



PECHANGA INDIAN RESERVATION
Temecula Band of Luiseño Mission Indians

Post Office Box 1477 • Temecula, CA 92593
Telephone (951) 770-6000 Fax (951) 695-1778

Tribal Chairman:
Mark Macarro

Council Members:
Raymond J. Basquez Jr.
Catalina R. Chacon
Marc Luker
Michael Vasquez
Robert "R.J." Munoa
Russell "Butch" Murphy

April 6, 2020

Steven Mnuchin, Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220
tribal.consult@treasury.gov

Tribal Secretary:
Louise Burke

Tribal Treasurer:
Robyn Delfino

David Bernhardt, Secretary
Tara Sweeney, Assistant Secretary - Indian Affairs
United States Department of the Interior
1849 C Street, NW
Washington, D.C. 20240
consultation@bia.gov

**RE: RECOMMENDATIONS FOR FAIR AND EQUITABLE DISTRIBUTION OF TRIBAL
CORONAVIRUS RELIEF FUNDING**

Dear Secretary Mnuchin, Secretary Bernhardt, and Assistant Secretary Sweeney:

The Pechanga Band of Luiseño Indians submits this comment letter in response to Assistant Secretary Sweeney's March 31, 2020 request for a methodology to distribute \$8 billion of economic stimulus funding to Tribes for necessary expenditures incurred due to COVID-19.

Pechanga strongly believes a simple application process based on the documented economic impact of COVID-19 on each Tribe is the most equitable and legally compliant approach that provides timely economic relief for tribal governments. However, we understand the Treasury Department's desire to expedite distribution by using a formula and, to the extent a formula is necessary, we propose the following 3-step formula that focuses primarily on the **actual economic impact of COVID-19** as required by the CARES Act:

STEP 1: Provide a \$1,000,000 **minimum distribution** to each Tribe to ensure that even the smallest Tribes have funding to address their economic needs during the pandemic.

STEP 2: Distribute \$1,500,000,000 to each Tribe *pro rata* based on each Tribe's enrolled tribal member **population** to ensure that larger Tribes have additional funding to address their economic needs.

STEP 3: Distribute the remainder of the \$8,000,000,000 fund to each Tribe *pro rata* based on **economic impact**, measured by total wages paid by the Tribe and all of its wholly owned enterprises in 2019. If requested to do so, tribes may be required to self-certify.

Using a multi-factor formula that prioritizes the actual economic impact of COVID-19 is the only way the Treasury Department can remain in compliance with the black-letter law of the CARES Act and achieve its purpose of stabilizing individual tribal economies. Any methodology that gives exclusive or primary consideration to tribal population or other demographic data that has no nexus to COVID-19, will violate the requirements of the CARES Act, create billion dollar windfalls for a few Tribes that will likely go unspent, and harm hundreds of tribal governments with urgent economic stabilization needs.

To use Pechanga as an example, we have a 7000-acre land base and a tribal population of approximately 2000, but our tribal economy sustains over 6,000 workers and injects tens of millions of dollars annually into our surrounding state and local economies. As a direct result of local and state COVID-19 restrictions, we were forced to shutter multiple tribal facilities and reduce our reservation workforce by 90%, maintaining only the minimum staff necessary to ensure continuation of critical services within our tribal community and basic preservation of our dormant business entities. An exclusively population-based formula that does not recognize the broad parameters of our tribal government enterprises and our expenditures related to the COVID-19 pandemic would not only set our tribal government back 30 years, it would completely thwart the economic stabilization purpose of the CARES Act as it pertains to our Tribe and so many other Tribes whose COVID-19 related expenditures have no relation to their tribal population.

In stark contrast, the 3-step formula set forth above directly advances the economic stabilization purpose of the CARES Act by relying primarily on an objective indicator of tribal economic activity that is a current and accurate measure of the impact COVID-19 is having on each Tribe's economy. The proposed formula addresses all Tribes' government stabilization needs, regardless of whether a Tribe has commercial enterprises, as it also accounts for wages paid to tribal government employees.¹

Based on all of the foregoing, we strongly urge you to adopt the 3-step formula proposed above. In addition, to ensure compliance with the stated April 27, 2020 deadline for distributions, payments should be made directly from the Treasury Department to each Tribe using existing Treasury accounts and payment mechanisms.

2. GUIDANCE ON WHAT QUALIFIES AS "NECESSARY EXPENDITURES INCURRED DUE TO THE CORONAVIRUS DISEASE 2019 (COVID-19)"

As stated above, the funds provided to Tribes under Title VI, Sec. 601 of the CARES Act should be used to address actual economic impacts caused by the COVID-19 pandemic. Beyond this basic limitation, however, the term "necessary expenditures incurred due to the Coronavirus Disease 2019 (COVID-19)" should be interpreted broadly to afford each tribal government maximum flexibility to address the unique COVID-related needs of its community.

The term should encompass all transparent, documentable expenditures a tribal government reasonably deems necessary to address COVID-19 impacts, maintain government services, and preserve tribal business entities during the pendency of the COVID-19 pandemic. This includes,

¹ To the extent a Tribe has financial needs unrelated to economic stabilization (e.g., for expansion of medical services, increasing emergency response resources, etc.), those needs can be addressed through IHS, FEMA, and other available relief funding without depleting this limited stimulus fund that was set aside specifically for stabilizing tribal economies.

without limitation, expenses such as payroll, benefit, and unemployment insurance costs for workers, as well as other standard operating expenses that are suddenly unfunded as a result of COVID-19 impacts and are therefore “unbudgeted.”

Consistent with this approach, Pechanga opposes the creation of any itemized list of approved expenditure categories that would limit the ability of tribal governments to respond to the need of their communities effectively and in real time.

We appreciate the opportunity to work with you to forge a path forward for Indian Country and the United States during these unprecedented and uncertain times. Please do not hesitate to contact me if you have any questions regarding the foregoing recommendations.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark Macarro". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Mark Macarro
Tribal Chairman