



THE TRUTH WELL TOLD

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NTUA wants to keep \$35.5M in unspent CARES money *Navajo law mandates deposit into hardship assistance program*

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WINDOW ROCK, Ariz. – Navajo Tribal Utility Authority wants to keep about \$34.5 million in unspent Navajo Nation CARES funds, which Navajo law mandates must be immediately reverted to the Navajo Nation Hardship Assistance Program.

Navajo Tribal Utility Authority General Counsel Arash Moalemi reported the unspent money to the Navajo Nation Council Resources and Development Committee Wednesday and asked for another extension to use the funding on projects rather than relinquishing it.

According to the report, the Council allocated more than \$147.1 million in CARES money to NTUA, which spent about \$77.5 million of the amount.

Moalemi noted that NTUA, a Navajo Nation government business, previously returned \$34,051,578 in unspent CARES funds to the Navajo Nation Office of the Controller for deposit into the hardship assistance pot Jan. 19.

He explained that NTUA was able to identify the funding as being unspent because it was meant to fund projects that the authority did not start because NTUA knew they would be unable to complete them by the Dec. 30, 2020, deadline.

Moalemi said the remaining \$35.5 million in unspent CARES dollars were not immediately returned to the controller's office because NTUA is still closing out the various budgets that have Navajo CARES funds.

He asked that the Council let NTUA keep the estimated remaining funds in order to complete about \$40.5 million in projects for wastewater systems, powerlines, broadband, off-grid solar, cistern systems, capacity projects, and the Saltspring South.

Emphasizing the law, deadline

Navajo Nation Controller Pearlina Kirk reminded the Resources and Development Committee about the passage and signing of the legislation into law, requiring unspent funds to go to the hardship program.

Moalemi acknowledged that NTUA knows about the law.

Kirk also recalled that in the latter part of December, the U.S. Congress and White House approved an extension for the spending of the coronavirus relief funding appropriated through the federal CARES Act, which was originally set to expire Dec. 30, 2020, but was extended until Dec. 31, 2021.

She emphasized that the federal extension did not change the Navajo Nation's expenditure strategy for its CARES funds, which included the deadline of Dec. 28, 2020.

"The Navajo Nation Council had resolved for certain deadlines for the funding allocated to specific projects and divisions," Kirk explained. "When these deadlines lapsed, the funding was reverted to the Hardship Assistance Program, the final expenditure deadline was Dec. 28 at noon. The (federal) extension provided no changes to the scope or expenditure timeline for the projects that were approved in previous legislations."

Positive impact on hardship program

Kirk explained the total amount of funding in the Hardship Assistance Program is influenced by a number of factors, such as tribal government divisions and subrecipients, such as NTUA or other organizations, which are still reconciling their final expenditures and awaiting invoices from vendors to be able to close out their grants."

The controller's office reported that in January the maximum hardship payment was set at \$1,350 for adults and \$450 for minors, which represents a 90% funding of the hardship program and each applicant receiving 90% of their requested amount based on their demonstrated need on their submitted application.

Kirk said \$356 million was needed in the hardship program for the maximum

payment of \$1,500 to adults and \$500 for minors.

She added that the federal extension on Navajo CARES spending is having a positive impact on the Navajo Nation, specifically the hardship program.

More funding expected?

It was previously reported there were more than 73,000 applicants that would not have been eligible for payment due to missing or incorrect data from the Navajo Office of Vital Records' database, she said. The federal extension provides more time for the controller's office to work through these exceptions beyond Dec. 30, which allows payment to these individuals if their exceptions can be cleared.

Kirk said that about 10,000 individuals have exceptions or issues with their Certificate of Indian Blood or date of birth information, which prohibits them from getting a check. She said there are 41,000 other exceptions for such issues as name mismatch, which typically is due to a maiden name or name change.

Kirk said that about 225,000 applicants passed all eligibility determinations.

Kirk was optimistic about the Navajo Nation receiving additional CARES money that could be a much larger amount than the original \$714 billion that the U.S. Department of the Treasury delivered to the Navajo Nation in June.

She added that the Council could allocate a portion of additional proposed funds that the U.S. Senate was scheduled to debate Friday.