



The 21st Navajo Nation Council

Contact: Alastair L. Bitsoi, Public Information Officer

Phone: (928) 871-7228

Cell: (928) 255-2943

Fax: (928) 871-7255

abitsoi@navajo.org

www.navajonationcouncil.org

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FOR IMMEDIATE RELEASE

Budget and Finance Committee accepts report, passes measure approving Office of the Controller's Fiscal Year 2011 General Fund revenue projection

WINDOW ROCK, Ariz. – On June 22, the Budget and Finance Committee of the 21st Navajo Nation Council convened for a special meeting and approved legislation accepting the Office of the Controller's Fiscal Year 2011 General Fund revenue projection.

Dominic Beyal, executive director for the Office of Management and Budget (OMB), said the committee had to approve a budget calendar for the Fiscal Year (FY) 2011 Budget Instructions and Policies Manual and also said there are three options to select from. "We recommend option one because it attempts to respect the process we usually go through and is the most practical at this time," he added.

According to OMB's recommended calendar, during the dates of Sept. 1-3 OMB would be preparing the "FY 2011 budgets and related information for the Navajo Nation Council budget session, including printing and distributing the Budget and Finance Committee's recommended FY 2011 budget."

The other budget calendars that were up for consideration, however, would have either delayed the Navajo Nation Council Budget Session by one week and waive language in the budget process (option two calendar). Or change the process in which committee's operate their budgets, such as the Health and Social Services Committee who works with Navajo Division of Health and Navajo Division of Social Services in budget appropriations, and would require work on weekends for employees (option three calendar).

Although the committee consented to the first calendar (or the option one calendar), Council Delegate Hoskie Kee (Littlewater/Baca-Prewitt/Casamero Lake) said continuing resolution, which the three branch chiefs recommended, would be the end result and did not think the steps the committee was acting upon were necessary.

"Yes, we have a responsibility and if we know it is going to fail we have that responsibility too," Kee said in reference to Council delegates who prefer continuing legislation for the FY 2011 Budget. "All we do, as the Budget and Finance Committee, is recommend our budget to the Council and then the Council decides what to do. The ultimate authority is the Council."

Even though the law says to go through with normal budgeting procedures, the committee does have responsibility to employees by not putting them through unnecessary stress, added Kee. He also said he was considering sponsoring legislation to curtail the process, "We know the end result is continuing legislation."

The committee accepted Beyal's report, 6-0.

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In other related budget action, the committee passed legislation (Legislation No. 0357-10), sponsored by Council Delegate LoRenzo C. Bates (Upper Fruitland), approving the Office of the Controller's FY 2011 General Fund revenue projection of \$197.1 million. Bates' legislation now goes before the full Council who has final approval of the FY 2011 budget.

"The Appropriation Act says we shall do this," Bates said in reference to the committee's action to move forward with normal budget procedures. "We still have to go through the budget process unless there is something I do not know that says we do not have to go through the process. Council will decide what to do."

By passing the measure, the committee established the FY 2011 General Fund Budget Ceiling at \$148.9 million, which is less than the projected revenue of \$197.1 million. The difference between the projected revenue of \$197.1 million and ceiling amount of \$148.9 million is \$48.2 million, which is allocated into set-asides.

A breakdown of the \$48.2 million set-asides can be seen as followed:

- a. 12 percent or \$23.6 million for the Navajo Nation Permanent Fund
- b. 2 percent or \$3.9 million for the Navajo Nation Land Acquisition Trust Fund
- c. \$2 million for the Capital Outlay Match Funding Special Revenue Fund
- d. 2 million for the Navajo Nation Water Rights Claim Fund
- e. \$7.2 million for the Diné Higher Education Grant Fund
- f. \$1.5 million for the Historical Trust Asset Mismanagement Litigation Trust Fund
- g. 4 percent or \$7.8 million for the Navajo Nation Trust Fund

The breakdown for the \$148.9 FY 2011 operating budget for the three branches, including fixed costs and capital, is:

1. Executive Branch: \$102.1 million or a 68.5 percent allocation
2. Legislative Branch: \$12.8 million or a 8.6 percent allocation
3. Judicial Branch: \$12.8 million or a 8.6 percent allocation
4. Fixed Costs: \$17.3 million or a 11.6 percent allocation
5. Capital: \$4 million

According to the bill's language, the committee also recommends the award of a General Wage Adjustment (GWA) and step increase pay plan adjustments of 3.6 percent and 3.0 percent for the FY 2011 budget, which is funded by the Personnel Savings Lapse Fund.

As well, another recommendation the committee made in its legislation is to allocate \$4 million to the capital improvement of all 110 Navajo Nation Chapters. The committee passed the bill, 4-2.

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