



July 9, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 U.S. Capitol Building
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
S-221 U.S. Capitol Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
204 U.S. Capitol Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol Building
Washington, D.C. 20515

Re: U.S. Treasury’s Upcoming Coronavirus Relief Fund Report

Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

We are writing on behalf of the National Congress of American Indians (“NCAI”) and the Native American Finance Officers Association (“NAFOA”) to express Indian Country’s concerns regarding the recently announced mandatory Coronavirus Relief Fund compliance report detailing recipient expenditures, which the Department of the Treasury (“Treasury”) requested by July 17, 2020. Specifically, NCAI and NAFOA are worried that this report will paint an inaccurate picture of how Indian Country has, or has not, utilized its funding because of how recently Treasury actually made distributions to tribal nations. This report could lead to the mistaken conclusion that Indian Country does not need additional assistance, which is especially dangerous as Congress considers new COVID-19 relief legislation later this month.

Indian Country is grateful that Congress provided aid to tribal nations through the Coronavirus Relief Fund, Title V of the *Coronavirus Aid, Relief, and Economic Security Act* (“CARES Act”).¹ The CARES Act was signed into law on March 27, 2020, and its provisions required that Coronavirus Relief Fund distributions be made to states, local governments, and tribal governments by April 27, 2020. Indian Country anxiously awaited this desperately needed funding so that our governments could confront COVID-19 and protect our tribal citizens.

¹ Pub. L. 116-136, *The Coronavirus Aid, Relief, and Economic Security Act*

NCAI and NAFOA understand and appreciate that Treasury was given a very difficult task in administering Indian Country's allocation of the Coronavirus Relief Fund. This was evidenced by Treasury's numerous requests for data sets throughout the process, without making clear what formula it was pursuing. Tribal nations expended an immense amount of resources and time gathering this information. Ultimately, much of it was disregarded and tribal nations did not know the actual formulas used, and what amount of funding they would receive, until after the funding was actually distributed.

Although Treasury met its statutory deadline for distributions to state and local governments, it did not begin to make even partial payments to tribal nations until May 5, 2020. And to make matters worse, this initial distribution was based on Indian Housing Block Grant population numbers. This was a flawed data set, as the Indian Housing Block Grant population data for many tribal nations is inaccurately listed as zero, which resulted in Treasury providing some recipients with only the minimum distribution of \$100,000. Treasury ignored population information that was provided and self-certified by tribal nations, resulting in funding levels that in many cases were not proportional to actual tribal populations.

The second distribution was based on tribal employees and tribal government expenditures, but again, it was unclear how much a tribal nation would receive until the distribution was made. Treasury began making the second distributions on June 12, 2020. A third distribution based on a legal challenge was made on June 17, 2020. It is important to note that many tribal nations that received the minimum \$100,000 in the May 5, 2020 distribution had to wait until June 12th to receive the bulk of their distribution. Indian Country did not receive its full Coronavirus Relief Fund allocation until months after states did and almost 50 days after the statutory deadline provided in the CARES Act.

Tribal nations have faced many bureaucratically-created hurdles that have hindered their ability to budget, deploy, and expend Coronavirus Relief Funds. As stated above, tribal nations did not receive their final distribution until June 17, 2020. This delay made it impossible for tribal nations to know exactly how much funds they would receive, and therefore made it almost impossible to appropriately generate budgets until after June 17, 2020. Furthermore, Treasury created an additional hurdle by issuing rolling guidance on the Coronavirus Relief Fund that has evolved multiple times, most recently on June 30, 2020. Indian Country wants to ensure compliance with Treasury's directives, but moving targets are difficult to hit, especially while confronting a pandemic.

The first Treasury report is due one month after tribal nations received their full distribution from the Coronavirus Relief Fund. Due to the Treasury's delay in distribution of tribal funds, states and local governments had over a two-month head start to utilize their funding. If Treasury's report shows a lack of expenditures by Indian Country, it does not indicate a lack of need, it indicates that Treasury did not provide us with the same amount of time as other recipients. We can assure you that the need for more resources is real, but tribal nations also need more time to budget and deploy the funding that we finally received less than a month ago.

In sum, Treasury's handling of the Coronavirus Relief Fund has been frustrating for Indian Country as we suffer through the pandemic. We have been bogged down with administrative

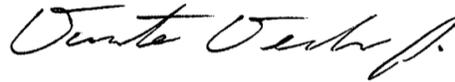
application requirements that Treasury ignored, our distributions were received well after the statutory deadline, and we are subject to ever-evolving rules. All of this has created obstacles to Indian Country's ability to deploy its funding as quickly as state and local governments.

Still today, many areas in Indian Country are at the epicenter of the pandemic and many of our communities lack the basic infrastructure such as running water and broadband that are necessary to confront COVID-19. Indian Country desperately needs more resources, and we hope that you all understand that Treasury's report should be viewed in conjunction with the timeline of when Indian Country actually received its funding allocation, and in no way should be viewed as a barometer of actual need.

Sincerely,



Kevin Allis
CEO
National Congress of American Indians



Dante Desiderio
Executive Director
Native American Finance Officers Association