



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo President Joe Shirley, Jr., vetoes legislation to increase Permanent Trust Fund set-aside citing cost to executive branch

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., today vetoed legislation that would have increased the amount of money set aside for the Navajo Nation Permanent Trust Fund, saying the burden would likely be borne by the executive branch and affect direct services to Navajos.

The legislation, called the Permanent Fund Percentage Increase Act of 2007, would have raised the amount of money placed into the fund from Navajo Nation earnings from 12 percent to 18 percent.

In his veto message to Navajo Nation Council Speaker Lawrence T. Morgan, the President said no information was provided with the legislation regarding the long-term impact the set-aside would have on government operations.

“Obviously, an additional six percent set-aside will affect the operating budgets for the three branches of government,” the President wrote. “The (Navajo Nation) Office of Management and Budget calculated the effect the set-aside would have based upon the Nation’s current operating budget. It concluded that a six percent reduction in net revenues would be approximately \$11.8 million.”

The President said he was concerned because of a projected decrease in tribal revenues this year. He said he’s recently been informed that Western Refinery, Inc., has purchased Giant Industries Inc., and has given notice

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– Navajo Nation President Joe Shirley, Jr.,

that it will not continue to transport Navajo Nation crude oil from the Navajos’ Aneth, Utah, oil fields as Giant has done.

This will result in a significant reduction in mineral royalties in fiscal year 2009, he said.

“While each of the branches would be impacted,” he said, “historical precedent indicates the executive branch would most likely bear the greatest burden for most of the reduction.”

“Without reliable revenue projections,” he said, “a six percent set-aside would greatly impact government operations, affect our ability to maintain direct services, and could result in possible layoffs.”

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