



25th Navajo Nation Council

25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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FOR IMMEDIATE RELEASE

June 7, 2024

25th Navajo Nation Council acts to protect Navajo Nation ARPA funds from federal 'claw back'



The 25th Navajo Nation Council voted 16-3 to approve Legislation No. 0111-24 on May 28.

WINDOW ROCK, Ariz. – During a recent special session, the 25th Navajo Nation Council adopted Resolution No. CMY-28-24, a proactive measure aimed at protecting the Navajo Nation’s Fiscal Recovery Funds (NNFRF), or American Rescue Plan Act (ARPA) funds, from being reverted back to the federal government if it signed into law by the Navajo Nation President.

In response to the Covid-19 pandemic, U.S. President Joe Biden signed the American Rescue Plan Act into law on March 11, 2021, which allocated \$20 billion for tribal nations. The Navajo Nation received approximately \$2 billion in ARPA funds.

In July 2022, the 24th Navajo Nation Council adopted Resolution No. CJY-29-22, which allocated over \$1 billion of the ARPA funds for various uses including water, electricity, broadband, housing, and other initiatives for the Navajo people. Approximately \$210 million of the funding was allocated for regional expenditure plans within each of the 24 legislative districts.

If signed into law, CMY-28-24 will recapture \$768 million of unobligated and unexpended ARPA funds. It will also reallocate \$521 million of the \$768 million to the newly established “Revenue Replacement Reserve” within the Navajo Nation’s General Fund, under a reimbursement method known as “revenue loss” authorized by the U.S. Treasury, to prevent the funds from being reverted back to the federal

government. Under the “revenue loss” method, the Treasury allows states, counties, tribes, and other entities to use ARPA funds to reimburse their governments for expenses and financial losses resulting from the pandemic.

Legislation sponsor, Speaker Crystalyne Curley, stated that the 25th Navajo Nation Council and the Budget and Finance Committee have worked, nearly on a daily basis since the beginning of the year, with the Office of the Controller and NNFRF Office, to develop the plan to protect unobligated ARPA funds from reversion. The Treasury fund obligation deadline is Dec. 31, 2024.

“The 25th Navajo Nation Council assessed the status of obligated and unobligated ARPA funds to determine the feasibility of expending the funds by the federal deadline and completing the projects. This new plan will allow the \$521 million to be placed into the General Fund and free it from the federal deadlines and federal red tape. These regional projects are immensely critical to our communities and future progress, and we had to act to protect these dollars. We do not want a single dollar of ARPA funding going back to the federal government,” Speaker Curley said.

If signed into law, Resolution CMY-28-24 will amend previous ARPA resolutions and reallocate the \$768 million for the following:

- \$137.3 million for Wastewater Treatment facilities
- \$62.9 million for additional housing
- \$521 million for General Fund reimbursement
- \$15 million for NNFRF personnel
- \$28.7 million for E911/rural addressing projects
- \$2.2 million for vehicles for senior centers

Budget and Finance Committee (BFC) Chair Shaandiin Parrish said that since December 2024 the Committee has organized ARPA leadership meetings with the Executive Branch to ensure that all the funding deadlines are met.

“My colleagues in the 25th Navajo Nation Council have been working to facilitate the securing of contracts, the obligation of funds, and the implementation of shovel-ready ARPA projects,” said Chair Parrish. “In this concept, the 25th Navajo Nation Council can reallocate the \$521 million where they won’t be subject to ARPA deadlines. If we don’t move forward with this legislation, these dollars could be subject to reversion.”

Council Delegate Carl R. Slater introduced an amendment to add Convenience Store Economic Development Projects in Sheepsprings, Blue Gap, Lupton, Round Rock and Chinle to the revenue replacement trust fund for economic development.

“I commend my colleagues on the 25th Navajo Nation Council for prioritizing the ARPA funding to be spent on infrastructure. We don’t want one cent to go back to the federal government. We’ve been rolling up our sleeves to get these funds allocated and obligated. Our chapters are counting on us to secure these funds for infrastructure projects. The Council will continue to closely monitor the funding to ensure every project is completed and successful,” said Speaker Curley.

The 25th Navajo Nation Council voted 16-3 to approve Legislation No. 0111-24 on May 28. Resolution CMY-28-24 was delivered to the Office of the President and Vice President on June 6. The Navajo Nation President has until June 16 to consider the legislation.

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