



The Navajo Nation
Office of the President and Vice President

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FOR IMMEDIATE RELEASE

March 4, 2019

**President Nez cites unspent chapter funds, uncertain
revenue projections, and accountability in line item veto action**

WINDOW ROCK – Citing accountability to the Navajo people, uncertainty of revenue projections, and unspent chapter funds, Navajo Nation President Jonathan Nez used the authority granted by the Navajo people in 2010 to line-item veto an appropriation request of \$3 million for Navajo chapters to use for emergency response efforts.

The appropriation was approved by the Navajo Nation Council through Resolution CF-04-19 on Feb. 26, despite reports from the Auditor General and the Division of Community Development clearly showing unspent emergency funds totaling well over \$2.4 million for the Navajo Nation's 110 chapters. Overall unspent funds by chapters may exceed well over \$70 million.

In a memorandum addressed to Speaker Seth Damon, President Nez and Vice President Myron Lizer stated that in addition to unspent chapter funds, the Nation is faced with the real possibility of a major revenue decrease due to the uncertainty of the continuation of some of the Nation's largest revenue sources.

"We must be responsible and remember the lessons we were taught by our elders on how to manage our resources during such uncertain times. Over the past few years the government has spent money on projects with no proper planning and reducing our funds that could be used for our future. This unthoughtful spending must stop," they stated.

The Office of the Controller has reported that the Undesignated, Unreserved Fund Balance account has only \$47,555 and with this proposed appropriation of \$3 million, the UUFB would be well into negative dollar amounts. The Navajo Nation's Appropriations Act requires that the Minimum Fund Balance shall be maintained at a level equal to the amount required to operate the government for six months based upon the operating budget for the prior fiscal year.

The memorandum states that waiving the Appropriations Act to invade the Minimum Fund Balance is not good stewardship of the People's money. This type of spending would harm the financial integrity of the Nation by jeopardizing our credit rating by overspending without knowing the true and accurate balance of the UUFB and Minimum Fund Balance.

“Our Nation’s leaders need to consider the long-term financial future by preserving the UUFB and the Minimum Fund Balance in anticipation of possible revenue shortfalls in the tens of millions of dollars. If approved, this appropriation would be comparable to an individual spending more money than what is in their bank account. As a business person for over 30 years, this is not financially responsible,” stated President Vice President Lizer.

Since the emergency declaration issued on Feb. 19, President Nez, Vice President Lizer, and emergency responders have remained proactive in monitoring the impacts of the snowfall and providing needed resources for the elderly, disabled, and those at high risk.

“We’ve been on the ground in various communities delivering resources and talking with volunteers and chapter officials to assess their needs and emergency funds and most have indicated that they are not in need of additional funding,” said President Nez.

Initial reports from the Division of Community Development indicate that emergency response expenses, at the chapter level alone, will exceed the \$250,000 threshold required for 75-percent reimbursement from FEMA. This does not include the emergency response expenses from the Department of Emergency Management, Division of Transportation, Division of Public Safety, Department of Health, and other entities.

“This means there is a strong likelihood that chapters will be reimbursed for up to 75-percent of the expenses they incurred while responding to the emergency, as long as they maintain proper documentation and receipts as we’ve been instructing them to do,” President Nez added. “The reimbursement of funds can be used by the chapters to address future emergencies if needed.”

In addition to the concerns, the legislation was initiated and treated as an emergency bill without the proper review and input of the Office of the Controller, Office of Management and Budget, Department of Justice, and without the five-day comment period that allows for input from the Navajo people and the 110 chapters.

“In the last election, there was a large changeover in leadership overall. The Navajo people want our Nation to move away from the spending patterns of the past, and be more responsible – they want a new direction rooted in financial accountability and financial prudence. For the reasons stated and for the best interest of the Navajo People’s money, I must exercise the authority granted to the President by the 2010 Initiative to exercise the line item veto on Resolution No. CF-04-19,” President Nez and Vice President Lizer concluded.

The line-item veto action is not subject to override by the Navajo Nation Council, in accordance with Navajo Nation law.

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THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



March 4, 2019

Hon. Seth Damon, Speaker
24th Navajo Nation Council
Post Office Box 3390
Window Rock, Navajo Nation (AZ) 86515

RE: Resolution No. CF-04-19

Dear Speaker Damon,

We appreciate the 24th Navajo Nation Council's time in debating the merits of CF-04-19, the proposed appropriation of Three Million Dollars from the Minimum Fund Balance to Navajo Nation Chapters for emergency purposes.

On February 19, 2019, under the prudent guidance of the Navajo Nation Department of Emergency Management, in coordination with the National Weather Service, a declaration of emergency was issued days prior to the start of heavy snowfall on the Navajo Nation. The primary purpose of the declaration was to be proactive in mobilizing efforts at the local level; that included the use of emergency funds by all Chapters. In addition, Navajo Nation employees were granted administrative leave to prepare for the anticipated winter storm; although emergency personnel and managers were on-duty throughout the stormy days. All employees were encouraged to check on family, relatives and neighbors. We are thankful no serious incidents occurred and the extra time off served its purpose.

Many Chapters took it upon themselves to provide resources to their community members, families took care of their grandparents, and our emergency personnel were available around the clock during the snow storm and the days that followed. The Chapters we visited told us they did not need the emergency assistance now but were concerned of other Chapters in the higher elevations who could use assistance. We are proud of all the volunteers who stepped up to deliver food, fire wood, and other resources and who checked on those with health issues. Working together, we can meet and overcome the adversities we face.

While the spirit and intent of the legislation is well meaning there is, at this time, no need to appropriate more of the Navajo People's money and take from the reserve account. CF-04-19 is an appreciated action but reports from the Auditor General and the Division of Community Development show unexpended emergency funds totaling well over \$2.4 million still available at Chapter levels. The Office and Management and Budget

Letter to Hon. Seth Damon
Speaker, 24th Navajo Nation Council

memorandum (attached) shows the same result. We understand that some Chapters may have exhausted their emergency funds, however in these situations, it is imperative that we as leaders insist that Chapters work together across their boundaries to assist our elderly, disabled, and other high-risk residents. As we have stated before, chapter boundaries should not be a factor when it comes to helping our people in emergency situations.

Emergency Funding

Initial reports indicate that emergency response expenses, at the Chapter level alone, will exceed the \$250,000 threshold required for reimbursement from FEMA. This does not include the emergency response expenses from the Department of Emergency Management, Division of Transportation, Division of Public Safety, Department of Health, and other entities.

Additionally, the Navajo government faces the real possibility of a major revenue decrease due to the uncertainty of the continuation of some of our largest revenue sources. We must be responsible and remember the lessons we were taught by our elders on how to manage our resources during such uncertain times. What we heard these past few days were those lessons being taught again, how to prepare for what comes in the winter months with storing food, making sure the wood pile is high, and having enough feed for the sheep, cattle, and horses. Over the past few years the government has spent money on projects with no proper planning and reducing our funds that could be used for our future. This lack of foresight has led to a bottleneck of funds for major projects at the local level. This unthoughtful spending must stop.

The Office of the Controller has reported that the Undesignated, Unreserved Fund Balance (UUFB) account has only \$47,555 and with this proposed appropriation of Three Million Dollars, the UUFB would be well into negative dollar amounts. Further, waiving the Appropriations Act to invade the Minimum Fund Balance is not good stewardship of the People's money. This type of spending would harm the financial integrity of the Nation by jeopardizing our credit rating by overspending without knowing the true and accurate balance of the UUFB and Minimum Fund Balance. Instead, our Nation's leaders need to consider the long-term financial future by preserving the UUFB and the Minimum Fund Balance in anticipation of possible revenue shortfalls in the tens of millions of dollars.

Procedural Matters

Furthermore, the emergency provision for legislation says matters constituting an emergency shall be limited to...disaster relief services...or other direct services required as an entitlement under Navajo Nation or Federal law, or which directly threatens the sovereignty of the Navajo Nation. 2 N.N.C. § 164(16). This emergency legislation section also says that "such an emergency must arise due to the pressing public need for such resolution..." The Resolution, CF-04-19, does not have the support of Chapters by their resolution calling for assistance and the Council has not met the criteria for bypassing the legislation process to go directly to the Council for emergency legislation.

Letter to Hon. Seth Damon
Speaker, 24th Navajo Nation Council

Often procedural errors happen when matters are rushed and not well thought out. In this instance the financial procedures were overlooked in a rush to meet the objective of an emergency. As you are aware, or will become aware, the financial procedures in the Budget Instruction Manual require supplemental funding request forms have the signature of the appropriate Division/Department with written concurrence from the appropriate Branch Chief/Division Director. In this case, CF-04-19 does not have the signature of the appropriate Division/Department or the signature of the appropriate Branch Chief/Division Director. We are surprised this significant matter was overlooked by those with long experience in the Navajo Nation's budget process. We must be more vigilant and be mindful of our process and procedures.

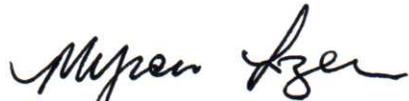
Conclusion

In the past election, there was a large changeover in leadership overall. The People want change and not the same old politics. The Navajo people want our Nation to move away from the spending patterns of the past, and be more responsible – they want a new direction rooted in financial accountability and financial prudence. As President, being a past member and previous Chair of the Budget and Finance Committee and a County official, I know well that one does not put the government in a financial crisis. The Vice-President, as a business person for the past 30 years, knows that one does not make a move until one has good surplus. As a Nation we do not have the surplus for this appropriation. I encourage a meeting with the Branches in the near future to review our emergency procedures and plan how the Nation will respond should another emergency arise.

For the reasons stated and in the best interest of preserving the future of the Navajo People's money, I must exercise the authority granted to the President by the 2010 Initiative to exercise the line item veto on Resolution No. CF-04-19. The line item veto is exhibited in CF-04-19, attached.

Sincerely
The Navajo Nation


Jonathan Nez, President


Myron Lizer, Vice-President

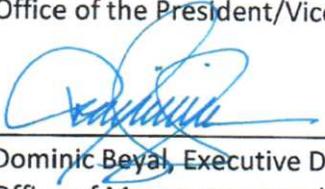
THE NAVAJO NATION



JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

MEMORANDUM

TO: President Jonathan Nez
Office of the President/Vice President

FROM: 
Dominic Beyer, Executive Director
Office of Management and Budget

DATE: March 1, 2019

SUBJECT: Navajo Nation Council Resolution CF-04-19: \$3 Million from Minimum UUFB for Navajo Nation Chapters Emergency Relief

The Office of Management and Budget reviewed the legislation according to 12 N.N.C. § 820 (M) and the following information is provided:

1. The legislation leading to resolution CF-04-19 was proposed and considered as emergency legislation to the Navajo Nation Council on February 26, 2019, the same day of the special session. It is to assist all 110 Chapters with emergency funding to address the effects of the heavy snowfall across much of the Navajo Nation. As emergency legislation it was not subject to normal 164 reviews so it was not provided to the Office of Management and Budget, Office of the Controller, and Department of Justice for their review or input. The usual 5-day comment period was not used for other reviewers to provide any input.
2. OMB believes input should have been provided by the Emergency Operations Center (EOC) of the Department of Emergency Management under the Division of Public Safety. These offices have been extensively engaged along with other offices (e.g. DCD, DOH, DNR, DSS) in assessing, mitigating, and providing services to the Navajo public in roads clearing, firewood and coal, and addressing travel or services needs for stranded elderlies and families. A good and more comprehensive plan and budget could have been developed accordingly; e.g. using the Sihasin or other funds.
3. The original legislation proposed additional funds to increase Chapter balances to either \$25,000 or \$30,000. The \$25,000 total would have been \$1,142,046 and the \$30,000 would be \$1,492,027. Because some Chapters already exceed the \$25,000 or \$30,000 they would not receive more funds. The Auditor General Office provided a report that showed Chapter balances at \$200,000 plus more than the DCD numbers but it is as of 12/31/18. So it is dated and questionable for use today.
4. As passed, resolution CF-04-19 proposes the \$3 million come from the Minimum Fund Balance of the Undesignated, Unreserved Fund Balance. Per resolution CJA-07-06, that balance should be maintained at "not less than ten percent (10%) of the Navajo Nation's General Fund Operating Budget for the prior fiscal year."



The Controller provided the following amounts:

FY 2019 Minimum Fund Balance:	\$16,518,700
Minus CF-04-19:	<u>- \$ 3,000,000</u>
New Total:	\$13,518,700

A two-thirds NN Council vote was needed to use this fund.

5. The UUFB available for budgeting amount remains at \$47,555. The Controller has not completed updating the balance. This contributed to using the Minimum UUFB funds.
6. Navajo chapter budgets are coordinated by and monitored by the DCD/ASC's (Administrative Service Centers). These offices should advise on the propriety of this proposal. By telephone survey the DCD prepared the Exhibit "B" attachment to the resolution showing a total remaining balance of Chapter emergency funds at \$2,492,294 as of February 25, 2019. The individual amounts range from a high of \$96,740 (Shiprock) to four (4) Chapters with deficits. Because this was compiled through telephone calls, the accuracy of this information is questionable. In the Navajo main government, only the Auditor General Office has inquiry access to Chapter bank balances.
7. Attached to this memorandum is a spreadsheet by OMB showing the DCD Chapter balances, the Exhibit "A" allocations, and the two added together. Note there are some discrepancies in the Exhibit "B" balances as denoted by asterisks and explained on page 4 of the document.

Contact OMB at extension 6470 if there are any questions.

Copy: Vice-President MLizer
Chief of Staff PChaco
Executive Staff Assistant JDavis



Chapter Worksheet

Per CF-04-19

BUS. UNIT	AGENCY/CHAPTERS	Exhibit B DCD Balances	Exhibit A Additional \$3M	Total: (Exh B + Exh A):
	EASTERN AGENCY (31)			
108028	Alamo Chapter	\$ 13,020.00	\$ 27,558.62	\$ 40,578.62
108029	Baca Chapter	\$ 1,731.00	\$ 28,111.92	\$ 29,842.92
108030	Becenti Chapter	\$ 40,131.94	\$ 22,489.18	\$ 62,621.12
108031	Breadspring Chapter	\$ 42,226.00	\$ 25,315.51	\$ 67,541.51
108033	Casamero Lake Chapter	\$ (2,329.00)	\$ 20,679.74	\$ 18,350.74
108034	Chichiltah Chapter	\$ 18,427.28	\$ 32,254.20	\$ 50,681.48
108035	Churchrock Chapter	\$ 1,923.81	\$ 37,443.28	\$ 39,367.09
108036	Counselor Chapter	\$ 90,058.72	\$ 20,993.77	\$ 111,052.49
108037	Crownpoint Chapter	\$ 68,298.00	\$ 27,708.16	\$ 96,006.16
108038	Huerfano Chapter	\$ 8,351.93	\$ 33,271.09	\$ 41,623.02
108039	Iyanbito Chapter	NR	\$ 23,401.38	\$ 23,401.38
108040	Lake Valley Chapter	\$ 11,535.00	\$ 18,616.08	\$ 30,151.08
108041	Littlewater Chapter	\$ 9,438.00	\$ 22,264.87	\$ 31,702.87
108042	Manuelito Chapter	\$ 479.64	\$ 23,072.39	\$ 23,552.03
108043	Mariano Lake Chapter	\$ 350.03	\$ 23,730.37	\$ 24,080.40
108044	Nageezi Chapter	\$ 6,567.14	\$ 26,930.55	\$ 33,497.69
108045	Nahodishgish Chapter	\$ 11,188.58	\$ 19,947.00	\$ 31,135.58
108046	Ojo Encino Chapter	\$ 58,599.65	\$ 20,739.56	\$ 79,339.21
108047	Pinedale Chapter	\$ 29,806.69	\$ 27,349.26	\$ 57,155.95
108048	Pueblo Pintado Chapter	\$ (10,179.00)	\$ 19,438.55	\$ 9,259.55
108049	Ramah Chapter	\$ 1,000.00	\$ 29,756.87	\$ 30,756.87
108050	Red Rock Chapter	\$ 62,110.08	\$ 33,973.93	\$ 96,084.01
108051	Rock Springs Chapter	\$ 28,693.00	\$ 30,355.04	\$ 59,048.04
108052	Smith Lake Chapter	\$ 3,000.00	\$ 21,367.63	\$ 24,367.63
108053	Standing Rock Chapter	\$ 1,460.28	\$ 22,354.60	\$ 23,814.88
108032	To'hajiilee Navajo Chapter	\$ (11,711.00)	\$ 26,093.12	\$ 14,382.12
108054	Thoreau Chapter	\$ 58,411.00	\$ 30,160.64	\$ 88,571.64
108055	Torreón Chapter	NR	\$ 26,526.79	\$ 26,526.79
108056	Tsayatoh Chapter	\$ 19,670.00	\$ 24,582.75	\$ 44,252.75
108057	Whitehorse Chapter	\$ 247.15	\$ 20,754.51	\$ 21,001.66
108058	White Rock Chapter	\$ 5,425.64	\$ 17,883.32	\$ 23,308.96
	SUBTOTAL	\$ 567,931.56	\$ 785,124.68	\$ 1,353,056.24

Chapter Worksheet

Per CF-04-19

BUS. UNIT	AGENCY/CHAPTERS	Exhibit B DCD Balances	Exhibit A Additional \$3M	Total: (Exh B + Exh A):
	FT. DEFIANCE AGENCY (27)			
108059	Cornfields Chapter	\$ 11,057.48	\$ 24,657.52	\$ 35,715.00
108060	Coyote Canyon Chapter	\$ 17,382.00	\$ 27,558.62	\$ 44,940.62
108061	Crystal Chapter	\$ 12,343.91	\$ 23,655.61	\$ 35,999.52
108062	Dilkon Chapter	\$ -	\$ 27,603.48	\$ 27,603.48
108063	Fort Defiance Chapter	\$ 14,860.11	\$ 48,748.57	\$ 63,608.68
108064	Ganado Chapter	\$ 13,564.84	\$ 29,487.69	\$ 43,052.53
108065	Houck Chapter	\$ 46,465.00	\$ 28,291.37	\$ 74,756.37
108066	Indian Wells Chapter	\$ 29,915.75	\$ 24,926.70	\$ 54,842.45
108067	Jeddito Chapter	\$ 76,837.00	\$ 23,491.11	\$ 100,328.11
108068	Kinlichee Chapter	\$ 55,657.00	\$ 30,444.76	\$ 86,101.76
108069	Klagetoh Chapter	\$ 5,188.66	\$ 24,642.57	\$ 29,831.23
108070	Low Mountain Chapter	\$ 14,117.09	\$ 23,206.98	\$ 37,324.07
108071	Greasewood Springs Chapter	\$ 17,321.00	\$ 25,435.14	\$ 42,756.14
108072	Lupton Chapter	\$ 10,034.00	\$ 22,504.15	\$ 32,538.15
108073	Mexican Springs Chapter	\$ 47,123.60	\$ 24,537.89	\$ 71,661.49
108074	Naschitti Chapter	\$ -	\$ 28,754.94	\$ 28,754.94
108085	Nahata Dziil Chapter	\$ 54,830.00	\$ 25,076.24	\$ 79,906.24
108075	Oak Springs Chapter	\$ (2,130.00)	\$ 22,115.34	\$ 19,985.34
108076	Red Lake Chapter	\$ 25,775.57	\$ 21,876.07	\$ 47,651.64
108077	Sawmill Chapter	\$ 26,416.00	\$ 25,809.00	\$ 52,225.00
108078	St. Michaels Chapter	\$ 13,027.00	\$ 42,123.91	\$ 55,150.91
108079	Steamboat Chapter	\$ 59,880.00	\$ 26,915.59	\$ 86,795.59
108080	Teesto Chapter	\$ 48,186.42	\$ 24,448.17	\$ 72,634.59
108081	Tohatchi Chapter	\$ 1,476.29	\$ 29,323.20	\$ 30,799.49
108082	Twin Lakes Chapter	\$ 15,143.87	\$ 32,239.26	\$ 47,383.13
108083	Whitecone Chapter	\$ 18,781.78	\$ 23,326.61	\$ 42,108.39
108084	Wide Ruins Chapter	\$ 20,000.00	\$ 24,104.22	\$ 44,104.22
	SUBTOTAL	\$ 642,196.89	* \$ 735,304.71	\$ 1,377,501.60

Chapter Worksheet

Per CF-04-19

BUS. UNIT	AGENCY/CHAPTERS	Exhibit B DCD Balances	Exhibit A Additional \$3M	Total: (Exh B + Exh A):
	SHIPROCK AGENCY (20)			
108086	Aneth Chapter	\$ 17,201.00	\$ 32,822.47	\$ 50,023.47
108087	Beclabito Chapter	\$ 67,251.00	\$ 21,307.81	\$ 88,558.81
108088	Burnham Chapter	\$ 2,574.00	\$ 20,515.25	\$ 23,089.25
108089	Cove Chapter	\$ 9,992.00	\$ 20,530.21	\$ 30,522.21
108090	Gadii'ahi Chapter	\$ 22,155.00	\$ 20,904.06	\$ 43,059.06
108092	Tse Daa Kaan Chapter	\$ 39,713.00	\$ 29,293.30	\$ 69,006.30
108093	Mexican Water Chapter	\$ 2,740.66	\$ 21,307.81	\$ 24,048.47
108094	Nenahnezad Chapter	\$ 9,530.00	\$ 30,310.17	\$ 39,840.17
108095	Newcomb Chapter	\$ 20,397.00	\$ 21,547.08	\$ 41,944.08
108096	Red Mesa Chapter	\$ 428.84	\$ 28,635.32	\$ 29,064.16
108097	Red Valley Chapter	\$ 47,773.62	\$ 26,601.56	\$ 74,375.18
108098	Rock Point Chapter	\$ 1.58	\$ 28,979.26	\$ 28,980.84
108100	Sanostee Chapter	\$ 28,850.42	\$ 32,777.61	\$ 61,628.03
108099	San Juan Chapter	\$ 5,662.00	\$ 21,173.23	\$ 26,835.23
108101	Sheepsprings Chapter	\$ 8,887.00	\$ 21,756.43	\$ 30,643.43
108102	Shiprock Chapter	\$ 96,709.00	\$ 75,336.96	\$ 172,045.96
108103	Sweetwater Chapter	\$ 152.00	\$ 25,091.20	\$ 25,243.20
108104	Teesnospos Chapter	\$ 5,787.00	\$ 26,960.46	\$ 32,747.46
108105	Two Grey Hills Chapter	\$ 30,003.32	\$ 24,343.49	\$ 54,346.81
108091	Upperfruitland Chapter	\$ 69,625.00	\$ 37,712.46	\$ 107,337.46
	<i>SUBTOTAL</i>	\$ 485,433.44	\$ 567,906.14	\$ 1,053,339.58

Chapter Worksheet

Per CF-04-19

BUS. UNIT	AGENCY/CHAPTERS	Exhibit B DCD Balances	Exhibit A Additional \$3M	Total: (Exh B + Exh A):
WESTERN AGENCY (18)				
108106	Birdsprings Chapter	\$ 425.00	\$ 21,786.35	\$ 22,211.35
108107	Bodaway-Gap Chapter	\$ 19,564.88	\$ 27,827.79	\$ 47,392.67
108108	Cameron Chapter	NR	\$ 24,911.74	\$ 24,911.74
108109	Chilchinbeto Chapter	\$ 10,818.70	\$ 23,999.55	\$ 34,818.25
108110	Coalmine Canyon Chapter	\$ 23,153.10	\$ 23,221.93	\$ 46,375.03
108111	Coppermine Chapter	\$ -	\$ 23,879.95	\$ 23,879.95
108112	Dennehotso Chapter	\$ 5,293.13	\$ 28,052.10	\$ 33,345.23
108113	Tse Bii Kin Chapter	\$ 18,897.00	\$ 23,117.25	\$ 42,014.25
108114	Kaibeto Chapter	\$ 3,146.34	\$ 27,678.25	\$ 30,824.59
108115	Kayenta Chapter	\$ 56,554.01	\$ 43,066.02	\$ 99,620.03
108116	LeChee Chapter	\$ 20,492.95	\$ 26,197.80	\$ 46,690.75
108117	Leupp Chapter	\$ 2,690.22	\$ 29,427.88	\$ 32,118.10
108118	Navajo Mountain Chapter	\$ 65,985.84	\$ 21,950.84	\$ 87,936.68
108119	Oljato Chapter	\$ 74,643.73	\$ 32,628.07	\$ 107,271.80
108121	Shonto Chapter	\$ 11,839.00	\$ 29,966.23	\$ 41,805.23
108122	Tolani Lake Chapter	\$ 2,566.30	\$ 20,410.57	\$ 22,976.87
108120	Tonalea Chapter	\$ 55,856.67	\$ 31,700.91	\$ 87,557.58
108123	Tuba City Chapter	\$ 32,109.94	\$ 54,655.44	\$ 86,765.38
	SUBTOTAL	\$ 403,611.81	* \$ 514,478.67	\$ 918,090.48
CHINLE AGENCY (14)				
108014	Black Mesa Chapter	\$ 17,280.64	\$ 20,320.85	\$ 37,601.49
108015	Chinle Chapter	\$ -	\$ 60,038.91	\$ 60,038.91
108016	Forest Lake Chapter	\$ 43,572.63	\$ 20,246.08	\$ 63,818.71
108017	Hardrock Chapter	\$ 84,380.40	\$ 23,221.93	\$ 107,602.33
108018	Lukachukai Chapter	\$ 30,226.13	\$ 27,618.43	\$ 57,844.56
108019	Many Farms Chapter	\$ 71,221.67	\$ 31,162.56	\$ 102,384.23
108020	Nazlini Chapter	\$ 18,797.09	\$ 25,180.92	\$ 43,978.01
108021	Pinon Chapter	\$ -	\$ 34,572.09	\$ 34,572.09
108023	Rough Rock Chapter	\$ 12,730.84	\$ 23,147.17	\$ 35,878.01
108022	Round Rock Chapter	\$ 37,543.34	\$ 24,089.27	\$ 61,632.61
108024	Tachee/Blue Gap Chapter	\$ -	\$ 24,672.49	\$ 24,672.49
108025	Tsaile/Wheatfields Chapter	\$ 26,868.96	\$ 30,026.05	\$ 56,895.01
108026	Tselani/Cottonwood Chapter	\$ 42,929.79	\$ 29,577.42	\$ 72,507.21
108027	Whippoorwill Chapter	\$ 7,569.29	\$ 23,311.66	\$ 30,880.95
	SUBTOTAL	\$ 393,120.78	\$ 397,185.83	\$ 790,306.61
	GRAND TOTAL:	\$ 2,492,294.48	** \$ 3,000,000.03	\$ 5,492,294.51

NOTE:

- * Ft. Defiance Agency off by \$11,057.48
- ** Western Agency off by \$425
- *** Grand Total for Exh B should be \$2,503,776.56

Exhibit A \$3M off by 3 cents due to rounding off

RESOLUTION OF THE
NAVAJO NATION COUNCIL
24th NAVAJO NATION COUNCIL -- First Year, 2019

AN ACTION

RELATING TO EMERGENCY RELIEF; WAIVING 12 N.N.C. §§ 820 (E), 820 (F) AND 820 (L) RELATING TO THE DESIGNATION OF RECURRING AND NON-RECURRING REVENUES AND OPERATING EXPENSES AND USE OF THE UNRESERVED, UNDESIGNATED FUND BALANCE FOR RECURRING EXPENSES; WAIVING 12 N.N.C. § 820 (J) REGARDING MAINTENANCE OF THE MINIMUM FUND BALANCE; AND, APPROVING SUPPLEMENTAL FUNDING FROM THE MINIMUM FUND BALANCE OF THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT INDICATED IN EXHIBIT A FOR THE NAVAJO NATION CHAPTER EMERGENCY RELIEF

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Navajo Nation is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).
- B. The Navajo Nation Council has the authority to approve supplemental appropriations. 12 N.N.C. § 820(L).
- C. The Navajo Nation Code provides, "[m]atters constituting an emergency shall be limited to the cessation of law enforcement services, and disaster relief services, fire protection services or other direct services required as an entitlement under Navajo Nation or federal law, or which directly threaten the sovereignty of the Navajo Nation." 2 N.N.C. § 164(A)(16).
- D. This legislation is offered as an emergency legislation Navajo Nation chapters need to provide emergency relief. Many chapters are at critically low levels of funding and are unable to provide these services at the present time.
- E. Title 12 Appropriations Act Supplemental Appropriation requirements include:

1. When the Controller identifies additional sources of revenues above and beyond the initial or current revenue projections, supplemental appropriations may be allocated by the Navajo Nation Council. 12 N.N.C. § 820(L).
2. Supplemental appropriations made from non-recurring revenues shall only be made for non-recurring operations or purposes, as set forth at § 820(F). The Controller of the Navajo Nation shall be responsible for designating recurring and non-recurring revenues. 12 N.N.C. § 820(L).
3. All requests for annual operating funds and supplemental funds shall be submitted to the Office of Management and Budget for budget impact analysis and other appropriate actions. 12 N.N.C. § 820(M).
4. The Nation shall budget all recurring operating expenses, including maintenance of capital facilities, from recurring revenues. Long-term debt shall not be used to finance recurring operating expenses. 12 N.N.C. §820(E).
5. The Navajo Nation Code provides, "[t]he Nation shall restrict non-recurring revenues to budget non-recurring expenditures. In addition, non-recurring revenues will be budgeted only after an examination by the Controller to determine whether or not the revenues are subsidizing an imbalance between recurring revenues and expenditures, and expenditures may be authorized only if a long-term (three-five year) forecast shows that the operating deficit will not continue. Otherwise, non-recurring revenues will be added to the Unreserved, Undesignated Fund balance. This provision may be amended or waived by a two-third vote of the full Council." 12 N.N.C. § 820(F).
6. Pursuant to 12 N.N.C. § 820 (J), "[f]or the General Fund, the Minimum Fund balance for Unreserved, Undesignated Fund balance shall be maintained at not less than ten percent (10%) of the Navajo Nation's General Fund Operating Budget for the prior fiscal year, excluding expenditures for Capital Improvement projects as determined by the Controller. The Minimum Fund balance may be amended only

by two-thirds (2/3) vote of the full membership of the Navajo Nation Council."

SECTION TWO. FINDINGS

- A. Emergency relief funding is need by chapters to cover necessary services to Navajo chapters throughout the Navajo Nation during the winter season.
- B. The budget forms supporting this need are attached as **Exhibit A**.
- C. The emergency fund balances for each chapter listed by agency as of February 25, 2019 have been provided by the Division of Community Development and are attached as **Exhibit B**.
- D. The Navajo Nation maintains a minimum fund balance in accordance with the provisions of 12 NNC § 820(J). While section 820(J) does not set forth guidelines for which it is appropriate to use such funds, an emergency situation is a reasonable use to expend funds in an established reserve.
- E. Due to the emergency nature of this legislation the Office of Management and Budget has yet to provide the statutorily required reviews. The Office of Management and Budget can provide its review when the matter is heard before the Navajo Nation Council.
- F. The Office of the Controller must provide an updated balance for the UUFB and indicate whether the costs are recurring or non-recurring. The Controller can provide this information when the matter is heard before the Navajo Nation Council.

~~SECTION THREE. WAIVING 12 N.N.C. §§ 820 (E), 820 (F) AND 820 (L) REGARDING THE DESIGNATION OF RECURRING AND NON-RECURRING REVENUES AND OPERATING EXPENSES APPROPRIATION OF THE UUFB FOR RECURRING EXPENSES~~ JNEZ

~~The Navajo Nation Council hereby waives 12 N.N.C. §§ 820 (E), 820 (F) and 820 (L) with regard to the designation of recurring and non-recurring revenues and operating expenses and use of the UUFB~~

~~for recurring expenses for the Navajo Nation Chapters for emergency relief.~~

~~SECTION FOUR. WAIVING 12 N.N.C. § 820 (J) REGARDING MAINTENANCE OF THE MINIMUM FUND BALANCE IN THE UUFB~~ JNEZ

~~The Navajo Nation Council hereby waives 12 N.N.C. § 820 (J) with regard to the maintenance of the Minimum Fund Balance in the Unreserved, Undesignated Fund Balance for the Nation Chapters for emergency relief.~~

SECTION FIVE. RESTRICTION ON ADDITIONAL SUPPLEMENTAL FUNDING

No funds shall be expended from the UUFB until the Minimum Fund balance has been restored to the statutory levels as required in 12 N.N.C. 820(J) and as verified by the Controller to the Navajo Nation Council.

~~SECTION SIX. APPROVING SUPPLEMENTAL FUNDING FROM THE MINIMUM FUND BALANCE OF UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT LISTED IN EXHIBIT A FOR THE NAVAJO NATION CHAPTERS FOR EMERGENCY RELIEF DURING THIS WINTER SEASON~~ JNEZ

~~This supplemental appropriation for emergency relief as shown in Exhibit A shall be from the Minimum Fund Balance of the Unreserved, Undesignated Fund Balance.~~

~~SECTION SEVEN. DIRECTING THE NAVAJO NATION OFFICE OF THE CONTROLLER AND THE OFFICE OF MANAGEMENT AND BUDGET~~ JNEZ

~~Notwithstanding any provision in the Budget Instruction Manual pertaining to the distribution of funds to the chapters, the Office of the Controller and the Office of Management and Budget shall comply with this legislation and make funds available to the chapters within seven (7) calendar days after this resolution is approved pursuant to 2 N.N.C. § 221(B).~~

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the 24th Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 18 in Favor, and 02 Opposed, on this 26th day of February 2019.



Honorable Seth Damon, Speaker
24th Navajo Nation Council

2/27/19
DATE

Motion: Honorable Raymond Smith, Jr.

Second: Honorable Eugene Tso

Speaker Seth Damon not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

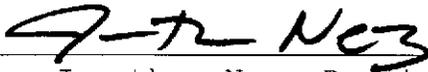
1. I, hereby, sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(10), on this _____ day of _____, 2019.

Jonathan Nez, President
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this _____ day of _____, 2019 for the reason(s) expressed in the attached letter to the Speaker.

Jonathan Nez, President
Navajo Nation

3. I, hereby, exercise line item veto authority pursuant to, the 2010 Certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this 04 day of MARCH, 2019.



Jonathan Nez, President
Navajo Nation