



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Council approves historic five-year expenditure plan for water, economic, and agricultural projects

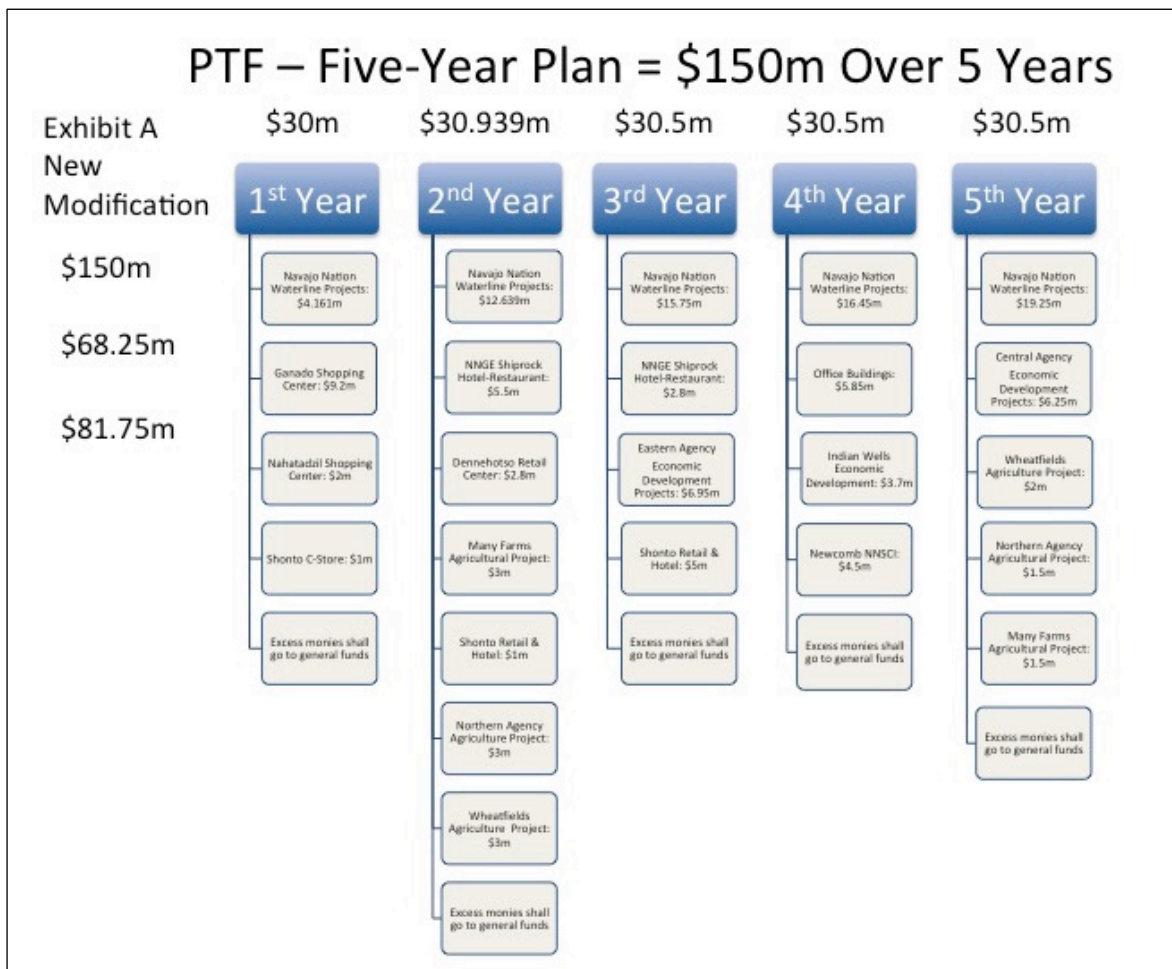


Photo: Chart of the proposed Navajo Nation Permanent Fund Income Five-Year Expenditure Plan.

WINDOW ROCK – The 23rd Navajo Nation Council approved a historic \$150 million Navajo Nation Permanent Fund Income Five-Year Expenditure Plan on Wednesday, during the third day of the Spring Session, which aims to increase economic, community, and agricultural development

throughout the Navajo Nation. The funding for the expenditure plan is derived from the accrued income, or interest, earned from the Navajo Nation's Permanent Trust Fund's principal balance.

According to Legislation No. 0052-16, the fund income would allocate \$30 million to waterline, economic and community growth, and agricultural projects on an annual basis for the next five-years. 95-percent of the fund income would be expended in accordance with the five-year plan, and the remaining five-percent of the fund income shall be reinvested back into the PTF.

Budget and Finance Committee chair and legislation sponsor Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí, Rock Springs, Tsayatoh) said the BFC worked closely with the Síhasin Fund Subcommittee and the Office of the President and Vice President to solidify the proposed projects and ensured they were "shovel ready" and could begin construction once funding is allocated.

"It's been one year to date that we have been working on this plan. We spent countless hours of committee meetings and work sessions to put together this five-year plan. I want to thank my BFC committee members for their hard work in completing this large and important task," said Delegate Damon.

Delegate Damon indicated that if President Russell Begaye signs the legislation into law, the first year of the five-year plan would receive funding when the Controller of the Navajo Nation determines that there is at least \$30 million in interest income to begin the projects.

In 1985, the Navajo Nation created the Permanent Trust Fund and invested \$26 million that has grown to over \$1.6 billion as of Dec. 31, 2015, according to a report provided by the Navajo Nation Office of the Controller. The creation of the PTF also mandated that no income from the fund could be used for a period of 20 years from the time of its creation.

The income generated from the PTF has been available for use since 2005 and was reinvested into the PTF, and it is now ready to be utilized for projects that benefit Navajo communities, stated Delegate Damon.

During the consideration of the legislation, Council members proposed two amendments to the five-year plan that included the deletion of the Local Governance Trust Fund allocation, increasing funding for waterline and economic projects, and adding agricultural projects.

In support of the addition of agricultural projects, Council Delegate Tom Chee (Shiprock) stressed the importance of Navajo farmers and the impact they have on Navajo land and culture.

"Farming is the foundation of our people. You are a true entrepreneur when you can grow and process your own food," said Delegate Chee. "Farmers stay put from generation to generation and it would be wise to invest in our Navajo farmers who can get the job done."

Delegate Damon added that increasing the economic development projects would create over 445 new jobs within a span of five years, and excess funding for each year will be deposited into the Navajo Nation General Fund to aid with the projected budget shortfall in FY2017.

According to the Navajo Nation Office of the Tax Commission, the entirety of the projects have the potential to create approximately \$7 million in tax revenue for the Navajo Nation. The projection is a general estimate and cannot be accurately determined until all the projects have been completed.

Speaker LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse'Daa'Kaan, Upper Fruitland) thanked the BFC and Council members for their work on the five-year plan.

“Going forward, this plan is going to promote substantial economic growth on the Navajo Nation through job creation and business development. By virtue of this Council, this wouldn't have been accomplished without the hard work of my colleagues.”

With a vote of 18-4, the Navajo Nation Council approved Legislation No. 0052-16 with two amendments. The bill required two-thirds approval from Council members. President Russell Begaye has 10 calendar days to consider the legislation once the resolution is sent to the Office of the President and Vice President.

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