

THE NAVAJO NATION
LEGISLATIVE BRANCH
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LEGISLATION NO: _0190-22_

SPONSOR: Wilson C. Stewart, Jr.

TITLE An Act Relating to the Budget and Finance, Resources and Development, and Naabik'iváti' Committees, and the Navajo Nation Council; Approving \$200,000 from the Unreserved, Undesignated Fund Balance ("UUFB") for the Sawmill Chapter Renovation Project

Date posted: October 5, 2022 at 1:09 PM

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SUMMARY OF PROPOSED LEGISLATION

TrackingNo. 0190-22

Date: October 4, 2022

Re: AN ACT RELATING TO THE BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; APPROVING \$200,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB") OR THE SAWMILL CHAPTER RENOVATION PROJECT

Purpose of this Legislation:

to approve \$200,000 from the UUFB to CPMD for the planning and construction of Phase II of the Sawmill Chapter Renovation Project.

OLC No. 22-166-1

5-DAY BILL HOLD PERIOD: A. Johnson
Website Posting Time/Date: _____
Posting End Date: 10-10-22
Eligible for Action: 10-11-22

Budget & Finance Committee
Thence
Resources & Development Committee
Thence
Naabik'iyati' 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 (Prime Sponsor)

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8 Tracking No. 0190-22

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10 AN ACT
11 RELATING TO THE BUDGET AND FINANCE, RESOURCES
12 AND DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES, AND
13 THE NAVAJO NATION COUNCIL; APPROVING \$200,000 FROM
14 THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUF^B")
15 FOR THE SAWMILL CHAPTER RENOVATION PROJECT
16

17 BE IT ENACTED:

18
19 SECTION ONE. AUTHORITY

- 20 A. The Budget and Finance Committee is a standing committee of the Navajo Nation Council
21 with the authority to review and recommend to the Navajo Nation Council the management
22 of all funds, which includes the Navajo Nation's Unreserved, Undesignated Fund Balance
23 ("UUF^B"). 2 N.N.C. §164(A)(9); 2 N.N.C. §300(A); 2 N.N.C. §301(B)(2).
24 B. The Resources and Development Committee is a standing committee of the Navajo Nation
25 Council with oversight authority over Navajo Nation Chapters. 2 N.N.C. §500(C) and 26
26 N.N.C. §102.
27 C. The Navajo Nation established the Naabik'iyati' Committee as a Navajo Nation Council
28 standing committee, and all proposed legislation requiring final action by the Navajo Nation
29 Council is assigned to the Naabik'iyati' Committee for its review. 2 N.N.C. §164(A)(9) and
30 2 N.N.C. §700(A).

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

8 E. The Title 12 restrictions on supplemental appropriations from the UUFB, include:

- 9 1. Payment of recurring government operating expenses shall be from recurring revenues,
10 and payment of nonrecurring expenses shall be from nonrecurring revenues such as UUFB
11 funds. 12 N.N.C. §820(E); 12 N.N.C. §820(F).
- 12 2. Specifically, the UUFB shall not be used for recurring government expenditures or
13 operations. 12 N.N.C. §820(J); 12 N.N.C. §820(L).
- 14 3. Nonrecurring revenues such as UUFB funds may be used only after the Controller
15 determines whether or not such revenues are subsidizing an imbalance between the
16 Navajo Nation’s recurring revenues and expenditures, and government expenditures shall
17 only be authorized if a long-term (3-year to 5-year year) forecast shows that the operating
18 deficit will not continue; otherwise, nonrecurring revenues will be added to the
19 Unreserved, Undesignated Fund Balance. 12 N.N.C. §820(F).
- 20 4. The above provisions in Title 12 may be amended or waived by a two-thirds vote of the
21 full membership of the Navajo Nation Council. 12 N.N.C. §820(F); 12 N.N.C. §880.
- 22 5. Pursuant to 12 N.N.C. §820(F) all UUFB funding requests must be reviewed by the
23 Controller. Such review is also required because the Controller determines which
24 revenues and expenses are recurring and which are non-recurring. 12 N.N.C. §820(L).
- 25 6. Pursuant to 12 N.N.C. §820(M) all UUFB funding requests must be submitted to the
26 Office of Management and Budget (“OMB”) for a budget impact analysis.

27
28 **SECTION TWO. FINDINGS**

29 A. The Capital Management Department within the Division of Community Development
30 (“CPMD”) and the Sawmill Chapter are requesting \$200,000 to cover the funding shortfall

1 for the Sawmill Chapter Renovation Project (Phase 2).

2 B. In Resolution No. SAW-04-25-22-02 the Chapter explains that the Navajo Nation Council
3 appropriated \$500,000 for this Project in Resolution No. CHA-04-22. However, the
4 President vetoed this appropriation on February 13, 2022. Resolution No. SAW-04-25-22-
5 02 is attached hereto as **EXHIBIT A**.

6 C. In Resolution No. SAW-04-25-22-01 the Chapter gives a line-item listing of the Chapter's
7 needed expenditures that total approximately \$200,000. **EXHIBIT B**.

8 D. CPMD has provided an Appendix K "Supplemental Funding Proposal Summary" for this
9 UUFb funding request, along with completed and signed Budget Forms 1, 2, and 4, and a
10 Project Process Schedule. **EXHIBIT C**.

11 E. An itemized and detailed Scope of Work and Schedule of Values for this Project is attached
12 as **EXHIBIT D**.

13 F. The Office of the Controller's memorandum required by 12 N.N.C. §820(L) is attached as
14 **EXHIBIT E**. The Controller has indicated that FMD's proposed expenditures are considered
15 "non-recurring" expenses.

16 G. The Office of Management and Budget has provided a budget impact analysis as required by
17 12 N.N.C. § 820(M). **EXHIBIT F**.

18
19 **SECTION THREE. APPROPRIATING \$200,000 FROM THE UUFb FOR THE**
20 **SAWMILL CHAPTER RENOVATION PROJECT**

21 A. The Navajo Nation hereby appropriates \$200,000 from the UUFb to the Capital
22 Management Projects Department for its use in completing the Sawmill Chapter Renovation
23 Project, as described in the attached **EXHIBIT C** and **EXHIBIT D**.

24 B. This supplemental appropriation shall be from those funds that exceed the minimum fund
25 reserve balance in the UUFb required by 12 N.N.C. §820(J), as determined by the Controller.

26 C. This supplemental appropriation shall not lapse at the end of the fiscal year, as would
27 otherwise occur pursuant to 12 N.N.C. §820(N). However, any UUFb funds not spent or
28 encumbered within twenty-four (24) months of the date the funds are provided to CPMD
29 shall immediately revert to the UUFb, unless otherwise approved by both the Resources and
30 Development Committee and the Naabik'iyáti' Committee of the Navajo Nation Council.

1 **SECTION FIVE. EFFECTIVE DATE**

2 This Act shall become effective as provided in 2 N.N.C. §221(B) and 2 N.N.C. §164(A)(17).
3

4 **SECTION SIX. SAVING CLAUSE**

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