

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0203-19_____

SPONSOR: Pernell Halona

TITLE: An Action Relating To Health, Education And Human Services Committee, Budget And Finance Committee; Resources And Development Committee, Naabik'iyáti' Committee And The Navajo Nation Council; Approving A Navajo Nation Grant And Supplemental Funding From The Unreserved, Undesignated Fund Balance In The Amount Of \$400,000.00 (Four Hundred Thousand Dollars) For Tohatchi Area Of Opportunity & Services, Inc (Taos, Inc.) To Purchase Vehicles; Waiving 12 N.N.C. §§ 820(I) And 860(C) Relating To The Capital Improvement Process

Date posted: July 15, 2019 at 4:20pm

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Office of Legislative Services
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Window Rock, AZ 86515
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LEGISLATIVE SUMMARY SHEET

Tracking No. 0203-19

DATE: July 5, 2019

TITLE OF RESOLUTION: A PROPOSED NAVAJO NATION COUNCIL RESOLUTION; AN ACTION RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE, BUDGET AND FINANCE COMMITTEE; RESOURCES AND DEVELOPMENT COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL; APPROVING A NAVAJO NATION GRANT AND SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF \$400,000.00 (FOUR HUNDRED THOUSAND DOLLARS) FOR THE TOHATCHI AREA OF OPPORTUNITY & SERVICES, INC (TAOS, INC.) TO PURCHASE VEHICLES; WAIVING 12 N.N.C. §§ 820(I) AND 860(C) RELATING TO THE CAPITAL IMPROVEMENT PROCESS

PURPOSE: This resolution, if approved, will approve supplemental funding from the Unreserved, Undesignated Fund Balance (UUFB) in the amount of \$400,000.00 for the Tohatchi Area of Opportunity & Services, Inc. for \$400,000.00 to purchase vehicles to replace vehicles with high mileage and waiving 12 N.N.C. §§ 820(I) and 860(C).

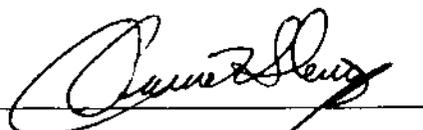
This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each committee member to review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 2300
Website Posting Time/Date: _____
Posting End Date: 7/20/19
Eligible for Action: 7/21/19

Health Education & Human Services Committee
Thence
Budget & Finance Committee
Thence
Resources & Development Committee
Thence
Naa'bik'iyáti' Committee
Thence
Navajo Nation Council

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

INTRODUCED BY



Primary Sponsor

TRACKING NO. 0203-19

AN ACTION

RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE,
BUDGET AND FINANCE COMMITTEE; RESOURCES AND DEVELOPMENT
COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION
COUNCIL; APPROVING A NAVAJO NATION GRANT AND SUPPLEMENTAL
FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN
THE AMOUNT OF \$400,000.00 (FOUR HUNDRED THOUSAND DOLLARS) FOR
THE TOHATCHI AREA OF OPPORTUNITY & SERVICES, INC (TAOS, INC.) TO
PURCHASE VEHICLES; WAIVING 12 N.N.C. §§ 820(I) AND 860(C) RELATING
TO THE CAPITAL IMPROVEMENT PROCESS

BE IT ENACTED:

SECTION ONE. AUTHORITIES

- A. Pursuant to 12 N.N.C. § 820 (L), “[t]he Navajo Nation Council may adopt and approve supplemental appropriations to the Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of General Funds within the current fiscal year are permitted, if and when additional sources of revenues above and beyond the initial or current revenue projections are projected and which are also in excess of the reserve amount set forth at § 820(J).”
- B. Pursuant to 2 N.N.C. § 401 (B)(6)(a), the Health, Education and Human Services Committee is to recommend resolutions relating to social services and health.

1 C. Pursuant to 2 N.N.C. § 300 (C)(1)(3) and (4) the Budget and Finance Committee is
2 authorized to recommend adoption of resolutions related to the expenditure of the
3 Nation's financial resources.

4 D. Pursuant to 2 N.N.C. § 501 (B)(4)(c), the Resources and Development Committee is
5 to review and recommend to the Navajo Nation Council supplemental appropriations
6 to the capital improvement projects annual budget to fund necessary additional capital
7 improvement projects.

8 E. Pursuant to 2 N.N.C. § 164 (A)(9), a proposed resolution that requires final action by
9 the Navajo Nation Council shall be assigned to the Naabik'iyáti' Committee before it
10 is heard by the Navajo Nation Council.

11
12 **SECTION TWO. TITLE 12 FINANCE ACT SUPPLEMENTAL**
13 **APPROPRIATION PROCESS**

14 A. The Title 12 Finance Act Supplemental Appropriation requirements include:

- 15 1. Pursuant to 12 N.N.C. § 820(L), when the Controller identifies additional sources
16 of revenues above and beyond the initial or current revenue projections,
17 supplemental appropriations may be allocated by the Navajo Nation Council.
- 18 2. Pursuant to 12 N.N.C. § 820 (L), "Supplemental appropriations made from non-
19 recurring revenues shall only be made for non-recurring operations or purposes,
20 as set forth at § 820 (F). The Controller of the Navajo Nation shall be responsible
21 for designating recurring and non-recurring revenues and purposes."
- 22 3. Pursuant to 12 N.N.C. § 820(M), all requests for annual operating funds and
23 supplemental funds shall be submitted to the Office of Management and Budget
24 ("OMB") for budget impact analysis.

25
26 B. The Title 12 Capital Improvement Process includes:

- 27 1. Pursuant to 12 N.N.C. § 810(F), "Capital Improvement" means a major
28 project undertaken by the Navajo Nation that is generally not recurring on an annual
29 basis and which fits within one or more of the following categories:
30 (1) All projects requiring debt obligation or borrowing;

- 1 (2) Any acquisition or lease of land;
- 2 (3) Purchase of major equipment or vehicles, with a life expectancy of five years
- 3 or more, valued in excess of an amount to be established by the Controller;
- 4 (4) Major building improvements that are not routine maintenance expenses and
- 5 that substantially enhance the value or extend the useful life of a structure;
- 6 (5) Construction of new buildings or facilities including engineering, design, and
- 7 other pre-construction costs with an estimated cost in excess of an amount to be
- 8 determined by the Controller; and/or
- 9 (6) Major equipment or furnishing required to furnish new buildings or other
- 10 projects, the cost of which is above a certain amount to be established by the
- 11 Controller.

12 2. Pursuant to 12 N.N.C. § 820 (I), the “[d]evelopment of the Capital Budget

13 shall be coordinated with development of the Operating Budget. All budget requests

14 for capital improvements shall be in compliance with an adopted Capital

15 Improvement Plan and shall not be approved unless in compliance with the Plan.”

16 3. Pursuant to 12 N.N.C. § 820 (M), the Office of Management and Budget shall

17 coordinate the overall preparation, adoption and implementation of both the annual

18 operating and capital budgets of the Navajo Nation. All requests for annual operating

19 funds and supplemental funds shall be submitted to the Office of Management and

20 Budget for budget impact analysis and other appropriate action.

21 4. Pursuant to 2 N.N.C. § 501 (B)(4)(c), the Resources and Development

22 Committee is to review and recommend to the Navajo Nation Council through the

23 appropriate process supplemental appropriations to the capital improvement projects

24 annual budget to fund necessary additional capital improvement projects.

25 5. Pursuant to 12 N.N.C. § 860 (C)(2) “[t]he appropriation portion of the Capital

26 Improvement Plan is subject to approval of the Navajo Nation Council upon

27 recommendation of the Budget and Finance Committee. Any modification or

28 amendment affecting the approved Capital Improvement Plan is subject to review and

29 concurrence by the Resources and Development Committee prior to consideration by

30 the Navajo Nation Council.”

1
2 **SECTION THREE. FINDINGS**

- 3 A. The Tohatchi Area of Opportunity & Services, Inc. (TAOS, Inc.), formerly known as
4 A School For Me, Inc., was created “[t]o promote, develop, implement, manage and
5 acquire training programs and activities as well as opportunities and specialized
6 services including, but not limited to, custodial, residential care and related services
7 for individuals with disabilities residing on or near the Navajo Indian Reservation.”
8 See Restatement of Articles of Incorporation in **Exhibit C**, the Navajo Nation Grant
9 Application.
- 10 B. The Tohatchi Area of Opportunity & Services, Inc. must ensure the safety and well-
11 being of individuals and staff as they go about their daily activities, including the use
12 of safe and reliable vehicles. TAOS maintains a vehicle fleet of 22 vehicles, most
13 have high mileage and need constant vehicle maintenance. Tohatchi Area of
14 Opportunity & Services, Inc. is requesting \$400,000.00 to purchase vehicles to
15 replace vehicles with high mileage.
- 16 C. The budget documents requesting \$400,000.00 from the Unreserved, Undesignated
17 Fund Balance (UUFB) for the Tohatchi Area of Opportunity & Services, Inc. are
18 attached as **Exhibit A**.
- 19 D. The Office of the Controller’s memorandum identifying additional revenues above
20 and beyond the initial or current revenue projections, pursuant to 12 N.N.C. § 820(L),
21 is currently being requested and will be made available to the Navajo Nation Council
22 at the time the Navajo Nation Council considers this legislation.
- 23 E. The Office of the Controller’s determination as to whether this request for
24 supplemental appropriation is a non-recurring cost, pursuant to 12 N.N.C. § 820 (L),
25 will be made available to the Navajo Nation Council at the time the Navajo Nation
26 Council considers this legislation.
- 27 F. The Office of Management and Budget Impact Analysis is attached as **Exhibit B**.
- 28 G. Chapter resolutions and letters of support are attached as **Exhibit D**.
- 29
30

1 **SECTION FOUR. WAIVING 12 N.N.C. §§ 820(I) AND 860 (C) REGARDING**
2 **THE CAPITAL IMPROVEMENT PROCESS AS IT PERTAINS TO THE**
3 **PURCHASE OF VEHICLES FOR TOHATCHI AREA OF OPPORTUNITY &**
4 **SERVICES, INC.**

5 The Navajo Nation Council hereby waives 12 N.N.C. §§ 820(I) and 860(C) with
6 regard to the Capital Improvement process as it pertains to the purchase of vehicles
7 by the Tohatchi Area of Opportunity & Services, Inc.

8
9 **SECTION FIVE. APPROVING A NAVAJO NATION GRANT AND**
10 **SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED**
11 **FUND BALANCE IN THE AMOUNT OF \$400,000.00 FOR TOHATCHI AREA**
12 **OF OPPORTUNITY & SERVICES, INC. TO PURCHASE VEHICLES**

13 A. The Navajo Nation Council, having received certification by the Office of the
14 Controller of the availability of certain funds from the Unreserved, Undesignated
15 Fund Balance (UUFB) for supplemental appropriation hereby approves a Navajo
16 Nation Grant and the supplemental appropriation of \$400,000.00 for Tohatchi
17 Area of Opportunity & Services, Inc. to purchase vehicles.

18 B. This supplemental appropriation of \$400,000.00 shall be from that amount of
19 funds that exceeds the minimum fund balance of the UUFB.