

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0005-22_

SPONSOR: Herman M. Daniels, Jr.

TITLE: An Act Relating to the Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and the Navajo Nation Council; Allocating \$419,718 from the Unreserved, Undesignated Fund Balance ("UUFB") to the Division of Community Development to Fund Chapter Official Stipends 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 7:30PM

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Office of Legislative Services
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LEGISLATION SUMMARY

Tracking No. 0005-22

Date: January 12, 2022

Title of

Legislation: **AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$419,718 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB") TO THE DIVISION OF COMMUNITY DEVELOPMENT TO FUND CHAPTER OFFICIAL STIPENDS 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 \$419,718 from the UUFB to the Division of Community Development to fund Chapter Officials' stipends for their official activities during FY2022 (an equal distribution for all 110 Chapters); and waiving 12 N.N.C. §820(E), §820(F), and §820(J) to allow use of the UUFB for these recurring Chapter expenses.

OLC No. 21-515-1

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 01-17-22
Eligible for Action: 01-18-22

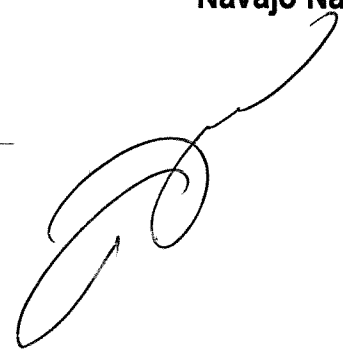
Resources & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:

(Prime Sponsor)

Tracking No. 0005-22



AN ACT

RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$419,718 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB") TO THE DIVISION OF COMMUNITY DEVELOPMENT TO FUND CHAPTER OFFICIAL STIPENDS 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 110 Navajo Nation Chapters. 2 N.N.C. §500(C).
- 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'iyáti' Committee is a standing committee of the Navajo Nation Council that is responsible for reviewing proposed resolutions requiring 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.

1 §102(A). As such, the Council has the authority to approve supplemental appropriations.
2 “The Navajo Nation Council may adopt and approve supplemental appropriations to the
3 Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of
4 General Funds within the current fiscal year are permitted, if and when additional sources
5 of revenues above and beyond the initial or current revenue projections are projected and
6 which are also in excess of the reserve amount set forth at §820(J).” 12 N.N.C. §820(L).

7 E. The restrictions on supplemental appropriations include:

- 8 1. Supplemental appropriations from non-recurring revenues shall be approved only for
9 non-recurring expenses. 12 N.N.C. §820(F). The Controller determines which revenues
10 are recurring and which are non-recurring. 12 N.N.C. §820(L).
- 11 2. The Navajo Nation shall budget all recurring operating expenses, including capital
12 maintenance costs, from recurring revenues only; and long-term debt shall not be used
13 to finance recurring operating expenses. 12 N.N.C. §820(E).
- 14 3. The Navajo Nation Code further provides, “. . . non-recurring revenues will be
15 budgeted only after an examination by the Controller to determine whether or not the
16 revenues are subsidizing an imbalance between recurring revenues and expenditures,
17 and expenditures may be authorized only if a long-term (three-five year) forecast shows
18 that the operating deficit will not continue. Otherwise, non-recurring revenues will be
19 added to the Unreserved, Undesignated Fund Balance. This provision may be amended
20 or waived by a two-thirds vote of the full Navajo Nation Council.” 12 N.N.C. §820(F).
- 21 4. All requests for supplemental funding shall be submitted to the Office of Management
22 and Budget (“OMB”) for budget impact analysis. 12 N.N.C. §820(M).

23
24 **SECTION TWO. FINDINGS**

25 A. The Division of Community Development (“DCD”) is requesting \$419,718 in supplemental
26 funds out of the Undesignated, Unreserved Fund Balance (“UUF”) because the Navajo
27 Nation’s FY2022 Comprehensive Budget adopted in September 2021 did not appropriate
28 enough funds to the 110 Chapters for payment of all Chapter Officials’ stipends for their
29 official activities for the entirety of FY2022. DCD’s Director explains in the Appendix K -
30 “Supplemental Funding Proposal Summary,” attached hereto as **EXHIBIT A**, that the

1 \$419,718 in supplemental funding is needed to cover stipends for the anticipated 12 regular
2 Chapter meetings, 12 Chapter planning meetings, and 2 additional meetings per Chapter,
3 for the remaining months of FY2022.

4 B. DCD has provided its other required Budget Forms, including a “Program Budget
5 Summary,” a “Program Performance Criteria,” and a “Detailed Budget and Justification,”
6 which pages are attached hereto as **EXHIBIT B**.

7 C. DCD has also provided a listing of all 110 Chapters, showing the full stipend amount needed
8 for each Chapter, including the amount needed for 2 additional meetings per Chapter.
9 **EXHIBIT C**.

10 D. In accordance with 12 N.N.C. §820(L), the Office of the Controller has provided a
11 memorandum regarding this UUFb funding request, designating the Chapter Officials’
12 stipends as a *recurring* expense. **EXHIBIT D**.

13 E. In compliance with 12 N.N.C. §820(M), OMB has reviewed this UUFb funding request and
14 provided a memorandum. **EXHIBIT E**. In the “Section 164 Review” process, OMB on
15 October 27, 2021 also indicated that this funding request is “sufficient.” **EXHIBIT F**.

16 F. The allocation of the \$419,718 in UUFb funding to all 110 Chapters, as proposed by DCD
17 in **EXHIBIT C**, complies with the equal distribution requirement set forth in 12 N.N.C.
18 §820(O).

19 G. The Navajo Nation finds it in the best interest of the Navajo Nation and the Navajo People
20 to approve DCD’s requested UUFb supplemental funding so that DCD can pay all Chapter
21 Officials’ stipends for their official activities during FY2022.

22
23 **SECTION THREE. ALLOCATING \$419,718 FROM THE UUFb TO THE DIVISION**
24 **OF COMMUNITY DEVELOPMENT**

25 A. The Navajo Nation hereby allocates \$419,718 from the UUFb to the Division of
26 Community Development for DCD’s use in paying Chapter meeting stipends for the
27 Chapter Officials for all 110 Chapters, as shown in the attached **EXHIBITS A, B, and C**.

28 B. This \$419,718 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(N), this supplemental appropriation shall expire, and any
2 stipend funds allocated herein that are not expended by any Chapter by midnight September
3 30, 2022 shall then revert to the UUFB, unless such Chapter with remaining stipend funds
4 complies with the budget-related provisions of 12 N.N.C. §820(N).

5
6 **SECTION FOUR. WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW**
7 **USE OF THE UUFB FOR RECURRING CHAPTER EXPENSES**

8 The Navajo Nation hereby waives 12 N.N.C. §820(E), §820(F), and §820(J) to allow use of
9 funds from the UUFB to pay Chapter Officials' stipends for FY2022, which payments are
10 recurring Chapter expenses, as shown in **EXHIBIT D**.

11
12 **SECTION FIVE. EFFECTIVE DATE**

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

14
15 **SECTION SIX. SAVING CLAUSE**

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