THE NAVAJO NATION LEGISLATIVE BRANCH INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0027-24__

SPONSOR: George Tolth

TITLE: An Action Relating to an Emergency for the Navajo Nation Council; Approving \$3,850,000 from the Unreserved, Undesigned Fund Balance ("UUFB") for all 110 Chapters so they are ready to handle Emergencies in their Communities; Approving \$2,147,317 from the UUFB for the Navajo Nation Department can adequately respond to Emergencies across the Navajo Nation ; Waiving 12 N.N.C. \$820(E),\$820(F),\$820(J) and \$820(L) to allow use of the UUFB for Recurring Expenses, and Waiving 12 N.N.C. \$820(O) to allow for the \$3,850,000 allocation to all 110 Chapters

Date posted: January 30, 2024 at 5:14PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. <u>0027-24</u>

DATE: January 30, 2024

RE: AN ACTION RELATING TO AN EMERGENCY FOR THE NAVAJO NATION COUNCIL; APPROVING \$3,850,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB") FOR ALL 110 CHAPTERS SO THEY ARE READY TO HANDLE EMERGENCIES IN THEIR COMMUNITIES; APPROVING \$2,147,317 FROM THE UUFB FOR THE NAVAJO NATION DEPARTMENT OF EMERGENCY MANAGEMENT SO THE DEPARTMENT CAN ADEQUATELY RESPOND TO EMERGENCIES ACROSS THE NAVAJO NATION; WAIVING 12 N.N.C. §820(E), §820(F), §820(J), AND §820(L) TO ALLOW USE OF THE UUFB FOR RECURRING EXPENSES, AND WAIVING 12 N.N.C. §820(O) TO ALLOW FOR THE \$3,850,000 ALLOCATION TO ALL 110 CHAPTERS

PURPOSE OF THIS LEGISLATION:

to approve \$3,850,000 from the UUFB for all 110 Chapters (at \$35,000 each) for their emergency fund accounts; to approve \$2,147,317 from the UUFB for the Department of Emergency Management to enable it to respond to emergencies; to waive provisions in the Appropriations Act to allow for these UUFB allocations.

FINAL AUTHORITY and VOTE REQUIREMENT:

The Navajo Nation Council has final approval authority. Approval of this Resolution requires a 2/3 vote of the full Council.

OLC No. 24-053-1

1	PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2	25th NAVAJO NATION COUNCIL - Second Year, 2024
3	Introduced by:
4	
5	<i>41</i> /
6	(Prime Sponsor)
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8	Tracking No. 0027-24
9	
10	AN ACTION
11	RELATING TO AN EMERGENCY FOR THE NAVAJO NATION COUNCIL;
12	APPROVING \$3,850,000 FROM THE UNRESERVED, UNDESIGNATED
13	FUND BALANCE ("UUFB") FOR ALL 110 CHAPTERS SO THEY ARE READY
14	TO HANDLE EMERGENCIES IN THEIR COMMUNITIES; APPROVING
15	\$2,147,317 FROM THE UUFB FOR THE NAVAJO NATION DEPARTMENT OF
16	EMERGENCY MANAGEMENT SO THE DEPARTMENT CAN ADEQUATELY
17	RESPOND TO EMERGENCIES ACROSS THE NAVAJO NATION; WAIVING
18	12 N.N.C. §820(E), §820(F), §820(J), AND §820(L) TO ALLOW USE OF THE
19	UUFB FOR RECURRING EXPENSES, AND WAIVING 12 N.N.C. §820(O) TO
20	ALLOW FOR THE \$3,850,000 ALLOCATION TO ALL 110 CHAPTERS
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22	BE IT ENACTED:
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24	SECTION ONE. AUTHORITY
25	A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
26	As such, the Council may consider emergency legislation. 2 N.N.C. §164(A)(16). "[M]atters
27	constituting an emergency shall be limited to the cessation of law enforcement services, and
28	disaster relief services, or other direct services required as an entitlement under Navajo
29	Nation or Federal law, or which directly threaten the sovereignty of the Navajo Nation. Such
30	an emergency matter must arise due to the pressing public need for such resolution(s) and

OLC No. 24-053-1

1	must be a matter requiring final action by the Council." 2 N.N.C. §164(A)(16).
2	B. As the governing body of the Navajo Nation, the Council may approve supplemental
3	appropriations during the fiscal year. "Supplemental appropriations of General Funds within
4	the current fiscal year are permitted, if and when additional sources of revenues above and
5	beyond the initial or current revenue projections are projected and which are also in excess
6	of the reserve amount set forth at §820(J)." 12 N.N.C. §820(L).
7	C. A "supplemental appropriation" is defined as: "[a]n appropriation of funds from the UUFB
8	during the fiscal year, outside of the annual Comprehensive Budget Process." See Section
9	XIV.33 of the FY2023 Budget Instructions Manual.
10	D. Further Title 12 restrictions on supplemental appropriations, including all amounts from the
11	UUFB include:
12	1. Payment of recurring government operating expenses shall be from recurring
13	revenues, and payment of nonrecurring government expenses shall be from
14	nonrecurring revenues such as UUFB funds. 12 N.N.C. §820(E); 12 N.N.C.
15	§820(F).
16	2. Specifically, the UUFB shall not be used for recurring government expenditures or
17	operations. 12 N.N.C. §820(J); 12 N.N.C. §820(L).
18	3. Nonrecurring revenues such as UUFB funds may be used only after the Controller
19	determines if such revenues are subsidizing an imbalance between the Navajo
20	Nation's recurring revenues and expenditures, and government expenditures shall
21	only be authorized if a long-term (3-year to 5-year year) forecast shows that the
22	operating deficit will not continue; otherwise, nonrecurring revenues will be added
23	to the UUFB. 12 N.N.C. §820(F).
24	4. The above provisions in Title 12 may be amended or waived by a two-thirds vote
25	of the full membership of the Navajo Nation Council. 12 N.N.C. §820(F); 12
26	N.N.C. §880.
27	5. Pursuant to 12 N.N.C. §820(F) all UUFB funding requests must be reviewed by the
28	Controller, to ensure compliance with 12 N.N.C. §820(L).
29	6. Pursuant to 12 N.N.C. §820(M) all UUFB funding requests must be submitted to
30	the Office of Management and Budget ("OMB") for a budget impact analysis.

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OLC No. 24-053-1

E. This resolution is being offered as an emergency action because, due to heavy precipitation this winter, the 110 Navajo Nation Chapters have significantly depleted their Emergency Fund accounts by various amounts, and some accounts are completely exhausted. These critical Emergency Fund accounts are used by the 110 Chapters to respond to weather-related and other emergency situations in their communities.

F. As well, this resolution is offered as emergency legislation because the Navajo Nation Department of Emergency Management is in dire need of a supplemental allocation to address critical shortages in funding for needed staff, equipment, and other operating expenses. The requested UUFB funds will enable the Department to adequately respond to emergencies across the Navajo Nation.

SECTION TWO. FINDINGS

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A. After recent snowstorms and heavy precipitation, the 110 Navajo Nation Chapters have depleted their Emergency Fund accounts, which are used by the Chapters to respond to weather-related and other emergency situations in their communities.

B. As soon as possible, these Chapter accounts need to be replenished because further emergencies are expected across the Navajo Nation due to anticipated winter weather. extremely muddy roads, and other difficulties.

C. For the Chapters' UUFB funding request, the required Navajo Nation Budget Forms and the required Appendix J "Supplemental Funding Proposal Summary" from the FY2024 Budget 20 Instructions Manual, are attached hereto as EXHIBIT A.

D. Recent weather-related emergencies have also spotlighted the funding shortages currently experienced by the Navajo Nation Department of Emergency Management ("DEM"). DEM is therefore requesting UUFB funds to cover its critical needs for staff, equipment, and other operating funds. The DEM needs these funds to adequately respond to weather-related and other emergencies across the Navajo Nation.

E. For the DEM's UUFB funding request, the required Navajo Nation Budget Forms and the 27 required Appendix J "Supplemental Funding Proposal Summary" from the FY2024 Budget 28 Instructions Manual, are attached hereto as EXHIBIT B. 29

F. The Office of the Controller ("OOC") has provided two memoranda regarding the total 30

amount of the requested UUFB funding, as required by 12 N.N.C. §820(L). Both memoranda indicate that the proposed expenditures are *recurring*. EXHIBIT C.

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- G. The Office of Management and Budget ("OMB") has provided a memorandum regarding the total amount of proposed expenditures for the 110 Chapters and the DEM. 12 N.N.C. §820(M). EXHIBIT D.
- H. This legislation is offered as an emergency measure because of the current "pressing public need" for this funding for all 110 Chapters and the Department of Emergency Management. These funds will enable Chapters and the DEM to provide emergency services to quickly mitigate dire weather-related and other emergencies and to prevent potential disasters, property damage, and injury or loss of life to people and livestock.

I. The Navajo Nation finds it in the best interest of the Navajo Nation and the Navajo People to approve the needed emergency funds from the UUFB for all 110 Navajo Nation Chapters and for the Department of Emergency Management.

SECTION THREE. APPROVING \$3,850,000 FROM THE UUFB FOR ALL 110 **CHAPTERS' EMERGENCY FUND ACCOUNTS**

A. The Navajo Nation hereby approves the total amount of \$3,850,000 from the UUFB to the Division of Community Development for the 110 Chapters' Emergency Fund accounts, with each Chapter receiving \$35,000 in equal distributions.

B. This supplemental appropriation shall be from those funds that exceed the minimum fund reserve balance in the UUFB required by 12 N.N.C. §820(J), as determined by the Controller. C. Upon the effective date of this Action, the approved UUFB funds shall be transferred to the Division of Community Development ("DCD") for distribution to each of the 110 Chapters in the amount of \$35,000 for each Chapter.

D. Each of the 110 Chapters is hereby directed to use its \$35,000 allocation specifically for 26 emergency activities in accordance with **EXHIBIT** A and in compliance with all applicable provisions in the FY2024 Budget Instructions Manual. Chapters shall not transfer any of the 27 \$35,000 allocation to other accounts, or use such funds for other purposes. Each Chapter shall maintain proper recordkeeping for its expenditures of the \$35,000 and other funds, if any, in their Emergency Fund accounts.

E. In accordance with the Condition of Appropriation adopted by the Council in CS-78-23, the Administrative Service Centers under DCD shall work with the 110 Chapters to ensure that each Chapter completes a draft of its Emergency Fund Management Plan to present to the Resources and Development Committee by the end of the 3rd Quarter FY2024 deadline established in CS-78-23.

F. As their first priority, the OOC, OMB, and DCD shall work cooperatively to process and disburse the \$35,000 amount to each of the 110 Chapters within 10 calendars of the effective date of this Action.

G. As provided in 12 N.N.C. §820(N), the UUFB funds approved herein shall not lapse at the end of Fiscal Year 2023, so long as each Chapter budgets these funds in the subsequent fiscal year for the same emergency purposes.

SECTION FOUR. APPROVING \$2,147,317 FROM THE UUFB FOR THE NAVAJO NATION DEPARTMENT OF EMERGENCY MANAGEMENT

A. The Navajo Nation hereby approves \$2,147,317 from the UUFB to the Department of Emergency Management.

B. This supplemental appropriation shall be from those funds that exceed the minimum fund reserve balance in the UUFB required by 12 N.N.C. §820(J), as determined by the Controller.
C. Upon the effective date of this Action, the approved UUFB funds shall be promptly transferred to the Department of Emergency Management, and shall be used by DEM strictly for the expenditures and purposes shown in **EXHIBIT B**.

D. As provided in 12 N.N.C. §820(N), the UUFB funds approved herein shall lapse at the end of Fiscal Year 2024, unless the Navajo Nation Council determines otherwise by a 7/8 vote.

SECTION FIVE. WAIVING 12 N.N.C. §820(E), §820(F), §820(J), and §820(L) TO ALLOW USE OF UUFB FUNDS FOR RECURRING EXPENSES, AND WAIVING 12 N.N.C. §820(O) TO ALLOW FOR THE \$3,850,000 ALLOCATION TO ALL 110 CHAPTERS

A. The Navajo Nation hereby waives 12 N.N.C. §820(E), §820(F), §820(J), and §820(L) to allow use of the UUFB for the proposed UUFB expenditures approved herein. Such waivers

are necessary because the proposed UUFB expenditures are considered recurring government expenses.

B. The Navajo Nation hereby waives 12 N.N.C. §820(O) to allow for the \$35,000 distribution to each of the 110 Chapters. Such waiver is necessary because of the 50/50 mandate in 12 N.N.C. §820(O).

SECTION SIX. EFFECTIVE DATE

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

SECTION SEVEN. SAVING CLAUSE

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