

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0224-20__

SPONSOR: Jamie Henio

TITLE: An Action Relating To Budget And Finance Committee, Naabik'íyáti' Committee, And Navajo Nation Council; Approving The Navajo Nation Fiscal Year 2021 Comprehensive Budget; Waiving 12 N.N.C. §§ 820(I) And 860, 12 N.N.C. §§ 2001 et seq. And 12 N.N.C. § 840(B)

Date posted: September 11, 2020 at 6:55 PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0224-20

DATE: September 11, 2020

TITLE OF RESOLUTION: AN ACTION RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2021 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820(I) AND 860, 12 N.N.C. §§ 2001 *et seq.*, AND 12 N.N.C. § 840(B)

PURPOSE: The purpose of this resolution is to approve Navajo Nation Comprehensive Budget for Fiscal Year 2021.

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: Johnson
Website Posting Time/Date: _____
Posting End Date: 09-16-20
Eligible for Action: 09-17-20

Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2 24th NAVAJO NATION COUNCIL – Second Year, 2021

3
4 INTRODUCED BY

5
6 Amber Kangzab Arty (Primary Sponsor)

8 TRACKING NO. 0224-20

9
10 AN ACTION

11 RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI'
12 COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO
13 NATION FISCAL YEAR 2021 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C.
14 §§ 820(I) AND 860, 12 N.N.C. §§ 2001 *et seq.*, AND 12 N.N.C. § 840(B)

15
16 BE IT ENACTED:

17
18 **Section One. Authority**

- 19 A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.
20 §102(A).
21 B. The Naabik'iyáti' Committee is assigned proposed resolutions that require final action
22 by the Navajo Nation Council. 2 N.N.C. §164(A)(9).
23 C. The Budget and Finance Committee shall make recommendations concerning the
24 budget and submit it to the Navajo Nation Council for deliberation and approval. 12
25 N.N.C. §840(A).
26

27 **Section Two. Adopting Navajo Nation Fiscal Year 2021 Budget**

28 The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2021 Comprehensive
29 Budget as follows:
30

1 A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2021 revenue
2 in the amount of \$19,011,000 to the Navajo Nation Permanent Fund; 4% of Fiscal Year
3 2021 revenue in the amount of \$6,337,000 to the Navajo Veterans Trust Fund; 2% of
4 Fiscal Year 2021 revenue in the amount of \$3,168,000 to the Navajo Nation Land
5 Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2021 revenue to the Capital Outlay
6 Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2021 revenue to the
7 Water Rights Claim Fund; and \$12,400,000 of Fiscal Year 2021 revenue to the Diné
8 Higher Education Grant Fund.

9 B. The Navajo Nation hereby approves the appropriation of \$1,244,353,093 as the Navajo
10 Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit A**, which
11 constitutes \$167,142,583 of General Funds, \$22,500,000 Indirect Cost Credit;
12 \$12,400,000 in Higher Education set aside funds; \$ 0 Personnel Savings; \$86,500,386
13 Proprietary Fund; \$81,875,155 Fiduciary Funds; \$40,376,371 Special Revenue Internal
14 Funds; \$3,800,000 External Cash Match Funds (General Funds); \$ 3,000,000 Capital
15 Outlay Match Funds; and \$826,758,598 Special Revenue External Funds, summarized
16 as follows:

17 1. Legislative Branch: \$16,410,204 as the Navajo Nation Fiscal Year 2021 Operating
18 Budget, as set forth in the attached **Exhibit B**, which includes \$15,335,322 General
19 Fund Revenue; \$1,072,882 Indirect Cost Credit; \$2,000 Proprietary Funds; \$0
20 Personnel Savings Fund; \$0 Fiduciary Funds, \$0 Special Revenue Internal Funds;
21 \$0 Special Revenue External Funds, for the Navajo Nation Council, various
22 Standing Committees, boards, commissions, offices, programs, and activities
23 within the Legislative Branch.

24 2. Judicial Branch: \$19,923,325 as the Navajo Nation Fiscal Year 2021 Operating
25 Budget, as set forth in the attached **Exhibit C**, which includes \$16,624,653 of
26 General Funds; \$130,107 Indirect Cost Credit; \$ 0 Proprietary Funds; \$ 0 Fiduciary
27 Funds; \$ 0 Special Revenue Internal Funds and \$ 3,168,565 Special Revenue
28 External Funds, for the Navajo Nation Supreme Court, district courts, family courts,
29 various offices, programs and activities within the Judicial Branch.

30

- 1 3. Executive Branch: \$1,181,834,512 as the Navajo Nation Fiscal Year 2021
2 Operating Budget, as set forth in the attached **Exhibit D**, which includes
3 \$119,367,464 of General Funds; \$13,927,103 Indirect Cost Credit; \$12,400,000
4 Higher Education Set Aside Funds; \$0 Personnel Savings Fund; \$86,498,386
5 Proprietary Funds; \$81,875,155 Fiduciary Funds; \$3,800,000 External Fund Cash
6 Match; \$40,376,371 Special Revenue Internal Funds; and, \$823,590,033 Special
7 Revenue External Funds; for the various divisions, departments, programs and
8 offices within the Executive Branch.
- 9 4. Fixed Costs: \$23,185,052 which includes \$15,815,144 General Funds, \$7,369,908
10 Indirect Cost Credit; and \$0 Personnel Savings Fund as set forth in the attached
11 **Exhibit E**.
- 12 5. Capital Improvement Funds which includes \$3,000,000 Capital Outlay Match, to
13 be used at the Chapter's discretion, with the exception that these funds are not to
14 be used for recurring expenses, as set forth in the attached **Exhibit F**.
- 15 6. Chapter Non-Administrative Costs: \$11,998,969 for non-administrative costs. This
16 does not include chapter official's stipends, permanent personnel costs, and travel
17 expenses of chapter officials and chapter staff.
- 18 7. External Funds Cash Match: \$3,800,000 for external funds cash match obligations
19 for grant agreements and contracts.

20 The FY 2020 External Fund Cash Match, BU# 118024, unexpended fund balance shall
21 be carried over to FY 2021 to maintain a fund balance for cash match needs during the
22 2021 Fiscal Year.

- 23 C. The Navajo Nation Resolution, CF-07-11, titled, "Establishing and Designating the
24 Personnel Accounts Savings as Restricted Carryover Funds to be Used for
25 Administering and Maintaining the Classification and Pay Plans by the Department of
26 Personnel Management and Further, Implementing a Moratorium on Any Future
27 Proposed Budget Revisions and/or Re-Allocations From the General Fund Personnel
28 Accounts Saving", established a moratorium on any future proposed Budget Revisions
29 and/or Reallocations from the General Funds Personnel Accounts Savings and required
30 those Savings go to an annual General Wage Adjustment, step increase and other salary

1 adjustments to the Pay Plan; in addition, that any excess or surplus funds shall be
2 deposited to the Unreserved, Undesignated Fund Balance (UUFB).

3 The Navajo Nation Controller projects the Personnel Lapse amount is \$ 13,083,541.

4 The Navajo Nation adopts a General Wage Adjustment, **Exhibit G**, and waives the
5 requirement of excess and surplus funds deposit to the UUFB and hereby approves
6 funding from the Fiscal Year 2021 Personnel Savings Fund as follows:

7 1. General Wage Adjustment – 3% (Exhibit G) \$ 3,846,992

8 D. The Navajo Nation hereby approves the carryover of excess Indirect Cost Credit, if any,
9 from Navajo Nation Fiscal Year 2020 into Fiscal Year 2021.

10 E. The Navajo Nation hereby approves the carryover of unexpended Capital Improvement
11 Project Funds from Fiscal Year 2020 to Fiscal Year 2021.

12 F. The Navajo Nation Council and its standing committees, through its oversight
13 authorities, are responsible to the Navajo Nation to ensure that the Navajo Nation
14 Divisions, Departments and Programs provide timely, professional, updated,
15 appropriate services to the Navajo People. One very pragmatic, effective method to
16 assure quality services is to prompt the Divisions, Departments and Programs through
17 the use of Conditions of Appropriations. Condition of Appropriation means a condition
18 placed on an appropriation or expenditure by the Navajo Nation Council at the time the
19 appropriation or expenditure is made, which requires performance of a specific task by
20 a program within a specific time period within the fiscal year. The condition requires
21 the performance of specific tasks within the time period set out by the Navajo Nation
22 Council. Failure to perform within the specified time period may result in restrictions
23 on future expenditure of the funds until the condition is met. 12 N.N.C. §810(I),
24 amended by CS-52-17.

25 The Navajo Nation Council has included Conditions of Appropriation in the 2021
26 Comprehensive Budget. The Navajo Nation Council hereby adopts the Conditions of
27 Appropriation identified in **Exhibit H**.

28 G. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation Fiscal
29 Year 2021, as set forth in the attached **Exhibit I**.

30

- 1 H. The Navajo Nation hereby acknowledges that all federal, state, and local government
2 funds addressed in the Navajo Nation Fiscal Year 2021 Comprehensive Budget are
3 provided primarily for information purposes, as directed in the Budget Instructions
4 Manual, and should not be deemed to limit the expenditure authority for any program,
5 provided additional funds are accepted pursuant to 2 N.N.C. §164(B), 2 N.N.C.
6 §301(B)(15), and 2 N.N.C. §701(A)(10).
- 7 I. The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into
8 BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico, which are considered
9 Navajo Nation General Funds as part of the overall revenue projection for support of
10 the operations of the Navajo Nation Government.
- 11 J. The Navajo Nation hereby authorizes the Office of Management and Budget to carry-
12 over available budget amounts to cover any prior year open contracts carried into Fiscal
13 Year 2021 by the Office of the Controller. Further, the Office of the Controller shall
14 ensure that the budgeted funds carried over are used specifically, and only for, those
15 open encumbrances. The Office of the Controller shall also inform the Office of
16 Management and Budget, in writing, of any cancelled or reduced prior year open
17 encumbrances so that the Office of Management and Budget can make the appropriate
18 budget adjustments.
- 19 K. The Navajo Nation hereby waives 12 N.N.C. §§ 820(I) and 860 for the purpose of
20 passing a comprehensive budget because the Capital Improvement Plan is not available.
- 21 L. The Navajo Nation hereby waives 12 N.N.C. §§ 2001 *et seq.* in order to allow chapters
22 to use Capital Outlay Match Funds as described in paragraph B.5, above.
- 23 M. The Navajo Nation waives the provision in 12 NNC. § 840(B) that requires the Navajo
24 Nation Council to adopt the comprehensive budget no less than twenty (20) days prior
25 to the expiration of each fiscal year.
- 26 N. The Navajo Nation hereby approves the Fiscal Year 2021 Budget Detail, included as
27 **Exhibit J.**

28
29 **Section Three. Directive to the Office of Management and Budget**
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1 A. The Navajo Nation directs the Office of Management and Budget to recalculate the
2 final monetary totals such that the figures conform to the amendments passed by the
3 Navajo Nation.

4 B. The Navajo Nation directs the Office of Management and Budget to make any other
5 changes to the exhibits such that they conform to the amendments passed by the Navajo
6 Nation Council.

7
8 **Section Four. Directive to the Division Community Development**

9 To develop the Navajo Nation Capital improvement plan in accordance with the plans capital
10 improvement plans submitted by each chapter by the end of the first quarter of Fiscal Year
11 2021.

12
13 **Section Five. Effective Date**

14 The Navajo Nation Fiscal Year 2021 Comprehensive Budget enacted herein shall be
15 effective pursuant to 2 N.N.C. §§ 164(A)(17) and 221(B).