



The Navajo Nation
Office of the President and Vice President

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President Nez opposes effort to establish ARPA discretionary funding process for Council Delegates

WINDOW ROCK, Ariz. — Navajo Nation President Jonathan Nez strongly opposes an amendment approved by the 24th Navajo Nation Council's Naabik'iyáti' Committee by a vote of 14-9, which would establish a discretionary funding process for Council Delegates to divide over \$1 billion in American Rescue Plan Act (ARPA) funding among the 24 elected members. The amendment must also be approved by the full Council.

The original legislation, sponsored by Speaker Seth Damon, sought to allocate the funds on a need-basis for critical infrastructure improvements and developments related to water, electricity, broadband, and housing for the Navajo people. The Executive Branch spent several months working with the Legislative Branch, chapters, and technical experts to develop project listings based on local needs and projects that already have the required clearances such as right-of-way approvals to proceed in order to meet the federal deadline to spend the ARPA funds.

President Nez stated that the new amendment approved on Friday, takes the funding process out of the hands of the technical experts who carefully vetted the proposed projects and places it entirely in the hands of Council Delegates to use at their discretion. He also cautioned leaders about the federal spending guidelines, 83 total, issued by the U.S. Department of the Treasury and the federal deadline that requires the ARPA funds to be used by the end 2024.

"These are federal dollars that come with strict guidelines that must be followed – this cannot be a spending free for all. We cannot afford to defend against potential accusations of misuse of federal funds, and this amendment puts our Nation at risk of that. If this amendment is approved by the Council, there will be thousands of projects brought forth that do not have the preliminary requirements, ARPA compliance review completed, and are not construction-ready. The Department of Justice has reviewed hundreds of proposed expenditure plans and this amendment will require them to review thousands more, thus substantially increasing the time before execution and possibly sacrificing this entire 2022 construction season. If this amendment is passed by the Council, we very well may end up reverting funds back to the federal government due to the U.S. Treasury's deadline. Nearly one year has passed since we received the ARPA funds and the executive branch has been waiting for the Council to approve the original legislation. The 2022 construction season is upon us and the Council upends the constructions with this ill-guided amendment. We need the Council to think seriously of the consequences of the amendment and reconsider," said President Nez.

Last year, the Council held numerous work sessions to hear from chapters, former leaders, enterprises, and technical experts regarding the use of ARPA funds. The Office of the President and Vice President also visited communities and met with chapters officials, agency councils, and Council members to receive their ARPA priorities. The Division of Community Development also created an online portal in April 2021 for chapters to submit projects that were then vetted by the Department of Justice to ensure compliance with federal guidelines. Over 550 projects were received and vetted.

In August of last year, the Council and President Nez approved Resolution CJY-41-21 that created the Navajo Nation Fiscal Recovery Fund to hold the ARPA funds and the Fiscal Recovery Funds Office to oversee ARPA activities. The resolution also established a process for the submittal, vetting, and approval of ARPA expenditure plans. President Nez stated that this process, approved by the Council last year through Resolution CJY-41-21, is being ignored.

“We have a process in place through the previous resolution that provides for accountability and to guide the proper use of the ARPA funds for the people. We have to follow our own laws and those from the federal level. I ask the Council members, especially the 14 who voted for this amendment, to carefully evaluate the impacts that this amendment will have. With the Council’s support of the original legislation, we have a once in a lifetime opportunity to transform our Nation by building our infrastructure. I thank the Council members who voted against the amendment and for seeing beyond individual legislative districts and trying to help our entire Nation,” added President Nez.

During a leadership meeting between the three branch chiefs last Wednesday, the Naabik’iyáti’ Committee members received an overview of the proposed project listings. President Nez and Division Directors also highlighted the additional ARPA funds and resources that are available to the Navajo people through entities outside of the Navajo Nation’s ARPA funds such as rental assistance through Navajo Housing Authority and utility cost assistance through the Low-Income Home Energy Assistance Program administered by the Division of Social Services.

“The Nez-Lizer Administration’s objective is to focus on becoming a healthy, vigorous, and growing Nation to provide great opportunities for our Diné citizens. The amended legislation will allow the government to take a few steps backward, while the citizens don’t wish for further delay, they want action by Navajo leadership. There is still an opportunity to address the amendment when the full Council considers the legislation. We can turn the hopes of our people into the renewal of all dreams and opportunities by working together. We must offer our resources and continue to build on our resiliency so that we will accomplish great things for our Diné citizens,” said Vice President Lizer.

President Nez thanks the nine delegates who voted against the amendment including Paul Begay, Mark Freeland, Herman Daniels, Raymond Smith, Jr., Wilson Stewart, Jr., Edison Wauneka, Pernell Halona, Edmund Yazzie, and Jimmy Yellowhair.

Legislation No. 0257-21 is available online: <http://dibb.nnols.org/publicreporting.aspx>. Public comments may be submitted by e-mail to comments@navajo-nsn.gov.

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