

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0205-26_

SPONSOR: Shaandiin Parrish

**TITLE: An Action Relating to an Emergency for the Navajo Nation Council;
Approving the Navajo Nation Comprehensive Budget for Fiscal Year 2027; Waiving
12 N.N.C. §§ 820 (I), 840 (A), 840 (B), and 860**

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0205-26

DATE: September 14, 2026

TITLE OF RESOLUTION: AN ACTION RELATING TO AN EMERGENCY FOR THE NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION COMPREHENSIVE BUDGET FOR FISCAL YEAR 2027; WAIVING 12 N.N.C. §§ 820(I), 840(A), 840(B), AND 860

PURPOSE: This proposed resolution approves the Navajo Nation's Comprehensive Budget for Fiscal Year 2027.

FINAL AUTHORITY: Navajo Nation Council

VOTE REQUIREMENT: 2/3 vote of the full Navajo Nation Council

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.

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
25th NAVAJO NATION COUNCIL – FOURTH YEAR, 2026

Introduced by:


(Prime Sponsor)

Tracking No. 0205-26

AN ACTION
RELATING TO AN EMERGENCY FOR THE NAVAJO NATION
COUNCIL; APPROVING THE NAVAJO NATION
COMPREHENSIVE BUDGET FOR FISCAL YEAR 2027;
WAIVING 12 N.N.C. §§ 820(I), 840(A), 840(B), AND 860

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Navajo Nation Council is the governing body of the Navajo Nation and may consider proposed legislation regarding an emergency matter. 2 N.N.C. §§ 102(A) and 164(A)(16).
- B. “[M]atters constituting an emergency shall be limited to the cessation of law enforcement services, and disaster relief services, fire protection services or other direct services required as an entitlement under Navajo Nation or Federal law, or which directly threaten the sovereignty of the Navajo Nation. Such an emergency matter must arise due to the pressing public need for such resolution(s) and must be a matter requiring final action by the Council.” 2 N.N.C. § 164(A)(16).
- C. The Navajo Nation Council has final authority to review and approve the Navajo Nation’s Comprehensive Budget for Fiscal Year 2027 (“Budget Resolution for FY 2027”). 12 N.N.C. § 840(B).

SECTION TWO. FINDINGS

- A. The Navajo Nation's Fiscal Year 2027 begins October 1, 2026. The annual Comprehensive Budget provides the appropriations necessary for the Navajo Nation government to operate and continue providing governmental and direct services during the fiscal year.
- B. The Navajo Nation Appropriations Act, 12 N.N.C. §§ 800 *et seq.*, establishes the statutory framework and procedures for the development, review, recommendation, and adoption of the Navajo Nation's Annual Comprehensive Budget.
- C. Pursuant to 12 N.N.C. § 840(A), the oversight committees and the Budget and Finance Committee are required to review and make recommendations concerning the budget pursuant to the timelines established in the annual Budget Instructions Manual. The FY2027 budget process did not proceed in accordance with the timelines established in the FY2027 Budget Instructions Manual.
- D. Pursuant to 12 N.N.C. § 840(B), the Navajo Nation Council is required to convene a special budget session for the purpose of adopting the Comprehensive Budget for the next fiscal year. The FY2027 Navajo Nation Budget Preparation Calendar, Item No. 17 published in the Budget Instruction Manual ("BIM"), reserved August 10 through August 14, 2026, for the Navajo Nation Council to deliberate and approve the Comprehensive Budget and adopt the budget legislation. The Navajo Nation Council did not adopt the FY2027 Comprehensive Budget during the reserved time frame.
- E. Pursuant to 12 N.N.C. § 840(B), the latest external audit of the combined financial statements of the Navajo Nation shall be presented to the Navajo Nation Council by the external auditors prior to Council deliberation of the proposed Comprehensive Budget. The latest external audit was presented orally to the Navajo Nation Council by the external auditors on September 7, 2026, prior to the Council's deliberation of the FY2027 Comprehensive Budget. To date, the external auditors have not submitted a final written report of the latest external audit of the combined financial statements of the Navajo Nation.
- F. Pursuant to 12 N.N.C. § 840(B), the Navajo Nation Council shall adopt the Comprehensive Budget no less than twenty (20) days prior to the expiration of each

1 fiscal year. Because the Navajo Nation's fiscal year expires on September 30, 2026,
2 the FY2027 Comprehensive Budget was required to be adopted no later than September
3 10, 2026. The Navajo Nation Council did not adopt the FY2027 Comprehensive
4 Budget by the statutory deadline.

5 G. On September 9, 2026, the Navajo Nation Council considered Legislation 0192-26,
6 that proposed adoption of the FY2027 Comprehensive Budget as recommended by the
7 Budget and Finance Committee. Legislation 0192-26 failed to pass by a vote of nine
8 (9) in favor and ten (10) opposed.

9 H. As a result of the failure of Legislation 0192-26, to date, the Navajo Nation Council
10 has not adopted the FY2027 Comprehensive Budget.

11 I. Immediate legislative action is necessary to provide for consideration and adoption of
12 the FY2027 Comprehensive Budget prior to the commencement of Fiscal Year 2027
13 on October 1, 2026.

14 J. Failure to approve a Comprehensive Budget before the beginning of Fiscal Year 2027
15 would disrupt the funding and expenditure authority necessary for Navajo Nation
16 programs and governmental entities funded through the annual Comprehensive Budget.
17 The resulting disruption would impair the ability of the Navajo Nation government to
18 maintain continuous operations and provide services to the Navajo People beginning
19 October 1, 2026.

20 K. The services at risk include law enforcement, criminal investigations, emergency
21 management, fire protection, courts, probation services, peacemaking services, public
22 health services, services for elders, food distribution, services for children and families,
23 and other governmental programs relied upon by Navajo individuals, families, and
24 communities. An interruption in funding would directly affect the ability of these
25 programs to maintain personnel, obtain necessary supplies and services, and continue
26 providing services throughout the Navajo Nation.

27 L. Navajo Nation Chapters would also be affected. Chapters provide governmental and
28 direct services at the local level and serve as an important point of access for Navajo
29 citizens seeking assistance from the Navajo Nation government. An interruption in
30 funding would impair Chapter operations and the continued delivery of services to

1 communities throughout the Navajo Nation, including rural and remote communities
2 where alternative services may be limited or unavailable.

3 M. Continued governmental operations also depend upon utilities, telecommunications,
4 information technology, insurance, facility operations, and other essential
5 administrative services. An interruption in these services would affect the ability of
6 Navajo Nation employees, law enforcement personnel, courts, health programs,
7 Chapters, and other governmental entities to perform their duties and provide services
8 to the Navajo People.

9 N. Failure to approve the Fiscal Year 2027 Comprehensive Budget may also affect
10 programs supported by federal and state funding where continued Navajo Nation
11 operations, matching funds, administrative support, or other requirements are necessary
12 to maintain an award or continue providing the funded service. Interruptions to those
13 programs could further reduce services available to Navajo citizens and communities.

14 O. The 2026 Navajo Nation general election and the governmental transition resulting
15 from that election will occur during the first quarter of Fiscal Year 2027. The Navajo
16 Nation must maintain the governmental operations necessary to conduct the election,
17 maintain the courts and public safety functions, support Chapters, and provide for an
18 orderly transition of government. A disruption affecting these governmental functions
19 would interfere with the Navajo Nation's ability to govern itself and could directly
20 threaten the sovereignty of the Navajo Nation.

21 P. The Navajo Nation Council therefore finds that this Action addresses a matter
22 constituting an emergency within the meaning of 2 N.N.C. § 164(A)(16). The failure
23 to enact a Fiscal Year 2027 Comprehensive Budget before October 1, 2026 would
24 threaten the continued provision of law enforcement services, emergency services, fire
25 protection services, and other direct governmental services provided to the Navajo
26 People and would impair the Navajo Nation's ability to maintain essential
27 governmental operations and exercise its sovereign responsibilities. The emergency
28 arises from the failure of Legislation No. 0192-26 on September 9, 2026, the impending
29 commencement of Fiscal Year 2027, and the need for final action by the Navajo Nation
30 Council before the new fiscal year begins.

1 **SECTION THREE. APPROVING THE COMPREHENSIVE BUDGET FOR**
2 **FISCAL YEAR 2027**

3 The Navajo Nation hereby approves the Navajo Nation's Comprehensive Budget for Fiscal
4 Year 2027, as follows:

5
6 **A. STATUTORY SET-ASIDES**

7 In accordance with various provisions of Navajo Nation law, the Navajo Nation hereby
8 appropriates **\$83,301,000** to certain statutory Funds for FY 2027, as follows:

- 9 1. 12% of FY 2027 projected recurring revenue or **\$36,180,000** into the Navajo Nation
10 Permanent Fund;
11 2. 2% of FY 2027 projected recurring revenue or **\$6,030,000** into the Navajo Nation
12 Land Acquisition Trust Fund;
13 3. **\$19,000,000** for the Diné Higher Education Grant Fund;
14 4. **\$2,000,000** for the Capital Outlay Match Fund;
15 5. **\$2,000,000** for the Navajo Nation Water Rights Claims Fund;
16 6. 4% of FY 2027 projected recurring revenue or **\$12,060,000** into the Navajo Nation
17 Veterans Trust Fund; and
18 7. 2% of FY 2027 projected recurring revenue or **\$6,030,000** into the Navajo Nation
19 Remediation Fund.

20
21 **B. OVERALL FY 2027 OPERATING BUDGET**

22 The Navajo Nation hereby appropriates **\$524,762,404** for the Navajo Nation's overall FY
23 2027 Operating Budget, as set forth in **Exhibit A**, as follows:

- 24 1. **\$175,867,010** from the General Fund (projected revenue/UUFB) account;
25 2. **\$22,500,000** from the Indirect Cost Fund account;
26 3. **\$13,763,738** from the BFAP-09-26 allocation;
27 4. **\$5,500,000** from the General Fund for the External Funds Cash Match account;
28 5. **\$122,489,222** from the Proprietary Fund account;
29 6. **\$128,128,958** from the Fiduciary Fund account; and
30 7. **\$56,513,476** from the Special Revenue Fund – Internal Funds account.

1 **1. LEGISLATIVE BRANCH**

2 The Navajo Nation hereby allocates **\$19,890,837** from the Navajo Nation's overall FY
3 2027 Operating Budget, as set forth in **Exhibit B**, as follows:

- 4 A. **\$16,397,000** from the General Fund (projected revenue/UUFB) account;
5 B. **\$2,292,837** from the Indirect Cost Fund account;
6 C. **\$1,200,000** from the BFAP-09-26 allocation;
7 D. **\$1,000** from the Proprietary Fund account.

8
9 **2. JUDICIAL BRANCH**

10 The Navajo Nation hereby allocates **\$15,974,787** from the Navajo Nation's overall FY
11 2027 Operating Budget, as set forth in **Exhibit C**, as follows:

- 12 A. **\$14,552,000** from the General Fund (projected revenue/UUFB) account;
13 B. **\$122,787** from the Indirect Cost Fund account;
14 C. **\$1,300,000** from the BFAP-09-26 allocation.

15
16 **3. EXECUTIVE BRANCH**

17 The Navajo Nation hereby allocates **\$451,441,975** from the Navajo Nation's overall
18 FY 2027 Operating Budget, as set forth in **Exhibit D**, as follows:

- 19 A. **\$116,933,405** from the General Fund (projected revenue/UUFB) account;
20 B. **\$12,827,914** from the Indirect Cost Fund account;
21 C. **\$9,050,000** from the BFAP-09-26 allocation;
22 D. **\$5,500,000** from the General Fund for the External Funds Cash Match account;
23 E. **\$122,488,222** from the Proprietary Fund account;
24 F. **\$128,128,958** from the Fiduciary Fund account; and
25 G. **\$56,513,476** from the Special Revenue Fund – Internal Funds account.

26
27 **4. FIXED COSTS**

28 The Office of Management and Budget and the Budget and Finance Committee have
29 determined the allocations necessary to cover the Navajo Nation's Fixed Costs for FY
30 2027. The Navajo Nation hereby allocates **\$37,454,805** from the Navajo Nation's

overall FY 2027 Operating Budget, as set forth in **Exhibit E**, as follows:

- A. **\$27,984,605** from the General Fund (projected revenue/UUFB) account;
- B. **\$7,256,462** from the Indirect Cost Fund account; and
- C. **\$2,213,738** from the BFAP-09-26 allocation.

C. WAIVERS OF NAVAJO NATION LAWS

The Navajo Nation Council expressly waives the following requirements of the Navajo Nation Appropriations Act, solely for purposes of consideration and adoption of the FY2027 Navajo Nation Comprehensive Budget:

1. As necessary to accommodate the appropriations from various funding sources as set forth in this Act, the Navajo Nation Council waives 12 N.N.C. § 820(F).
2. The Navajo Nation Council waives 12 N.N.C. § 820(I), § 840(B), and § 860, Capital Improvement Plan Provisions, for the purpose of approving this Comprehensive Budget for FY 2027, because the required Capital Improvement Plan has not been approved.
3. The Navajo Nation Council waives 12 N.N.C. § 840(A), the budget review and recommendation process, conducted pursuant to the timelines established in the annual Budget Instructions Manual.

D. EXPENDITURES NOT RESTRICTED

The Navajo Nation hereby acknowledges that all dollar amounts and accounts listed and described in the FY 2027 Comprehensive Budget are provided primarily for informational purposes only. Such listings and descriptions shall not be construed to limit the expenditure authority of the Navajo Nation Council or any Navajo Nation Division, Department, or Program, provided that additional funds are approved pursuant to 2 N.N.C. § 164(B), 2 N.N.C. § 301(B)(15), and 2 N.N.C. § 701(A)(10).

E. BIA ACCOUNT NO. PL7341701

The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into the Bureau of Indian Affairs Account No. PL7341701, Navajo Tribe, Arizona/New Mexico,

1 which funds are considered Navajo Nation General Funds as part of the Navajo Nation's
2 overall annual revenue projection and are used for the administrative support of the
3 operations of the Navajo Nation Government.
4

5 **SECTION FOUR. EFFECTIVE DATE**

6 This Action shall become effective in accordance with 2 N.N.C. §221(B) and 2 N.N.C.
7 §164(A)(17).
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9 **SECTION FIVE. SAVING CLAUSE**

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