

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0152-22_

SPONSOR: Jamie Henio

TITLE: An Act Relating to the Budget and Finance Committee, the Naabik'iyáti' Committee, and to the Navajo Nation Council; Approving the Navajo Nation's Comprehensive Budget for Fiscal Year 2023; Waiving Navajo Nation Council Resolution No. CF-07-11 and 12 N.N.C. § 820(F), § 820(I), § 840(B), and § 860

Date posted: August 23, 2022 at 8:43PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0152-22

Date: August 23, 2022

Re: AN ACT RELATING TO THE BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE, AND TO THE NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION'S COMPREHENSIVE BUDGET FOR FISCAL YEAR 2023; WAIVING NAVAJO NATION COUNCIL RESOLUTION NO. CF-07-11 AND 12 N.N.C. §820(F), §820(I), §840(B), AND §860

Purpose of this Legislation:

to approve the Navajo Nation's Comprehensive Budget for FY2023.

OLC No. 22-271-1

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 08-28-22
Eligible for Action: 08-29-22

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2 24th NAVAJO NATION COUNCIL - Fourth Year, 2022

3 Introduced by:

4
5 _____
6 (Primary Sponsor)

7
8 Tracking No. 0152-22



9
10 AN ACT

11 RELATING TO THE BUDGET AND FINANCE COMMITTEE,
12 THE NAABIK'ÍYÁTI' COMMITTEE, AND TO THE NAVAJO NATION
13 COUNCIL; APPROVING THE NAVAJO NATION'S COMPREHENSIVE
14 BUDGET FOR FISCAL YEAR 2023; WAIVING NAVAJO NATION COUNCIL
15 RESOLUTION NO. CF-07-11 AND 12 N.N.C. §820(F), §820(I), §840(B), AND §860

16
17 BE IT ENACTED:

18
19 SECTION 1. AUTHORITY

20 A. The Budget and Finance Committee is a standing committee of the Navajo Nation Council
21 that is authorized to review, and make recommendations concerning budgeting and
22 management of Navajo Nation funds. 2 N.N.C. §300(A); 2 N.N.C. §301(B)(2). The Budget
23 and Finance Committee is specifically authorized to review the Navajo Nation's proposed
24 annual Comprehensive Budget, and make recommendations to the Navajo Nation Council
25 for deliberation and approval. 12 N.N.C. §840(A).

26 B. The Naabik'iyáti' Committee is assigned to review proposed resolutions that require final
27 action by the Navajo Nation Council. 2 N.N.C. §164(A)(9). Therefore, the Naabik'iyáti'
28 Committee may also review, and make recommendations regarding, the Navajo Nation's
29 proposed annual Comprehensive Budget.

30 C. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).

1 As such, the Council has the authority to review and approve the Navajo Nation's proposed
2 annual Comprehensive Budget for each Fiscal Year, including the upcoming Fiscal Year
3 2023 ("FY2023"). 12 N.N.C. §840(B).

4
5 **SECTION 2. APPROVING THE COMPREHENSIVE BUDGET FOR FY2023**

6 The Navajo Nation hereby approves the Navajo Nation's Comprehensive Budget for FY2023,
7 as follows:

8
9 **A. STATUTORY ALLOCATIONS FOR SPECIAL FUNDS.** Pursuant to various provisions
10 of Navajo Nation law, the Navajo Nation hereby appropriates **\$54,885,000** from the General
11 Fund for certain special funds for FY2023, which amount consists of the following
12 allocations:

- 13 1. 12% or **\$25,656,000** into the Navajo Nation Permanent Fund;
- 14 2. 2% or **\$4,276,000** into the Navajo Nation Land Acquisition Trust Fund;
- 15 3. 4% or **\$8,552,000** into the Navajo Nation Veterans Trust Fund;
- 16 4. **\$12,400,000** into the Diné Higher Education Grant Fund;
- 17 5. **\$2,000,000** into the Capital Outlay Match Funding Special Revenue Fund;
- 18 6. **\$2,000,000** into the Navajo Nation Water Rights Claim Fund.

19
20 **B. OVERALL FY2023 OPERATING BUDGET.** The Navajo Nation hereby appropriates
21 **\$2,522,153,747** for the Navajo Nation's overall Operating Budget for FY2023, which
22 amount consists of the following allocations (as shown in the attached **EXHIBIT A**):

- 23 1. **\$193,918,000** into the General Fund account;
- 24 2. **\$23,000,000** into the Indirect Cost Fund account;
- 25 3. **\$3,020,946** into the account for FY2023 General Wage Adjustments;
- 26 4. **\$12,400,000** into the Diné Higher Education Grant Fund;
- 27 5. **\$5,000,000** into the External Funds Cash Match (General Fund) account;
- 28 6. **\$14,642,806** into the Personnel Lapse account;
- 29 7. **\$93,657,763** into the Proprietary Fund account;
- 30 8. **\$105,087,926** into the Fiduciary Fund account;

- 1 9. **\$37,989,544** into the Special Revenue Fund - Internal Funds account;
- 2 10. **\$2,033,436,762** into the Special Revenue Fund - External Funds account.

3
4 **C. LEGISLATIVE BRANCH.** The Navajo Nation hereby appropriates **\$18,589,526** for the
5 Legislative Branch's Operating Budget for FY2023, which amount consists of the following
6 allocations (as shown in the attached **EXHIBIT B**):

- 7 1. **\$17,221,488** from the General Fund account;
- 8 2. **\$1,123,760** from the Indirect Cost Fund account;
- 9 3. **\$204,076** from the account for FY2023 General Wage Adjustments;
- 10 4. **\$39,202** from the Personnel Lapse account;
- 11 5. **\$1,000** from the Proprietary Funds account.

12
13 **D. JUDICIAL BRANCH.** The Navajo Nation hereby appropriates **\$30,609,111** for the Judicial
14 Branch's Operating Budget for FY2023, which amount consists of the following allocations
15 (as shown in the attached **EXHIBIT C**):

- 16 1. **\$17,258,393** from the General Fund account;
- 17 2. **\$127,836** from the Indirect Cost Fund account;
- 18 3. **\$451,609** from the account for FY2023 General Wage Adjustments;
- 19 4. **\$12,771,273** from the Special Revenue Fund - External Funds account.

20
21 **E. EXECUTIVE BRANCH.** The Navajo Nation hereby appropriates **\$2,434,020,568** for the
22 Executive Branch's Operating Budget for FY2023, which amount consists of the following
23 allocations (as shown in the attached **EXHIBIT D**):

- 24 1. **\$131,968,211** from the General Fund account;
- 25 2. **\$15,283,770** from the Indirect Cost Fund account;
- 26 3. **\$2,365,261** from the account for FY2023 General Wage Adjustments;
- 27 4. **\$12,400,000** from the Diné Higher Education Grant Fund;
- 28 5. **\$5,000,000** from the External Funds Cash Match (General Fund) account;
- 29 6. **\$9,603,604** from the Personnel Lapse account;
- 30 7. **\$93,656,763** from the Proprietary Fund account;

- 1 8. **\$105,087,926** from the Fiduciary Fund account;
- 2 9. **\$37,989,544** from the Special Revenue Fund - Internal Funds account;
- 3 10. **\$2,020,665,489** from the Special Revenue Fund - External Funds account.

4

5 **F. PERSONNEL LAPSE.** The Controller has reported that, as of August 9, 2022, the
6 Personnel Lapse account has a projected FY2022 year-end dollar amount of **\$28,319,126**.
7 After deducting \$7,671,828 for temporary personnel costs, overtime/holiday/bonus/merit
8 pay costs, and settlements/backpay costs; deducting \$3,020,946 for the FY2022 General
9 Wage Adjustment; deducting \$5,000,000 as a FY2023 Fixed Costs allocation for the
10 Retirement Plan account; and deducting \$2,983,546 for a 2% General Wage Adjustment for
11 FY2023; the amount of \$9,642,806 remains available for other uses. The Navajo Nation
12 hereby appropriates **\$9,642,806** from the Personnel Lapse account for certain Program,
13 Chapter, and other expenses for FY2023, which amount consists of the following allocations
14 (as shown in the attached **EXHIBIT E**):

- 15 1. **\$39,202** for the Legislative Branch;
- 16 2. **\$1,856,108** into the Veterans Trust Fund;
- 17 3. **\$263,189** for the Department of Justice;
- 18 4. **\$174,994** for the Office of Management and Budget;
- 19 5. **\$488,052** for the Division of Community Development;
- 20 6. **\$2,021,909** for certain Chapters;
- 21 7. **\$250,000** for the Department of Dine Education;
- 22 8. **\$1,528,353** for the Division of Economic Development;
- 23 9. **\$78,913** for the Environmental Protection Agency;
- 24 10. **\$125,000** for the Division of General Services;
- 25 11. **\$500,000** for the Department of Health;
- 26 12. **\$984,634** for the Division of Natural Resources;
- 27 13. **\$1,332,452** for the Division of Public Safety.

28

29 **G. PERMANENT FUND.** The Controller has reported that, as of April 19, 2022, the
30 Permanent Fund account has a dollar amount of **\$27,911,000** that is available for

1 expenditures. See Exhibit B of Resolution No. BFJN-20-22 (copy attached hereto as
2 **EXHIBIT F**). The Navajo Nation hereby directs that this **\$27,911,000** be deposited into the
3 Unreserved, Undesignated Fund Balance account.
4

5 **H. FIXED COSTS.** The Navajo Nation hereby appropriates **\$38,934,542** to cover certain Fixed
6 Costs for several Programs and Chapters for FY2023, which amount consists of the
7 following allocations (as shown in the attached **EXHIBIT G**):

- 8 1. **\$27,469,908** from the General Fund account;
- 9 2. **\$6,464,634** from the Indirect Cost Fund account;
- 10 3. **\$5,000,000** from the Personnel Lapse account.

11
12 **I. CARRYOVERS.** The Navajo Nation hereby approves certain Carryovers from Fiscal Year
13 2022 to FY2023, in the estimated total amount of **\$15,651,790.68**, consisting of all remaining
14 operating balances in the accounts shown in **EXHIBIT H**. The amount in Carryovers for
15 each Branch are estimated as follows:

- 16 1. **\$59,304** for the Legislative Branch;
- 17 2. **\$1,470,790** for the Judicial Branch;
- 18 3. **\$14,121,695** for the Executive Branch.

19 All Carryovers shall not exceed the dollar amounts shown in EXHIBIT H; the Controller
20 shall ensure that all Carryovers approved herein are used during FY2023 strictly for those
21 line-item amounts described in EXHIBIT H; the Controller shall also promptly inform the
22 Office of Management and Budget (“OMB”), in writing, of any cancelled or reduced open
23 encumbrances for Fiscal Year 2022, and OMB shall make the appropriate budget
24 adjustments, as necessary.
25

26 **J. UNRESERVED, UNDESIGNATED FUND BALANCE.** The Navajo Nation hereby
27 appropriates **\$20,000,000** for the FY2023 General Fund Budget as a set-aside for the
28 Unreserved, Undesignated Fund Balance (“UUFB”), in accordance with Navajo Nation
29 Council Resolution No. CS-49-21.
30

1 **K. CONDITIONS OF APPROPRIATION.** The Navajo Nation Council and its Standing
2 Committees, according to Title 2 and other relevant provisions of the Navajo Nation Code,
3 are responsible for ensuring that all Navajo Nation Divisions, Departments and Programs
4 provide adequate, timely, and professional services to the Navajo Nation and the Navajo
5 People. One pragmatic and effective method of carrying out such responsibilities is to
6 establish Conditions of Appropriation that require certain Divisions, Departments, or
7 Programs to perform specific tasks or accomplish particular goals, by a set deadline. The
8 Navajo Nation Council therefore approves and establishes the Conditions of Appropriation
9 set forth in the attached **EXHIBIT I**.

10
11 **L. LEGISLATIVE CONCERNS.** Related to the responsibilities described in Section 2(K)
12 above, the Navajo Nation Council hereby approves and establishes the Legislative Concerns
13 set forth in the attached **EXHIBIT J**.

14
15 **M. WAIVERS OF NAVAJO NATION LAWS.**

- 16 1. UUFb deposit. To accommodate the appropriations in Section 2(F) of this Act, the
17 Navajo Nation hereby waives 12 N.N.C. §820(F) to the extent that this statutory
18 provision mandates that excess and surplus funds held by the Navajo Nation at the end
19 of the previous Fiscal Year must be deposited into the UUFb.
- 20 2. Personnel Lapse restrictions. The Navajo Nation hereby waives Resolution No. CF-07-
21 11 to the extent that this Resolution establishes a moratorium on Budget Revisions and/or
22 Budget Reallocations from the Personnel Lapse account, requires the Personnel Lapse
23 account to be used only for annual General Wage Adjustments or step increases and other
24 salary adjustments to the Pay Plan established by the Department of Personnel
25 Management, and also requires that any excess or surplus funds must be deposited into
26 the UUFb.
- 27 3. Capital Improvement Plan. The Navajo Nation hereby waives 12 N.N.C. §820(I),
28 §840(B), and §860 for the purpose of approving this Comprehensive Budget for FY2023,
29 because the mandated Capital Improvement Plan is not available at this time.

1 **N. EXPENDITURES NOT RESTRICTED BY BUDGET INFORMATION.** The Navajo
2 Nation hereby acknowledges that all dollar amounts and accounts as listed and described in
3 the Navajo Nation FY2023 Comprehensive Budget are provided primarily for information
4 purposes, as directed in the Budget Instructions Manual. Such dollar amounts and account
5 descriptions should not be deemed to limit the expenditure authority for any Program,
6 provided that additional funds are approved pursuant to 2 N.N.C. §164(B), 2 N.N.C.
7 §301(B)(15), and 2 N.N.C. §701(A)(10).

8
9 **O. BIA ACCOUNT NO. PL7341701.** The Navajo Nation hereby authorizes monthly
10 drawdowns of all funds deposited into BIA Account No. PL7341701, Navajo Tribe,
11 Arizona/New Mexico, which funds are considered Navajo Nation General Funds as part of
12 the overall annual revenue projection, and are used for the administrative support of the
13 operations of the Navajo Nation Government.

14
15 **P. BUDGET DETAIL.** The Navajo Nation hereby approves the FY2023 Budget Detail, as
16 shown in the attached **EXHIBIT K**.

17
18 **SECTION 3. DIRECTIVES**

19 **A. Office of Management and Budget.** The Navajo Nation Council hereby directs the Office
20 of Management and Budget to recalculate all dollar amounts shown throughout this Act and
21 its attached Exhibits, in order to verify that all final monetary totals are accurate and
22 conform to all amendments to this Act, if any.

23 **B. Technical corrections.** The Navajo Nation hereby directs the Office of Legislative Services,
24 in consultation with the Office of Legislative Counsel, to make technical edits to this Act,
25 as necessary and appropriate, to correct grammatical and/or scrivener's errors, and to correct
26 numerical errors, in order to implement the Navajo Nation Council's intent in approving
27 this Act.

28 **C. Division of Community Development.** The Navajo Nation Council hereby directs the
29 Division of Community Development to develop the Navajo Nation Capital Improvement
30 Plan, in accordance with 12 N.N.C. §860.

1 **SECTION 4. EFFECTIVE DATE**

2 The effective date of this Act and the Navajo Nation’s Comprehensive Budget for FY2023
3 shall be in accordance with 2 N.N.C. §164(A)(17) and §221(B).

4

5 **SECTION 5. SAVING CLAUSE**

6 If any provision of this Act is determined invalid by the Navajo Nation Supreme Court, or by a
7 Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those
8 remaining provisions of this Act not determined invalid shall be the law of the Navajo Nation.

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