



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Navajo Nation Branch Chiefs present proposed FY2017 budget

WINDOW ROCK – The Budget and Finance Committee received a report from the Navajo Nation’s Branch Chiefs on Tuesday, regarding the proposed FY2017 General Fund budget that includes the General Fund Revenue projections and Permanent Trust Fund interest income.

Speaker LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse’Daa’Kaan, Upper Fruitland), President Russell Begaye, Vice President Jonathan Nez, and Acting Chief Justice Allen Sloan presented the budget recommendation to BFC members. The Branch Chiefs submitted a signed Branch Chiefs Agreement that outlined the proposed FY2017 budget totaling approximately \$173.5 million.

The agreement states that the FY2017 General Fund Revenue Projection is \$153.4 million and the Permanent Trust Fund interest income is \$22.9 million, resulting in a total of nearly \$176.4 million. The difference between the proposed budget total and the revenue/interest contribution is approximately \$2.9 million, which will be placed in a contingency fund account for FY2018.

Speaker Bates said with the passage of the Permanent Trust Fund Income Five-Year Expenditure Plan in April, it allowed the Nation’s FY2017 budget to be supplemented with the interest income to ensure the prevention of a budget deficit for the fiscal year.

“I want to extend my appreciation to the efforts of the BFC and my colleagues who proposed the initiative to successfully put together the five-year plan. We are still looking at a shortfall of roughly \$20 million in FY2018. However, by virtue of the legislation sponsored by Council Delegate Seth Damon, the \$2.9 million may provide for anticipated shortfalls in FY2018,” said Speaker Bates.

The Permanent Trust Fund Income Five-Year Expenditure Plan will fund economic development projects and create over 445 new jobs within a span of five years. Any excess funding for each year will be deposited into the Navajo Nation General Fund to aid with the projected budget shortfalls over the five-year period.

Speaker Bates said that although the five-year plan aided the Nation’s budget, he reminded colleagues that the coal, oil, and gas industry would continue to have a significant impact on

revenues, adding that the Navajo Nation will need to look into other avenues of generating revenue.

BFC chair Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí, Rock Springs, Tsayatoh) said fixed costs and cash-matching grants will be funded at the beginning of FY2017.

“If you look at the fixed costs, it includes all the matching dollars from this fiscal year and we won’t have to come back for supplemental funding. If it weren’t for the BFC and [Office of the President and Vice President], the \$22.9 million wouldn’t be here. If the five-year plan did not pass, we could have had a loss of up to 300 jobs as well,” said Delegate Damon.

He added that although the Navajo Nation could have faced an overall budget shortfall, careful planning during FY2016 allowed the BFC to ensure jobs were preserved and funding from the PTF interest income would begin to serve its original purpose – to alleviate any financial hardship the Nation may experience to continue serving the Navajo people.

BFC members voted 4-0 to accept the report.

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