# THE NAVAJO NATION LEGISLATIVE BRANCH INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0172-25\_\_ SPONSOR: <u>Arbin Mitchell</u>

TITLE: An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees, and the Navajo Nation Council; Approving \$10,000,000 from the Unreserved, Undesignated Fund Balance ("UUFB") for the Navajo Department of Transportation to fund Route N9402 Road Improvement for the Communities of Houck, Tsé Sí Aní and Nahata Dziil

Date posted: <u>July 08, 2025 at 1:57PM</u>

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## LEGISLATIVE SUMMARY SHEET

Tracking No. <u>0/72-25</u>

**DATE:** July 07, 2025

TITLE OF RESOLUTION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; APPROVING \$10,000,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB") FOR THE NAVAJO DEPARTMENT OF TRANSPORTATION TO FUND ROUTE N9402 ROAD IMPROVEMENT FOR THE COMMUNITIES OF HOUCK, TSE SI ANI AND NAHATA DZIIL

**PURPOSE:** This proposed resolution will approve \$10,000,000 from the Unreserved, Undesignated Fund Balance for the Navajo Department of Transportation to fund Route N9402 road improvement for the communities of Houck, Tse Si Ani and Nahata Dziil.

FINAL AUTHORITY: Navajo Nation Council

**VOTE REQUIREMENT:** Simple Majority

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

5-DAY BILL	HOLD PERIOD: M.K.W. Resources & Development C	ommittee
•	sting Time/Date:	Thence
Posting End Eligible for A		
		Thence
1	PROPOSED NAVAJO NATION COUNCIL RESOLUTION Naabik'íyáti' C	Thence
2	25 <sup>th</sup> NAVAJO NATION COUNCIL - Third Year, 2025 Navajo Natio	
3	Introduced by:	
5	Amlher	
6	(Prime Sponsor)	
. 7		
8	Tracking No. 6/72-25	
9		
10	AN ACTION	
11	RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE	
· 12	AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL;	
13	APPROVING \$10,000,000 FROM THE UNRESERVED, UNDESIGNATED FUND	
14	BALANCE ("UUFB") FOR THE NAVAJO DEPARTMENT OF TRANSPORTATION	
15	TO FUND ROUTE N9402 ROAD IMPROVEMENT FOR THE COMMUNITIES OF	
16	HOUCK, TSE SI ANI AND NAHATA DZIIL	
. 17		
18	BE IT ENACTED:	
19		
20	SECTION ONE. AUTHORITY	
21	A. The Resources and Development Committee is established as a Navajo Nation	
. 22	Council standing committee with oversight for the land, communications, and utilities	
23	to establish Navajo Nation policy with respect to the optimum utilization of all	
24	Navajo Nation resources and to protect the rights, interest, sacred sites and freedoms	
25	of the Navajo Nation and People to such resources, now and for future generations. 2	
26	N.N.C. § 500(A); 2 N.N.C. § 500(C) (2).	
. 27	B. The Budget and Finance Committee was established as a standing committee of the	
28	Navajo Nation Council with the authority to review and recommend to the Council	
29	the budgeting, appropriation, investment and management of all funds. 2 N.N.C. §	
30	300(A), § 301(B)(2).	

- C. The Naabik'íyáti' Committee was established as a standing committee of the Navajo Nation Council with the authority to hear all proposed resolutions that require final action by the Navajo Nation Council. 2 N.N.C. § 164 (A)(9), § 700(A).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A). As such, the Council ". . . may adopt and approve supplemental appropriations to the Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of General Funds within the current fiscal year are permitted, if and when additional sources of revenues above and beyond the initial or current revenue projections are projected and which are also in excess of the reserve amount set forth at § 820(J)." 12 N.N.C. § 820(L).
- E. The restrictions on supplemental appropriations, including all amounts from the UUFB, include:
  - 1. Payment of recurring government operating expenses shall be from recurring revenues, and payment of nonrecurring expenses shall be from nonrecurring revenues such as UUFB funds. 12 N.N.C. § 820(E), § 820(F).
  - 2. Specifically, the UUFB shall not be used for recurring government expenditures or operations. 12 N.N.C. § 820(J), § 820(L).
  - 3. Nonrecurring revenues such as UUFB funds may be used only after the Controller determines whether or not such revenues are subsidizing an imbalance between the Navajo Nation's recurring revenues and expenditures, and government expenditures shall only be authorized if a long-term (3-year to 5-year) forecast shows that the operating deficit will not continue; otherwise, nonrecurring revenues will be added to the Unreserved, Undesignated Fund Balance. 12 N.N.C. § 820(F).
  - 4. The above provisions in Title 12 may be amended or waived by a two-thirds vote of the full Navajo Nation Council. 12 N.N.C. § 820(F).
  - 5. In compliance with 12 N.N.C. § 820(F), all UUFB funding requests must be reviewed by the Controller. Such review is also required because the Controller determines which revenues and expenses are recurring and which are non-recurring. 12 N.N.C. § 820(L).

- 6. In compliance with 12 N.N.C. § 820(B) and (M), all UUFB funding requests must be submitted to the Office of Management and Budget ("OMB") for a budget impact analysis.
- 7. Pursuant to 12 N.N.C. § 820(N)(4), UUFB appropriations revert to the General Fund at the end of the fiscal year unless the Navajo Nation Council waives such reversion by a 7/8 vote.

### SECTION TWO. FINDINGS

- A. The Navajo Department of Transportation is requesting \$10,000,000 in supplemental funding from the UUFB to fund Route N9402 road improvement project to include Nahata Dziil, Houck, and Tse Ani Chapters. Appendix J Supplemental Funding Proposal Summary is attached as Exhibit A.
- B. The Navajo Department of Transportation has provided the required Navajo Nation budget forms attached as **Exhibit B.**
- C. The Office of the Controller has provided a memorandum as required by 12 N.N.C. §820(L), indicating that the proposed expenditures are *non-recurring*. The Controller's memo is attached as **Exhibit C**.
- D. The Office of Management and Budget has provided its budget impact analysis as required by 12 N.N.C. §820(M). The OMB memo is attached as Exhibit D.

# SECTION THREE. APPROVAL OF \$10,000,000 FROM THE UUFB FOR THE NAVAJO DEPARTMENT OF TRANSPORATION TO FUND ROUTE N9402 ROAD IMPROVEMENT FOR THE COMMUNITIES OF HOUCK, TSE SI ANI AND NAHATA DZIIL

- A. The Navajo Nation hereby approves supplemental appropriation in the amount of \$10,000,000 from the Unreserved, Undesignated Fund Balance for the Navajo Department of Transportation to fund Route N9402 road improvement project for the communities of Houck, Tse Si Ani and Nahata Dziil, in accordance with the attached Exhibit B.
- B. This supplemental appropriation approved herein shall be from those funds that exceed

the minimum fund reserve balance of the UUFB required by 12 N.N.C. § 820(J).

C. Pursuant to 12 N.N.C. §820(N), any amount of the \$10,000,000 approved herein that remains unspent or unencumbered at the end of FY2025 shall revert to the General Fund, unless Council waives such reversion by a 7/8 vote prior to the date in which the funds are scheduled to revert.

# SECTION FOUR. EFFECTIVE DATE

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

## SECTION FIVE. 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.