



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo Nation President Joe Shirley, Jr., cautions Council about projected budget shortfall of \$33.5 million this year

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., cautioned the Navajo Nation Council today that the tribal government faced a \$33.5 million budget shortfall for this fiscal year that results from a decline in value of the Navajo Nation's Trust Portfolio.

"I cannot emphasize enough the severity of this situation," the President said during his quarterly state of the Navajo Nation address. The Council voted 67-1 to accept the President's report.

The Nation's budget revenue estimate was based on the high price of oil which fluctuated from a peak of \$130 a barrel and fell to less than \$38 a barrel, he said.

"Though Wall Street is far from the Navajo Nation and far from the minds of most Navajos, we are far from untouched by what is occurring," he said. "Over the past months of the crisis, the Navajo Nation's Trust Portfolio has declined in market value by \$295 million."

The President said he does not support the Navajo Nation tampering with its Permanent Trust Fund, Land Acquisition Trust Fund, Education Fund or the Veterans Trust Fund in order to cover the shortfall. Instead, he said his office evaluating options which include spending restrictions and across-the-board cuts from among the three branches of government to address it.

The international financial crisis has devastated individuals, financial institutions, investment managers, and other investors with global losses of approximately \$29 trillion, he said. But the Navajo Nation is not alone in having to confront an unforeseeable government budget shortfall, he said.

According to the national Center on Budget and Policy Priorities, he said, 45 states have reduced services, including public health programs, elderly and disabled persons programs, and primary and higher education funding. Fourteen states have increased taxes or taken other revenue raising measures, and governors in four more states have proposed new tax increases, the center reports.

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– Navajo Nation President Joe Shirley, Jr.

New Mexico Gov. Bill Richardson ordered cutbacks in state spending to help offset a projected budget shortfall of more than \$454 million, and Arizona legislative analysts predicted a budget shortfall of \$1.6 billion for this fiscal year, President Shirley said.

On the bright side, the President reported one new source of Navajo revenue will result from the Nation's recent negotiation of a rights-of-way extension agreement with the El Paso Natural Gas Company.

"The Navajo Nation and El Paso successfully negotiated an agreement to extend El Paso's existing natural gas pipeline rights-of-way, facilities and land leases for compressor stations until October 17, 2025, which will bring the Nation \$350 million," he said.

The company contributed \$150,000 to the Navajo Nation Scholarship Program, and will make an annual contribution of \$50,000 to Navajo scholarships, he said.

The President reported that he, Vice President Ben Shelly and their wives, Speaker Morgan and several council delegates represented the Navajo Nation at the inauguration of President Barack Obama and Vice President Joe Biden last Tuesday in Washington, D.C.

“The Navajo People believe in President Obama’s call for change in our country,” he told the Council. “His inspiring statement of belief conveys the same thought taught to generations of Navajos that there are no impossibilities in life. Our grandparents have always told us “T’áá hó ájít’éegó’,” (It’s up to you) and President Obama’s election shows how true that teaching is and remains. It speaks to Native nations in our determination to do for ourselves, to regain the independence that was lost so long ago, and to hold on to our beloved homelands, languages, sacred songs, ceremonies, and ways of life.”

He said that the Navajo Nation has prepared and submitted a \$2.9 billion stimulus package in hopes of it being considered a part of the proposed federal \$825 billion economic and infrastructure stimulus package President Obama has proposed for the country.

“Our people’s wealth is not measured by what’s in a savings or retirement account but by what’s in their sheep corral or held in a border town pawn shop,” he said. “Ironically, the Navajo Nation is at the geographic center of the fastest-growing region of the United States ... We are a corridor for energy, for food products, for manufactured goods, and for national defense. Railroad cars and interstate highways carry untold cargo and passengers along our boundaries. Truck stops, depots and train stations just beyond our reach to realize any benefit are laden with prosperity meant for others. We are encircled by more national parks and tourist destinations than anyplace else in the country.”

President Shirley said that no place and no people are more deserving of the help an economic stimulus program could provide than Navajos.

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“In the past, when American farmers received federal subsidies, Navajos received federal livestock reduction that dispirited every family. When we see American financial institutions and auto makers receive multi-billion dollar federal bailouts to fix problems of their own making, Navajos recall a federal law that halted home repairs and the slightest development for 40 years, and another that forced 10,000 of our most traditional people to relocate from their homes to resolve a problem they did not cause.”

The President said the Executive Branch Rehabilitation Task Force has worked with Western Agency community officials, the Navajo-Hopi Land Commission, the Office of Navajo and Hopi Indian Relocation, the Navajo Housing Authority, Bureau of Indian Affairs, the Indian Health Service, and the Division of Community Development to produce a comprehensive recovery plan for the former Bennett Freeze Area.

The plan includes infrastructure and utility needs assessment, health care and police and fire buildings, and other essential community facilities, he said. It is based on projected needs of the nine affected chapters covering more than 1.6 million acres.

To address the Nation’s largest need, he said, the solution is economic development.

“Our people want work, and they need work,” President Shirley said. “More often than not they must leave their homeland to find it. That is not as it should be. If Navajos are to remain on Navajoland so that our children continue to speak our language, live our culture and practice our way of life.”

He said the Navajo Parks and Recreation Department is developing plans for improvements to the Navajo Nation’s existing parks and monuments to create well-designed, serviceable facilities that meet world-wide travelers’ expectations.

In other areas, the President said:

- The Navajo Nation Gaming Enterprise opened the *Fire Rock Navajo Casino* in November to overwhelming numbers and unexpected success. It employs more than 310 workers, and its payroll exceeds \$6.8 million.

- With the casino’s huge success, the Enterprise Board of Directors approved the immediate expansion of the

casino to include an additional 260 slot machines and a roulette game.

- The President thanked Overstock.com founder and CEO Patrick Byrne who donated \$25,000 to the Navajo Nation to purchase turkeys this past Christmas “so that many Navajo families whom might otherwise go without could enjoy a holiday meal.”

- He thanked the Happy Factory of Cedar City, Utah, for donating more than 4,000 toys to the Navajo Nation.

- He reported that Navajo Nation First Lady Vikki Shirley and OPVP staff traveled across Navajoland to deliver the turkeys and toys to families in remote areas during the holiday season. The effort was coordinated with the Division of Social Services, Division of Health, the Navajo Nation DUI Task Force, and the Navajo Police Department’s STEPP Team.

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