



FOR IMMEDIATE RELEASE
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Budget and Finance Committee meets with the three branch chiefs to discuss the Nation's budget projections and shortfalls

WINDOW ROCK – Members of the Budget and Finance Committee met with Speaker Johnny Naize (Low Mountain, Many Farms, Nazlini, Tachee/Blue Gap, Tselani/Cottonwood), Chief Justice Herb Yazzie, Chief of Staff for the Office of the President and Vice President Arbin Mitchell, and representatives from various departments on June 5 to discuss the Navajo Nation's 2014 budget and the shortfall due to the federal sequestration.

BFC chair Council Delegate LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse'Daa'Kaan, Upper Fruitland) called for the meeting to outline the Nation's priorities and discuss concerns with the three branch chiefs.

"What are the priorities? Is it the elderly, is it education, or is it public safety?" asked Delegate Bates. "At the end of the day, the Nation is going to have to make some tough choices."

Speaker Naize stated that the three branch chiefs had previously met three times this year, most recently on May 20, to discuss the budget issues and that the meeting with the BFC brings them a step closer to resolving the issues.

Delegate Bates warned of the lingering effects of the sequestration, and inquired as to whether the Nation should look into using funds from the Permanent Trust Fund, currently valued at over \$1 billion.

"The sequester is not a one-time occurrence. It has started and it will continue," cautioned Delegate Bates.

According to a report from Robert Willie, general accounting supervisor at the Office of the Controller, revenue for the Nation is projected to be approximately \$171 million in FY 2014, \$165 million in FY 2015, and \$125 million in FY 2016.

Although revenue projections are expected to decrease in the next few years, Delegate Bates said other factors will impact the projections including the ongoing Navajo Generating Station lease negotiations, the BHP Navajo Mine purchase, and the Unreserved, Undesignated Fund Balance.

Approximately \$14 million is estimated to be remaining in the UUFB account, according to Delegate Bates.

Controller Mark Grant and Dominic Beyal, executive director of the Office of Management and Budget, were also in attendance to provide updates and answer questions about the Nation's finances.

BFC vice chair Council Delegate Jonathan Nez (Shonto, Navajo Mountain, Oljato, Ts'ah Bii Kin) expressed skepticism over the proposed addition of a second volume of the Budget Instructions and Policies Manual for FY 2014.

Beyal explained that a second volume, which will focus only on external funds, may be necessary due to increased policies over the years regarding external funding.

Delegate Nez said the addition of a second volume would likely lead to increased confusion, especially among agencies and chapters, and reminded everyone that the original intent of the manual was to make it simple to navigate and comprehend its guidelines.

At the conclusion discussion, BFC chair Delegate Bates encouraged the three branch chiefs to continue meeting with the BFC throughout the budget process to address further questions or concerns.

"We will notify all parties of any changes that may further impact the budget and process, and we will continue to work through this together," Delegate Bates said.

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