United States Senate

WASHINGTON, DC 20510

July 30, 2021

The Honorable Janet L. Yellen United States Department of the Treasury 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220

Dear Secretary Yellen:

We are writing to urge the Department of the Treasury to re-initiate consultation with Indian tribes to determine the most appropriate and justifiable distribution of Fiscal Recovery Funds authorized by Congress in the American Rescue Plan.

Congress gave the Department wide latitude to work with tribes in the distribution formula for nineteen of the \$20 billion fund for tribes. We agree with the Department's stated principle that the "methodology should be fair and equitable." However, the initial allocation of \$12.3 billion based on tribal enrollment has resulted in 5% of the tribes receiving over 90% of that allocation. While that may accurately reflect the varying sizes of tribal populations, it should also make the Department sensitive to disparate outcomes for the remaining \$6.65 billion in Fiscal Recovery Funds.

We have received extensive comments from Indian tribes who are concerned that a pure employmentbased distribution will not be effective in getting relief funds to where they are needed. In fact, many tribes have warned the Department of the potential pitfalls of an employment formula in its initial consultation. Without proper constraints, employment-based distribution could result in disproportionate allocation to tribes with a large number of employees far from tribal homelands or even in foreign countries. While we celebrate the economic self-sufficiency of many tribes, we are concerned that there is a real possibility that those tribes with the least economic need will receive – by far – the greatest financial assistance from the Department. These issues need to be fully understood and vetted with Indian Country prior to the Department allocating the remaining funds to tribes. Specifically, we urge the Department to seek further tribal input on:

- Minimum and/or maximum payment amounts
- Tranches of funding
- Other issues raised by tribes in the initial consultation but not addressed in the Interim Final Rule.

We appreciate the work you are doing to ensure the fairest distribution of these funds to tribes and we look forward to working with you to build greater consensus for the final distribution.

Sincerely,

United States Senator

Alex Padilla

United States Senator

United States Senator

United States Senator