



25th Navajo Nation Council

25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

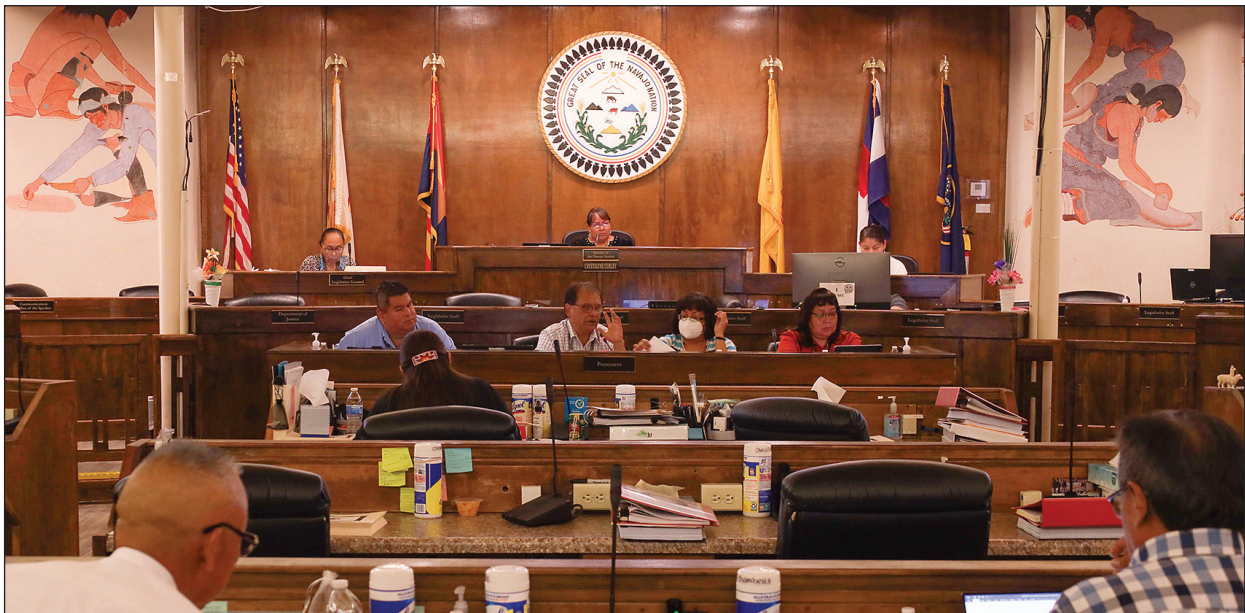
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Naabik'iyáti' Committee questions timeline to access Revenue Replacement Funds



The 25th Navajo Nation Council's Naabik'iyáti' Committee received a report on the process of accessing Revenue Replacement Funds.

WINDOW ROCK, Ariz. - On Thursday, the 25th Navajo Nation Council's Naabik'iyáti' Committee received a report from the Navajo Nation Fiscal Recovery Fund Office (NNFRF), the Office of Management and Budget (OMB), and the Office of the Controller (OOC) on the process of accessing Revenue Replacement Funds.

"The request for this report was made through several committee meetings by delegates who are being questioned by their chapters about this process," said Speaker Crystalayne Curley.

During the report, council delegates expressed concern and frustration over the lack of updates that have been presented to the chapters on the process moving forward.

In May, the 25th Navajo Nation Council adopted Resolution No. CMY-28-24, a measure aimed at protecting the Navajo Nation's Fiscal Recovery Funds (FRF), or American Rescue Plan Act (ARPA) funds, from reversion to the federal government.

CMY-28-24 recaptured \$768 million of unobligated and unexpended ARPA funds and reallocated \$521 million of the \$768 million to the newly established "Revenue Replacement Reserve" within the Navajo Nation's General Fund. "Revenue replacement" is an eligible classification under the U.S. Treasury Final Rule guidelines which provided the Navajo Nation with eligible uses of funds under the ARPA.

OOC has utilized this allowable classification to reimburse the general fund for eligible expenses for “government services” during the pandemic. This classification is retroactive for reimbursement of government expenses back to March 2021.

Council delegates said they feel uninformed about the timelines and processes by which their chapters can access the Revenue Replacement Funds.

Executive Director of OMB Dominic Beyer reported that the process of transitioning K-account budgets, associated with delegate region projects, to Navajo General Funds is an unusual and unique situation.

“This is a first in my experience. We had to determine how we would do it and how it would work,” Beyer said. “We have initiated the work to do this and we’ve found glitches that we must work through. That’s where we are now.”

Executive Director of the Fiscal Recovery Fund Office Lisa Jim said her office has been de-obligating and transitioning ARPA funds over to being classified as general funds while creating correlating account numbers.

“We went through all these accounts. We are working now on the Section 3 Delegate Region Project Funds and continuing to process new business account numbers,” Jim said.

Alva Tom, OMB Budget Officer, attested to meeting and collaborating with OOC and the NNFRF Office to transition Delegate Region Project Funds over to the general fund.

“The main thing we have to do is go through and set up 458 business units. We are at the first step. We are waiting for NNFRF office to provide forms for naming conventions then we’ll set up the business units and obligations,” Tom said.

For many council delegates, the process is moving too slow, causing chapter projects to be held back from moving forward.

Council Delegate Nathan Notah, dissatisfied with the report, called for a more extensive update to be presented directly to the chapters.

“All you talked about in your 20-minute presentation as a panel was converting the K-accounts to general funds. I can’t take this info home to give to my chapters. I need more substantial info from the presenters,” Notah said.

Delegate Germaine Simonson agreed with Delegate Notah’s statement.

“We are getting a lot of questions from the chapters. I recommend that NNFRF and the Division of Community Development get into the communities to provide this report to the chapters,” Simonson said. “We need this info to get out to the communities.”

Controller Sean McCabe explained that CMY-28-24, effectively allows the Controller to utilize Navajo Nation Unreserved, Unidentified Fund Balance (UUFB) to keep chapter projects moving while the current process is being refined and implemented.

"In order to keep the funds moving and available, we have utilized the authority of the Controller to utilize the UUFB," said Controller McCabe.

Delegate Vince James further questioned what changes in the law need to be made to make sure these funds become available.

"I work very well with my chapters and you're holding us back," James told the presenters. "I want to move forward."

The Naabik'íyáti' Committee voted 12 in favor and one opposed in accepting the report.

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