Navajo President Shelly Supports One Percent Tax to Create $4 million in Scholarships

THOREAU, N.M. – Navajo Nation President Ben Shelly expressed his support for new legislation that would create nearly $4 million in new funding for Navajo scholarships.

Council Delegate Dwight Witherspoon is sponsoring the “Navajo Nation Sales Tax Distribution Reform Act of 2012,” which would raise the Navajo sales tax by one percent and generate as much as $4 million for Navajo scholarships.

“I support this legislation. It’s a step toward self sufficiency and more importantly, it’s an investment in our children who want to go to school. We are investing in their future,” said President Shelly after the Eastern Navajo Agency Council Meeting on Saturday.

President Shelly said the Navajo Nation must start looking at generating it’s own revenue because federal funding has been shrinking the past few years.

The one percent tax increase would put the Navajo sales tax at 5 percent, which would still be the lowest sales tax in the region.

Sales taxes in neighboring border towns are as high as 10 percent.

“We would still have the lowest tax rates,” said Martin Ashley, director of the Navajo tax commission, during the power point presentation to the council.

The legislation would use half of the one percent increase for scholarships, while the other half percent would go to economic and energy development.

According to the presentation, the Navajo Nation’s general fund contributed $3.1 million to scholarships in 2010, while federal funding accounted for $12.1 million.

Overall, about $18.1 million was paid in scholarships.
“With the rising costs in tuition, we are doing what we can to help create the best opportunities for our children,” President Shelly said after meeting.

However, during the meeting, some people disagreed and said the tax increase would take already scarce money from people.

Also, critics said the Navajo Nation should seek more funding from the federal government.

**Eastern Agency Council Meeting**

Using all of his allotted 15 minutes at the Eastern Navajo Agency Council meeting, President Shelly urged leaders to find new methods of finding funding because of changing times.

President Shelly said leaders often take office with conventional ideas of attaining funding for roads, electricity and other infrastructural projects, which is usually asking for more funding from the state and federal government.

“It takes a lot of money to do that, money they don’t have,” the President said. “Erase that picture and think about how we approach it. This administration is doing that.”

President Shelly said he is being proactive by asking division directors to compose budgets that have pending federal cuts incorporated, which would ensure that service levels remain intact through budget cuts.

The President also updated the agency council about the 2012 Navajo Nation Energy Policy, which would replace the 1980 energy policy.

President Shelly said the new policy addresses newer energy technologies like wind and solar sources.

“The old policy is really outdated,” the President said.

Also the policy allows for provisions that make it easier for the Navajo Nation to develop and create some energy projects.

President Shelly also announced that Navajo Head Start grant isn’t facing termination because of recent negotiations.

“Head Start has taken possible termination off the negotiation table,” he said.

Last week, federal Head Start officials met with Navajo officials about Head Start and came to terms that allows the Navajo Nation three years to revamp the Head Start program. In addition, funding levels for 2012 will remain largely in tact.
Last summer, federal Head Start threatened to reduce Navajo Head Start funding from $29 million to about $15 million or by 48 percent.

“We still have a lot of work in front of us,” President Shelly said, adding that Community Development Institute is assisting the Navajo Nation in rebuilding Navajo Head Start.

He also gave updates about Navajo EPA Superfund sites, the Navajo reorganization task force, the Navajo Gallup Water Supply Project and some other projects.

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