

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0063-22\_

SPONSOR: Vince James

**TITLE: An Act Relating to the Resources and Development, Health, Education and Human Services, Budget and Finance, and Naabik'iyáti' Committees, and to the Navajo Nation Council; Approving \$1,600,000 Out of the Síhasin Fund to Cover the Funding Shortfall for the Ganado Chapter Senior & Veterans Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508**

*Date posted:* March 30, 2022 at 6:24PM

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**SUMMARY OF PROPOSED LEGISLATION**

TrackingNo. 0063-22

Date: March 29, 2022

**Re: AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION, AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING \$1,600,000 OUT OF THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501 – §2508**

Purpose of this Legislation:

to allocate \$1,600,000 from the Síhasin Fund to cover the shortfall in funds for the construction of the Ganado Chapter Senior & Veterans Center Project; the shortfall is due to a significant increase in construction costs.

OLC No. 22-018-1

5-DAY BILL HOLD PERIOD: Johnson  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 04-04-22  
Eligible for Action: 04-05-22

Resources & Development Committee  
Thence  
Health Education & Human Services Committee  
Thence  
Budget & Finance Committee  
Thence  
Naabik'iyáti' Committee  
Thence  
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
24<sup>th</sup> NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:  
  
(Prime Sponsor)

Tracking No. 0063-22

**AN ACT**  
**RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH,**  
**EDUCATION, AND HUMAN SERVICES, BUDGET AND FINANCE,**  
**AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION**  
**COUNCIL; APPROVING \$1,600,000 OUT OF THE SÍHASIN FUND TO**  
**COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER**  
**SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE**  
**RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501 – §2508**

BE IT ENACTED:

**SECTION ONE. AUTHORITY**

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with oversight authority over all 110 Navajo Nation Chapters, as well as community development. 2 N.N.C. §500(C) and 26 N.N.C. §102.
- B. The Health, Education, and Human Services Committee is a standing committee of the Navajo Nation Council with oversight authority over matter involving health, social services, and veterans. 2 N.N.C. §400(C)(1); §400(C)(2).
- C. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the responsibility 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).

1 D. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council that  
2 considers all proposed final actions by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

3 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).  
4 As such, the Council may approve appropriations from the Navajo Nation's Síhasin Fund.

5 F. 12 N.N.C. §2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin  
6 Fund ("Síhasin Fund") as follows:

7 §2502 Purpose

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

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

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

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

21 G. The Síhasin Fund provides that "Fund Principal" shall consist of all deposits made to the  
22 Síhasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.)  
23 generated and realized by the Fund Principal, and that Síhasin Fund Income shall be  
24 deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is  
25 duly approved. 12 N.N.C. §2504 and §2505(C).

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

30

1 **SECTION TWO. FINDINGS**

2 A. The Division of Community Development - Capital Projects Management Department  
3 (“CPMD”) is requesting \$1,600,000 out of the Síhasin Fund to cover a shortfall of funds for  
4 the construction of the Ganado Chapter Senior & Veterans Center Project (“Ganado  
5 Project”). **EXHIBIT A.**

6 B. CPMD explains that the original construction budget for the Ganado Project was \$3,070,000  
7 but due to significantly increased costs the \$3,070,000 allocated for the Project is now  
8 insufficient. **EXHIBIT B.**

9 C. CPMD’s architects that bid out for construction services for the Ganado Project has provided  
10 a letter explaining that all contractor bids received have significantly exceeded the Project’s  
11 original construction budget. **EXHIBIT C.**

12 D. CPMD has provided a “Construction Inflation Alert” from the Associated General  
13 Contractors of America, that also explains the reasons for the current extreme increase in  
14 construction costs. **EXHIBIT D.**

15 E. In Resolution No. CAP-35-18 the Navajo Nation Council approved an allocation of \$833,333  
16 for the Ganado Project. **EXHIBIT E.** CAP-35-18 is incorporated herein by this reference.

17 F. In Resolution No. CJY-57-20 the Navajo Nation Council approved an allocation of  
18 \$1,444,032 for the Ganado Project. **EXHIBIT F.**

19 G. Allocation of the \$1,600,000 as requested by CPMD meets the criteria for Síhasin  
20 expenditures because the proposed expenditure involves community development and  
21 government buildings, as described in 12 N.N.C. §2502(A)(1).

22  
23 **SECTION THREE. APPROVING \$1,600,000 FROM THE SÍHASIN FUND TO COVER**  
24 **THE FUNDING SHORTFALL FOR THE GANADO CHAPTER**  
25 **SENIOR & VETERANS CENTER PROJECT; REAPPROVING**  
26 **THE RELATED EXPENDITURE PLAN**

27 A. In accordance with 12 N.N.C. §2505(A), the Navajo Nation hereby approves \$1,600,000 out  
28 of the Síhasin Fund to cover the shortfall of funds for the construction of the Ganado Chapter  
29 Senior & Veterans Center Project, as explained in EXHIBIT A and EXHIBIT B.

30 B. The Navajo Nation hereby reapproves the Expenditure Plan for the construction of the

1 Ganado Chapter Senior & Veterans Center Project, as approved in CJY-57-20 and as  
2 explained in the construction documents prepared by CPMD's architect.

3 C. The total amount of \$1,600,000 in Síhasin funds approved in this Act may be further  
4 leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act (12  
5 N.N.C. §1300 *et seq.*, as amended), using Síhasin Fund earnings for repayment and financing  
6 costs, upon approval of the Budget and Finance Committee and upon further approval by a  
7 two-thirds (2/3) vote of the full membership of the Navajo Nation Council.

8 D. The Controller shall determine whether the source of the \$1,600,000 approved herein will be  
9 Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.

10 E. The \$1,600,000 shall be disbursed to CPMD within ten (10) business days after the effective  
11 date of this Act, for CPMD's use in rebidding and obtaining construction services for the  
12 Ganado Chapter Senior & Veterans Center Project, as explained in EXHIBIT A and  
13 EXHIBIT B.

14 F. Any and all savings or unused amounts of the Síhasin funds approved herein shall be  
15 immediately returned to the Síhasin Fund Principal once the purchases described herein are  
16 completed, or upon the reversion deadline in Section Three (K) below.

17 G. The \$1,600,000 shall not lapse on an annual basis, which would otherwise occur pursuant to  
18 12 N.N.C. §820(N). However, any Síhasin funds not spent or encumbered within twenty-  
19 four (24) months of the date CPMD receives the approved \$1,600,000 shall then immediately  
20 revert to the Síhasin Fund Principal, unless otherwise approved by both the Resources and  
21 Development Committee and the Naabik'íyáti' Committee of the Navajo Nation Council.

22 H. The Síhasin Fund shall be reimbursed the \$1,600,000 amount approved herein, from funds  
23 available to the Navajo Nation from any and all state and federal sources, including  
24 Congressional appropriations under the American Rescue Plan Act of 2021 or other COVID-  
25 19-related relief, so long as the Project expenditures described herein are deemed eligible  
26 under such COVID-19-related or other funding sources.

27  
28 **SECTION FOUR. EFFECTIVE DATE**

29 This Act shall become effective pursuant to 12 N.N.C. §2505.  
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1 **SECTION FIVE. SAVING CLAUSE**

2 If any portion of this Act is invalidated by the Supreme Court of the Navajo Nation, or by any  
3 Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the  
4 remainder of this Act shall be the law of the Navajo Nation.

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