



25th Navajo Nation Council

MEMORANDUM

DATE: August 26, 2025

TO: Honorable Budget and Finance Committee Members
25th Navajo Nation Council

FROM: Rodney L. Tahe, *Legislative Advisor*
Budget and Finance Committee
Office of Legislative Services

SUBJECT: **The Budget & Finance Committee's Reallocation during the Oversight Budget Meetings**

On Tuesday, August 05, 2025, the Budget and Finance Committee ("Committee") held its regular meeting and during such time a Committee Member raised an issue on matters relating to the Fiscal Year 2026 Comprehensive Budget. More specifically, the Committee's action on reallocation of Navajo Nation General Funds during the Committee's Oversight Budget Meetings. Please note, this is not a legal opinion, but rather a high-level summary of the reallocation.

A. THE COMMITTEE AUTHORITIES

Pursuant to 2 N.N.C. §§ 301(B)(2) and 301(B)(3), the Committee stayed within its authority by "review[ing] and recommend[ing] to the Navajo Nation Council the budgeting... of funds" for the Fiscal Year 2026 Comprehensive Budget, which included the "re-appropriate... of the Navajo Nation funds..."

In addition, pursuant to 12 N.N.C. §§ 800 and 840(A), the Committee held six (06) public hearings at each agency and took testimonies on the budget and planned for adequate funding of services desired by the Navajo People, including provision and maintenance of public facilities. The public hearing allowed the opportunity for the Navajo People to recommend to the Committee how the Navajo Nation Government should prepare the Fiscal Year Comprehensive Budget.

Both were emphasized and affirmed in the "Approving and Recommending the Fiscal Year 2026 Budget for the Navajo Nation..." Resolutions passed by the Committee in July and August 2025.

B. NAVAJO NATION BRANCH ALLOCATIONS

The total Planning Base Amounts for the Navajo Nation Government Branches for Fiscal Year 2026 Comprehensive Budget is \$132,831, 000 (See Resolution BFAP-21-25, Page 3).

- Executive Branch \$ 102,831,000



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- Legislative Branch \$ 16,000,000
- Judicial Branch \$ 14,000,000

When the Committee considered each Divisions, Departments, and Offices (“Programs”) budget, the Committee indicated the Programs shall comply with the Fiscal Year 2026 Budget Instructions Manual (BFAP-21-25) Section 8, D (1) and (6) on funding Personnel Expenses. This was reiterated in a signed Executive Branch memorandum dated May 14, 2025, entitled “Guidance on FY2026 Personnel Budgeting” (See Attachment). Unfortunately, not all Programs followed the Budget Instructions Manual or signed Executive Branch memorandum.

C. DIRECTIVES

1. The Office of the Auditor General is to fully fund positions at 2088 hours for Positions 211457 (Associate Auditor), 230136 (Associate Auditor), and 242930 (Auditor).
2. Replace current Exhibits A-C and E with the updated Exhibits A-C and E to reflect the Budget and Finance Committee's recommendation to the Office of the Controller’s budget binder as it relates to funded positions, fringe benefits and unmet needs, which complies with the Fiscal Year 2026 Budget Instructions Manual (BFAP-21-25) Section 8, D(1) and (6).
3. Replace current Exhibit E with the updated Exhibit E (Unmet Needs amount of \$564,099) to reflect the Budget and Finance Committee's recommendation to the Office of Management and Budget to fully fund positions and include fringe benefits, and comply with the Fiscal Year 2026 Budget Instructions Manual (BFAP-21-25) Section 8, D(1) and (6).
4. Replace current Exhibits B and E with the updated Exhibit B (total amount of \$1,070,080 for Column D) and Exhibit E (Unmet Needs amount of \$599,683) to reflect the Budget and Finance Committee’s recommendation to the Office of the Navajo Tax Commission to fully fund positions to 2088 hours, including fringe benefits, and comply with the Fiscal Year 2026 Budget Instructions Manual (BFAP-21-25) Section 8, D(1) and (6).

D. COMMITTEE REALLOCATION AMENDMENTS ON THE FISCAL YEAR 2026 COMPREHENSIVE BUDGET

To address the funding shortfall for Personnel Expenses and Operating Costs for several Programs, including the Navajo Nation Chapters Personnel Expenses, the Committee reallocated a grand total of \$15,734,802 (See Attachment).

Programs	Resolutions	Amendments		
		To Program	Amount	Purpose
Division of Children and Family Services	BFJY-35-25	# 117026 / Victim Witness Services for Northern Arizona	\$1,500,000	Grant (\$1,000,000) and Fund Operation (\$500,000)
		# 117001 / DCFS Executive Director (DAP)		



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Division of Human Resources	BFJY-34-25	# 114001 / Division of Human Resources Administration # 114009 / Department of Personnel Management # 114018 / Office of Background Investigations	\$393,462	Personnel Expenses and Fringe Benefits
Department of Diné Education	BFJY-50-25	# 119039 / Department of Diné Education—Navajo Technical University	\$750,000	For Missing Murdered Indigenous Person Database
Department of Health	BFJY-51-25	# 119040 / Utah Navajo Health Systems, Inc. Division of Aging and Long-Term Care Support	\$1,945,000	To enhance and expand victim services across the Navajo Nation, and Fund Operation for the Division of Aging and Long-Term Care Support
Division of Community Development	BFJY-53-25	# 108014-108123 / Navajo Nation Chapters	\$2,177,431	Navajo Nation Chapters Personnel Expenses
Division of Economic Development	BFJY-40-25	#110009 / Shiprock Small Business Regional Business Development Offices	\$8,566	Fund Operation
Division of Natural Resources	BFJY-38-25	# 115004 / Minerals Department # 115013 / Water Resources—Operations and Maintenance	\$630,963	Personnel Expenses
Division of Public Safety	BFJY-49-25	# 116001 / Navajo Police Department # 116011 / Navajo Department of Criminal Investigations	\$3,724,418	The Program Utilized the Incorrect Allocation Amount and \$2,173,559 Removed, and Fund Personnel Expenses and Operation
Office of the Public Defender	BFJY-46-25	# 104003 / Office of the Public Defender	\$216,571	Personnel Expenses



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Department of Justice	BFJY-47-25	# 104001 / Office of the Attorney General # 104005 / Office of the Prosecutor	\$2,754,941	Personnel Expenses and Fund Operations
Office of Hearings and Appeals	BFJY-43-25	# 103004 / Office of Hearings and Appeals	\$139,412	Personnel Expenses and Fund Operations
Legislative Branch	BFJY-42-25	# 101034 – Legislative District Assistants	\$601,407	Personnel Expenses
Executive Branch	BFJY-54-25	# 103001 / Office of the President and Vice-President	\$892,658	Personnel Expenses and Fund Operations
GRAND TOTAL			\$15,734,802	

A total of \$8,650,000 of reallocation funds came from three (03) New Business Units to fund Personnel Expenses and Operating Costs.

- \$5,750,000 – # NEW / Missing and Murdered Indigenous Persons Unit / Victim Advocates.
- \$1,900,000 – # NEW / Navajo Epidemiology Center; and
- \$1,000,00 – # NEW / Summer Youth Employment.

E. PERSONNEL EXPENSES, FRINGE BENEFITS, AND INSURANCE

The reallocation of Navajo Nation General Funds made during the Committee's Oversight Budget Meetings to fund Personnel Expenses protected a total (thus far) 236 classified positions with the Navajo Nation Government. This includes Fringe Benefits and Insurance. Unfortunately, missing from the analysis is four (04) Programs. which is still ongoing. Once the analysis is completed, the Committee will be updated on the grand total number of Personnel Expenses protected.

ATTACHMENTS