

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0261-21_

SPONSOR: Thomas Walker, Jr.

**TITLE: An Action Relating to an Emergency for Navajo Nation Council;
Approving \$1,808,538 in Supplemental Funding from the Unreserved, Undesignated
Fund Balance for the 110 Navajo Nation Chapters' Emergency Fund Accounts;
Waiving 12 N.N.C. § 820(O)**

Date posted: December 17, 2021 at 10:25AM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0261-21

DATE: December 15, 2021

TITLE OF RESOLUTION: AN ACTION RELATING TO AN EMERGENCY FOR NAVAJO NATION COUNCIL; APPROVING \$1,808,538 IN SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE FOR THE 110 NAVAJO NATION CHAPTERS' EMERGENCY FUND ACCOUNTS; WAIVING 12 N.NC. § 820 (O)

PURPOSE: This resolution, if approved, will allocate \$1,808,538 from the UUFB to bring all Navajo Nation Chapter Emergency Fund account balances to \$25,000.

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.

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

INTRODUCED BY



(Prime Sponsor)

TRACKING NO. 0261-21

AN ACTION

**RELATING TO AN EMERGENCY FOR NAVAJO NATION COUNCIL;
APPROVING \$1,808,538 IN SUPPLEMENTAL FUNDING FROM THE
UNRESERVED, UNDESIGNATED FUND BALANCE FOR THE 110 NAVAJO
NATION CHAPTERS' EMERGENCY FUND ACCOUNTS; WAIVING 12 N.N.C.
§ 820 (O)**

BE IT ENACTED:

SECTION ONE. AUTHORITY.

- A. The Navajo Nation Council is the governing body of the Navajo Nation with the authority to approve supplemental appropriations. 2 N.N.C. §102(A) and 12 N.N.C. §820(L).
- B. The Navajo Nation Code provides, “[m]atters constituting an emergency shall be limited to the cessation of law enforcement services, and disaster relief services, fire protection services or other direct services required as an entitlement under Navajo Nation or Federal law, or which directly threaten the sovereignty of the Navajo Nation. Such an emergency matter must arise due to the pressing public need for such resolution(s) and must be a matter requiring final action by the Council. 2 N.N.C. § 164(16).
- C. This proposed Resolution is offered as an emergency due to the decimation visited on

1 Chapter's Emergency Fund accounts by the COVID-19 pandemic and the vital need
2 to have emergency funds available to respond to seasonal emergencies at the local
3 level.

4 D. The Navajo Nation Council has the authority to approve supplemental appropriations.
5 12 N.N.C. § 820(L). Pursuant to 12 N.N.C. § 820(L), "[t]he Navajo Nation Council
6 may adopt and approve supplemental appropriations to the Annual Comprehensive
7 Budget during the fiscal year. Supplemental appropriations of General Funds within
8 the current fiscal year are permitted, if and when additional sources of revenues above
9 and beyond the initial or current revenue projections are projected and which are also
10 in excess of the reserve amount set forth at § 820(J)."

11 E. The Navajo Nation Appropriations Act requirements regarding Supplemental
12 Appropriations include:

- 13 1. All requests for annual operating funds and supplemental funds shall be submitted
14 to the Office of Management and Budget for budget impact analysis. 12 N.N.C. §
15 820(M).
- 16 2. When the Controller identifies additional sources of revenues above and beyond
17 the initial or current revenue projections, supplemental appropriations may be
18 approved by the Navajo Nation Council. 12 N.N.C. § 820(L).
- 19 3. Supplemental Appropriations made from non-recurring revenues shall only be
20 made for non-recurring operations or purposes, as set forth at § 820(F). The
21 Controller of the Navajo Nation shall be responsible for the designation of
22 recurring and non-recurring revenues. 12 N.N.C. § 820(L).
- 23 4. The Nation shall budget all recurring operating expenses, including capital
24 maintenance, from recurring revenues. Long term debt shall not be used to finance
25 recurring operating expenses. 12 N.N.C. §820(E).
- 26 5. The Navajo Nation Code provides, "[t]he Nation shall restrict non-recurring
27 revenues to budget non-recurring expenditures. In addition, non-recurring revenues
28 will be budgeted only after an examination by the Controller to determine whether
29 or not the revenues are subsidizing an imbalance between recurring revenues and
30 expenditures, and expenditures may be authorized only if a long-term (three-five

1 year) forecast shows that the operating deficit will not continue. Otherwise, non-
2 recurring revenues will be added to the Unreserved, Undesignated Fund balance.
3 This provision may be amended or waived by a two-thirds vote of the full Navajo
4 Nation Council.” 12 N.N.C. § 820(F).

5
6 **SECTION TWO. FINDINGS**

- 7 A. On behalf of the 110 Navajo Nation Chapters, the Division of Community
8 Development (“DCD”) has submitted a Supplemental Funding Proposal Summary,
9 dated October 13, 2021. With this form, DCD is requesting **\$1,808,538** out of the
10 Unreserved, Undesignated Fund Balance to provide the 110 Chapters enough funds to
11 replenish their Emergency Fund accounts back to the established amount of \$25,000.
12 See Budget Instruction Manual (“BIM”) Appendix K attached hereto as **Exhibit A**.
- 13 B. A comprehensive list showing each Chapters’ funding need is attached as **Exhibit B**.
14 If the total requested amount of **\$1,808,538** is approved by the Navajo Nation Council,
15 different Chapters will receive different dollar amounts as shown in Exhibit B - but all
16 110 Chapters will end up with the same balance of \$25,000 in their Emergency Fund
17 accounts.
- 18 C. On behalf of the Chapters, DCD has provided the required Navajo Nation Budget
19 Forms, attached as **Exhibit C**.
- 20 D. The OOC has not yet reviewed this supplemental funding request for the amount of
21 **\$1,808,538** as required by 12 N.N.C. §820(L). However, OOC has provided a
22 memorandum dated August 20, 2021 regarding a previous DCD request for Chapters’
23 emergency funds in the amount of \$1,685,344. **Exhibit D**. OOC can present an
24 updated memorandum with a review of this \$1,808,538 funding request when this
25 legislation is presented for consideration by the Navajo Nation Council. The Controller
26 has identified the Chapters’ emergency funding as non-recurring expenditures.
- 27 E. The Office of Management and Budget (“OMB”) has not yet reviewed this \$1,808,538
28 funding request for a budget impact analysis as required by 12 N.N.C. §820(M).
29 However, the OMB has provided a budget impact analysis dated October 12, 2021
30 regarding a previous DCD request for Chapters’ emergency funds in the amount of

1 \$1,838,798. **Exhibit E.** OMB can present an updated budget impact analysis for this
2 \$1,808,538 funding request when this legislation is presented for consideration by the
3 Navajo Nation Council.
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5 **SECTION THREE. APPROVING \$1,808,538 FOR THE 110 NAVAJO NATION**
6 **CHAPTERS FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE**

- 7 A. The Navajo Nation hereby approves **\$1,808,538** from the Unreserved, Undesignated
8 Fund Balance for the 110 Navajo Nation Chapters Emergency Fund accounts. Each
9 Chapter shall receive the designated dollar amount as shown in **Exhibit B**, so as to
10 bring each Chapter’s Emergency Fund account balance to \$25,000.
11 B. This supplemental appropriation of **\$1,808,538** shall be from that amount of funds that
12 exceeds the minimum fund balance of the Unreserved, Undesignated Fund Balance as
13 determined by the Controller.
14 C. The Navajo Nation hereby waives 12 N.N.C. § 820 (O) (Chapter 50/50 formula) to
15 allow for this supplemental appropriation to all 110 Chapters.
16

17 **SECTION FOUR. EFFECTIVE DATE**

18 The provisions of this Act shall become effective in accordance with 2 N.N.C. §221(B)
19 and with 2 N.N.C. §164(A)(17).
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21 **SECTION FIVE. SAVINGS CLAUSE**

22 If any provision of this Action is determined invalid by the Supreme Court of the Navajo
23 Nation or by any Navajo Nation District Court, without appeal to the Navajo Nation
24 Supreme Court, the remainder of this Act shall remain valid as the law of the Navajo
25 Nation.
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