

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0207-26_

SPONSOR: Shaandiin Parrish

**TITLE: An Action Relating to an Emergency for the Navajo Nation Council;
Approving the Navajo Nation's Comprehensive Budget for Fiscal Year 2027;
Waiving Certain Provisions of BFAP-09-26, CJY-66-23 Section Four (C) (3) and (4)
and 12 N.N.C. §§ 820 (I), 840 (B), and 860**

Date posted: September 16, 2026 at 10:17AM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

LEGISLATIVE SUMMARY SHEET

Tracking No. 0207-26

DATE: September 16, 2026

TITLE OF RESOLUTION: AN ACTION RELATING TO AN EMERGENCY FOR THE NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION'S COMPREHENSIVE BUDGET FOR FISCAL YEAR 2027; WAIVING CERTAIN PROVISIONS OF BFAP-09-26, CJY-66-23 SECTION FOUR (C)(3) AND (4) AND 12 N.N.C. §§ 820(I), 840(B), AND 860

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

FINAL AUTHORITY: Navajo Nation Council

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

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.

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
25th NAVAJO NATION COUNCIL—Fourth Year, 2026

Introduced By:



Primary Sponsor

Tracking No. 0207-26

AN ACTION

RELATING TO AN EMERGENCY FOR THE NAVAJO NATION
COUNCIL; APPROVING THE NAVAJO NATION'S COMPREHENSIVE
BUDGET FOR FISCAL YEAR 2027; WAIVING CERTAIN PROVISIONS
OF BFAP-09-26, CJY-66-23 SECTION FOUR(C)(3) AND (4) AND 12
N.N.C. §§ 820(I), 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. 12 N.N.C. § 840(B).

1 **SECTION TWO. FINDINGS**

- 2 A. The Navajo Nation's Fiscal Year 2027 begins October 1, 2026. The annual
3 Comprehensive Budget provides the appropriations necessary for the Navajo
4 Nation government to operate and continue providing governmental and direct
5 services during the fiscal year.
- 6 B. The Navajo Nation Appropriations Act, 12 N.N.C. §§ 800 et seq., establishes the
7 statutory framework and procedures for the development, review, recommendation,
8 and adoption of the Navajo Nation's Annual Comprehensive Budget.
- 9 C. Pursuant to 12 N.N.C. § 840(A), the oversight committees and the Budget and
10 Finance Committee are required to review and make recommendations concerning
11 the budget pursuant to the timelines established in the annual Budget Instructions
12 Manual. The FY2027 budget process did not proceed in accordance with the
13 timelines established in the FY2027 Budget Instructions Manual.
- 14 D. Pursuant to 12 N.N.C. § 840(B), the Navajo Nation Council is required to convene
15 a special budget session for the purpose of adopting the Comprehensive Budget for
16 the next fiscal year. The FY2027 Navajo Nation Budget Preparation Calendar, Item
17 No. 17 published in the Budget Instruction Manual ("BIM"), reserved August 10
18 through August 14, 2026, for the Navajo Nation Council to deliberate and approve
19 the Comprehensive Budget and adopt the budget legislation. The Navajo Nation
20 Council did not adopt the FY2027 Comprehensive Budget during the reserved time
21 frame.
- 22 E. Pursuant to 12 N.N.C. § 840(B), the latest external audit of the combined financial
23 statements of the Navajo Nation shall be presented to the Navajo Nation Council by
24 the external auditors prior to Council deliberation of the proposed Comprehensive
25 Budget. The latest external audit was presented orally to the Navajo Nation Council
26 by the external auditors on September 7, 2026, prior to the Council's deliberation
27 of the FY2027 Comprehensive Budget. To date, the external auditors have not
28 submitted a final written report of the latest external audit of the combined financial
29 statements of the Navajo Nation.
- 30

- 1 F. Pursuant to 12 N.N.C. § 840(B), the Navajo Nation Council shall adopt the
2 Comprehensive Budget no less than twenty (20) days prior to the expiration of each
3 fiscal year. Because the Navajo Nation's fiscal year expires on September 30, 2026,
4 the FY2027 Comprehensive Budget was required to be adopted no later than
5 September 10, 2026. The Navajo Nation Council did not adopt the FY2027
6 Comprehensive Budget by the statutory deadline.
- 7 G. On September 9, 2026, the Navajo Nation Council considered Legislation 0192-26,
8 that proposed adoption of the FY2027 Comprehensive Budget as recommended by
9 the Budget and Finance Committee. Legislation 0192-26 failed to pass by a vote of
10 nine (9) in favor and ten (10) opposed.
- 11 H. As a result of the failure of Legislation 0192-26, to date, the Navajo Nation Council
12 has not adopted the FY2027 Comprehensive Budget.
- 13 I. Immediate legislative action is necessary to provide for consideration and adoption
14 of the FY2027 Comprehensive Budget prior to the commencement of Fiscal Year
15 2027 on October 1, 2026.
- 16 J. Failure to approve a Comprehensive Budget before the beginning of Fiscal Year
17 2027 would disrupt the funding and expenditure authority necessary for Navajo
18 Nation programs and governmental entities funded through the annual
19 Comprehensive Budget. The resulting disruption would impair the ability of the
20 Navajo Nation government to maintain continuous operations and provide services
21 to the Navajo People beginning October 1, 2026.
- 22 K. The services at risk include law enforcement, criminal investigations, emergency
23 management, fire protection, courts, probation services, peacemaking services,
24 public health services, services for elders, food distribution, services for children
25 and families, and other governmental programs relied upon by Navajo individuals,
26 families, and communities. An interruption in funding would directly affect the
27 ability of these programs to maintain personnel, obtain necessary supplies and
28 services, and continue providing services throughout the Navajo Nation.
- 29 L. Navajo Nation Chapters would also be affected. Chapters provide governmental
30 and direct services at the local level and serve as an important point of access for

1 Navajo citizens seeking assistance from the Navajo Nation government. An
2 interruption in funding would impair Chapter operations and the continued delivery
3 of services to communities throughout the Navajo Nation, including rural and
4 remote communities where alternative services may be limited or unavailable.

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

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

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

24 P. The Navajo Nation Council therefore finds that this Action addresses a matter
25 constituting an emergency within the meaning of 2 N.N.C. § 164(A)(16). The
26 failure to enact a Fiscal Year 2027 Comprehensive Budget before October 1, 2026
27 would threaten the continued provision of law enforcement services, emergency
28 services, fire protection services, and other direct governmental services provided
29 to the Navajo People and would impair the Navajo Nation's ability to maintain
30 essential governmental operations and exercise its sovereign responsibilities. The

1 emergency arises from the failure of Legislation No. 0192-26 on September 9,
2 2026, the impending commencement of Fiscal Year 2027, and the need for final
3 action by the Navajo Nation Council before the new fiscal year begins.
4

5 **SECTION THREE. APPROVING THE COMPREHENSIVE BUDGET FOR** 6 **FISCAL YEAR 2027**

7 8 **A. STATUTORY SET-ASIDES**

9 In accordance with applicable Navajo Nation law, the Navajo Nation hereby
10 appropriates **\$83,300,000** to statutory Funds for FY 2027, as follows:

- 11 1. 12% of FY 2027 projected recurring revenue, or **\$36,180,000**, into the Navajo
12 Nation Permanent Fund;
- 13 2. 2% of FY 2027 projected recurring revenue, or **\$6,030,000**, into the Navajo
14 Nation Land Acquisition Trust Fund;
- 15 3. **\$19,000,000** for the Diné Higher Education Grant Fund;
- 16 4. **\$2,000,000** for the Capital Outlay Match Fund;
- 17 5. **\$2,000,000** for the Navajo Nation Water Rights Claims Fund;
- 18 6. 4% of FY 2027 projected recurring revenue, or **\$12,060,000**, with 3%
19 deposited into the Navajo Nation Veteran Assistance Trust Fund, and 1%
20 deposited into the Navajo Nation Veterans Housing Trust Fund; and
- 21 7. 2% of FY 2027 projected recurring revenue, or **\$6,030,000**, into the Navajo
22 Nation Remediation Fund.

23 24 **B. OVERALL FY 2027 OPERATING BUDGET**

25 The Navajo Nation hereby appropriates **\$562,023,333** for the Navajo Nation's FY
26 2027 Operating Budget, as set forth in **Exhibit A**, as follows:

- 27 1. **\$175,867,010** from the Navajo Nation General Fund;
- 28 2. **\$22,500,000** from the Indirect Cost Fund;
- 29 3. **\$13,763,738** from the Public Input Priority;
- 30 4. **\$19,000,000** from the Higher Education Set-aside;

5. **\$5,500,000** from the External Funds Cash Match;
6. **\$16,565,399** from the Personnel Lapse Fund;
7. **\$122,489,222** from the Proprietary Fund;
8. **\$129,477,670** from the Fiduciary Fund;
9. **\$56,860,294** from the Special Revenue Fund - Internal.

1. LEGISLATIVE BRANCH

The Navajo Nation hereby allocates **\$19,931,953** from the Navajo Nation's FY 2027 Operating Budget, as set forth in **Exhibit B**, as follows:

- A. **\$16,397,000** from the Navajo Nation General Fund;
- B. **\$2,292,837** from the Indirect Cost Fund;
- C. **\$1,200,000** from the Public Input Priority;
- D. **\$41,116** from the Personnel Lapse Fund;
- E. **\$1,000** from the Proprietary Fund.

2. JUDICIAL BRANCH

The Navajo Nation hereby allocates **\$16,134,601** from the Navajo Nation's FY 2027 Operating Budget, as set forth in **Exhibit C**, as follows:

- A. **\$14,552,000** from the Navajo Nation General Fund;
- B. **\$122,787** from the Indirect Cost Fund;
- C. **\$1,300,000** from the Public Input Priority;
- D. **\$159,814** from the Personnel Lapse Fund.

3. EXECUTIVE BRANCH

The Navajo Nation hereby allocates **\$481,677,633** from the Navajo Nation's FY 2027 Operating Budget, as set forth in **Exhibit D**, as follows:

- A. **\$116,933,405** from the Navajo Nation General Fund;
- B. **\$12,827,914** from the Indirect Cost Fund;
- C. **\$9,050,000** from the Public Input Priority;
- D. **\$19,000,000** from the Higher Education Set-aside;

- E. **\$5,500,000** from the External Funds Cash Match;
- F. **\$9,540,128** from the Personnel Lapse Fund;
- G. **\$122,488,222** from the Proprietary Fund;
- H. **\$129,477,670** from the Fiduciary Fund;
- I. **\$56,860,294** from the Special Revenue Fund - Internal.

4. **FIXED COSTS**

The Office of Management and Budget and the Budget and Finance Committee have determined the allocations necessary to cover the Navajo Nation's Fixed Costs for FY 2027. The Navajo Nation hereby allocates **\$44,279,146** from the Navajo Nation's overall FY 2027 Operating Budget, as set forth in **Exhibit E**, as follows:

- A. **\$27,984,605** from the Navajo Nation General Fund;
- B. **\$7,256,462** from the Indirect Cost Fund;
- C. **\$2,213,738** from the Public Input Priority;
- D. **\$6,824,341** from the Personnel Lapse Fund.

5. **PERSONNEL LAPSE SAVINGS FUND ACCOUNT**

A. The FY 2027 Personnel Lapse Savings Fund Account allocations in the amount of **\$16,565,399**, reflected in the sum of **Exhibit A**, are attached as **Exhibit F**. Out of the \$16,565,399 a total of \$7,996,346 shall be used to fund occupied positions and fringe shortfall from the unmet needs report as provided in **Exhibit K**. The Department of Justice shall be the final program to receive unmet needs funding if any.

B. Disbursements from the pool shall be handled administratively, without additional legislation, through the process developed by the Office of Management and Budget, Office of the Controller, the Department of Personnel Management, and Judicial Branch Human Resources personnel, in consultation with the Department of Justice.

1 C. The administrative procedures developed by the entities in 5(B), above, shall
2 comport with the FY 2027 Budget Instructions Manual, Section 8 (D)(1)(a),
3 (b), or (c), as applicable. The funding from the pool shall be prorated based on
4 when the vacant position is filled, and shall not be for the entire fiscal year.
5

6 **6. GENERAL FUND PROJECTED REVENUE**

7 Funding from the General Fund Projected Revenue in the amount of **\$8,009,898**
8 as set forth in **Exhibit G** will be used to fund the Personnel Adjustment Vacancy
9 Pool for the Executive, Legislative, and Judicial branches.
10

11 **7. LEGISLATIVE CONCERNS**

12 The Navajo Nation Council approves and establishes the Legislative Concerns set
13 forth in **Exhibit H**.
14

15 **8. CONDITIONS OF APPROPRIATION**

16 The Navajo Nation Council approves and establishes the Conditions of
17 Appropriations as set forth in **Exhibit I**.
18

19 **9. FY 2027 BUDGET DETAIL**

20 The Navajo Nation approves the FY 2027 Budget Detail set forth in **Exhibit J**.
21

22 **SECTION FOUR. WAIVERS OF NAVAJO NATION LAW**

23 A. Fiscal Year 2027 Budget Instructions Manual. The Navajo Nation Council waives
24 the following only to the extent necessary to consider and approve the Fiscal Year
25 2027 Comprehensive Budget through this Action: (1) the review sequence in
26 Section 5(A) of the FY 2027 Budget Instructions Manual; (2) the activities and due
27 dates in Items 10, 11, 13, 14, 16, 17, and 18 of the FY 2027 Budget Preparation
28 Calendar, Exhibit C to BFAP-09-26, including as they apply to programs and
29 offices such as the Office of the President and Vice President, the Navajo Nation
30 Washington Office, Navajo Nation Veterans Administration, and the Department of

1 Dine Education who failed to submit budget forms on time; (3) the planning base
2 amounts in BFAP-09-26, Section Three(A), and the FY 2027 Budget Instructions
3 Manual Section 6(A) to the extent the allocations approved through this Action
4 differ from those amounts; and (4) the FY 2027 Budget Instructions Manual
5 Sections 2(39) and 6(D), to the extent they conflict with the use of Personnel Lapse
6 Savings Funds provided in **Exhibit F**.

7 B. Resolution CJY-66-23. The Navajo Nation Council waives the requirements in
8 Section Four(C)(3) and (4) of Resolution CJY-66-23 to the extent necessary to
9 authorize the use of Personnel Lapse Savings Account funds as provided in **Exhibit**
10 **F**.

11 C. The Navajo Nation Council waives the following only to the extent necessary to
12 approve the Fiscal Year 2027 Comprehensive Budget through this Action: (1) the
13 requirements of 12 N.N.C. § 840(B) that the Comprehensive Budget be adopted at
14 a special budget session no less than twenty (20) days prior to the expiration of the
15 fiscal year and that the Capital Improvement Plan be approved at that session; and
16 (2) 12 N.N.C. §§ 820(I) and 860, to the extent this Action does not include a capital
17 budget or Capital Improvement Plan. The Capital Projects Management
18 Department did not submit the Capital Improvement Plan required for inclusion in
19 the Fiscal Year 2027 budget process, and the absence of that plan should not
20 prevent the Navajo Nation Council from approving the Fiscal Year 2027
21 Comprehensive Budget.

22 23 **SECTION FIVE. EXPENDITURES NOT RESTRICTED**

24 The Navajo Nation acknowledges that the dollar amounts and accounts listed and
25 described in the Fiscal Year 2027 Comprehensive Budget are provided for purposes of
26 approving and administering the budget. Nothing in this Action shall be construed to
27 limit otherwise lawful expenditure or budget modification authority, provided that any
28 additional or modified funding is approved in accordance with applicable Navajo Nation
29 law.
30

1 **SECTION SIX. BIA ACCOUNT NO. PL7341701**

2 The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into
3 Bureau of Indian Affairs Account No. PL7341701, Navajo Tribe, Arizona/New Mexico,
4 which funds are considered Navajo Nation General Funds as part of the Navajo Nation's
5 overall annual revenue projection and are used for the administrative support of the
6 operations of the Navajo Nation government.

7
8 **SECTION SEVEN. EFFECTIVE DATE**

9 This Action shall become effective in accordance with 2 N.N.C. §§ 164(A)(17), 221(A)
10 and(B), and 1005(C)(10) and (11).

11
12 **SECTION EIGHT. SAVING CLAUSE**

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