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Navajo Nation Branch Chiefs give report on the impacts of sequestration

Discussion on the sequester and its effects on the Navajo Nation

WINDOW ROCK – Last Friday, the three-branch chiefs gave a comprehensive report to the Budget and Finance Committee on the impact of the sequester and discussed how it will affect each branch, in terms of funding.

The reports focused on the potential effects of the sequester once it is implemented by the federal government, which could be as early as this current fiscal year.

Speaker Johnny Naize (Low Mountain, Many Farms, Nazlini, Tachee/Blue Gap, Tselani/Cottonwood) reported that the legislative branch does not receive federal funds for personnel or operation costs.

“We do receive Indirect Cost funds, which at this time is subject to a decrease of five-to-eight percent,” said Speaker Naize. “IDC funds are also used by the Navajo Nation Council and its committees.”

Speaker Naize presented a FY2014 budget projection that included the potential financial state of the legislative branch with a five-percent decrease.

“If the sequester comes into effect, there will definitely be decreases in our branch,” Speaker Naize added in regards to the report.

Navajo Nation Chief Justice Herb Yazzie reported that the judicial branch would feel major effects of the sequester once it is implemented.

According to Chief Justice Yazzie’s written report, the judicial branch receives federal funding from the PL 93-638 contract, which will decrease due to the sequester.

“General funds will have to be relied on for continued operational costs,” according to Chief Justice Yazzie’s report.

“The level of service the judicial department provides will decrease, while the amount of caseloads will increase, and impact many other services the branch is responsible for,” stressed Chief Justice Yazzie.

The judicial branch impact report stated, "We will continue to challenge the federal government in meeting its federal trust responsibilities. We will continue to challenge the lack of adequate funding for contract support costs."

Chief of Staff for the Navajo Nation Office of the President and Vice President Arbin Mitchell delivered a report on behalf of the executive branch.

"The sequester is going to cut deep into the [executive] budget," said Mitchell.

According to Mitchell, the sequester will impact indirect costs, fixed costs, fringe benefits, administrative building repair and equipment.

Mitchell also reported that the executive branch projects a \$13 million budget for FY2014, a \$2 million decrease from FY2013.

Near the conclusion of the discussion, Council Delegate Jonathan Nez (Shonto, Navajo Mountain, Oljato, Ts'ah Bii Kin) said, "The Council is ready for something new with the budgeting process," pointing out that the process is in need of reform.

The BFC voted 4-0 to accept the report.

The BFC is scheduled to meet to further discuss the FY2014 budget on July 3 at 10 a.m. in the Budget and Finance Conference Room in Window Rock.

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