

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0003-22_

SPONSOR: Wilson C. Stewart, Jr.

TITLE: An Act Relating to Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and Navajo Nation Council; Allocating \$900,000 from the Unreserved, Undesignated Fund Balance ("UUFB") to the Division of Economic Development/Tourism Department for Personnel and Operating Expenses for the Remainder of FY2022; Waiving 12 N.N.C. § 820(E), § 820(F), and § 820(J) to Allow Use of the UUFB for Recurring Expenses

Date posted: January 12, 2022 at 5:42PM

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Office of Legislative Services
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LEGISLATION SUMMARY

Tracking No. 0003-22

Date: January 12, 2022

Title of

Legislation: **AN ACT RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$900,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB") TO THE DIVISION OF ECONOMIC DEVELOPMENT/ TOURISM DEPARTMENT FOR PERSONNEL AND OPERATING EXPENSES FOR THE REMAINDER OF FY2022; WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW USE OF THE UUFB FOR RECURRING EXPENSES**

Purpose: to allocate \$900,000 from the UUFB to the DED/Tourism Department to fund the Department's personnel and operating expenses for the remainder of FY2022; waiving 12 N.N.C. §820(E), §820(F), and §820(J) to allow use of the UUFB for recurring expenses.

OLC No. 21-482-1

5-DAY BILL HOLD PERIOD: Applusea

Website Posting Time/Date: _____

Posting End Date: 01-17-22

Eligible for Action: 01-18-22

Resources & Development Committee

Thence

Budget & Finance Committee

Thence

Naabik'iyati' Committee

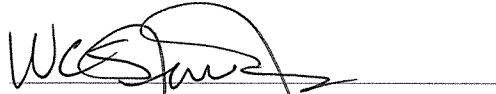
Thence

Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:



(Prime Sponsor)

Tracking No. 0003-22

AN ACT

RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$900,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFb") TO THE DIVISION OF ECONOMIC DEVELOPMENT/ TOURISM DEPARTMENT FOR PERSONNEL AND OPERATING EXPENSES FOR THE REMAINDER OF FY2022; WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW USE OF THE UUFb FOR RECURRING EXPENSES

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with the authority to oversee the Division of Economic Development. 2 N.N.C. §501(C)(1). The Navajo Tourism Department is within the Division of Economic Development. ACAU-196-87, CO-50-87, GSCAP-12-07, and RDCO-055-19.

B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council, empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. §301(B)(2).

C. The Naa'bik'iyati' Committee is a standing committee of the Navajo Nation Council that is responsible for reviewing proposed resolutions requiring final action by the Navajo

1 Nation Council. 2 N.N.C. §164(A)(9).

2 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.
3 §102(A). As such, the Council has the authority to approve supplemental appropriations.
4 “The Navajo Nation Council may adopt and approve supplemental appropriations to the
5 Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of
6 General Funds within the current fiscal year are permitted, if and when additional sources
7 of revenues above and beyond the initial or current revenue projections are projected and
8 which are also in excess of the reserve amount set forth at §820(J).” 12 N.N.C. §820(L).

9 E. The restrictions on supplemental appropriations include:

10 1. Supplemental appropriations from non-recurring revenues shall be approved only for
11 non-recurring expenses. 12 N.N.C. §820(F). The Controller determines which revenues
12 are recurring and which are non-recurring. 12 N.N.C. §820(L).

13 2. The Navajo Nation shall budget all recurring operating expenses, including capital
14 maintenance costs, from recurring revenues only; and long-term debt shall not be used
15 to finance recurring operating expenses. 12 N.N.C. §820(E).

16 3. The Navajo Nation Code further provides, “. . . non-recurring revenues will be
17 budgeted only after an examination by the Controller to determine whether or not the
18 revenues are subsidizing an imbalance between recurring revenues and expenditures,
19 and expenditures may be authorized only if a long-term (three-five year) forecast shows
20 that the operating deficit will not continue. Otherwise, non-recurring revenues will be
21 added to the Unreserved, Undesignated Fund Balance. This provision may be amended
22 or waived by a two-thirds vote of the full Navajo Nation Council.” 12 N.N.C. §820(F).

23 4. All requests for supplemental funding shall be submitted to the Office of Management
24 and Budget (“OMB”) for budget impact analysis. 12 N.N.C. §820(M).

25
26 **SECTION TWO. FINDINGS**

27 A. The Division of Economic Development/Tourism Department is requesting \$900,000 in
28 supplemental funds out of the Undesignated, Unreserved Fund Balance (“UUFb”), to
29 mitigate the negative effects of the COVID-19 pandemic that resulted in the loss of an
30 estimated \$115,500,000 of tourism-related revenue since the Spring of 2020, which revenue

1 is normally used to fund the Department for the entire Fiscal Year. In the attached
2 “Appendix K - Supplemental Funding Proposal Summary” the Tourism Department
3 explains that it needs the \$900,000 to cover its personnel and operating expenses for the
4 remainder of FY2022. **EXHIBIT A.**

5 B. The Tourism Department has provided its required Budget Forms, including a “Program
6 Budget Summary” and a “Detailed Budget and Justification,” which pages are attached
7 hereto as **EXHIBIT B.**

8 C. The Tourism Department has also provided a detailed “Listing of Positions and
9 Assignments by Business Unit,” attached as **EXHIBIT C.**

10 D. In accordance with 12 N.N.C. §820(L), the Controller has provided a memorandum
11 regarding this UUFb funding request. **EXHIBIT D.** In addition, in the “Executive Official
12 Review” process, the Controller on October 27, 2021 deemed this funding request
13 “sufficient.” **EXHIBIT E.** The Controller may be requested to provide a revised
14 memorandum or a verbal statement regarding this matter, when this legislation is considered
15 by the Navajo Nation Council.

16 E. OMB has also reviewed this funding request and deemed it “sufficient.” **EXHIBIT E.** In
17 compliance with 12 N.N.C. §820(M), OMB may be requested to provide a budget impact
18 analysis by memorandum or a verbal statement, when this legislation is considered by the
19 Navajo Nation Council.

20 F. The Department of Justice has reviewed this UUFb funding request and deemed it “legally
21 sufficient.” **EXHIBIT E.**

22
23 **SECTION THREE. ALLOCATING \$900,000 FROM THE UUFb TO THE DIVISION**
24 **OF ECONOMIC DEVELOPMENT/TOURISM DEPARTMENT**

25 A. The Navajo Nation hereby allocates \$900,000 from the UUFb to the Division of Economic
26 Development/Tourism Department for the Department’s personnel and operating expenses
27 for the remainder of FY2022, as shown in **EXHIBIT A.**

28 B. This \$900,000 supplemental appropriation shall be from those funds that exceed the
29 minimum fund reserve balance in the UUFb required by 12 N.N.C. §820(J), as determined
30 by the Controller.

1 C. Pursuant to 12 N.N.C. §820(J) this supplemental appropriation shall expire, and any
2 remaining funds shall revert to the UUFB, on September 30, 2022, unless the Navajo Nation
3 Council determines otherwise by resolution.

4 D. The UUFB shall be reimbursed up to the \$3,600,000 amount allocated in this legislation, from
5 prospective funds available to the Navajo Nation from any and all state and federal sources,
6 including Congressional appropriations under the American Rescue Plan Act of 2021 or other
7 COVID-19 related relief.

8
9 **SECTION FOUR. WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW**
10 **USE OF THE UUFB FOR RECURRING EXPENSES**

11 The Navajo Nation hereby waives 12 N.N.C. §820(E), §820(F), and §820(J) to allow use of
12 funds from the UUFB for the Tourism Department’s personnel and operating expenses for the
13 remainder of FY2022, which are recurring program expenses, as shown in **EXHIBIT A**.

14
15 **SECTION FIVE. EFFECTIVE DATE**

16 This Act shall become effective as provided in 2 N.N.C. §221(B) and 2 N.N.C. §164(A)(17).

17
18 **SECTION SIX. SAVING CLAUSE**

19 If any portion of this Act is determined invalid by the Navajo Nation Supreme Court, or by a
20 District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the
21 remainder of this Act shall be the law of the Navajo Nation.