



FOR IMMEDIATE RELEASE
March 31, 2014

MEDIA CONTACTS
Jared Touchin | 928.221.9253
Jolene Holgate | 928.380.4174
Chrissy Largo | 928.637.5603
nnlb.communications@gmail.com

Budget and Finance Committee receives report on external funds for the Navajo Nation Special Diabetes Program

WINDOW ROCK – The Budget and Finance Committee received a report last Wednesday, regarding external fund carryovers and reversions for the Navajo Nation Special Diabetes Program, which is under the Navajo Nation Division of Health.

NNSDP director Betty Delrow said the special diabetes program received approval in March 2013 by the U.S. Department of Health and Human Services to carry forward unused grant funding for approximately \$3.5 million.

“The \$3.5 million carryover from FY2013 to FY2014 was approved, however we did not have access to the funds until late September 2013,” said Delrow. “The process to finally release these funds to our program is a concern for our department.”

According to the report, Delrow explained to the committee that her department waited nearly six months before the carry forward was released to their program, and added that after the funds were received, her program had utilized approximately 25% of the carryover to date.

BFC member Council Delegate Nelson BeGaye (Lukachukai, Rock Point, Round Rock, Tsaille/Wheatfields, Tsé Chizhí) observed some possible reversions of external funds when reviewing the Special Diabetes Program report.

“So your program lost about \$7.1 million from the grant, but were able to recover the \$3.5 million? That is a near loss of \$3.6 million and that is a big problem for us as the oversight committee,” said Delegate BeGaye.

After further review of the report, BFC chair Council Delegate LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse’Daa’Kaan, Upper Fruitland) expressed concerns regarding all the external funding that comes to the SDP.

“As my colleague has indicated, the reversions are a concern of this committee. Has their been any further reversions since 2011 until now?” asked Delegate Bates.

Delrow confirmed that the NNSDP had lost approximately \$12 million in grant or external funding which had reverted back to the funding source.

“I find this very concerning because the money the program is losing could be used for diabetes programs throughout the entire Navajo Nation, for the children, adults, and elders, “ said BFC vice chair Council Delegate Jonathan Nez (Shonto, Navajo Mountain, Oljato, Ts’ah Bii Kin). “What is the problem? Is there no communication between NNSDP, the Office of Management and Budget, and the Office of the Controller?”

Delrow said the NNSDP did have external funds revert back to the funding sources, however, since the Navajo Nation had not approved a final indirect cost rate for FY2008-2013, it affected the programs ability to expend the funds entirely and to receive approval to carry forward the \$12 million that had accumulated over the past several years.

The IDC rate for FY2013 was established by the Navajo Nation at 16.95 percent and has yet to be determined for FY2014. The Nation is entitled to collect IDC recovery costs from the federal government through grants, contracts, and agreements.

Office of the Controller FMIS project manager Laura Johnson provided clarification to the committee regarding the programs attempt to collect IDC’s, saying that although the IDC was recently approved it ultimately caused issues for the program in collecting external funds.

“Although the program has reverted a large amount of external funds, we have to work back from FY2008 to now, because of the delay of the approval of the Nation’s IDC rate, however we will be collecting the entire \$12 million in carry forwards for NNSDP,” said Johnson.

Delgate Nez suggested that as the oversight committee, the BFC should be more proactive in getting funds to programs as quickly as possible and to find an alternative way to streamline the process through amending the Navajo Nation Budget Instruction Manual.

BFC members voted 2-1 to accept the report.

###

For news on the latest legislative branch activities, please visit www.navajonationcouncil.org