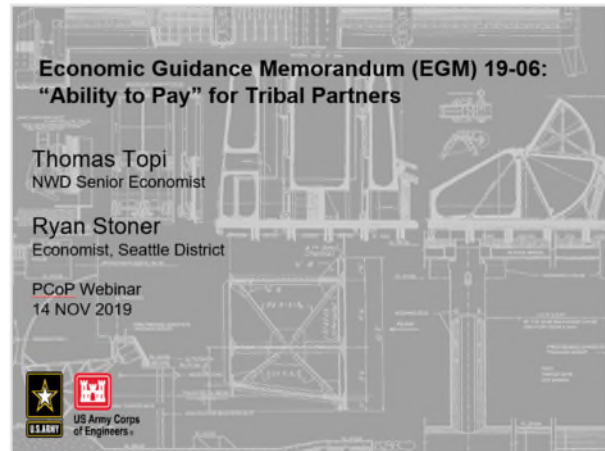


Economic Guidance Memorandum (EGM) 19-06

November 14, 2019

Q&A Session

This PCoP webinar provided an overview of how to apply the procedures in [Economic Guidance Memorandum \(EGM\) 19-06: Supplemental Guidance for Section 1121 of the Water Resources Development Act of 2016, as amended - Tribal Partnership Program Reduced Cost Share Eligibility Criteria \(Ability to Pay\)](#) for determining Tribal partners' ability to pay, a walkthrough of finding the data to make this determination, and the procedure for figuring the reduced cost share amount. The webinar was presented by Thomas Topi (Senior Economist, Northwestern Division) and Ryan Stoner (Economist, Seattle District).



This summary of the Question / Answer session of the webinar is not a transcription; questions and responses have been edited and reordered for clarity. For more information, please see:

- [EGM 19-06: Supplemental Guidance for Section 1121 of the Water Resources Development Act of 2016, as amended - Tribal Partnership Program Reduced Cost Share Eligibility Criteria \(Ability to Pay\)](#)
- Per Capita Income Data: [US Census American Fact Finder Advanced Search](#)

Background

Should the “ability to pay” calculation be done for every Tribal partner?

Yes. MG Jackson (Deputy Commanding General for Civil and Emergency Operations, DCG-CEO) is strongly encouraging project delivery teams to apply the analysis and calculation as part of every project, and to work with Tribal partners via the District Tribal Liaison to ensure access to reduced cost share as directed by law. Note that different work products and partnerships have different cost share / ability to pay calculations.

What is the difference between “per capita income” and “per capita personal income”?

They are two different measurements developed by different federal agencies (the US Census Bureau and Bureau of Economic Analysis, respectively) for different purposes. Per capita income is defined as average personal income and is calculated by dividing aggregate income by total population of an area. This metric is reported by the US Census Bureau. Per capita personal income is reported by the US Bureau of Economic Analysis (BEA). BEA's personal income statistics show the income that U.S. residents get from paychecks, employer-provided supplements such as insurance, business ownership, rental property, Social Security and other government benefits, interest, and dividends.

The [Implementation Guidance for Section 1031\(a\) of the Water Resources Reform and Development Act of 2014 \(WRRDA 2014\)](#), and for [Section 1121 of the Water Resources Development Act of 2016 \(WRDA 2016\), Tribal Partnership Program](#) called for a comparison across two different data sets – an “apples to oranges” comparison. EGM 19-06 resolves this discrepancy by asking project delivery teams to use only US Census Bureau data on per capita income.

How was the ability to pay threshold determined?

The Implementation Guidance for Section 1121 of the Water Resources Development Act of 2016 (WRDA 2016), Tribal Partnership Program directs that if the Indian Tribe has a per capita income less than the per capita income of two thirds of the counties in the United States, the non-federal share shall be reduced. Per the EGM, the current estimate of the 33.3rd percentile of per capita income for all US counties is \$22,983 based on the 5-year estimates of per capita income for all US counties from 2013-2017.

Computing Tribal Ability to Pay

How can per capita income data be obtained if the Tribe isn't on the pull-down list on the US Census American Fact Finder database?

The project delivery team, working with the District's Tribal Liaison and the team's economist, should determine the best comparable geography; this should be confirmed with the vertical team.

Can other data be used in place of US Census Bureau data, such as a Tribal census or another federal agency's data?

The EGM directs the use of US Census data because this 2013-2017 data set is the only one we found that facilitates a true comparison. The District Tribal Liaison and economist should look for vertical team consensus on a different source / method than using the US Census Bureau / American Fact Finder data, if necessary.

How should the margin of error on the per capita income estimate be considered? For example, if the per capita income of the Tribe is \$25,000 with a +/- \$5,000 margin of error, would this Tribe be eligible for the cost share reduction?

The margin of error is not considered in the comparison against the 33.3rd percentile of per capita income for all US counties (\$22,983). In this example, the Tribe would not be eligible.

Can you discuss options for working with Tribal partners that have a per capita income marginally greater than \$22,983?

If the per capita income is greater than \$22,983, the Tribe does not meet the requirement for reducing the non-federal cost share. The team should work with the District Tribal Liaison or Lisa Morales (HQUSACE) to explore options.

Who can we reach out to (i.e., who are the subject matter experts in the Corps) if we need help determining the calculation?

The team's economist can assist in finding the Tribal estimated per capita income and determining if it meets the threshold, as well as calculating the cost share reduction based on the EGM's Enclosure C.

Is a USACE or ASA exemption to the 3x3x3 rule required if, when factoring in "ability to pay" and cost share reductions, the federal share of a \$3 million feasibility study exceeds \$1.5 million?

As long as the total study cost is under \$3 million, no 3x3x3 exemption for cost will be needed. Study teams should clearly communicate the federal and Tribal cost share and the study's scope, schedule, and budget at every milestone meeting. If a determination is made that total study costs are expected to exceed \$3 million, coordination with the vertical team will be required to determine if the cost exemption can be approved by the DCG-CEO or ASA(CW) – a determination that will be based on the total federal funding of the study (see [Planning Bulletin 2018-02: Exemption Procedures for Planning Studies Exceeding Cost and Schedule Limits](#) for more information).