

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0118-23_

SPONSOR: Andy Nez

TITLE: An Action Relating to an Emergency; Approving \$5,790,917 From the Unreserved, Undesignated Fund (“UUF”) to Dine College, Navajo Technical University, Navajo Preparatory School, INC., and Phoenix Indian Center

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0118-23

DATE: May 25, 2023

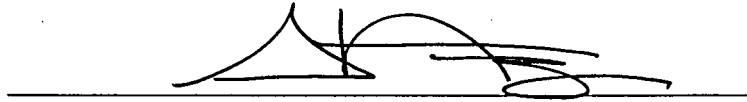
TITLE OF RESOLUTION: AN ACTION RELATING TO AN EMERGENCY; APPROVING \$5,790,917 FROM THE UNRESERVED, UNDESIGNATED FUND (“UUF”) TO DINE COLLEGE, NAVAJO TECHNICAL UNIVERSITY, NAVAJO PREPARATORY SCHOOL, INC., AND PHOENIX INDIAN CENTER

PURPOSE: The purpose of this proposed resolution is to provide a supplemental appropriation to several Navajo Nation Grantees.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
25th NAVAJO NATION COUNCIL - First Year, 2023

Introduced by:



(Prime Sponsor)

Tracking No. 0118-23

AN ACTION

**RELATING TO AN EMERGENCY; APPROVING \$5,790,917 FROM THE
UNRESERVED, UNDESIGNATED FUND (“UUF”) TO DINE COLLEGE, NAVAJO
TECHNICAL UNIVERSITY, NAVAJO PREPARATORY SCHOOL, INC., AND
PHOENIX INDIAN CENTER**

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
As such, the Council may approve supplemental appropriations whenever additional
sources of revenues above current revenue projections are anticipated and such revenues
exceed the required reserve amount. 12 N.N.C. §820(L).

B. The Navajo Nation Council may approve emergency legislation to address any matter
“constituting an emergency [that] shall be limited to the cessation of law enforcement
services, and disaster relief services, fire protection services or other direct services
required as an entitlement under Navajo Nation or Federal law, or which directly threaten
the sovereignty of the Navajo Nation. Such an emergency matter must arise due to the
pressing public need for such resolution(s) and must be a matter requiring final action by
the Council.” 2 N.N.C. §164 (A)(16).

1 C. This Resolution is offered as an emergency due to the need created from several Navajo
2 Nation grant programs not having their grants encumbered by the close of Fiscal Year
3 2022. Specifically, this has impacted funding to Diné College, Navajo Technical
4 University, Navajo Preparatory School, Inc. and Phoenix Indian Center, Inc. This creates
5 an emergency because it will directly threaten the sovereignty of the Navajo Nation if the
6 Grantees supplemental appropriation requests are not funded, as it will have a direct impact
7 on the Grantees continued operations.

8 D. The restrictions on supplemental appropriations, including all monies from the Navajo
9 Nation's UUFB; include:

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

28
29 **SECTION TWO. FINDINGS**

30 A. The Department of Diné Education submitted supplemental funding requests from Diné

1 College, Navajo Technical University, Navajo Preparatory School Inc., and the Phoenix
2 Indian Center, (collectively, the “Grantees.”)

3 B. The Grantees did not receive the full amount of their grant funding due to the grants not
4 being encumbered before the Fiscal Year 2022 closeout. The Grantees rely on the grant
5 funds provided by the Navajo Nation for continued operations and to meet the needs of
6 their students. The Office of the Controller informed the Department of Diné Education
7 that the unencumbered funds lapsed into the UUFB.

8 C. Each of the Grantees supplemental funding requests include Appendix K, “Supplemental
9 Funding Request Proposal,” Appendix G, “Navajo Nation Grant Application,” and the
10 corresponding budget forms, as follows:

- 11 1. Diné College, Business Unit # 119001, request for \$3,525,000, attached as
12 **Exhibit A;**
- 13 2. Navajo Technical University, Inc., Business Unit # 119002, request for \$2,100,000,
14 attached as **Exhibit B;**
- 15 3. Navajo Preparatory School, Inc., Business Unit # 119006, request for \$17,592,
16 attached as **Exhibit C;** and
- 17 4. Phoenix Indian Center, Business Unit # 119025, request for \$148,325, attached as
18 **Exhibit D.**

19 D. The OMB reviewed the budgets and other documents submitted by the Grantees and
20 provided its comments in a memo dated, May 24, 2023, which is attached as **Exhibit E.**

21 E. The OOC reviewed the budgets and other documents submitted by the Grantees and
22 provided its comments in a memo dated, May 19, 2023, which is attached as **Exhibit F.** It
23 noted all the Grantees supplemental funding requests are **non-recurring**, and indicated the
24 unaudited balance in the UUFB as of May 4, 2023 is 15,236,298.

25 F. The Navajo Nation Council has determined that the requested supplemental appropriations
26 from the UUFB meet the established threshold as an emergency situation.

27
28 **SECTION THREE. APPROVAL OF \$ 5,790,000 FROM THE UUFB TO THE**
29 **NAVAJO NATION GRANTEES**

30 A. The Navajo Nation Council approves \$3,525,000 from the UUFB to Diné College,

1 Business Unit # 119001, as indicated in **Exhibit A.**

2 B. The Navajo Nation Council approves \$3,525,000 from the UUFB to Navajo Technical
3 University, Business Unit # 119002, as indicated in **Exhibit B.**

4 C. The Navajo Nation Council approves \$3,525,000 from the UUFB to Navajo Preparatory
5 School, Business Unit # 119006, as indicated in **Exhibit C.**

6 D. The Navajo Nation Council approves \$3,525,000 from the UUFB to Diné College,
7 Business Unit # 119025, as indicated in **Exhibit D.**

8 E. The approved UUFB funds shall be from those revenues that exceed the 10%
9 minimum 10% minimum balance of the UUFB which must be maintained according to 12
10 N.N.C. §820(J).

11
12 **SECTION FOUR. EFFECTIVE DATE**

13 This Act shall become effective pursuant to 2 N.N.C. §221(B) and 2 N.N.C. §164(A)(17).

14
15 **SECTION FIVE. SAVING CLAUSE**

16 If any portion of this Action is determined invalid by the Navajo Nation Supreme Court, or by
17 a 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.