes or their tribally designated housing entities (TDHEs). Enclosed you will find the following:

- FY 2003 IHBG Allocation and Formula Data sheets.
- Changes Resulting from Continued Minimum Needs Funding.
- FY 2003 IHBG Correction/Challenge Log: August 2002 to March 2003.
- Worksheet for Calculating FY 2003 IHBG Allocations.
- Indian Housing Block Grant (IHBG) Formula Allocation Critical Deadlines and Calendar of Events.

The FY 2003 allocations are based on a \$636,038,700 appropriation to be distributed through the IHBG formula plus a \$9,336,038 carry-over of undistributed FY 2002 funds. The total IHBG appropriation is \$649 million less the 0.65% mandated rescission pursuant to Section 601(a) of the Consolidated Appropriations Resolution – 2003 (P.L. 108-7 approved February 20, 2003) or \$644,781,500. Of the \$644,781,500 total, \$3,974,000 is designated for training and technical assistance; \$1,987,000 is designated for the Title VI Program; \$2,185,700 is designated for the National American Indian Housing Council (NAIHC); and \$596,100 is transferred to the Working Capital Fund for developing and maintaining information technology systems.

The **IHBG Allocation and Formula Data sheets** contain your Tribe's FY 2003 final formula allocation and the data used in its calculation. Also included on these sheets are FY 1998 through FY 2002 adjustments and repayment amounts collected in the current year for over-funding in prior years. The FY 1998 through FY 2002 adjustments and repayment amounts reflect corrections to the data used in computing previous years' allocations. Errors handled as adjustments are collected in the current year and funds collected are directly redistributed through the FY 2003 formula. Errors handled as repayments are collected over multiple years and the funds collected are reflected as carry-over in the next year's allocations.

Please note that if your Tribe has entered into a multi-year repayment agreement with HUD, your repayment amount is now included on your Tribe's FY 2003 IHBG Formula and Allocation data sheets and automatically deducted from your Tribe's allocation. It will no longer be necessary to manually deduct this amount from the published allocations.

These allocations do not incorporate a minimum needs funding for tribes that have previously participated in the IHBG Program. In accordance with 24 CFR 1000.328, tribes receiving less than \$25,000 under the needs component of the formula that have previously participated in the IHBG Program are no longer eligible to receive minimum funding after FY 2002. However, the Department is in the process of publishing an Interim Rule that, if approved, will continue minimum needs funding for FY 2003 to avoid unnecessary hardship to many smaller tribes. Additionally, publication of this Rule will allow time for the Negotiated Rulemaking Committee to review the IHBG formula in accordance with §1000.306.

Until such time as the Interim Rule is approved and published, tribes can only request the amount listed on their **IHBG Allocation and Formula Data sheets** (see Line 10, “FY 2003 Grant with FY 1998, FY 1999, FY 2000, FY 2001 and FY 2002 Adjustments”). Once the Interim Rule is published, minimum funding tribes can request the full amount that is listed on the enclosed sheet titled, **Changes Resulting from Continued Minimum Needs Funding** (see Column titled, “Grant Including Minimum Funding”). If an eligible tribe submitted a FY 2003 IHP prior to publication of the Interim Rule, then a revised IHP will be needed to request the additional funding. These amounts can also be found on the enclosed sheet (see Column titled, “Additional Funds from Minimum Funding”).

The FY 2003 allocations use 2000 Census data for the number of American Indian and Alaska Native persons’ variable used to compute need. However, the remaining six need variables continue to be based on 1990 Census data updated to the present using Indian Health Service birth and death rates. The Census data used for the six remaining variables is not yet tabulated in the manner used in the IHBG formula. We expect these special tabulations to be available in September 2003.

Data on the enclosed IHBG Allocation and Formula data sheets should reflect Census Challenges submitted to HUD prior to June 15, 2002, and other data corrections submitted to HUD prior to September 15, 2002. If your Tribe/TDHE submitted any corrections or challenges meeting these deadlines, you should have received a written response from HUD informing you of HUD’s decision. Please review HUD’s response along with the enclosed data to ensure that changes are appropriately incorporated.

An overview of all correction and challenge requests received between August 2002 and March 2003 can be found on the enclosed **FY 2003 Correction/Challenge Log**. A log of corrections/challenges made between January 2002 and July 2002 was mailed along with your Tribe’s FY 2003 Formula Response Form in August 2002.

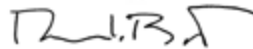
The **Worksheet for Estimating FY 2003 Final IHBG Allocations** will allow you to estimate your Tribe’s allocation step-by-step. You may use the worksheet to estimate the impact on your allocation if you are considering submitting a Census Challenge or a data correction for the FY 2004 allocation.

The **IHBG Formula Allocation Critical Deadlines and Calendar of Events** lists important deadlines, contact information for customer service, and a summary of frequently asked questions. Please note that the next critical date to be aware of is June 15, 2003. For consideration in the FY 2004 allocations, you must submit challenges to Census data by June 15, 2003.

We look forward to continue working with Tribes/TDHEs on this important Program in FY 2003. Should you have additional comments, please contact our IHBG Formula Customer Service Center at:

1331 H Street, NW, Suite 1000
Washington, D.C. 20005
Phone: 1-800-410-8808
Fax: 1-202-393-5043
E-mail: IHBGformula@swinter.com

Sincerely,



Rodger J. Boyd
Deputy Assistant Secretary
for Native American Programs

Enclosures

PN Reading File
PNPG Reading File
PNPG NAHASDA/FORMULA
JACKIE KRUSZEK
KATE BROWN
CYNTHIA GARDSTEIN

PNPG:KRUSZEK:RWH J:\NONAP\Grants Management\CORRECTION\FY 2003
FINAL\FY 2003 FINAL COVER LETTER
675-1600, 03/03/03

Concurrences

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