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Navajo Nation Council approves use of funds for chapters, water line projects, and economic development projects

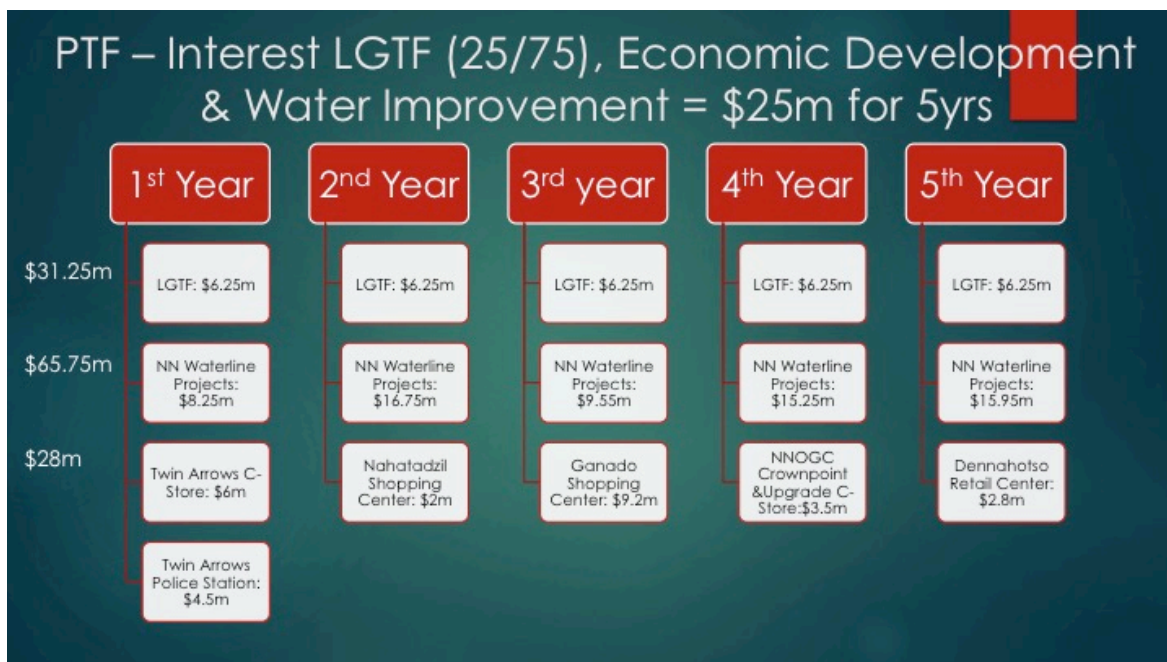


PHOTO: Displays a breakdown of the five-year plan for the Permanent Trust Fund income.

WINDOW ROCK – During the second day of the 2016 Winter Council Session, the Navajo Nation Council by a vote of 21-1 approved Legislation No. 0314-15, a five-year expenditure plan for the earnings generated from the principal balance of the Navajo Nation’s Permanent Trust Fund.

Legislation sponsor Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí’, Rock Springs, Tsayatoh), said Tuesday’s approval marks the first time in history that an expenditure plan had been approved that would benefit Navajo communities directly.

In 1985, the Navajo Nation created the Permanent Trust Fund and invested \$26 million, which has grown to over \$1.6 billion as of Dec. 31, 2015, according to a report provided by the 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 but has been reinvested into the PTF instead of being used for projects that benefit Navajo communities, stated Delegate Damon.

“Each year, the Nation sends this money back to Wall Street without seeing tangible benefits for our communities,” said Delegate Damon. “With this five-year plan, we can begin putting the funds to use and see the real benefits for our people.”

Delegate Damon also emphasized that the plan does not propose to take money from the principle balance of the PTF – only the annual generated income.

According to a presentation provided by Delegate Damon, the average income gained from stock dividends and bond interest from the PTF from 2007 to 2015 was approximately \$26.7 million on an annual basis.

The plan proposes to utilize \$125 million over the course of five-years – \$25 million per year – for various water line projects, economic development projects, and to provide funds to certified chapters across the Navajo Nation.

The first year of the plan would provide \$6.25 million for all certified chapters, \$8.25 million for water line projects, \$6 million for a c-store and a police sub-station near the Twin Arrows Navajo Casino Resort.

The second year would provide \$6.25 million for all certified chapters, \$16.75 million for water line projects, and \$2 million for a shopping center in the community of Nahata Dził. Year three of the plan provides \$6.25 million for all certified chapters, \$9.55 million for water line projects, and \$9.2 million for a shopping center in the community of Ganado.

The fourth year would provide \$6.25 million for all certified chapters, \$15.25 million for water line projects, and \$3.5 million for a c-store in Crownpoint. The final year calls for \$6.25 million for all certified chapters, \$15.95 million for waterline projects, and \$2.8 million for a retail store in the community of Dennehotso.

Overall, Delegate Damon explained that the plan would provide an average of \$125,000 annually to each certified chapter over the five-year period and create 338 new jobs for the construction of the various shopping centers and c-stores.

After Tuesday’s session, Delegate Damon thanked former Navajo Nation Chairman and President Peterson Zah for his role in establishing the PTF and his longstanding leadership.

“I appreciate Mr. Zah’s vision for our Nation in regards to the Permanent Trust Fund and for helping us reach this point,” stated Delegate Damon.

Following Council’s action, several members of Council said they hope Navajo chapters will support the legislation and urge President Russell Begaye to sign the bill into law. President Begaye will have ten calendar days to consider the bill once the resolution is sent to the Office of the President and Vice President.

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