THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION

LEGISLATION NO: _0191-26__ **SPONSOR: Dr. Andy Nez**

TITLE: **An Action Relating to the Budget and Finance Committee, the Naabik'íyáti' Committee, and the Navajo Nation Council; Approving a Moratorium Until the End of the Fiscal Year 2027 Second Quarter on Capital Project Appropriations and Allocations from the Unreserved, Undesignated Fund Balance ("UUFB"), the Síhasin Fund, and Permanent Fund Income**

Date posted: **August 20, 2026 at 7:39PM**

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LEGISLATIVE SUMMARY SHEET
Tracking No. 0191-26

DATE: August 20, 2026

TITLE OF RESOLUTION: AN ACTION RELATING TO THE BUDGET & FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE, AND THE NAVAJO NATION COUNCIL; APPROVING A MORATORIUM UNTIL THE END OF THE FISCAL YEAR 2027 SECOND QUARTER ON CAPITAL PROJECT APPROPRIATIONS AND ALLOCATIONS FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB"), THE SÍHASIN FUND, AND PERMANENT FUND INCOME

PURPOSE: This legislation, if approved, will place a moratorium or freeze on capital project appropriations and allocations from the UUFB, Síhasin Fund, and Permanent Fund Income until March 31, 2027.

FINAL AUTHORITY: Navajo Nation Council

VOTE REQUIRED: 2/3 Majority

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: [signature]
Website Posting Time/Date:
Posting End Date: 08-25-26
Eligible for Action: 08-26-26

Budget & Finance Committee
Thence
Naabik'íyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

25th NAVAJO NATION COUNCIL - Fourth Year, 2026

Introduced By:

Primary Sponsor

Tracking No. 0191-26

AN ACTION

RELATING TO THE BUDGET & FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE, AND THE NAVAJO NATION COUNCIL; APPROVING A MORATORIUM UNTIL THE END OF THE FISCAL YEAR 2027 SECOND QUARTER ON CAPITAL PROJECT APPROPRIATIONS AND ALLOCATIONS FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFB"), THE SÍHASIN FUND, AND PERMANENT FUND INCOME

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Budget & Finance Committee is a standing committee of the Navajo Nation Council that is authorized to review and make recommendations concerning budgeting and management of all Navajo Nation funds. 2 N.N.C. §300(A), 2 N.N.C. §301(B)(2).

B. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council that is authorized to review all proposed legislations that require final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

C. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A). As such, the Council has the authority to review and approve all funding allocations from the Unreserved, Undesignated Fund Balance ("UUFB") of the Navajo Nation's General Fund, the Síhasin Fund, and Permanent Fund Income. See 12 N.N.C.

§820(L); 12 N.N.C. §2505(A); 12 N.N.C. §905. The Council's authority inherently includes the power to freeze funding allocations from each of these Navajo Nation Funds.

SECTION TWO. FINDINGS

A. Since the start of the COVID pandemic in 2019, the Navajo Nation has received a substantial amount of federal funds from various sources, such as the American Rescue & Recovery Act/Fiscal Recovery Fund ("ARPA-FRF") and the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Unlike the Navajo Nation funds addressed herein, i.e., UUFB, Síhasin Fund, and Permanent Fund Income, such federal funds have expenditure deadlines that require the Nation to return, revert, or payback any unspent funds regardless of project completion.

B. With the goal to spend all received federal funds by the reversion deadlines, e.g., December 31, 2026, for ARPA-FRF funds, a significant number of Navajo Nation employees and administrative resources are required to prioritize the implementation of the funded projects and expenditures. As a general rule, all Navajo Nation personnel involved with such projects and expenditures should remain focused on implementing and completing the federally-funded projects, rather than new projects funded with Navajo Nation funds that will not revert to the federal government.

C. Additionally, in an effort to leverage its internal funds, the Navajo Nation adopted CJA-05-26, attached herein as **Exhibit A** (without exhibits), enacting the Capital Development Financing Act whose main purposes are to develop a Nation-wide database of all capital projects in need of funding and to use such database to secure external financing for completion of eligible projects instead of relying on the Nation's internal funding sources such as the UUFB, Síhasin Fund, and Permanent Fund Income, to fund the projects.

D. As used herein, the term "capital project(s)" shall have the same definition and meaning as "Capital Projects" in the Capital Development Financing Act at 12 N.N.C. § 3204 (B). **Exhibit A**, page 11.

E. The 25th Navajo Nation Council recognizes and does not care to repeat the historical practice of the departing Council's and Executive Branch administration's last-minute splurge of appropriations which leaves the incoming Council and Executive Branch administration to address rushed projects and hurried expenditure plans on top of depleted funding sources. In short, the 25th Navajo Nation Council does not want new appropriations and allocations of Navajo Nation funds to be used by the Council and/or the Executive Branch administration as election leverage.

F. In order to avoid appropriations and allocations being used as election leverage, as well as the urgent need to focus on spending federal funds and completing federally-funded projects and expenditures before the applicable reversion dates and to take advantage of external financing opportunities, the Navajo Nation should pause the approval of capital project funding requests from the UUFB, the Síhasin Fund, and Permanent Fund Income. Therefore, the Navajo Nation has determined that placing a temporary moratorium or freeze on additional funding allocations and appropriations for capital projects from the UUFB, the Síhasin Fund, and Permanent Fund Income, is in the best interest of the Navajo Nation.

SECTION THREE. APPROVAL OF MORATORIUMS

A. UUFB moratorium.

The Navajo Nation Council hereby establishes a moratorium until the end of the 2027 Fiscal Year Second Quarter (March 31, 2027) on appropriations or allocations for capital projects from the Unreserved, Undesignated Fund Balance [of the Navajo Nation General Fund] described in 12 N.N.C. §820.

B. Síhasin Fund moratorium.

The Navajo Nation Council hereby establishes a moratorium until March 31, 2027, on funding allocations or appropriations for capital projects from the Síhasin Fund created under 12 N.N.C. §2501-§2508. This moratorium shall not apply to the following:

1. Síhasin Fund investments pursuant to 12 N.N.C. §2503;
2. payment of litigation costs, if any, and the deposits provided for in 12 N.N.C. §2505; and
3. payment of Síhasin Fund expenses, as required by 12 N.N.C. §2507.

C. Permanent Fund Income moratorium.

The Navajo Nation Council hereby establishes a moratorium until March 31, 2027, on funding allocations or appropriations for capital projects from Navajo Nation Permanent Fund Income created under 12 N.N.C. §901 - §909. This moratorium shall not apply to the following:

1. Permanent Fund investments pursuant to 12 N.N.C. §902;
2. Permanent Fund reinvestments pursuant to 12 N.N.C. §905;
3. payment of Permanent Fund expenses, as required by 12 N.N.C. §908; and
4. appropriations from Permanent Fund Income approved by the Navajo Nation Council included in a Permanent Fund Income 5-Year Plan for 2027-2031.

D. Notwithstanding subsections A, B, and C above, the moratorium(s) shall not apply to the following:

1. any extension of a funding reversion deadline for UUFB, Síhasin Fund, or Permanent Fund Income approved by the Council;
2. any reallocation or budget transfer of UUFB, Síhasin Fund, or Permanent Fund Income monies for purposes different from the original purpose for which such monies were originally approved by the Council;
3. approval of a new or revised expenditure plan for UUFB, Síhasin Fund, or Permanent Fund Income monies already approved by the Council, so long as the new or revised expenditure plan does not involve any increase in funds above the dollar amount originally approved by the Council for such plan;
4. appropriation of match or contribution funding required by external funding agreements; and
5. transfer of legislatively approved capital projects from an external funding source to the UUFB, Síhasin Fund, or Permanent Fund Income, to avoid the reversion of external funding.

E. The moratoriums approved herein shall not apply to any UUFB, Síhasin Fund, or Permanent Fund Income appropriations approved by the Council in the Navajo Nation's annual Fiscal Year 2027 Comprehensive Budget, as defined in 12 N.N.C.

§810(H).

F. The moratoriums established in this Action are not intended to prevent or delay the deposits of any Navajo Nation revenue, regardless of the source, into the UUFB (General Fund), the Síhasin Fund, or the Permanent Fund, if such deposits are mandated by Navajo Nation laws, regulations, or policies.

G. Each of the moratoriums established in this Action shall continue in full force and effect until the end of the Fiscal Year 2027 Second Quarter (March 31, 2027), or until the Navajo Nation Council determines to lift one or more of the moratoriums, either in whole or in part, through resolution adopted by a 2/3 vote of the Council and signed into law pursuant to 2 N.N.C. §221(B).

SECTION FOUR. EFFECTIVE DATE

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

SECTION FIVE. SAVING CLAUSE

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