

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0134-23\_

SPONSOR: Seth Damon

**TITLE: An Action Relating to The Health Education and Human Services Committee, Budget and Finance Committee, Naabik'iyáti' Committee, and Navajo Nation Council; Extending the CF-07-11 Designation of Savings from Personnel Accounts as Restricted Carryover Funds to be Used for Administering and Maintaining the Classification and Pay Plans; Extending the CF-07-11 Moratorium on Budget Revisions and/or Re-Allocations using Savings from the General Fund Personnel Accounts; Establishing the Personnel Savings Fund**

*Date posted:* June 15, 2023 at 7:32PM

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## LEGISLATIVE SUMMARY SHEET

Tracking No. 0134-23

**DATE:** June 15, 2023

**TITLE OF RESOLUTION:** AN ACTION RELATING TO THE HEALTH EDUCATION AND HUMAN SERVICES COMMITTEE, BUDGET & FINANCE COMMITTEE, NAABIK'ÍYÁTI COMMITTEE, AND NAVAJO NATION COUNCIL; EXTENDING THE CF-07-11 DESIGNATION OF SAVINGS FROM PERSONNEL ACCOUNTS AS RESTRICTED CARRYOVER FUNDS TO BE USED FOR ADMINISTERING AND MAINTAINING THE CLASSIFICATION AND PAY PLANS; EXTENDING THE CF-07-11 MORATORIUM ON BUDGET REVISIONS AND/OR RE-ALLOCATIONS USING SAVINGS FROM THE GENERAL FUND PERSONNEL ACCOUNTS; ESTABLISHING THE PERSONNEL SAVINGS FUND

**PURPOSE:** The purpose of this legislation is to continue the Personnel Lapse Savings account as a restricted carryover account; and to continue and extend the moratorium established in CF-07-11 prohibiting budget revisions and reallocations from Personnel Accounts.

**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.**

5-DAY BILL HOLD PERIOD: Al Natch  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 6-20-23  
Eligible for Action: 6-21-23

Health Education & Human Services Committee  
Thence  
Budget & Finance Committee  
Thence  
Committee  
Thence  
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION Naabik'iyáti' Committee

2 25<sup>th</sup> NAVAJO NATION COUNCIL - First Year, 2023 Thence

3 Introduced by: Navajo Nation Council

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5 

6 Primary Sponsor

7  
8 Tracking No. 0134-23

9  
10 AN ACTION

11 RELATING TO THE HEALTH EDUCATION AND HUMAN SERVICES  
12 COMMITTEE, BUDGET & FINANCE COMMITTEE, NAABIK'ÍYÁTI'  
13 COMMITTEE, AND NAVAJO NATION COUNCIL; EXENDING THE CF-07-11  
14 DESIGNATION OF SAVINGS FROM PERSONNEL ACCOUNTS AS RESTRICTED  
15 CARRYOVER FUNDS TO BE USED FOR ADMINISTERING AND MAINTAINING  
16 THE CLASSIFICATION AND PAY PLANS; EXTENDING THE CF-07-11  
17 MORATORIUM ON BUDGET REVISIONS AND/OR RE-ALLOCATIONS USING  
18 SAVINGS FROM THE GENERAL FUND PERSONNEL ACCOUNTS;  
19 ESTABLISHING THE PERSONNEL SAVINGS FUND

20  
21 BE IT ENACTED:

22  
23 SECTION ONE. AUTHORITY

- 24 A. The Health Education and Human Services Committee is a standing committee of the  
25 Navajo Nation Council that is authorized to review and make recommendations relating  
26 to employment and labor. 2 N.N.C. §§ 400 (A) and 401 (B)(6)(a).  
27 B. The Budget & Finance Committee is a standing committee of the Navajo Nation  
28 Council that is authorized to review, and make recommendations concerning budgeting  
29 and management of all Navajo Nation funds. 2 N.N.C. §§ 300 (A) and. § 301(B)(2).  
30 C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council

1 that is authorized to review all proposed legislations that require final action by the  
2 Navajo Nation Council. 2 N.N.C. § 164(A)(9).

3 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §  
4 102(A).

5  
6 **SECTION TWO. FINDINGS**

7 A. Pursuant to 2 N.N.C. §1703(8)(1), the Department of Personnel Management  
8 (“DPM”) is charged with the statutory responsibility to plan, organize, and administer  
9 the personnel management program of the Navajo Nation.

10 B. In Fiscal Year 1999, DPM was awarded General Funds to conduct a Classification and  
11 Pay Plans Study, attached as **Exhibit 1-B**, to address employee positions and pay  
12 scales; DPM then implemented the results of the Study for the Executive, Legislative  
13 and Judicial Branches.

14 C. It was determined that the yearly savings from unexpended General Funds personnel  
15 accounts would be sufficient to fund the continuation and implementation of the  
16 Classification and Pay Plans each Fiscal Year.

17 D. To ensure that the Classification and Pay Plans Study was supported by sufficient on-  
18 going funding, the Navajo Nation Council adopted Resolution No. CAP-46-02,  
19 attached as **Exhibit 1-A**, designating the savings from the personnel accounts as  
20 restricted carryover funds to be used for administering and maintaining the  
21 Classification and Pay Plans implemented by DPM.

22 E. CAP-46-02, **Exhibit 1-A**, also established a moratorium against budget re-allocations  
23 utilizing the savings from the General Fund personnel accounts.

24 F. CAP-46-02 was amended by Resolution No. CF-07-11, attached as **Exhibit 1**, to  
25 expand the moratorium to include a prohibition against budget revisions utilizing the  
26 savings from the General Fund personnel accounts.

27 G. CF-07-11 also instructed DPM and the Office of the Controller to establish a ceiling  
28 for the Personnel Savings account in the amount projected for the annual General Wage  
29 Adjustments, Step Increases and other salary adjustments pursuant to the Classification  
30 and Pay Plans with any excess or surplus funds to be deposited in the Unreserved

1 Undesignated Fund Balance. **Exhibit 1.**

2 H. The current moratorium on budget revisions and reallocations has not been updated in  
3 over a decade. The Navajo Nation Council has identified a need to clarify, update, and  
4 extend the moratorium established in CF-07-11 to reflect the current state of employee  
5 compensation for the Navajo Nation government.  
6

7 **SECTION THREE. EXTENDING THE MORATORIUM ON BUDGET REVISIONS**  
8 **AND REALLOCATIONS FROM THE PERSONNEL ACCOUNTS**

9 A. The moratorium on Budget Revisions and/or Reallocations from the Personnel  
10 Accounts established in CF-07-11, **Exhibit 1**, is hereby continued until rescinded by a  
11 vote of two-thirds (2/3) of the full membership of the Navajo Nation Council.

12 B. The moratorium on Budget Revisions and/or Reallocations from the Personnel  
13 Accounts established in CF-07-11, **Exhibit 1**, is hereby extended as follows:

- 14 1. Funds appropriated to Personnel Accounts shall *not* be transferred or  
15 reallocated to non-Personnel Accounts at any time during the Fiscal Year;  
16 and
- 17 2. Funds shall *not* be transferred or reallocated between Personnel Accounts at  
18 any time during the fourth quarter of the Fiscal Year.  
19

20 **SECTION FOUR. ESTABLISHING RESTRICTIONS ON THE ALLOCATION OR**  
21 **APPROPRIATION OF SAVINGS FROM PERSONNEL ACCOUNTS**

22 A. All unexpended amounts in all Navajo Nation Program Personnel Accounts remaining  
23 at the end of each Fiscal Year shall automatically transfer to the Personnel Lapse  
24 Savings Account.

25 B. The Personnel Lapse Savings Account was established as a restricted carryover account  
26 pursuant to CF-07-11, **Exhibit 1**. As a restricted carry-over account, the Personnel  
27 Lapse Savings Account is not subject to CD-72-22 and therefore does not and shall not  
28 lapse at the end of the Fiscal Year.

29 C. The Personnel Lapse Savings Account shall first be allocated or appropriated for the  
30 following purposes in the following order:

- 1           1. Annual subscription funding for the Human Resources Management System  
2           ("HRMS");
- 3           2. Annual compensation increases for Navajo Nation employees, including step  
4           increases and bonuses;
- 5           3. Annual General Wage Adjustment, if any; and
- 6           4. A minimum account balance, as recommended by the Department of Personnel  
7           Management and the Office of the Controller, which balance shall be sufficient  
8           to fund the following fiscal year's projected HRMS subscription costs and  
9           projected annual compensation increases for Navajo Nation employees,  
10          including step increases and bonuses, but not including a following year General  
11          Wage Adjustment for the subsequent fiscal year.

12          D. After the allocations or appropriations set forth above in subsection C have been  
13          satisfied, the Personnel Lapse Savings Account may be allocated or appropriated for  
14          other purposes.

15          E. After the allocations or appropriations set forth above in subsections C and D have been  
16          satisfied, all remaining amounts in the Personnel Lapse Savings Account shall be  
17          deposited in the Unreserved Undesignated Fund Balance.

18  
19          **SECTION FIVE. EFFECTIVE DATE**

20          This Action by the Navajo Nation Council shall become effective in accordance with 2  
21          N.N.C. §221(B).

22  
23          **SECTION SIX. AMENDMENTS**

24          Amendment or waiver of any provision herein shall require a two thirds (2/3) vote of the  
25          full membership of the Navajo Nation Council.