

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0238-19\_\_\_\_\_

SPONSOR: Kee Allen Begay, Jr.

**TITLE: An Act Relating To Law And Order, Health, Education And Human Services Committee, Budget And Finance, And Naabik'iyáti' Committees, And Navajo Nation Council; Approving Funding Of Fifty Million Dollars (\$50,000,000) From The Síhasin Fund To Establish The Navajo Nation Scholarship Endowment Expenditure Plan Pursuant To 12 N.N.C §§ 2501 – 2508; Complying With 12 N.N.C § 2502 (A)(2); Enacting The Navajo Nation Scholarship Endowment**

*Date posted:* August 3, 2019 at 2:13pm

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## LEGISLATIVE SUMMARY SHEET

Tracking No. 0238-19

**DATE:** July 26, 2019

**TITLE OF RESOLUTION:** AN ACT RELATING TO LAW AND ORDER, HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING FUNDING OF FIFTY MILLION DOLLARS (\$50,000,000) FROM THE SÍHASIN FUND TO ESTABLISH THE NAVAJO NATION SCHOLARSHIP ENDOWMENT EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§ 2501 – 2508; COMPLYING WITH 12 N.N.C. § 2502 (A)(2); ENACTING THE NAVAJO NATION SCHOLARSHIP ENDOWMENTS

**PURPOSE:** The purpose of this legislation is to approve funding of fifty million dollars (\$50,000,000) from the Síhasin Fund to establish the Navajo Nation Scholarship Endowment Expenditure Plan pursuant to 12 N.N.C §§ 2501 – 2508. In complying with 12 N.N.C. § 2502 (A)(2), the legislation enacts the Navajo Nation Scholarship Endowments.

**This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.**

5-DAY BILL HOLD PERIOD:                       
Website Posting Time/Date:                       
Posting End Date: 8/8/19  
Eligible for Action: 8/9/19

Law & Order Committee  
Thence  
Health Education & Human Services Committee  
Thence  
Budget & Finance Committee  
Thence  
Naabik'iyáti' Committee  
Thence  
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
24th NAVAJO NATION COUNCIL – First Year, 2019

INTRODUCED BY

                       
(Prime Sponsor)

TRACKING NO. 0238-19

AN ACT

RELATING TO LAW AND ORDER, HEALTH, EDUCATION AND HUMAN SERVICES  
COMMITTEE, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND  
NAVAJO NATION COUNCIL; APPROVING FUNDING OF FIFTY MILLION  
DOLLARS (\$50,000,000) FROM THE SÍHASIN FUND TO ESTABLISH THE NAVAJO  
NATION SCHOLARSHIP ENDOWMENT EXPENDITURE PLAN PURSUANT TO 12  
N.N.C §§ 2501 – 2508; COMPLYING WITH 12 N.N.C. § 2502 (A)(2); ENACTING THE  
NAVAJO NATION SCHOLARSHIP ENDOWMENT

**BE IT ENACTED:**

**SECTION ONE. AUTHORITY**

- A. The Law and Order Committee of the Navajo Nation Council is empowered to review and make recommendations to the Navajo Nation Council on proposed amendments to and enactments in the Navajo Nation Code. 2 N.N.C. § 601 (B) (14).
- B. The Health, Education and Human Services Committee of the Navajo Nation Council is empowered to exercise oversight authority to review and recommend resolutions relating to social services and education. 2 N.N.C. § 401(B)(6)(a).
- C. The Budget and Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. § 301 (B) (2).

1 D. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review  
2 all proposed legislation which requires final action by the Navajo Nation Council and  
3 shall recommend to [the] Navajo Nation Council financial support and/or financing  
4 plan(s) for the purposes set out in 12 N.N.C. § 2502 (the Navajo Nation Síhasin Fund). 2  
5 N.N.C. §164(A)(9) and NABIJY-38-19.

6 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §  
7 102 (A).

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9 **SECTION TWO. THE NAVAJO NATION SÍHASIN FUND**

10 A. The Navajo Nation Code at 12 N.N.C. § 2502, as amended by CJA-03-18, provides the  
11 purpose of the Navajo Nation Síhasin Fund ("Síhasin Fund") as follows:

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§2502. Purpose

14 A. The purposes of this Fund are to provide financial support and/or financing for:

- 15 1. The planning and development of economic development and regional  
16 infrastructure supporting economic development and community  
17 development, including such infrastructure as, but not limited to, housing,  
18 commercial and government buildings, waterline, solid waste management  
19 development, powerline projects, and transportation and communication  
20 systems, within the Navajo Nation; and  
21 2. Education opportunities for members of the Navajo Nation.

22 B. For the Purpose in § 2502(A)(1), Fund expenditures for infrastructure shall not be  
23 limited by 12 N.N.C. § 1301(F) or TCDCJY-77-99.

24 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding  
25 in part, and other weighted uses of the Fund, including loan financing from the Fund.  
26 for the purposes in § 2502(A)(1), shall be favored over direct funding in whole.

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29 B. The Síhasin Fund provides that Fund Principal shall consist of all deposits made to the  
30 Síhasin Fund and that Fund Income shall consist of all earnings (interest, dividends, *etc.*)

1 generated and realized by the Fund Principal, and that Fund Income shall be deposited in  
2 and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted.  
3 12 N.N.C. §§ 2504 and 2505 (C).

4 C. Amendments to the Sifhasin Fund require "a ninety percent (90%) vote of the full  
5 membership of the Navajo Nation Council and signature of the President of the Navajo  
6 Nation." 12 N.N.C. § 2508.

### 7 8 **SECTION THREE. FINDINGS**

9 A. The purpose of the Scholarship Endowment is to provide full funding for Navajo students  
10 pursuing a college degree with the condition of returning to the Navajo Nation to complete  
11 a minimum of four years of government service to the Navajo Nation.

12 B. The Office of Navajo Nation Scholarship and Financial Assistance 2017 Annual Report  
13 highlights that \$20,434,982 was disbursed in Calendar Year 2016 to 6,486 students and  
14 \$24,127,385 was disbursed in Calendar Year to 6,755 students. *See* Exhibit "A," the  
15 2017 Annual Report.

16 C. The Office of Navajo Nation Scholarship and Financial Assistance 2017 Annual Report  
17 indicates only 51% of Navajo students were awarded financial aid in 2016 and only 53%  
18 of Navajo students were awarded financial aid in 2017.

19 D. The Office of Navajo Nation Scholarship and Financial Assistance 2017 Annual Report  
20 shows that in 2017 a total of 1,594 award recipients earned a degree or certification from  
21 one of 20 educational institutions within or surrounding the Navajo Nation with the top  
22 five (5) areas of study being Nursing, General Studies, Business Administration,  
23 Psychology, and Biology and graduate degree areas of study include Social Work,  
24 Business Administration, Education, Educational Leadership, and Law.

25 E. The Office of Navajo Nation Scholarship and Financial Assistance 2017 Annual Report  
26 explains the funding sources for student scholarships and financial assistance comes from  
27 Navajo Nation general funds, federal funds, corporate funds, and trust funds for a total of  
28 \$24,127,385.

1 F. Even with the funds available for scholarships and financial aid many Navajo students do  
2 not have the opportunity to begin, or complete, a college degree program; as outlined in  
3 the 2017 Annual Report, 51% in 2016 and 53% in 2017 were denied awards.

4 G. Diné Customary Law declares and teaches that it is the right and freedom of the people  
5 that our children are provided with education to absorb wisdom, self-knowledge to  
6 empower them to make a living and participate in the growth of the Navajo Nation. 1  
7 N.N.C. § 204(F).

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9 **SECTION FOUR. APPROVAL AND ADOPTION OF EXPENDITURE PLAN FROM**  
10 **SÍHASIN FUNDS**

11 A. The Navajo Nation hereby approves and adopts the Navajo Nation Scholarship  
12 Endowment.

13 B. The Navajo Nation hereby approves funding to establish a Navajo Nation Scholarship  
14 Endowment in the amount of fifty million dollars (\$50,000,000).

15 C. The Síhasin Funds allocated to establish the Navajo Nation Scholarship Endowment  
16 Expenditure Plan may be further leveraged by bond or loan financing pursuant to the  
17 Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 *et seq.*, as amended, using Síhasin  
18 Fund Earnings for repayment and financing costs upon the recommendation of the  
19 Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of  
20 the Navajo Nation Council.

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22 **SECTION FIVE. APPROVAL AND ADOPTION OF EXPENDITURE PLAN**  
23 **ADMINISTRATION**

24 The Navajo Nation hereby approves administration of the Navajo Nation Scholarship  
25 Endowment Expenditure Plan as follows:

26 A. The Navajo Nation Controller shall determine whether the source of the fifty million  
27 dollars (\$50,000,000) will be Síhasin Fund Principal or Income or a combination of both;

28 B. The funds allocated for the Navajo Nation Scholarship Endowment shall be for the  
29 purposes specified in the Navajo Nation Scholarship Endowment, at 12 N.N.C. § 1192, in  
30 Section Six of this Resolution.

1 C. The Navajo Nation Controller shall establish the Navajo Nation Scholarship Endowment  
2 during Navajo Nation Fiscal Year 2019 or Fiscal Year 2020, provided that the Navajo  
3 Nation Scholarship Endowment is established within thirty (30) days of the formal  
4 adoption of this legislation.  
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6 **SECTION SIX. ENACTING THE NAVAJO NATION SCHOLARSHIP**  
7 **ENDOWMENT**

8 The Navajo Nation enacts the Navajo Nation Scholarship Endowment, as follows:  
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10 \_\_\_\_\_  
11 Title 12. Fiscal Matters

12 Chapter 10. Navajo Nation Trust Funds

13 Subchapter 10. Navajo Nation Scholarship Endowment  
14

15 §1191. Establishment

16 The “Navajo Nation Scholarship Endowment” hereinafter “Scholarship  
17 Endowment” is established with an initial allocation of fifty million dollars  
18 (\$50,000,000) from the Navajo Nation Sihasin Fund. Any funds deposited into the  
19 Scholarship Endowment, plus accrued interest, shall be used only as provided  
20 hereinafter in this subchapter.  
21

22 § 1192. Purpose

23 The purpose of the Scholarship Endowment is to provide full funding for  
24 Navajo students pursuing a college degree with the condition of returning to the  
25 Navajo Nation immediately upon graduation to complete a minimum of four (4) years  
26 of government service to the Navajo Nation or reimbursed loan repayment for three  
27 (3) of government service to the Navajo Nation immediately upon graduation, but not  
28 both.  
29

30 §1193. Definition of Principal and Income

1 A. Scholarship Endowment Principal shall consist of the initial funding that  
2 established the fund, all Navajo Nation appropriations made pursuant to the  
3 Navajo Nation appropriation processes and procedures; and any contributions  
4 made by any parties or entities.

5 B. Scholarship Endowment income shall consist of all earnings, such as interest  
6 and dividends generated by the principal and interests of the Scholarship  
7 Endowment.

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9 § 1194. Expenditure of Scholarship Endowment Income

10 The Scholarship Endowment income shall be expended as follows:

11 A. Ninety-five percent of the Scholarship Endowment income shall be used as  
12 provided in § 1192 of this subchapter. Five percent (5%) of the Scholarship  
13 Endowment shall be reinvested to cover the rate of inflation.

14 B. Any awards made from Scholarship Endowment income to Navajo Nation  
15 college students, shall be awarded in accordance with rules and regulations  
16 developed by the Office of Navajo Nation Scholarship and Financial Assistance,  
17 as approved by the Health, Education and Human Services Committee of the  
18 Navajo Nation Council.

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20 § 1195. Expenditure of Fund Principal

21 Fund principal shall not be expended except pursuant to a referendum adopted  
22 by a two-thirds majority of those voting in an election open to all registered Navajo  
23 voters. The Navajo Nation Council may place a "Referendum to Expend Scholarship  
24 Endowment Principal" on the ballot of any primary or general election by a two-  
25 thirds (2/3) vote of the full Navajo Nation Council.

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27 § 1196. Expenses

28 All expenses directly associated with the administration and management of the  
29 Scholarship Endowment shall be paid from the Scholarship Endowment income as  
30 approved by the Budget and Finance Committee of the Navajo Nation Council, prior



1 to any income distributions made in accordance with §§ 1194 and 1195 of this  
2 subchapter. Such expenses shall include investment advisory and management fees,  
3 audit costs, and other related expenses, pursuant to duly approved contracts for such  
4 services.

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6 §1197. Fund Investment

7 All monies deposited into the Navajo Nation Scholar Endowment shall be  
8 invested in accordance with the Navajo Nation Master Investment Policies as adopted  
9 by the Budget and Finance Committee of the Navajo Nation Council.

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11 § 1198. Amendments

12 Any section or sections in this subchapter may be amended upon the  
13 recommendation of the Health, Education and Human Service Committee and the  
14 Budget and Finance Committee of the Navajo Nation Council and by a majority vote  
15 of the full membership of the Navajo Nation Council and in accordance with 2  
16 N.N.C. § 221(B).

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21 **SECTION SEVEN. COMPLIANCE WITH 12 N.N.C. § 2502 (A)(1)**

22 The Navajo Nation Council approves the purpose of the Sihasin Fund appropriation  
23 as enumerated in 12 N.N.C. § 2502 (A)(2) to provide the initial funds to establish the  
24 Navajo Nation Scholarship Endowment.

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26 **SECTION EIGHT. DIRECTIVE**

27 All Navajo Nation programs, specifically including, but not limited to, the Office of  
28 Controller and the Office of Management and Budget, shall take all steps necessary to  
29 expeditiously implement the Navajo Nation Scholarship Endowment Expenditure Plan  
30 consistent with the provisions set forth above.

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**SECTION NINE. SAVING CLAUSE**

The provisions of the Act which amend or adopt new sections of the Navajo Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall incorporate such amended provisions in the next codification of the Navajo Nation Code.

**SECTION TEN. CODIFICATION**

Should any provision of this Act be determined invalid by the Navajo Nation Supreme Court or the District Courts of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, the remainder of the Act shall remain the law of the Navajo Nation.

**SECTION ELEVEN. EFFECTIVE DATE**

The provisions of this Act shall become effective in accordance with 2 N.N.C. § 221(B) and 2 N.N.C. §§1005 (C) (10-12).