

IHBG Formula Negotiated Rulemaking Recommendations and Proposals

<p>TAB 9: [Former #2, #8, & #9]</p>	<p>AEL: Addressing current inequities in the formula's AEL factor by establishing the national AEL average as a baseline; AEL challenge process #1; AEL challenge process #2 (with cap)</p>
	<p>The proposals were first introduced on 08/18/2003 and 08/19/2003. Both former #8 & #9 were rejected on 08/20/2003, at which time the committee could not reach consensus on how a successful challenge would be funded (CAS or Need).</p>
<p>A proposal was submitted by UNAHA titled "Addressing Current Inequities in the Formula's AEL Factor by Establishing the National AEL Average as a Baseline." Proposals were also submitted by the Formula CAS Workgroup with associated regulatory language.</p>	
<p>Reference Documents:</p> <p>TSB: #2, #8, #9</p> <p>TR: #15, #21, #26, #40</p>	

Referenced Documents:

TR = Technical Request; TSB = Tab in September Binder

[Issue #9]
PROPOSED REGULATION
FOR
CHANGES TO AEL FACTOR IN FORMULA
by
Jason Adams

§ 1000.320 How is Formula Current Assisted Stock adjusted for local area costs?

There are two adjustment factors that are used to adjust the allocation of funds for the formula. They are:

(a) Operating Subsidy as adjusted by the greater of the of the following:

(1) Individual AEL factor;

(2) National average AEL factor without changing the denominator in the formula originally fixed; or

(3) FMR factor; and

(b) Modernization as adjusted by TDC.

OR

§ 1000.320 How is Formula Current Assisted Stock adjusted for local area costs?

There are two adjustment factors that are used to adjust the allocation of funds for the formula. They are:

(a) Operating Subsidy as adjusted by the greater of the AEL factor or FMR factor (AELFMR) with tribes and TDHEs being able to challenge both the AEL and FMR factors; and

(b) Modernization as adjusted by TDC.