

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0182-21_

SPONSOR: Jamie Henio

TITLE: An Action Relating to Budget and Finance and Naabik'iyáti' Committees, and to the Navajo Nation Council; Approving the Navajo Nation Fiscal Year 2022 Comprehensive Budget; Waiving 12 N.N.C. §§ 820(I), § 860, § 840(B), 12 N.N.C. §§ 2001 et seq., and Resolution CF-07-11

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LEGISLATION SUMMARY SHEET

TRACKING NO. 0182-21

DATE: August 28, 2021

TITLE OF LEGISLATION: AN ACTION RELATING TO THE BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2022 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §820(I), §860, §840(B), 12 N.N.C. §§2001 *ET SEQ.*, AND RESOLUTION NO. CF-07-11

PURPOSE OF THIS LEGISLATION: to adopt the Fiscal Year 2022 Comprehensive Budget.

21-21-294-1

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 09-02-21
Eligible for Action: 09-03-21

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

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL - Third Year, 2021

INTRODUCED BY

(Primary Sponsor)



TRACKING NO. 0182-21

AN ACTION

RELATING TO THE BUDGET AND FINANCE AND NAABIK'ÍYÁTI'
COMMITTEES, AND TO THE NAVAJO NATION COUNCIL;
APPROVING THE NAVAJO NATION FISCAL YEAR 2022
COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §820(I), §860,
§840(B), 12 N.N.C. §§2001 *ET SEQ.*, AND RESOLUTION NO. CF-07-11

BE IT ENACTED:

SECTION 1. AUTHORITY

- (A) The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
- (B) The Naabik'iyáti' Committee is assigned proposed resolutions that require final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).
- (C) The Budget and Finance Committee makes recommendations concerning the budget and submits them to the Navajo Nation Council for deliberation and approval. 12 N.N.C. §840(A).

SECTION 2. ADOPTING THE NAVAJO NATION'S COMPREHENSIVE BUDGET
FOR FISCAL YEAR 2022

The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2022 Comprehensive Budget as follows:

1 (A) SPECIAL FUNDS. In accordance with the Navajo Nation Appropriations Act and other
2 statutory provisions, the Navajo Nation appropriates **\$50,118,000** for certain special funds for
3 Fiscal Year 2022 (“FY2022”), which amount consists of the following allocations:

- 4 1. 12% or **\$22,479,000** into the Navajo Nation Permanent Trust Fund;
- 5 2. 4% or **\$7,493,000** into the Navajo Nation Veterans Trust Fund;
- 6 3. 2% or **\$3,746,000** into the Navajo Nation Land Acquisition Trust Fund;
- 7 4. **\$2,000,000** into the Capital Outlay Match Funding Special Revenue Fund;
- 8 5. **\$2,000,000** into the Navajo Nation Water Rights Claim Fund;
- 9 6. **\$12,400,000** into the Diné Higher Education Grant Fund.

10 (B) OVERALL FY2022 BUDGET. The Navajo Nation appropriates **\$1,515,807,711** for the
11 Navajo Nation’s overall FY2022 Operating Budget, which amount consists of the following
12 allocations (as shown in **EXHIBIT A**):

- 13 1. **\$173,299,815** into the General Fund account;
- 14 2. **\$25,000,000** into the Indirect Cost Funds account;
- 15 3. **\$3,019,319** into the General Wage Adjustment account;
- 16 4. **\$12,400,000** into the Higher Education Set-Aside account;
- 17 5. **\$3,500,000** into the External Funds Cash Match (General Fund) account;
- 18 6. **\$5,630,875** into the Personnel Lapse Fund account;
- 19 7. **\$91,828,678** into the Proprietary Funds account;
- 20 8. **\$104,652,922** into the Fiduciary Funds account;
- 21 9. **\$37,877,238** into the Special Revenue - Internal Funds account;
- 22 10. **\$1,058,598,864** into the Special Revenue - External Funds account.

23 (C) LEGISLATIVE BRANCH. The Navajo Nation appropriates **\$17,181,778** for the Navajo
24 Nation’s Legislative Branch FY2022 Operating Budget, which amount consists of the
25 following allocations (as shown in **EXHIBIT B**):

- 26 1. **\$15,732,069** into the General Fund account;
- 27 2. **\$1,192,091** into the Indirect Cost Funds account;
- 28 3. **\$256,618** into the General Wage Adjustment account;
- 29 4. **\$1,000** into the Proprietary Funds account;
- 30 5. **\$0** into the Fiduciary Funds account;

6. \$0 into the Special Revenue - Internal Funds account;
7. \$0 into the Special Revenue - External Funds account.

(D) JUDICIAL BRANCH. The Navajo Nation appropriates **\$21,618,341** for the Navajo Nation's Judicial Branch FY2022 Operating Budget, which amount consists of the following allocations (as shown in **EXHIBIT C**):

1. **\$15,765,782** into the General Fund account;
2. **\$144,564** into the Indirect Cost Funds account;
3. **\$439,253** into the General Wage Adjustment account;
4. **\$283,478** into the Personnel Lapse Fund account;
5. **\$0** into the Proprietary Funds account;
6. **\$0** into the Fiduciary Funds account;
7. **\$0** into the Special Revenue - Internal Funds account;
8. **\$4,985,264** into the Special Revenue - External Funds account.

(E) EXECUTIVE BRANCH. The Navajo Nation appropriates **\$1,448,210,212** for the Navajo Nation's Executive Branch FY2022 Operating Budget, which amount consists of the following allocations (as shown in **EXHIBIT D**):

1. **\$124,193,371** into the General Fund account;
2. **\$15,474,558** into the Indirect Cost Funds account;
3. **\$2,323,448** into the General Wage Adjustment account;
4. **\$12,400,000** into the Higher Education Set-Aside account;
5. **\$3,500,000** into the External Funds Cash Match (General Fund) account;
6. **\$2,347,397** into the Personnel Lapse Fund account;
7. **\$91,827,678** into the Proprietary Funds account;
8. **\$104,652,922** into the Fiduciary Funds account;
9. **\$37,877,238** into the Special Revenue - Internal Funds account;
10. **\$1,053,613,600** into the Special Revenue - External Funds account.

(F) FIXED COSTS. The Navajo Nation appropriates **\$28,797,380** to pay FY2022 Fixed Costs for certain Navajo Nation Programs, which amount consists of the following allocations (as shown in **EXHIBIT E**):

1. **\$17,608,593** into the General Fund account;

2. **\$8,188,787** into the Indirect Cost Funds account;
3. **\$3,000,000** into the Personnel Lapse Fund account;
4. **\$0** into the Proprietary Funds account;
5. **\$0** into the Fiduciary Funds account;
6. **\$0** into the Special Revenue - Internal Funds account;
7. **\$0** into the Special Revenue - External Funds account.

(G) CHAPTER NON-ADMINISTRATIVE COSTS. The Navajo Nation appropriates **\$12,675,211** to pay FY2022 Non-Administrative Costs for the 110 Navajo Nation Chapters; however, this appropriation shall *not* be used to pay Chapter expenses for the following: (1) stipend payments for Chapter officials' attendance at Chapter meetings or similar events; (2) Chapter personnel costs (i.e., employee wages, salaries, and similar payments) that are considered permanent costs for the Chapter; or (3) travel expenses incurred by any Chapter officials or Chapter staff, regardless of the purpose of travel.

(H) CARRYOVERS. The Navajo Nation approves carryovers from Fiscal Year 2021 to FY2022, all remaining dollar amounts in the following accounts:

1. the External Funds Cash Match account (Business Unit No. 118024);
2. the Indirect Cost Funds account;
3. the Capital Improvement Projects Fund account;
4. the accounts of the various Programs as shown in **EXHIBIT F**; the Office of the Controller ("OOC") shall ensure that all carryover funds approved herein are used specifically, and strictly for, those proposed line-item amounts shown in Exhibit F; the OOC shall also inform the Office of Management and Budget ("OMB"), in writing, of any cancelled or reduced open encumbrances for Fiscal Year 2021, so that the OMB can make the appropriate budget adjustments as necessary.

(I) PERSONNEL LAPSE FUND. The Office of the Controller has reported that the Personnel Lapse Fund account currently has a dollar amount of **\$6,108,718**. The Navajo Nation appropriates **\$6,108,718** from the Personnel Lapse Fund account, which amount consists of the following allocations:

1. **\$2,630,875** to pay certain expenses for various Navajo Nation Programs, as

1 shown in **EXHIBIT G**; and

- 2 2. **\$3,477,853** to pay for a 3% General Wage Adjustment for all Navajo Nation
3 employee wages and salaries for FY2022.

4 (J) WAIVERS OF NAVAJO NATION LAW.

- 5 1. Appropriations Act. To accommodate the two appropriations described in (I)1-2 above,
6 the Navajo Nation hereby waives 12 N.N.C. §820(F) to the extent that this statutory
7 provision mandates that excess and surplus funds held by the Navajo Nation at the end of
8 the previous Fiscal Year must be deposited into the Unreserved, Undesignated Fund
9 Balance account (“UUFB”).
- 10 2. Resolution No. CF-07-11. The Navajo Nation hereby waives Resolution No. CF-07-11 to
11 the extent that its provisions establish a moratorium on Budget Revisions and/or
12 Reallocations from the Personnel Lapse Fund account, requires funds from that account to
13 be used for annual General Wage Adjustments or step increases and other salary
14 adjustments to the Pay Plan established by the Department of Personnel Management, and
15 also requires that any excess or surplus funds must be deposited into the UUFB.
- 16 3. Capital Improvement Plan. The Navajo Nation hereby waives 12 N.N.C. §820(I), §840(B),
17 and §860 for the purpose of approving this Comprehensive Budget for FY2022, because
18 the mandated Capital Improvement Plan is not available.

19 (K) CONDITIONS OF APPROPRIATION. The Navajo Nation Council and its Standing
20 Committees, according to Title 2 and other provisions of the Navajo Nation Code, are
21 responsible for ensuring that all Navajo Nation Divisions, Departments and Programs
22 provide adequate, timely, and professional services to the Navajo Nation and the Navajo
23 People. One pragmatic and effective method to carry out such responsibilities is to establish
24 certain Conditions of Appropriation mandating the performance of specific tasks within a
25 particular time period determined by the Navajo Nation Council. The Navajo Nation
26 therefore approves and adopts the Conditions of Appropriation, as shown in **EXHIBIT H**,
27 which Exhibit shall be attached to this legislation when finalized by the Office of Legislative
28 Counsel.

29 (L) LEGISLATIVE CONCERNS. Related to the goals described in Paragraph (K) above, the
30 Navajo Nation hereby approves the Legislative Concerns for Navajo Nation FY2022, as set

1 forth in the attached **EXHIBIT I**, which Exhibit shall be attached to this legislation when
2 finalized by the Office of Legislative Counsel.

3 **(M) EXPENDITURES NOT RESTRICTED BY BUDGET INFORMATION.** The Navajo Nation
4 hereby acknowledges that all dollar amounts and accounts as listed and described in the
5 Navajo Nation FY2022 Comprehensive Budget are provided primarily for information
6 purposes, as directed in the Budget Instructions Manual. Such dollar amounts and account
7 descriptions should not be deemed to limit the expenditure authority for any Program,
8 provided that additional funds are accepted or approved pursuant to 2 N.N.C. §164(B), 2
9 N.N.C. §301(B)(15), and 2 N.N.C. §701(A)(10).

10 **(N) BIA ACCOUNT NO. PL7341701.** The Navajo Nation hereby authorizes monthly drawdowns
11 of all funds deposited into BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico,
12 which funds are considered Navajo Nation General Funds as part of the overall revenue
13 projection, and are used for the administrative support of the operations of the Navajo Nation
14 Government.

15 **(O) LAND ACQUISITION TRUST FUND.** The Navajo Nation hereby waives certain provisions
16 of the Navajo Nation Land Acquisition Trust Fund (“LATF”), specifically 16 N.N.C. §1 and
17 §205, to the extent that such provisions do not allow the use of LATF funds for operational
18 expenses for the Division of Natural Resources or its Departments and Programs. The Navajo
19 Nation Council hereby appropriates LATF funds in the amount of \$241,189 from B.U.
20 415000 - Land Acquisition Trust Fund, for the Division of Natural Resources, as shown in
21 the attached **EXHIBIT J**.

22 **(P) BUDGET DETAIL.** The Navajo Nation hereby approves the FY2022 Budget Detail, as
23 shown in the attached **EXHIBIT K**, which Exhibit shall be attached to this legislation when
24 finalized by the Office of Management and Budget.

25
26 **SECTION 3. DIRECTIVES**

27 **(A) Office of Management and Budget.** The Navajo Nation hereby directs the Office of
28 Management and Budget to recalculate all dollar amounts shown throughout this legislation,
29 in order to verify that final monetary totals are accurate and conform to all amendments to
30 this legislation, if any.

1 (B) Office of Legislative Services. The Navajo Nation hereby directs the Office of Legislative
2 Services, in consultation with the Office of Legislative Counsel, to make technical edits to
3 this legislation as necessary and appropriate to correct grammatical and/or scrivener's errors,
4 and to correct numerical errors, so long as such edits effectuate the Navajo Nation Council's
5 intent in approving this legislation.

6 (C) Division of Community Development. The Navajo Nation Council hereby directs the
7 Division of Community Development to develop the Navajo Nation Capital Improvement
8 Plan in accordance with 12 N.N.C. §860.

9
10 **SECTION 4. EFFECTIVE DATE**

11 The Navajo Nation FY2022 Comprehensive Budget approved and adopted herein shall be
12 effective pursuant to 2 N.N.C. §164(A)(17) and §221(B).

13
14 **SECTION 5. SAVING CLAUSE**

15 If any provision of this legislation is determined invalid by the Navajo Nation Supreme Court, or
16 by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those
17 remaining provisions of this legislation not determined invalid shall remain the law of the Navajo
18 Nation.