TITLE: An Action Relating To Health, Education And Human Services, Budget And Finance, NAABIK’IYATI’ And Navajo Nation Council; Approving And Adopting The Sihasin Higher Education Initiative Fund And Fund Expenditure Plan Pursuant To 12 N.N.C. §§ 2501 – 2508

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0263-19

DATE: August 30, 2019

TITLE OF RESOLUTION: An Act relating to health, education and human services, budget and finance, Naabik’íyáti’ and Navajo Nation Council; approving and adopting the Síhasin Higher Education Initiative Fund and Fund Expenditure Plan pursuant to 12 N.N.C. §§ 2501 - 2508

PURPOSE: This resolution will approving and adopting the Síhasin Higher Education Initiative Fund and Fund Expenditure Plan pursuant to 12 N.N.C. §§ 2501 - 2508.

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.
PROPOSED NAVAJO NATION COUNCIL RESOLUTION

24th NAVAJO NATION COUNCIL - First Year, 2019

INTRODUCED BY

[Signature]

Prime Sponsor

TRACKING NO. 0263-19

AN ACT

RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FINANCE, NAABIK’IYÁTÉ AND NAVAJO NATION COUNCIL; APPROVING AND ADOPTING THE SÍHASIN HIGHER EDUCATION INITIATIVE FUND AND FUND EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §§ 2501 - 2508

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. 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).

B. 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).

C. The Naabik’íyáti’ Committee of the Navajo Nation Council is empowered to review all proposed legislation which requires final action by the Navajo Nation Council and shall recommend to [the] Navajo Nation Council financial support and/or financing plan(s) for the purposes set out in 12 N.N.C. § 2502 (the Navajo Nation Síhasin Fund). 2 N.N.C. §164(A)(9) and NABIJY-38-19.
D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).

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

§2502. Purpose

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

1. The planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid waste management development, power line projects, and transportation and communication systems, within the Navajo Nation; and

2. Education opportunities for members of the Navajo Nation.

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

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

F. The Sihasin Fund provides that Fund Principal shall consist of all deposits made to the Sihasin Fund and that Fund Income shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Fund Income shall be deposited in and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted, 12 N.N.C. §§ 2504 and 2505 (C).

SECTION TWO. FINDINGS

A. As set forth in Exhibit A, Diné College and Navajo Technical University are requesting in the total amount of sixty million dollars ($60,000,000.00) to the Sihasin
Sustainable Higher Education Initiative Fund with thirty million dollars ($30,000,000.00) each in seed money to start up their respective institutional foundations.

B. Each year ninety-five percent (95%) of the Fund income attributable to the Sihasin funds as deposited in the Sihasin Sustainable Higher Education Initiative Fund shall be used to supplement Navajo Nation Government and non-Navajo Government funds to support the higher education efforts of Diné College and Navajo Technical University.

C. The interest attributable to the Sihasin Funds deposited in the Sihasin Sustainable Higher Education Initiative Fund shall be leveraged by way of match funding, direct funding in part and/or weighted or supplemental uses and shall be used as direct funding in whole or part for any project.

SECTION THREE. APPROVAL AND ADOPTION OF EXPENDITURE PLAN

A. The Navajo Nation hereby approves and adopts the Sihasin Sustainable Higher Education Initiative Fund, attached and incorporated herein as outlined in Exhibit A.

B. The Navajo Nation hereby approves funding to establish a Sihasin Sustainable Higher Education Initiative Fund in the amount of sixty million dollars ($60,000,000) with thirty million dollars ($30,000,000) to be assigned each to Diné College and Navajo Technical University respectively.

C. The Sihasin Funds allocated to establish the Sihasin Sustainable Higher Education Initiative Fund Expenditure Plan may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 et seq., as amended, using Sihasin Fund Earnings with thirty million dollars ($30,000,000) to be assigned each to Diné College and Navajo Technical University upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

SECTION FOUR. APPROVAL AND ADOPTION OF EXPENDITURE PLAN ADMINISTRATION

The Navajo Nation hereby approves administration of the Sihasin Sustainable Higher Education Initiative Fund Expenditure Plan as follows:
A. The Navajo Nation Controller shall recommend whether the source of the sixty million dollars ($60,000,000) will be Sihasin Fund Principal or Income or a combination of both;

B. The Sihasin Funds transferred to the Sihasin Sustainable Higher Education Initiative Fund shall be invested and managed consistent with Sihasin Sustainable Higher Education Initiative Fund Expenditure Plan but the interest earnings or income from Sihasin Funds may be expended only on projects that meet all the requirements of 12 N.N.C. § 2502.

C. The principal of the Sihasin Sustainable Higher Education Initiative Fund shall be invested primarily in the Alternatives Asset Class in a manner consistent with the Navajo Nation Master Investment Policy, as amended, with the objective of preserving the principal while generating steady annual dividend income.

D. The interest earnings or income from Sihasin Funds in the Sihasin Sustainable Higher Education Initiative Fund shall be expended only pursuant to an annual plan developed and recommended by Diné College and Navajo Technical University as approved and adopted by the Health, Education and Human Services Committee of the Navajo Nation Council.

E. Diné College and Navajo Technical University shall account for and be held responsible for the expenditure of interest and earnings attributable to the Sihasin Sustainable Higher Education Initiative Fund with such expenditures audited on an annual basis by either an independent auditor or the Office of Auditor General, with such audit report to be submitted to the Health, Education and Human Services Committee, the Naabik'iyati' Committee, Office of Controller and Office of the President and Vice-President.

F. Diné College and Navajo Technical University shall report the status of all projects funded by the interest earnings and income attributable to the Sihasin Funds to the Naabik'iyati' Committee and the Office of President and Vice-President on a quarterly basis.

G. The funds allocated for Sihasin Sustainable Higher Education Initiative Fund shall not lapse on an annual basis pursuant to 12 N.N.C. §820 (N).
Section Five. Effective Date

The Sihasin Sustainable Higher Education Initiative Fund Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. § 2505.