



25TH NAVAJO NATION COUNCIL

25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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FOR IMMEDIATE RELEASE

January 27, 2026

25th Navajo Nation Council deliberates report presented by the Office of the Controller



The 25th Navajo Nation Council received a report from Controller Sean McCabe.

WINDOW ROCK, Ariz. — On Monday, the 25th Navajo Nation Council received a report from the Office of the Controller outlining delays in the Navajo Nation's financial modernization efforts, time-sensitive American Rescue Plan Act (ARPA) spending, payment backlogs, and emerging budget concerns.

Controller Sean McCabe addressed issues including vendor payments, completed projects, and full use of federal funds before deadlines.

"Our communities deserve accurate updates and real progress they can see and feel," Curley said. "The Council expects transparency, stronger coordination, and swift action so that federal funds are fully used for the benefit of our people, not returned because our processes moved too slowly."

Controller McCabe reported that the Enterprise Resources System, a major modernization project intended to replace outdated and paper-based financial processes, has been delayed due to payroll data migration problems. The accounting and finance modules are now scheduled to go live on April 26, 2026.

McCabe said payroll has temporarily reverted to the legacy system while Dayforce issues affecting tax withholdings and benefit deductions are corrected and stated that outside

consultants are being brought in to stabilize payroll.

Delegates pressed for stronger oversight and clearer public communication, particularly as community members seek reliable information about potential hardship assistance and ARPA-funded projects.

Missing and Murdered Diné Relatives Task Force Chairwoman Amber Kanazbah Crotty urged the administration to provide accurate and consistent information about ARPA timelines and available funding and cautioned against raising expectations that may not match the Nation's financial position.

Chair Crotty highlighted chronic delays affecting veterans' payments and called for reforms that reduce paperwork barriers, including better use of vital records tools to streamline eligibility verification.

Budget and Finance Committee (BFC) Vice Chair Carl R. Slater requested Controller McCabe to analyze the discrepancies between errors in payroll and calculations that may have been occurring under the previous payroll system. He expressed his concern from the Controller's testimony at a previous BFC meeting when the Controller informed the committee about errors that have been occurring for years for 401(k) match and other deductions.

"I am asking for a clear accounting regarding how long these payroll miscalculations have occurred and how widespread they are," Vice Chair Slater said. "Errors involving tax withholdings and retirement contributions are serious and must be fully understood so they can be corrected transparently."

Council Delegate Dr. Andy Nez emphasized the need for stronger communication during the Dayforce transition, including processes for employees to report payroll issues, and warned that inconsistent or inaccurate public financial messaging creates confusion for community members.

McCabe reported that since receiving \$2 billion in ARPA funds in 2021, the Navajo Nation has spent about 83% of the allocation. As of Dec. 31, 2025, roughly \$347 million remained unspent. He warned that without accelerated action as much as \$100 million could be at risk due to the federal expenditure deadline of Dec. 31, 2026, and compliance timelines for certain long-term contracts.

He said early ARPA expenditures included hardship assistance, major allocations to the Revenue Reserve Reallocation Fund, and distributions to the Navajo Tribal Utility Authority, while spending in areas such as housing, broadband, and administrative projects has moved more slowly than needed. McCabe said the Office of the Controller is finalizing a plan to accelerate compliant spending and avoid returning any funds.

Delegate Shawna Ann Claw underscored the urgency of removing administrative barriers that slow ARPA-funded work, particularly in housing and vendor payments, and called attention to delayed reimbursements and broader operational issues that prevent funds from moving efficiently.

McCabe stated that the delays are tied to complex approval systems that require multiple layers of review, including a process that can involve more than 6 to 10 steps and contribute to delays of two to three months.

He proposed streamlining payment approvals so the Controller can issue payments more directly after Council allocation and presidential approval, while his office compiles a comprehensive inventory of outstanding vendor invoices and clarifies that internal travel rules do not apply to external vendors.

McCabe told the Council his office is investigating an \$8.3 million capital outlay overspend and negative account balances, which may be tied to prior-year encumbrance issues, and will provide a detailed explanation while working with the Tax Commission to address an approximately \$11 million drop in December revenues.

The 25th Navajo Nation Council voted 17 in favor and none opposed to accept the Controller's report and will continue oversight as follow-up actions are developed in the coming weeks.

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