



Navajo Nation Fiscal Year 2021 Comprehensive Budget enacted, President Nez line item vetoes senior center, child advocacy funding

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WINDOW ROCK, Ariz. — The Navajo Nation Fiscal Year 2021 Comprehensive Budget approved by the 24th Navajo Nation Council through Resolution No. CN-88-20 was signed into law Thursday by President Jonathan Nez for the period beginning December 10 and ending Sept. 30, 2021. The president line item vetoed funding for Elections, Budget and Finance Committee administration, the Navajo Child Advocacy Center and other Navajo Nation programs in response to veto overrides by the Navajo Nation Council.

“This year, the comprehensive budget approved by the Navajo Nation Council for the Navajo Nation was comprised of more than \$1.25 billion, which included \$1.18 billion for the Executive Branch, \$21 million for the Judicial Branch and \$16.8 million for the Legislative Branch. The pandemic has kept the Council busy with an additional \$714 million in CARES Act appropriations that aren’t included in the comprehensive budget. We thank the many Navajo Nation division directors and program staff who have helped bring this budget together, despite the ongoing closure of the government,” said Speaker Seth Damon.

As part of the comprehensive budget, the Council approved fixed costs appropriations of \$23,185,052 and a Capital Improvement Fund appropriation of \$3 million, which includes the capital outlay match funds. Chapter non-administrative costs, which do not include chapter official stipends, were appropriated in the amount of \$11,998,969 and \$3.8 million was appropriated for external funds cash matches.

The Council also approved a general wage adjustment of 3 percent from the Personnel Lapse Fund savings for a total amount of \$3,846,992. An additional \$3,168,460 was approved by the Council to be set aside for the Veterans Housing Program within the Veterans Financial Assistance Program. FY22 budget process funding was also set aside from the FY20 Unreserved, Undesignated Fund Balance in the amount of \$20 million to offset projected revenue reductions for the coming fiscal year.

The Council approved the following appropriations to various Navajo Nation trust funds based on the nation’s revenue projections produced by the Office of the Controller:

1. \$19,011,000 to the Navajo Permanent Trust Fund;
2. \$6,337,000 to the Navajo Veterans Trust Fund;
3. \$3,168,000 to the Navajo Nation Land Acquisition Trust Fund;
4. \$2 million to the Capital Outlay Match Funding Special Revenue Fund;
5. \$2 million to the Water Rights Claim Fund; and
6. \$12,400,000 to the Diné Higher Education Grant Fund.

Savings in the Personnel Lapse Fund that was reallocated for unmet needs in each of the three branches was line item vetoed by President Nez for a total \$9,236,549 in now-unallocated funding. Those appropriations were reviewed and accepted through the budget process in place by Navajo law.

“The Budget and Finance Committee worked diligently and collaboratively with the Office of Management and Budget to meet the insurmountable unmet needs of the Navajo Nation Programs, such as the Navajo District Courts, Prosecutors Office, DALTCS Senior Citizens programs, Auditor General, Navajo Nation Chapter Governments, Navajo Tax Commission—to name a few. With the Personnel Lapse Savings at the end of the year, the Budget and Finance Committee allocated funding to assist

these programs to provide more effective services to the Navajo People. President Nez vetoing these allocations will limit the services provided to the Navajo People and the programs are now back to square one,” stated Budget and Finance Committee Chairman Jamie Henio.

The president line item vetoed funding needs for all five agencies’ Department of Aging and Long Term Care Services (DALTCS) senior center programs, eleven Navajo Nation judicial districts and the Supreme Court, the Office of the Prosecutor, the Navajo Occupational Safety and Health Administration, Department of Agriculture feral horse program needs and other unmet needs. Additionally, the president line item vetoed full funding for chapter official stipends for all 110 Navajo Nation chapters.

Of particular concern, the president eliminated all funding for the Navajo Child Advocacy Center after Council heard from law enforcement, health care providers, social workers and other programs on the resources needed to begin immediate coordination for a comprehensive response to child victims of domestic and sexual abuse on the Navajo Nation.

President Nez also targeted Legislative Branch programs with line item vetoes totaling 9.2 percent of the branch’s budget. Those line item vetoes include operating budgets for the Navajo Nation Council, the Budget and Finance Committee, the Office of the Speaker and the Office of Legislative Counsel.

The president also line item vetoed funding for the Navajo Election Administration, despite not striking over the budget line item in the actual budget form. Funding for the Budget and Finance Committee was cut despite the president’s letter directing the line item veto towards Business Unit 101013, the former Intergovernmental Relations Committee. The oversights are noted for the record.

President Nez line item vetoed all Conditions of Appropriations that were approved by the Council that were intended to impose consequences for continued underperformance of Executive Branch programs. The consequences of unmet performance measures would be met with withholding of travel budgets, manager and staff bonuses and related budgetary line items.

“Going forward, the Council will continue to anticipate a new pandemic response package from Congress, in addition to providing necessary funding to support the proper programmatic administration of these funds. We continue to invite the Navajo Nation President to approach the Navajo Nation Council with actionable compromises on appropriations, which is an important part of the negotiation process we expect from the Office of the President and Vice President,” said Speaker Damon.

The Navajo Nation Fiscal Year 2021 Comprehensive Budget legislation was introduced September 11 and was unanimously approved by the 24th Navajo Nation Council on November 6 with 22 votes in favor.

Navajo Nation Controller Pearline Kirk also reported Thursday the Navajo Nation’s FY2020 budget audit was underway in anticipation of the FY22 budget process. The Budget and Finance Committee will begin considering FY22 budget process timelines and the new Budget Instructions Manual as part of the next round of comprehensive budget decisions.

The current FY21 fiscal year began Oct. 1 and ends Sept. 30, 2021. The upcoming FY22 fiscal year of the Navajo Nations begins Oct. 1, 2021 and ends Sept. 30, 2022.

All legislation of the Navajo Nation Council can be accessed through the Navajo Nation Council’s website and the Diné Bibeeshaz’áanii Binaaltsoos legislative tracking system: <http://dibb.nnols.org/>. Archived videos of livestreamed discussions of the Navajo Nation Council and standing committees regarding the FY21 comprehensive budget may be accessed through the Council’s Vimeo, Facebook and Youtube pages.

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