

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0080-23_

SPONSOR: Carl R. Slater

TITLE: An Action Relating to the Budget & Finance Committee, The Naabik'iyáti Committee, and the Navajo Nation Council; Approving a Moratorium on all Future Allocations from the Unreserved, Undesignated Fund Balance ("UUFB"), the Síhasin Fund, and Permanent Fund Income

Date posted: April 19, 2023 at 6:01PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0080-23

Date: April 18, 2023

Re: **AN ACTION RELATING TO THE BUDGET & FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE, AND THE NAVAJO NATION COUNCIL; APPROVING A MORATORIUM ON ALL FUTURE ALLOCATIONS FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE (“UUFB”), THE SÍHASIN FUND, AND PERMANENT FUND INCOME**

Purpose of this Legislation:

to approve moratoriums on allocations from the UUFB, the Sihasin Fund, and Permanent Fund Income, until the Council determines otherwise.

OLC No. 23-045-1

5-DAY BILL HOLD PERIOD: Johnson

Website Posting Time/Date: _____

Posting End Date: 04-24-23

Eligible for Action: 04-25-23

Budget & Finance Committee

Thence

Naabik'iyáti' Committee

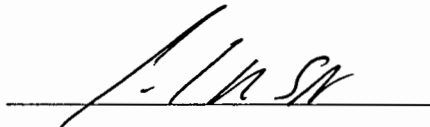
Thence

Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION

2 25th NAVAJO NATION COUNCIL - First Year, 2023

3 Introduced by:

4 

5 Primary Sponsor

6 Tracking No. 0080-23

7 AN ACTION

8 RELATING TO THE BUDGET & FINANCE COMMITTEE, THE NAABIK'ÍYÁTI'
9 COMMITTEE, AND THE NAVAJO NATION COUNCIL; APPROVING A MORATORIUM
10 ON ALL FUTURE ALLOCATIONS FROM THE UNRESERVED, UNDESIGNATED
11 FUND BALANCE ("UUFB"), THE SÍHASIN FUND, AND PERMANENT FUND INCOME

12 BE IT ENACTED:

13 SECTION ONE. AUTHORITY

14 A. The Budget & Finance Committee is a standing committee of the Navajo Nation Council
15 that is authorized to review, and make recommendations concerning budgeting and
16 management of all Navajo Nation funds. 2 N.N.C. §300(A), 2 N.N.C. §301(B)(2).

17 B. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council that is
18 authorized to review all proposed legislations that require final action by the Navajo Nation
19 Council. 2 N.N.C. §164(A)(9).

20 C. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
21 As such, the Council has the authority to review and approve all funding allocations from
22 the Unreserved, Undesignated Fund Balance ("UUFB") of the Navajo Nation's General
23 Fund, the Síhasin Fund, and Permanent Fund Income. See 12 N.N.C. §820(L); 12 N.N.C.
24 §2505(A); 12 N.N.C. §905. The Council's authority inherently includes the power to freeze
25 funding allocations from each of these Navajo Nation Funds.
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1 **SECTION TWO. FINDINGS**

2 A. Over the past year, the Navajo Nation Council has approved many requests for funding
3 allocations from the UUFB, the Síhasin Fund, and Permanent Fund Income. This has resulted
4 in the significant depletion of these Funds.

5 B. The Navajo Nation has received a substantial amount of federal funds from various sources,
6 such as the American Rescue & Recovery Act/Fiscal Recovery Fund. Unlike the Navajo
7 Nation Funds listed above, such federal funds have a deadline for the reversion of these
8 funds, or for the payback of these funds to the federal government by the Navajo Nation.

9 C. In order to spend all received federal funds by the reversion deadline, a significant number
10 of Navajo Nation employees and administrative resources are required to carry out the
11 funded projects and expenditures. As a general rule, all Navajo Nation personnel involved
12 with such projects and expenditures should be focused on implementing and completing the
13 federally-funded projects, rather than those funded with Navajo Nation funds that will not
14 revert to the federal government.

15 D. With such a plan, the Navajo Nation's limited available personnel will be concentrating on
16 the numerous federally-funded projects that the Navajo Nation is currently managing, and
17 the Navajo Nation will be more likely to meet the federal funds reversion deadlines. It is
18 imperative that these deadlines be met, in order to avoid the loss of substantial federal funds.

19 E. Because of the urgent need to focus on spending federal funds and completing federally-
20 funded projects and expenditures before the applicable reversion dates, at this time the
21 Navajo Nation should no longer approve funding requests from the UUFB, the Síhasin Fund,
22 and Permanent Fund Income. Therefore, the Navajo Nation has determined that placing a
23 temporary moratorium on additional funding allocations from the UUFB, the Síhasin Fund,
24 and Permanent Fund Income, is in the best interest of the Navajo Nation.

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26 **SECTION THREE. APPROVAL OF MORATORIUMS**

27 A. UUFB moratorium.

28 The Navajo Nation Council hereby establishes a moratorium on all future funding allocations
29 from the Unreserved, Undesignated Fund Balance [of the Navajo Nation General Fund]
30 described in 12 N.N.C. §820.

1 B. Síhasin Fund moratorium.

2 The Navajo Nation Council hereby establishes a moratorium on all future funding allocations
3 from the Síhasin Fund created under 12 N.N.C. §2501-§2508. Notwithstanding, this
4 moratorium shall not apply to the following, which are not considered “allocations” of funds:

- 5 1. all Síhasin Fund investments pursuant to 12 N.N.C. §2503;
- 6 2. the payment of litigation costs, if any, and the deposits provided for in 12 N.N.C. §2505;
- 7 3. the payment of Síhasin Fund expenses, as required by 12 N.N.C. §2507.

8 C. Permanent Fund Income moratorium.

9 The Navajo Nation Council hereby establishes a moratorium on all future funding allocations
10 from Navajo Nation Permanent Fund Income created under 12 N.N.C. §901-§909.
11 Notwithstanding, this moratorium shall not apply to the following, which are not considered
12 “allocations” of funds:

- 13 1. all Permanent Fund investments pursuant to 12 N.N.C. §902;
- 14 2. all Permanent Fund reinvestments provided for in 12 N.N.C. §905;
- 15 3. the payment of Permanent Fund expenses, as required by 12 N.N.C. §908;
- 16 4. appropriations from Permanent Fund Income approved by the Navajo Nation Council in
17 accordance with the Permanent Fund 5-Year Plan for 2017-2021 adopted in Resolution
18 No. CAP-19-16 and the Permanent Fund 5-Year Plan for 2022-2026 adopted in
19 Resolution No. CAP-30-21.

20 D. Notwithstanding subsections A, B, and C above, this moratorium shall not apply to the
21 following, which are not considered “allocations” of funds:

- 22 1. any extension of a funding reversion deadline, for UUFB, Síhasin Fund, or Permanent
23 Fund Income monies already approved by the Council prior to the effective date of this
24 Action;
- 25 2. any reallocation or budget transfer of UUFB, Síhasin Fund, or Permanent Fund Income
26 monies for purposes different from the original purpose for which such monies were
27 originally approved by the Council prior to the effective date of this Action;
- 28 3. approval of a new or revised expenditure plan for UUFB, Síhasin Fund, or Permanent
29 Fund Income monies already approved by the Council prior to the effective date of this
30 Action, so long as the new or revised expenditure plan does not involve any increase in

1 funds above the dollar amount originally approved by the Council for such plan.

2 E. Notwithstanding, the moratoriums approved herein shall not apply to any UUFB, Síhasin
3 Fund, or Permanent Fund Income appropriations approved by the Council in the Navajo
4 Nation's annual Comprehensive Budget, as defined in 12 N.N.C. §810(H), for Fiscal Year
5 2023 or Fiscal Year 2024.

6 F. The moratoriums established in this Action are not intended to prevent or delay the deposits
7 of any Navajo Nation revenue, regardless of the source, into the UUFB (General Fund), the
8 Síhasin Fund, or the Permanent Fund, if such deposits are mandated by any Navajo Nation
9 laws, regulations, or policies. To this end, for the effective duration of the moratoriums
10 established in this Action, no attempts shall be made to allocate any funds that are destined
11 for the UUFB (General Fund), the Síhasin Fund, or the Permanent Fund.

12 G. Each of the moratoriums established in this Action shall continue in full force and effect
13 unless and until the Navajo Nation Council determines to lift one or more of them, either in
14 whole or in part, via a Resolution adopted by a 2/3 vote of all sitting delegates and signed
15 into law pursuant to 2 N.N.C. §221(B).

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17 **SECTION FOUR. EFFECTIVE DATE**

18 This Action shall become effective in accordance with 2 N.N.C. §221(B).

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20 **SECTION FIVE. SAVING CLAUSE**

21 If any provision of this Action is determined invalid by the Supreme Court of the Navajo Nation,
22 or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the
23 remainder of this Action shall be the law of the Navajo Nation.
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