TITLE: An Action Relating to Resources and Development, Budget and Finance, Naabik’íyáti Committees, and Navajo Nation Council; Allocating $2,000,000 in Síhasin Funds to the Cañoncito Band of Navajos Health Center, Inc. for the Cañoncito Clinic Expansion Project; Approving and Adopting the Cañoncito Clinic Expansion Project Expenditure Plan Pursuant to 12 N.N.C. §§ 2501-2508

Date posted: June 08, 2021 at 7:34PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

   Executive Director
   Office of Legislative Services
   P.O. Box 3390
   Window Rock, AZ 86515
   (928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 et. seq.
DATE: June 8, 2021

TITLE OF RESOLUTION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; ALLOCATING $2,000,000 IN SÍHASIN FUNDS TO THE CAÑONCITO BAND OF NAVAJOS HEALTH CENTER, INC. FOR THE CAÑONCITO CLINIC EXPANSION PROJECT; APPROVING AND ADOPTING THE CAÑONCITO CLINIC EXPANSION PROJECT EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§ 2501 – 2508

PURPOSE: The purpose of this legislation is for the Navajo Nation Council to approve $2,000,000 in Síhasin funding for the Cañoncito Clinic Expansion Project. The funding will be provided to the Cañoncito Band of Navajos Health Clinic, Inc., a tribal non-profit organization.
PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL – Third Year, 2021
INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0091-21

AN ACTION
RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND
FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION
COUNCIL; ALLOCATING $2,000,000 IN SIHASIN FUNDS TO THE
CAÑONCITO BAND OF NAVAJOS HEALTH CENTER, INC. FOR THE
CAÑONCITO CLINIC EXPANSION PROJECT; APPROVING AND
ADOPTING THE CAÑONCITO CLINIC EXPANSION PROJECT
EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§ 2501 – 2508

BE IT ENACTED:

SECTION ONE. AUTHORITY
A. The Resources and Development Committee is the oversight committee for Navajo Nation
Chapters. 2 N.N.C. §501(C)(1).
B. The Budget and Finance Committee is empowered to “appropriate, allocate, cancel, re-
appropriate and review the use of Navajo Nation funds received including but not limited
to all grants, contracts, gifts and other funds from all sources.” 2 N.N.C. §301(B)(3).
C. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council with
the responsibility to hear proposed resolutions that require final action by the Navajo
Nation Council. 2 N.N.C. §164(A)(9).
D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
E. The Navajo Nation Code provides the purpose of the Navajo Nation Sihasin Fund ("Sihasin Fund") is as follows:

§2502 Purpose

A. The purposes of this Fund are to provide financial support and/or financing for:

1. The planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid waste management development, powerline projects, and transportation and communication systems, within the Navajo Nation; and

2. Education opportunities for members of the Navajo Nation.

B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be limited by 12 NNC §1310(F) or TCDCJY-77-99.

C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in part, and other weighted uses of the Fund, including loan financing from the Fund, for the purposes in §2502(A)(1), shall be favored over direct funding in whole.

12 N.N.C. §2502, as amended by CJA-03-18.

F. The Sihasin Fund provides that "Fund Principal" shall consist of all deposits made to the Sihasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Fund Income shall be deposited in and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted.

12 N.N.C. §§ 2504 and 2505(C).

G. The Sihasin Fund provides that "Fund Principal and Income shall not be expended except pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council." 12 N.N.C. §2505(A).

SECTION TWO. FINDINGS

A. The Cañoncito Band of Navajos Health Center, Inc. ("CBN Health Center") is a 26 U.S.C. §501(C)(3) non-profit Tribal Organization established in 2016 that provides health care
services to the To’Hajiilee community (formerly Cañoncito) via a contract with the U.S. Department of Health and Human Services pursuant to Public Law 93-638.

B. The CBN Health Center has requested two-million-dollars ($2,000,000) in Sihasin funding for the Cañoncito Clinic Expansion Project. The CBN Health Center has prepared and submitted a detailed funding request and description of the Expansion Project, attached hereto as Exhibit A.

C. In its request the CBN Health Center explains that, in 2020, along with the To’Hajiilee Chapter it applied to the Navajo Nation for a $4,000,000 grant from the CARES Funds received by the Navajo Nation. However, their funding request for the Expansion Project was not approved by the Navajo Nation Council. Exhibit A.

D. The CBN Health Center further explains that it subsequently appropriated $2,000,000 for the Expansion Project, and the Project is now approximately 60% complete. However, an additional $2,000,000 in funding is needed to finish the Project because of unforeseen costs due to COVID-19 building requirements, needed furniture and medical equipment, and unexpected infrastructure expenses. Exhibit A.

E. The CBN Health Center has submitted a detailed cost breakdown for the Expansion Project, attached as Exhibit B, as well as a floor plan, photographs, and drawings for the Project, all of which are attached as Exhibit C.

F. The allocation of the $2,000,000 for this Project meets the criteria for Sihasin expenditures because this Project involves “infrastructure” and “community development” such as “commercial and government buildings” as mentioned in 12 N.N.C. §2502(A)(1).

G. The allocation of the $2,000,000 for this Project meets the preference for leveraging Sihasin funds, as mentioned in 12 N.N.C. § 2502(C), because the CBN Health Center has contributed $2,000,000 in funds, and the Indian Health Service previously provided a grant of $1,800,000 for the Project.

SECTION THREE. APPROVAL AND ADOPTION OF SIHASIN FUNDING AND EXPENDITURE PLAN

A. The Navajo Nation hereby approves and appropriates funding for the Cañoncito Clinic Expansion Project in the amount of $2,000,000 from the Navajo Nation Sihasin Fund, in
accordance with 12 N.N.C. §2505(A).

B. The Navajo Nation hereby approves and adopts the Cañoncito Clinic Expansion Project Expenditure Plan, attached as Exhibit B.

C. The Sihasin Funds allocated for the Cañoncito Clinic Expansion Project may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. §1300 et seq., as amended, using Sihasin Fund earnings for repayment and financing costs upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

SECTION FOUR. APPROVAL AND ADOPTION OF EXPENDITURE PLAN ADMINISTRATION

The Navajo Nation Council hereby approves administration of the Cañoncito Clinic Expansion Project Expenditure Plan as follows:

A. The Navajo Nation Controller shall determine whether the source of the annual allocations from the total allocation of $2,000,000 will be Sihasin Fund Principal or Income or a combination of both.

B. The $2,000,000 in Sihasin funds shall be distributed to the Cañoncito Band of Navajos Health Center, Inc. within ten (10) days after the effective date of this legislation. The CBN Health Center shall be responsible for administering the Cañoncito Clinic Expansion Project, in accordance with the Cañoncito Clinic Expansion Project Expenditure Plan, attached as Exhibit B.

C. The $2,000,000 in Sihasin funds shall be used solely for design, planning, construction, furniture and equipment purchases, and infrastructure facilities for the Cañoncito Clinic Expansion Project as described in Exhibits A, B and C. Any and all cost-savings shall be returned to the Sihasin Fund once the Project is completed.

D. The $2,000,000 in Sihasin funds shall not lapse on an annual basis pursuant to 12 N.N.C. §820(N), however, any funds not spent or encumbered within twenty-four (24) months of the date funds are made available to the CBN Health Clinic shall revert to the Sihasin Fund principal, unless recommended otherwise by the Resources and Development Committee of the Navajo Nation Council and approved by the Naabik’íyáti’ Committee.
E. The Sihasin Fund shall be reimbursed, in the amount of the expenditure authorized in this legislation, from prospective funds available to the Navajo Nation from any and all appropriate state and federal sources, including Congressional appropriations under the American Rescue Plan Act of 2021 or other COVID-19 related relief.

F. The Cañoncito Clinic Expansion Project shall be operated and managed by the CBN Health Clinic, and maintenance and repairs for the Project shall be the responsibility of the CBN Health Clinic.

SECTION FIVE. DIRECTIVES
The CBN Health Clinic shall report the status of the Cañoncito Clinic Expansion Project to the Resources and Development Committee, and to the Naabik’íyáti’ Committee, on a quarterly basis.

SECTION SIX. EFFECTIVE DATE
This legislation and the Cañoncito Clinic Expansion Project Expenditure Plan approved herein shall become effective pursuant to 12 N.N.C. §2505.

SECTION SEVEN. SAVINGS CLAUSE
If any provision of this Act is determined invalid by the Supreme Court of the Navajo Nation, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the provision(s) not determined invalid shall remain as Navajo Nation law.