

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0257-19\_\_\_\_\_

SPONSOR: Raymond Smith, Jr.

**TITLE: An Action Relating To Budget And Finance Committee, Naabik'iyáti' Committee, And Navajo Nation Council: Approving The Navajo Nation Fiscal Year 2020 Comprehensive Budget; Waiving 12 N.N.C. §§ 820(l) And 860, Council Resolution CF-07-11, And 12 N.N.C. §§ 2001 et seq.**

***Date posted:*** August 23, 2019 at 4:34pm

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**LEGISLATIVE SUMMARY SHEET**

**Tracking No.** 0257-19

**DATE:** August 23, 2019

**TITLE OF RESOLUTION:** AN ACTION RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2020 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820(1) AND 860, COUNCIL RESOLUTION CF-07-11, AND 12 N.N.C. §§ 2001 *et seq.*

**PURPOSE:** The purpose of this resolution is to approve the Navajo Nation Fiscal Year 2020 comprehensive budget.

**NOTE:** As a result of the waivers, the vote requirement is 2/3 of the full Navajo Nation Council.

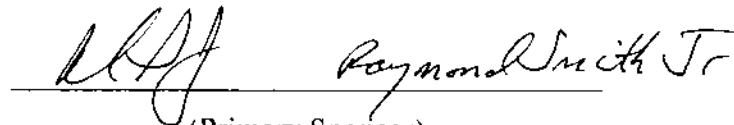
**This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.**

5-DAY BILL HOLD PERIOD: 2800  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 8/28/19  
Eligible for Action: 8/29/19

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 24th NAVAJO NATION COUNCIL – First Year, 2019

3  
4 INTRODUCED BY

5   
6 \_\_\_\_\_  
7 (Primary Sponsor)

8 TRACKING NO. 0257-19

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 2020 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C.  
14 §§ 820(I) AND 860, COUNCIL RESOLUTION CF-07-11, AND  
15 12 N.N.C. §§ 2001 *et seq.*

16  
17 BE IT ENACTED:

18  
19 **Section One. Authority**

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

27  
28 **Section Two. Adopting Navajo Nation Fiscal Year 2019 Budget**

29 The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2020 Comprehensive  
30 Budget as follows:

1 A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2020  
2 revenue in the amount of \$23,385,000 to the Navajo Nation Permanent Fund; 4% of  
3 Fiscal Year 2020 revenue in the amount of \$7,795,000 to the Navajo Veterans Trust  
4 Fund; 2% of Fiscal Year 2020 revenue in the amount of \$3,897,000 to the Navajo  
5 Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2020 revenue to the  
6 Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2020  
7 revenue to the Water Rights Claim Fund; and \$12,400,000 of Fiscal Year 2020  
8 revenue to the Diné Higher Education Grant Fund.

9 B. The Navajo Nation hereby approves the appropriation of \$1,253,069,202 as the  
10 Navajo Nation Fiscal Year 2020 Operating Budget, as set forth in the attached **Exhibit**  
11 **A**, which constitutes \$163,200,000 of General Funds, \$22,500,000 Indirect Cost  
12 Credit; \$12,400,000 in Higher Education set aside funds; \$6,948,207 Personnel  
13 Savings; \$84,505,383 Proprietary Fund; \$78,905,642 Fiduciary Funds; \$43,767,992  
14 Special Revenue Internal Funds; \$3,800,000 External Cash Match Funds (General  
15 Funds); \$ 3,000,000 Capital Outlay Match Funds; and \$834,041,978 Special Revenue  
16 External Funds, summarized as follows:

17 1. Legislative Branch: \$16,586,333 as the Navajo Nation Fiscal Year 2020  
18 Operating Budget, as set forth in the attached **Exhibit B**, which includes  
19 \$14,892,739 General Fund Revenue; \$1,291,833 Indirect Cost Credit; \$2,500  
20 Proprietary Funds; \$399,261 Personnel Savings Fund; \$ 0 Fiduciary Funds, \$ 0  
21 Special Revenue Internal Funds; \$ 0 Special Revenue External Funds, for the  
22 Navajo Nation Council, various Standing Committees, boards, commissions,  
23 offices, programs, and activities within the Legislative Branch.

24 2. Judicial Branch: \$19,857,398 as the Navajo Nation Fiscal Year 2020 Operating  
25 Budget, as set forth in the attached **Exhibit C**, which includes \$14,924,653 of  
26 General Funds; \$150,104 Indirect Cost Credit; \$ 0 Proprietary Funds; \$ 0  
27 Fiduciary Funds; \$ 0 Special Revenue Internal Funds and \$4,782,641 Special  
28 Revenue External Funds, for the Navajo Nation Supreme Court, district courts,  
29 family courts, various offices, programs and activities within the Judicial Branch.  
30

- 1           3. Executive Branch: \$1,190,717,730 as the Navajo Nation Fiscal Year 2020  
2           Operating Budget, as set forth in the attached **Exhibit D**, which includes  
3           \$117,567,464 of General Funds; \$14,465,466 Indirect Cost Credit; \$12,400,000  
4           Higher Education Set Aside Funds; \$6,048,946 Personnel Savings Fund;  
5           \$84,502,883 Proprietary Funds; \$78,904,642 Fiduciary Funds; \$3,800,000  
6           External Fund Cash Match; \$43,767,992 Special Revenue Internal Funds; and,  
7           \$829,259,337 Special Revenue External Funds; for the various divisions,  
8           departments, programs and offices within the Executive Branch.
- 9           4. Fixed Costs: \$22,907,741 which includes \$15,815,144 General Funds, \$6,592,597  
10          Indirect Cost Credit; and \$500,000 Personnel Savings Fund as set forth in the  
11          attached **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.  
16          This does not include chapter official's stipends, permanent personnel costs, and  
17          travel 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 2019 External Fund Cash Match, BU# 118024, unexpended fund balance  
21          shall be carried over to FY 2020 to maintain a fund balance for cash match needs  
22          during the 2020 Fiscal Year.

- 23          C. The Navajo Nation Resolution, CF-07-11, *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  
30          required those Savings go to an annual General Wage Adjustment, step increase and

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

3 The Navajo Nation Controller projects the Personnel Lapse amount is \$ 9,141,903.  
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 2020 Personnel Savings Fund as follows:

7	1. General Wage Adjustment – 2% (Exhibit G)	\$ 2,193,696
8	2. Chapter Official Stipends	\$ 2,000,000
9	3. Legislative District Assistants, BU # 101034	\$ 199,261
10	a. For personnel	
11	4. Office of the Speaker, BU # 101015	\$ 200,000
12	a. To hire an energy policy consultant	
13	5. Office of the Navajo Tax Commission, BU # 106001	\$ 85,000
14	a. Travel, Space Rental, Office Supplies	
15	6. Retirement Plan Account, BU #118018	\$ 500,000
16	7. Navajo Energy Office, BU # 115039	\$ 663,988
17	a. For personnel	
18	8. Veterans Administration, BU # 103015	\$ 1,153,245
19	a. For new central office building	
20	9. Resource Enforcement, BU # 115027	\$ 500,025
21	10. Office of the Controller, Purchasing, BU # 107020	
22	a. For personnel overtime	\$ 14,819
23	11. Navajo Department of Transportation, BU # 121004	\$ 631,869
24	a. Dept. of Roads -- for gravel pit site development	
25	12. DALTCS, BU #s 113010-15	\$ 1,000,000
26	a. To be distributed as follows:	
27	i. Administration, \$75,000	
28	ii. DALTCS Chinle, \$185,000	
29	iii. DALTCS Fort Defiance, \$185,000	
30	iv. DALTCS Crownpoint, \$185,000	

1 v. DALTCS Shiprock, \$185,000

2 vi. DALTCS Tuba City, \$185,000

3 D. The Navajo Nation hereby approves the carryover of excess Indirect Cost Credit, if  
4 any, from Navajo Nation Fiscal Year 2019 into Fiscal Year 2020.

5 E. The Navajo Nation hereby approves the carryover of unexpended Capital  
6 Improvement Project Funds from Fiscal Year 2019 to Fiscal Year 2020.

7 F. The Navajo Nation hereby approves any carryover of General Fund unexpended  
8 balances from Navajo Nation Fiscal Year 2019 into Fiscal Year 2020:

9 1. \$ 4,500,000 for the Government Branches (Executive, Legislative, Judicial) from  
10 their respective unexpended balances, if available, as follows:

11 a) Executive: \$ 2,500,000

12 b) Legislative: \$ 1,500,000

13 c) Judicial: \$ 500,000

14 2. Other unexpended operating fund balances for Divisions, Departments and  
15 Programs listed in **Exhibit H**.

16 G. The Navajo Nation hereby approves that the remaining amount of non-recurring funds as  
17 determined by the office of the Controller, that is \$10,958,583 be placed in the Permanent  
18 Fund Contingency, BU# 107032, for use during FY2021 budgeting.

19 H. The Navajo Nation approves that \$21,000,000 of the FY 2019 Undesignated, Unreserved  
20 Fund Balance be set aside for use in the FY 2021 budget process due to impending  
21 projected revenue reductions.

22 I. The Navajo Nation Council and its standing committees, through its oversight  
23 authorities, are responsible to the Navajo Nation to ensure that the Navajo Nation  
24 Divisions, Departments and Programs provide timely, professional, updated,  
25 appropriate services to the Navajo People. One very pragmatic, effective method to  
26 assure quality services is to prompt the Divisions, Departments and Programs through  
27 the use of Conditions of Appropriations. Condition of Appropriation means a  
28 condition placed on an appropriation or expenditure by the Navajo Nation Council at  
29 the time the appropriation or expenditure is made, which requires performance of a  
30 specific task by a program within a specific time period within the fiscal year. The

1 condition requires the performance of specific tasks within the time period set out by  
2 the Navajo Nation Council. Failure to perform within the specified time period may  
3 result in restrictions on future expenditure of the funds until the condition is met. 12  
4 N.N.C. §810(1), amended by CS-52-17.

5 The Navajo Nation Council has included Conditions of Appropriation in the 2020  
6 Comprehensive Budget. These Conditions of Appropriations are attached as **Exhibit**  
7 **I**. The Navajo Nation Council hereby adopts the Conditions of Appropriation  
8 identified in **Exhibit I**.

9 J. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation  
10 Fiscal Year 2020, as set forth in the attached **Exhibit J**.

11 K. The Navajo Nation hereby acknowledges that all federal, state, and local government  
12 funds addressed in the Navajo Nation Fiscal Year 2020 Comprehensive Budget are  
13 provided primarily for information purposes, as directed in the Budget Instructions  
14 Manual, and should not be deemed to limit the expenditure authority for any program,  
15 provided additional funds are accepted pursuant to 2 N.N.C. §164(B), 2 N.N.C.  
16 §301(B)(15), and 2 N.N.C. §701(A)(10).

17 L. The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into  
18 BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico, which are considered  
19 Navajo Nation General Funds as part of the overall revenue projection for support of  
20 the operations of the Navajo Nation Government.

21 M. The Navajo Nation hereby authorizes the Office of Management and Budget to carry-  
22 over available budget amounts to cover any prior year open contracts carried into  
23 Fiscal Year 2020 by the Office of the Controller. Further, the Office of the Controller  
24 shall ensure that the budgeted funds carried over are used specifically, and only for,  
25 those open encumbrances. The Office of the Controller shall also inform the Office of  
26 Management and Budget, in writing, of any cancelled or reduced prior year open  
27 encumbrances so that the Office of Management and Budget can make the appropriate  
28 budget adjustments.

29 N. The Navajo Nation hereby directs the Branch Chiefs of the Executive, Legislative and  
30 Judicial Branches to prioritize the unmet needs of their respective branches and to



1 prepare appropriate budgets for such prioritized needs for consideration by the  
2 appropriate Standing Committee with oversight for potential supplemental  
3 appropriations in Fiscal Year 2020, in accordance with 12 N.N.C. § 820(L).

4 O. The Navajo Nation hereby waives 12 N.N.C. §§ 820(I) and 860 for the purpose of  
5 passing a comprehensive budget because the Capital Improvement Plan is not  
6 available.

7 P. The Navajo Nation hereby waives 12 N.N.C. §§ 2001 *et seq.* in order to allow  
8 chapters to use Capital Outlay Match Funds as described in paragraph B.5, above.

9 Q. The Navajo Nation hereby approves the Fiscal Year 2020 Budget Detail, included as  
10 **Exhibit K.**

11  
12 **Section Three. Directive to the Office of Management and Budget**

13 A. The Navajo Nation directs the Office of Management and Budget to recalculate the  
14 final monetary totals such that the figures conform to the amendments passed by the  
15 Navajo Nation.

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

19  
20 **Section Four. Effective Date**

21 The Navajo Nation Fiscal Year 2020 Comprehensive Budget enacted herein shall be  
22 effective pursuant to 2 N.N.C. §§ 164(A)(17) and 221(B).  
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