

THE NAVAJO NATION



JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

December 10, 2020

Hon. Seth Damon
Office of the Speaker
Post Office Box 3390
Window Rock, AZ 86515

RE: CN-88-20, *An Action Relating To Budget And Finance Committee, Naabik'iyáti' Committee, And Navajo Nation Council; Approving The Navajo Nation Fiscal Year 2021 Comprehensive Budget; Waiving 12 N.N.C. §§ 820(I) And 860, 12 N.N.C. §§ 2001 Et Seq. And 12 N.N.C. § 840(B), And CF-07-11*

Dear Speaker Damon,

Our thanks to the 24th Navajo Nation Council, the legislative staff, and financial advisors for completing the Fiscal Year 2021 Comprehensive Budget. We know what a tremendous undertaking this was and made even more cumbersome with other pressing issues calling for your attention.

With major undertakings, our grandparents taught us the foundational principles of Nitsáhákees, Nahat'á, Iiná, and Sí Hasin and using these principles as a guide the Nation can provide for our citizens. Adding to our foundational principles, we have our Navajo laws to guide us in the fiscal process. We must balance our decisions using our foundational principles and our laws because this is the harmonious approach we must take to ensure we do not overwhelm one with the other. We know every one of our financial decisions has impact well beyond a program or department. True leadership looks at every aspect of the decision; what is the impact today and how will it affect tomorrow. Our overall financial responsibility for the Navajo Nation is over one billion dollars and that responsibility is sobering. Alqají' Hózhóojí Naat'ááh implements the policies and laws. Alqají Naat'áji Naat'ááh and Alqají Naat'áji Ndaanit'áii enact policies and laws to address immediate and future needs. Working together our Branches of government can build the financial backbone to set in place the services for the Navajo Nation.

This year's comprehensive budget process highlighted a critical need for the Navajo Nation; the need to address issues which arose due to the a Continuing Resolution. It is not too early to evaluate the events of the past few months regarding the Continuing Resolution. The Navajo Nation has enacted a continuing resolution in rare instances. We need to refrain from continuing resolutions but be guided by this year's continuing resolution experience should this event come up again. We cannot use a continuing resolution to avoid our responsibilities for good budgeting; it should be a tool for extraordinary circumstances. We are open to working with the Council to address this matter.

Another critical need is a formal, public procedure for conducting Committee and Council sessions. The general concern is the quality of the communication network. To ensure public participation and transparency we have to work on improving the quality of the Legislative and Judicial telecommunication service. Making a Council session or committee hearing room virtual has been difficult. Committee Chairs and Vice Chairs would certainly like to have committee members in one meeting room, as in the past, and now we must work to create that virtual space. This year's budget process was highlighted by interrupted meetings because of limited service, dropped calls by committee members or presenters, inability to immediately share documents or amendments, limited access to meetings, or meeting participation cut off due to time limits. It is an important part of government that there is participation by everyone who wishes to participate. In the FY 2021 budget process there was limited access to exhibits and amendments making it difficult to respond or debate the matter. We must plan for a transparent and fluid process to ensure our government is open to the public and to those directly impacted.

We appreciate the time and effort put into the FY 2021 Comprehensive Budget by Delegates; however, as we have cautioned before, we must be fiscally responsible with the People's money. Early in the budget process we urged the Council to complete a comprehensive budget and not issue a continuing resolution. The Council did not heed our words and now, we have to deal with the ramifications of the continuing resolution and correct the issues created. The Navajo Nation's revenue is limited and only through foresight were we able to meet our financial needs for Fiscal Year 2021. The limited budget is pronounced due to closures of major revenue generators such as NGS and Peabody mining. The position of the Branch Chiefs was to keep the budget as the previous year considering our declining revenues and the strain the COVID-19 pandemic has put on our resources. We will repeat, we must be fiscally responsible for the People's funds and plan appropriately.

Remedies for the Nation's declining revenue must be addressed. We have recommended a second Permanent Trust Fund Five Year Plan that will fund needed services for the Navajo Nation. Another instance of a solution is the negotiation on closures of coal-fired power plants. Working with the Arizona Corporation Commission the Navajo Nation can receive funds to help work through the closures of area power plants and assist the local economy. Working with the Council we can find solutions to our declining revenue.

Knowing the limits of the Nation's revenues and looking to outside resources we make the difficult decision of what the Nation can truly provide and where the Nation may find other resources to provide important services. For instance, to provide adequate funds for our court system there are options. In early October this year the Nation was notified by the Navajo Department of Justice of a court decision awarding \$15 million, plus interest, to the Nation for the federal government's underfunding a contract for the Nation's court system. These funds will help the Judicial Branch with their services and we recommend the Council immediately consider legislation to appropriate the court award for the Judicial Branch. Our charge now is to find alternative ways to work with less while keeping or increasing our level of service. This pandemic has taught us a new way to work; we only need to improve on those methods.

Exercising the authority granted by the People and in consideration of the appropriations made in CN-88-20, we line item veto the following as a full line item veto or a partial line item veto to an overall appropriation (indicated by a dotted line):

A. All appropriations in Section Two, paragraph C(2), and its details in Exhibit K.

We acknowledge that the Navajo Child Advocacy Center as a new program, is listed in this appropriation. The importance of having persons advocate for our children in need is not lost on us; we know what it means to protect our children, to make sure they have a loving home, and free to grow as children without fear. We also know our guiding principles tell us to plan appropriately for important matters such as this. Presently, there is no plan for the Child Advocacy Center on how an interdisciplinary team will work for the children, no method of how this Center will be funded in future years, and no oversight in the Executive or Legislative branch. Today, our Social Workers, Health Workers, Law Enforcement, and Prosecutors work together to protect the children. While the proposal of bringing all these services together is an excellent idea we must plan and manage these services appropriately. We pledge our support to move this idea forward.

We also recognize many of the programs have special needs, but we must work together on how to distribute our limited revenues.

B. In the Legislative Branch we line item veto the Navajo Election Administration appropriation in BU # 101021, \$442,583. The Council appropriated the funds previously in CO-81-20 and for that resolution we noted the adjustment must be made in the FY 2021 Comprehensive Budget. The election funding is a consistent issue and often the Council or President recommended solutions on funding. We will work with the Council to find a solution to this matter.

In this time of rising cases of COVID-19 we must limit our exposure and protect ourselves, our co-workers, our families, and the public and work areas within our limits. Further, there has been too much effort to veto overrides. We need to be conservative in our spending, so we line item veto:

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| BU # 101001 | 3210 Vehicle rental | \$40,000 |
| | 3230 Personal travel | \$271,861 |
| | 3310 Air | \$30,000 |
| | 6520 Consulting | \$15,000 |
| | 6660 Attorneys | \$15,000 |
| | 6910 Other Contractual Services | \$10,000 |
| | 7510 Training & Professional Dues | \$8,000 |

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|-------------|-----------------------------------|----------|
| BU # 101013 | 3230 Personal Travel | \$33,345 |
| | 3310 Air | \$5,000 |
| | 7510 Training & Professional Dues | \$4,000 |

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|-------------|---------------------------------------|-----------|
| BU # 101015 | 3210 Vehicle rental (off reservation) | \$4,000 |
| | 3230 Personal travel | \$72,300 |
| | 3310 Air | \$26,000 |
| | 6520 Consulting | \$186,000 |
| | 6660 Attorneys | \$113,520 |
| | 6910 Other Contractual Services | \$17,927 |

- C. The Navajo Veterans Administration and the Navajo Veterans Advisory Council, including the Veterans Agency Organization and Veterans Chapter Organizations all serve the needs of our veterans but are structured in different ways.¹
- The Veterans Administration, which includes the five agency offices, is established within the Executive Branch with the Executive Director reporting to the President.
 - The Navajo Veterans Advisory Council members are selected by the Veterans Agency Organization which is made up of the Veterans Chapter Organizations.
- The restrictions on the Navajo Nation Veterans Administration appropriation is misplaced and the Navajo Veterans Advisory Council made recommendations on this matter. See attached Veterans Advisory Council resolution.
- Placing conditions on the appropriation to the Navajo Veterans Administration interferes with the budget oversight authority of the Health, Education, and Human Services Committee and Naabik'iyati' Committee as the oversight for Executive Programs. In addition, the appropriation conditions overstep into Executive authority over the Navajo Veterans Administration. The appropriation for the Navajo Veterans Administration must follow the lawful process and for this reason we line item veto the appropriation conditions in Section Four, E(1-3).
- D. Generally, as stated in the law, a condition of appropriation is a condition placed on an appropriation or expenditure which requires specific tasks by a program within a specific time. The appropriation condition may require that a failure to perform the tasks will result in restrictions of future expenditure of funds. In plain words, failure to meet the specific tasks means no funding or restrictions on funds.
- As a practical matter, conditions of appropriation are discussed with the affected program and often put in place after agreement of its purpose and time frame. The condition is also placed on the appropriation due to past action or inaction and as a measure to improve services. Conditions of appropriation are not disciplinary actions or a set up for failure. Putting such punitive conditions on appropriations should be refrained from during this pandemic.
- Conditions of Appropriation No. 1 through 4 are not within the spirit of the law or practical measures for improving services. Most of the Conditions of Appropriations also set short timeframes, the end of the 1st Quarter, which is unreasonable and a set up for failure. For these reasons we line item veto the Conditions of Appropriations No. 1 through 4.

The directives to the Division of Community Development and to the Office of the Controller, CN-88-20, Section Five and Six, respectively, are untimely. Care needs to be taken in formulating directives such as these. The Capital Improvement Plan is a large undertaking and certainly not achievable in three months. Directing the Office of the

¹ The Veterans Trust Fund is an important funding source for the Navajo Veterans. In our background work on the Veterans Trust Fund we learned of an increased payment for fund management which is not consistent with the agreed percentage of payment for management. We recommend the Budget and Finance Committee, with the Investment Committee, review all trust fund management plans to ensure Veterans and others fully benefit.

Controller to report on unexpended funds for Fiscal Year 2020 by December 1, 2020 is an oversight, to say the least. We note these directives for the record.

As a final note, the three Branch Chiefs, as leaders of Navajo Nation government branches, know the needs of their departments and should provide input when necessary. Through the adopted Three Branch Chiefs' Agreement the branch leaders outlined their position on the Fiscal Year 2021 Comprehensive Budget. In that position statement, the branch leaders said that when the Personnel Lapse Savings Fund is known they will make additional recommendations on a possible General Wage Adjustment and *other uses of the Personnel Lapse/Savings Fund*. Ignoring the Branch Chiefs in an important appropriation matter disrespects their leadership roles and leaves this decision making only for a few Delegates. For a handful of Delegates on one committee to divide the Personnel Lapse Savings Fund as to earmark for seemingly personal or favored projects is not an action respecting Navajo relationships or customs. We must work together for the benefit of all.

The pandemic hit the Navajo Nation hard and while we continue to fight this monster we, as leaders, must realize this monster will remain with us for years to come. With that in mind, we need to come together to ensure all our Navajo Nation employees have the resources they need, not only to provide important services, but to feel safe in their workplaces. We expect more resources to help with the fight of COVID-19 but we cannot count on it. So, we must plan how to discipline our spending and we look forward to working with the Council on these matters.

Sincerely,



Jonathan Nez, President
THE NAVAJO NATION



Myron Lizer, Vice President
THE NAVAJO NATION



NAVAJO NATION VETERANS ADVISORY COUNCIL

Chairperson: George H. Tolth Vice-Chairperson: Arthur Hardy, Jr.

Secretary: Cassandra Morgan

***Eastern Agency Tuba City Agency Central Agency Fort Defiance Agency
Northern Agency***

OFFICE OF PRESIDENT/VICE-PRESIDENT ADMINISTRATION

C/O Honorable Navajo Nation President Mr. Jonathan Nez

P.O Box 7440

Window Rock, Arizona 86515

Dear Honorable President Mr. Jonathan Nez,

The Navajo Nation Veterans Advisory Council (NNVAC) was formed “with the purpose and authority ... to provide policy advice to the President of the Navajo Nation regarding veteran issues and concerns.” 2 N.N.C. §1033(B). However, Resolution CN-88-20 attempts to extend that the authority far beyond this role.

CN-88-20 requires the Navajo Nation Veterans Administration (NNVA) to submit its proposed FY 2021 budget to the NNVAC and the five Agency Veterans Organizations (AVOs). “The NNVAC will consider the proposed budget, consult with the AVOs, and submit a proposed FY 2021 budget to the Health, Education, and Human Services Committee for sponsorship.” See CN-88-20, Sec. 4, E(1). This condition adds to the budgetary process, improperly extends the power to the NNVAC that is not premised on authority that has been delegated. The NNVAC has never held any authority over the NNVA and it has never been assigned budgetary review responsibilities.

Since the creation of the NNVA and the NNVAC, the Executive Director has been empowered to “recommend necessary budget proposals for professional and/or technical positions and services, as needed, to carry out the duties and responsibilities” of the NNVA. See Navajo Nation Veterans Administration Plan of Operations, V(A)(5). The NNVAC has never held a role in that process.

Again, the NNVAC's purpose is to provide policy advice to the President of the Navajo Nation related to concerns of veterans and their issues. The NNVAC has never been delegated an oversight authority for NNVA and it certainly has never been provided with budgetary review authority or responsibility over the NNVA.

The NNVAC does not agree that it is its role to direct how the NNVA general fund monies shall be budgeted. Instead, the NNVAC suggests that it would be more appropriate that it be included in a collaboration as part of the Veterans Trust Fund allocation/budget development beginning in fiscal year 2022. NNVAC believes that HEHSCJA-3-20 should be amended to include that authority as the joint responsibility of the Executive Director of the NNVA, the NNVAC and AVOs.

NNVAC wants to convey to the Navajo Nation Council its great disappointment in not listening to its concern and its rejection of its comments. The NNVAC wants the Navajo Nation Council to know that NNVAC, the NNVA, and the Office of the President and Vice President are working together to address and remedy veterans' issues.

It is the recommendation of the NNVAC that the President exercise his line item veto authority pursuant to Title two of the Navajo Nation Code and veto section 4, paragraph E(1) of Resolution CN-88-20.

Motion made by Mr. Arthur Hardy, Jr. of Fort Defiance Agency
Seconded by Ms. Candice Pioche-Zunie of Northern Agency

We hereby certify that the foregoing letter was considered by a duly called special Teleconference calls meeting of the Navajo Nation Veterans Advisory Council, which the same was approved by a vote of 6 in favor, 0 opposed, and 2 abstained on this 09th day of December 2020.

Mr. George H. Tolth, NVAC Commander

Mr. Arthur Hardy, Jr. NVAC Vice-Commander

Ms. Cassandra Morgan, NVAC Secretary

RESOLUTION OF THE
NAVAJO NATION COUNCIL
24th NAVAJO NATION COUNCIL - SECOND YEAR, 2020

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2021 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820 (I) AND 860, 12 N.N.C. §§ 2001 *ET SEQ.*, 12 N.N.C. § 840 (B), AND CF-07-11

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).
- B. The Naabik'íyáti' Committee is assigned proposed resolutions that require final action by the Navajo Nation Council. 2 N.N.C. § 164 (A) (9).
- C. The Budget and Finance Committee shall make recommendations concerning the budget and submit it to the Navajo Nation Council for deliberation and approval. 12 N.N.C. § 840 (A).

SECTION TWO. ADOPTING NAVAJO NATION FISCAL YEAR 2021 BUDGET

The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2021 Comprehensive Budget as follows:

- A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2021 revenue in the amount of \$19,011,000 to the Navajo Nation Permanent Fund; 4% of Fiscal Year 2021 revenue in the amount of \$6,337,000 to the Navajo Veterans Trust Fund; 2% of Fiscal Year 2021 revenue in the amount of \$3,168,000 to the Navajo Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2021 revenue to the Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2021 revenue to the Water Rights Claim Fund; and \$12,400,000 of Fiscal Year 2021 revenue to the Diné Higher Education Grant Fund.
- B. The Navajo Nation hereby approves the appropriation of \$1,249,628,948 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit A**, which constitutes \$166,945,206 of General Funds, \$22,500,000 Indirect Cost Credit; \$12,400,000 in Higher Education set aside funds; \$9,236,549 Personnel Savings Fund; \$87,710,279

Proprietary Fund; \$76,901,945 Fiduciary Funds; \$40,376,371 Special Revenue Internal Funds; \$3,800,000 External Cash Match Funds (General Funds); \$3,000,000 Capital Outlay Match Funds; and \$826,758,598 Special Revenue External Funds, summarized as follows:

1. Legislative Branch: \$16,893,819 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit B**, which includes \$15,335,322 General Fund Revenue; \$1,072,882 Indirect Cost Credit; \$2,000 Proprietary Funds; \$483,615 Personnel Savings Fund; \$0 Fiduciary Funds, \$0 Special Revenue Internal Funds; \$0 Special Revenue External Funds, for the Navajo Nation Council, various Standing Committees, boards, commissions, offices, programs, and activities within the Legislative Branch.
2. Judicial Branch: \$21,057,009 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit C**, which includes \$16,624,653 of General Funds; \$130,107 Indirect Cost Credit; \$0 Proprietary Funds; \$1,133,684 Personnel Lapse Fund; \$0 Fiduciary Funds; \$0 Special Revenue Internal Funds and \$3,168,565 Special Revenue External Funds, for the Navajo Nation Supreme Court, district courts, family courts, various offices, programs and activities within the Judicial Branch.
3. Executive Branch: \$1,185,493,068 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit D**, which includes \$119,170,087 of General Funds; \$13,927,103 Indirect Cost Credit; \$12,400,000 Higher Education Set Aside Funds; \$7,619,250 Personnel Savings Fund; \$87,708,279 Proprietary Funds; \$76,901,945 Fiduciary Funds; \$3,800,000 External Fund Cash Match; \$40,376,371 Special Revenue Internal Funds; and, \$823,590,033 Special Revenue External Funds; for the various divisions, departments, programs and offices within the Executive Branch.
4. Fixed Costs: \$23,185,052 which includes \$15,815,144 General Funds, \$7,369,908 Indirect Cost Credit; and \$0 Personnel Savings Fund as set forth in the attached **Exhibit E**.
5. Capital Improvement Funds which includes \$3,000,000 Capital Outlay Match, to be used at the Chapter's discretion, with the exception that these funds are not to be used for recurring expenses, as set forth in the attached **Exhibit F**.

6. Chapter Non-Administrative Costs: \$11,998,969 for non-administrative costs. This does not include chapter official's stipends, permanent personnel costs, and travel expenses of chapter officials and chapter staff.
7. External Funds Cash Match: \$3,800,000 for external funds cash match obligations for grant agreements and contracts.

The FY 2020 External Fund Cash Match, BU# 118024, unexpended fund balance shall be carried over to FY 2021 to maintain a fund balance for cash match needs during the 2021 Fiscal Year.

- C. The Navajo Nation Resolution, CF-07-11, titled, "Establishing and Designating the Personnel Accounts Savings as Restricted Carryover Funds to be Used for Administering and Maintaining the Classification and Pay Plans by the Department of Personnel Management and Further, Implementing a Moratorium on Any Future Proposed Budget Revisions and/or Re-Allocations From the General Fund Personnel Accounts Saving", established a moratorium on any future proposed Budget Revisions and/or Reallocations from the General Funds Personnel Accounts Savings and required those Savings go to an annual General Wage Adjustment, step increase and other salary adjustments to the Pay Plan; in addition, that any excess or surplus funds shall be deposited to the Unreserved, Undesignated Fund Balance (UUFB).

The Navajo Nation Controller projects the Personnel Lapse amount is \$13,083,541. The Navajo Nation adopts a General Wage Adjustment, **Exhibit G**, and waives the requirement of excess and surplus funds deposit to the UUFB and hereby approves funding from the Fiscal Year 2021 Personnel Savings Fund as follows:

1. General Wage Adjustment - 3% (**Exhibit G**) \$3,846,992
 2. ~~The Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations, attached as **Exhibit K**.~~
- D. The Navajo Nation hereby approves the carryover of excess Indirect Cost Credit, if any, from Navajo Nation Fiscal Year 2020 into Fiscal Year 2021.
 - E. The Navajo Nation approves \$3,168,460 set aside for the Veterans Housing Program in the Fiscal Year 2021 budget to be placed in the Veterans Financial Assistance Program.

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- F. The Navajo Nation hereby approves the carryover of unexpended Capital Improvement Project Funds from Fiscal Year 2020 to Fiscal Year 2021.
- G. The Navajo Nation approves \$20,000,000 of the FY 2020 Unreserved, Undesignated Fund Balance be set aside for the FY 2022 budget process due to impending projected revenue reductions.
- H. The Navajo Nation Council and its standing committees, through its oversight authorities, are responsible to the Navajo Nation to ensure that the Navajo Nation Divisions, Departments and Programs provide timely, professional, updated, appropriate services to the Navajo People. One very pragmatic, effective method to assure quality services is to prompt the Divisions, Departments and Programs through the use of Conditions of Appropriations. Condition of Appropriation means a condition placed on an appropriation or expenditure by the Navajo Nation Council at the time the appropriation or expenditure is made, which requires performance of a specific task by a program within a specific time period within the fiscal year. The condition requires the performance of specific tasks within the time period set out by the Navajo Nation Council. Failure to perform within the specified time period may result in restrictions on future expenditure of the funds until the condition is met. 12 N.N.C. § 810 (I), amended by CS-52-17.
- ~~The Navajo Nation Council has included Conditions of Appropriation in the 2021 Comprehensive Budget. The Navajo Nation Council hereby adopts the Conditions of Appropriation identified in **Exhibit H**.~~ JMN
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- I. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation Fiscal Year 2021, as set forth in the attached **Exhibit I**.
- J. The Navajo Nation hereby acknowledges that all federal, state, and local government funds addressed in the Navajo Nation Fiscal Year 2021 Comprehensive Budget are provided primarily for information purposes, as directed in the Budget Instructions Manual, and should not be deemed to limit the expenditure authority for any program, provided additional funds are accepted pursuant to 2 N.N.C. § 164 (B), 2 N.N.C. § 301(B)(15), and 2 N.N.C. § 701 (A)(10).
- K. The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico, which are considered Navajo Nation General

Funds as part of the overall revenue projection for support of the operations of the Navajo Nation Government.

- L. The Navajo Nation hereby authorizes the Office of Management and Budget to carry-over available budget amounts to cover any prior year open contracts carried into Fiscal Year 2021 by the Office of the Controller. Further, the Office of the Controller shall ensure that the budgeted funds carried over are used specifically, and only for, those open encumbrances. The Office of the Controller shall also inform the Office of Management and Budget, in writing, of any cancelled or reduced prior year open encumbrances so that the Office of Management and Budget can make the appropriate budget adjustments.
- M. The Navajo Nation hereby waives 12 N.N.C. §§ 820 (I) and 860 for the purpose of passing a comprehensive budget because the Capital Improvement Plan is not available.
- N. The Navajo Nation hereby waives 12 N.N.C. §§ 2001 et seq. in order to allow chapters to use Capital Outlay Match Funds as described in paragraph B.5, above.
- O. ~~The Navajo Nation Council hereby waives Council Resolution CF-07-11, Resolved Clause, Paragraph 3, in order to allow for the Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations, as indicated in **Exhibit K**. The Navajo Nation Council further waives the requirement in CF-07-11 that excess or surplus funds from unexpended personnel funds be deposited into the Unreserved, Undesignated Fund Balance.~~ JMN
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- P. The Navajo Nation waives the provision in 12 N.N.C. § 840 (B) that requires the Navajo Nation Council to adopt the comprehensive budget no less than twenty (20) days prior to the expiration of each fiscal year.
- Q. The Navajo Nation hereby waives 12 N.N.C. §§ 1171 and 1176 (A), to the extent those provisions require two percent (2%), or half of four percent (1/2 of 4%) from the set aside for veterans, to be used by the Navajo Nation Veterans Administration to construct homes for Navajo veterans. The purpose of this waiver is to allow for the implementation of the Navajo Nation's approval of \$3,168,460 from the set aside for the Veterans Housing Program to be included in the Veterans Financial Assistance Program.
- R. The Navajo Nation hereby waives 12 N.N.C. §§ 820 (E), (F) and (J) for the purposes of allowing UUFB funds in the amount of

\$17,057,417 to be used for recurring expenditures and government operations in FY 2021.

- S. The Navajo Nation hereby approves the Fiscal Year 2021 Budget Detail, included as **Exhibit J**.

SECTION THREE. AUTHORITY FOR EXTENSION OF NAVAJO NATION CHAPTERS VETERANS TRUST FUNDS BUDGET

- A. The Navajo Nation Council has identified a need to obtain more information before approving the proposed Navajo Nation Chapters Veterans Trust Funds, BU#s 703XXX-2 through 703XXX-6, FY 2021 budget(s).
- B. To ensure that the Navajo Nation Chapter Veterans Organizations, BU#s 703014 - 703124, have funds to continue operations and provide financial assistance during FY 2021, the Navajo Nation Council hereby exercises its budget authority to resolve and authorize that the Navajo Nation Veterans Trust Fund Chapter Veterans Organizations Chapters Veterans Trust Funds, BU#s 703014 - 703124, shall receive one-half (1/2) of their FY 2020 fiduciary fund allocations as of September 30, 2020 for the continued operation of the Chapter Veterans Organizations and provision of financial assistance to Navajo Veterans beginning October 1, 2020 and ending no later than March 30, 2021.
- C. The budget extension amounts identified above shall be based on 100% (one hundred percent) of the final Navajo Nation approved Fiscal Year 2020 Budget amounts for BU#s 703014 - 703124, as approved in CS-30-19 and signed by the Navajo Nation President on September 13, 2019. In order to maintain consistency between this budget extension amount and the Fiscal Year 2020 General Revenue Fund projections, supplemental appropriations made in Fiscal Year 2020 shall not be included in this budget extension for BU#s 703014 - 703124.
- D. In order for the budget extension to be entered into the Financial Management and Information System (FMIS), the Navajo Nation Veterans Administration shall submit extension budgets for BU#s 703014 - 703124 to the Office of Management and Budget at the level of funding stated in Paragraph C above by September 28, 2021.
- E. This budget extension shall be in effect until The Navajo Nation has enacted a FY 2021 Budget for the Navajo Nation Veterans Trust Fund Chapter Veterans Organizations Chapters Veterans Trust Funds, BU#s 703014 - 703124.

- F. The Navajo Nation Council hereby waives 12 N.N.C. § 840 (B) pertaining to the adoption of a comprehensive twelve-month budget in order that this budget extension be adopted and implemented. This waiver shall cease to be in effect upon adoption of the Fiscal Year 2021 Budget for BU#s 703014 - 703124.

SECTION FOUR. AUTHORITY FOR EXTENSION OF NAVAJO NATION VETERANS ADMINISTRATION BUDGET

- A. The Navajo Nation Council has identified a need to obtain more information before approving the proposed Navajo Nation Veterans Administration - Central Administration and Veterans Administration - Agency Administration FY 2021 Budget, BU# 103015 and BU#s 103XXX.
- B. To ensure that the Navajo Nation Veterans Administration - Central Administration, BU# 103015, and Veterans Administration - Agency Administration, BU#s 103016 - 103020, have funds to continue operations during FY 2021, the Navajo Nation Council hereby exercises its budget authority to resolve and authorize that the Navajo Nation Veterans Administration - Central Administration, BU# 103015, Veterans Administration - Agency Administration, BU#s 103016 - 103020, shall receive one-half (1/2) of their FY 2020 general fund, indirect cost fund, proprietary fund, special revenue, and fiduciary fund allocations, as of September 30, 2020 for the operation of the Navajo Nation Veterans Administration - Central Administration and Agency Administration beginning October 1, 2020 and ending when the FY 2021 Budget(s) for the Navajo Nation Veterans Administration - Central, BU# 103015, and Veterans Administration - Agency Administration, BU#s 103XXX, is enacted.
- C. The budget extension amounts identified above shall be based on 100% (one hundred percent) of the final Navajo Nation approved Fiscal Year 2020 Budget amounts for BU# 103015, and Veterans Administration - Agency Administration, BU#s 103016 - 103020, as approved in CS-30-19 and signed by the Navajo Nation President on September 13, 2019. In order to maintain consistency between this budget extension amount and the Fiscal Year 2020 General Revenue Fund projections, supplemental appropriations made in Fiscal Year 2020 shall not be included in this budget extension for BU# 103015 and BU#s 103016 - 103020.
- D. In order for the budget extension to be entered into the Financial Management and Information System (FMIS), the Navajo

Nation Veterans Administration shall submit extension budgets to the Office of Management and Budget at the level of funding stated in Paragraph C above by September 28, 2021.

E. ~~This budget extension shall be in effect until all of the following have taken place:~~

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1. ~~The Navajo Nation Veterans Administration (NNVA) has submitted a proposed FY 2021 budget to the Navajo Nation Veterans Advisory Council (NNVAC) and the five (5) Agency Veterans Organizations (AVOs). The NNVAC will consider the NNVA proposal, consult with the AVOs, and submit a proposed FY 2021 budget to the Health, Education, and Human Services Committee for sponsorship.~~
2. ~~The Health, Education, and Human Services Committee has submitted a proposed FY 2021 Comprehensive Budget resolution amendment to the Budget and Finance Committee, Naabik'iyáti' Committee, and Navajo Nation Council.~~
3. ~~The Navajo Nation has enacted a FY 2021 Budget(s) for the Navajo Nation Veterans Administration - Central, BU#103015, and Veterans Administration - Agency Administration, BU#s 103XXX.~~

F. The Navajo Nation Council hereby waives 12 N.N.C. §840 (B) pertaining to the adoption of a comprehensive twelve-month budget in order that this budget extension be adopted and implemented. This waiver shall cease to be in effect upon adoption of the Fiscal Year 2021 Budget for the Navajo Nation Veterans Administration BU#s 103015 - 103020.

SECTION FIVE. DIRECTIVE TO THE OFFICE OF MANAGEMENT AND BUDGET

- A. The Navajo Nation directs the Office of Management and Budget to recalculate the final monetary totals such that the figures conform to the amendments passed by the Navajo Nation Council.
- B. The Navajo Nation directs the Office of Management and Budget to make any other changes to the exhibits such that they conform to the amendments passed by the Navajo Nation Council.

SECTION SIX. DIRECTIVE TO THE DIVISION OF COMMUNITY DEVELOPMENT

The Division of Community Development is directed to develop the Navajo Nation Capital Improvement Plan in accordance with the plans submitted by branches, divisions and chapters. This plan is to be developed by the end of the first quarter of Fiscal Year 2021.

SECTION SEVEN. DIRECTIVE TO THE OFFICE OF THE CONTROLLER

The Office of the Controller is directed to provide a report of unexpended funds for Fiscal Year 2020 by program and business unit by December 1, 2020. This report shall be presented to the Navajo Nation Council for its consideration to make a supplemental appropriation to programs with unexpended fund amounts from Fiscal Year 2020. Any supplemental appropriation of unexpended fund amounts from Fiscal Year 2020 will be done as an alternative to approving program or division carryovers as part of the Fiscal Year 2021 comprehensive budget.

SECTION EIGHT. EFFECTIVE DATE

The Navajo Nation Fiscal Year 2021 Comprehensive Budget enacted herein shall be effective pursuant to 2 N.N.C. §§ 164 (A)(17) and 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 22 in Favor, and 00 Opposed, on this 6th day of November 2020.


Honorable Seth Damon, Speaker
24th Navajo Nation Council

Nov 30, 2020
DATE

Motion: Honorable Vince James

Second: Honorable Wilson C. Stewart, Jr.

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 _____, 2020.

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 _____, 2020 for the reason(s) expressed in the attached letter to the Speaker.

Jonathan Nez, President
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the budget line-item veto authority delegated to the President by vote of the Navajo People in 2009, on this 10th day of December, 2020.

Jonathan Nez, President
Navajo Nation

EXHIBIT A

The Navajo Nation Fiscal Year 2021 Budget Summary

| A | B | C | D | E | F | G | H | I | J | K | L | M |
|---------------|---------------------------|----------------------------|--------------------|---------------------------|---------------------------|-----------------------------|----------------------------|-------------------|-------------------|---------------------------------|---------------------------------|----------------------|
| Business Unit | Description | Navajo Nation General Fund | Indirect Cost Fund | Higher Education Setaside | External Funds Cash Match | Personnel Savings Fund | Capital Outlay Match Funds | Proprietary Fund | Fiduciary Fund | Special Revenue Fund - Internal | Special Revenue Fund - External | Total |
| 1 | 100xxx Executive Branch | 119,170,087 | 13,927,103 | 12,400,000 | 3,800,000 | 7,619,250 | | 87,708,279 | 76,901,945 | 40,376,371 | 823,590,033 | 1,185,493,068 |
| 2 | 101xxx Legislative Branch | 15,335,322 | 1,072,882 | | | 483,615 | | 2,000 | | | | 16,893,819 |
| 3 | 102xxx Judicial Branch | 16,624,653 | 130,107 | | | 1,133,684 | | | | | 3,168,565 | 21,057,009 |
| 4 | 118xxx Fixed Costs | 15,815,144 | 7,369,908 | | | | | | | | | 23,185,052 |
| 5 | 50xxxx Capital Projects | | | | | | 3,000,000 | | | | | 3,000,000 |
| 6 | Total: | 166,945,206 | 22,500,000 | 12,400,000 | 3,800,000 | 9,236,549 | 3,000,000 | 87,710,279 | 76,901,945 | 40,376,371 | 826,758,598 | 1,249,628,948 |

Note: 1) The External Funds listed are for informational purposes only.

2) The Personnel Savings Fund does not include \$3,846,992 for General Wage Adjustments.

3) The Executive Branch General Fund and Fiduciary Fund amounts for Veterans budgets are at 50% funding level due to 6-month continuing resolution provisions.

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The Navajo Nation
Fiscal Year 2021 Legislative Branch Budget Summary

EXHIBIT B

| A | B | C | D | E | F | G | H | I | J |
|---------------|---|----------------------------|--------------------|------------------------|------------------|----------------|---------------------------------|---------------------------------|-------------------|
| Business Unit | Program | Navajo Nation General Fund | Indirect Cost Fund | Personnel Savings Fund | Proprietary Fund | Fiduciary Fund | Special Revenue Fund - Internal | Special Revenue Fund - External | Total |
| 1 | 101001 Navajo Nation Council | 2,037,885 | 269,002 | | | | | | 2,306,887 |
| 2 | 101003 Budget and Finance Committee | 63,921 | 10,179 | | | | | | 74,100 |
| 3 | 101014 Navajo Nation Labor Commission | 276,400 | 29,773 | | | | | | 306,173 |
| 4 | 101015 Ofc of the Speaker | 2,066,442 | 228,194 | | | | | | 2,294,636 |
| 5 | 101016 Ofc of Government Development | 502,593 | 53,281 | 69,432 | | | | | 625,306 |
| 6 | 101017 Ofc of Legislative Counsel | 1,505,136 | 120,087 | 165,522 | | | | | 1,790,745 |
| 7 | 101018 Navajo Utah Commission | 293,757 | | | | | | | 293,757 |
| 8 | 101019 Ofc of Legislative Services | 1,629,553 | 178,537 | | | | | | 1,808,090 |
| 9 | 101020 Ethics and Rules Office | 541,394 | 76,511 | 890 | | | | | 618,795 |
| 10 | 101021 Ofc of Election Administration | 1,098,804 | | | | | | | 1,098,804 |
| 11 | 101022 Board of Elections Supervisors | 126,716 | | | | | | | 126,716 |
| 12 | 101023 Black Mesa Review Board | 25,512 | | | | | | | 25,512 |
| 13 | 101024 Ofc of the Auditor General | 1,295,815 | 33,014 | 200,000 | | | | | 1,528,829 |
| 14 | 101025 Navajo-Hopi Land Commission | 186,094 | | | | | | | 186,094 |
| 15 | 101026 Commission on Emergency Mgmt | 8,000 | | | | | | | 8,000 |
| 16 | 101027 Eastern Agency Land Commission | 108,018 | | | | | | | 108,018 |
| 17 | 101028 Office of Eastern Navajo Land Commis | 308,541 | | | | | | | 308,541 |
| 18 | 101029 Human Rights Commission | 632,414 | | 47,771 | | | | | 680,185 |
| 19 | 101030 Health, Educ. and Human Services Co | 48,189 | 16,138 | | | | | | 64,327 |
| 20 | 101031 Resources and Development Committ | 57,662 | 12,014 | | | | | | 69,676 |
| 21 | 101032 Law and Order Committee | 52,691 | 11,636 | | | | | | 64,327 |
| 22 | 101033 Nabik'iyatii Committee | 141,520 | 34,516 | | | | | | 176,036 |
| 23 | 101034 Legislative District Assistants | 1,885,682 | | | | | | | 1,885,682 |
| 24 | NEW Elections | 442,583 | | | | | | | 442,583 |
| 25 | 901001 Navajo Nation Code Enterprise | | | | 2,000 | | | | 2,000 |
| 26 | Total: | 15,335,322 | 1,072,882 | 483,615 | 2,000 | 0 | 0 | 0 | 16,893,819 |

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**The Navajo Nation
Fiscal Year 2021 Judicial Branch Budget Summary**

EXHIBIT C

| A | B | C | D | E | F | G | H | I | J |
|---------------|-------------------------------------|----------------------------|--------------------|-----------------------------|------------------|----------------|---------------------------------|---------------------------------|-------------------|
| Business Unit | Program | Navajo Nation General Fund | Indirect Cost Fund | Personnel Savings Fund | Proprietary Fund | Fiduciary Fund | Special Revenue Fund - Internal | Special Revenue Fund - External | Total |
| 1 102001 | Administrative Office of the Courts | 2,188,449 | 130,107 | | | | | 3,168,565 | 5,487,121 |
| 2 102002 | Chinle Judicial District | 1,134,707 | | 16,500 | | | | | 1,151,207 |
| 3 102003 | Crownpoint Judicial District | 955,169 | | 85,000 | | | | | 1,040,169 |
| 4 102004 | Window Rock Judicial District | 1,193,259 | | 100,000 | | | | | 1,293,259 |
| 5 102005 | Shiprock Judicial District | 1,130,207 | | | | | | | 1,130,207 |
| 6 102006 | Tuba City Judicial District | 1,098,543 | | 45,433 | | | | | 1,143,976 |
| 7 102007 | Ramah Judicial District | 545,116 | | 45,634 | | | | | 590,747 |
| 8 102008 | Supreme Court | 1,372,561 | | 12,880 | | | | | 1,385,441 |
| 9 102009 | Peacemaker Division | 1,276,659 | | 110,272 | | | | | 1,386,931 |
| 10 102010 | Kayenta Judicial District | 881,440 | | 45,504 | | | | | 926,944 |
| 11 102011 | Dilkon Judicial District | 783,719 | | 90,470 | | | | | 874,189 |
| 12 102012 | Utah Judicial District | 655,035 | | | | | | | 655,035 |
| 13 102013 | Tohajilee Judicial District | 673,786 | | 145,000 | | | | | 818,786 |
| 14 102014 | Alamo Judicial District | 187,814 | | 200,000 | | | | | 387,814 |
| 15 102015 | Dził Yíjín Judicial District | 465,896 | | 45,504 | | | | | 511,400 |
| 16 102017 | Pueblo Pintado Circuit Court | 214,348 | | 35,000 | | | | | 249,348 |
| 17 102018 | Probation Services | 1,827,251 | | 25,000 | | | | | 1,852,251 |
| 18 102019 | Judicial Conduct Commission | 40,694 | | 131,490 | | | | | 172,184 |
| 19 | Total: | 16,624,653 | 130,107 | 1,133,684 | 0 | 0 | 0 | 3,168,565 | 21,057,009 |

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The Navajo Nation
Fiscal Year 2021 Executive Branch Budget Summary

EXHIBIT D

| A | B | C | D | E | F | G | H | I | J | K | L |
|---------------|--|--------------|--------------------|---------------------------|-------------------------------|------------------------|------------------|----------------|---------------------------------|---------------------------------|---------------|
| Business Unit | Program | General Fund | Indirect Cost Fund | Higher Education Setaside | External Fund Cash Match Need | Personnel Savings Fund | Proprietary Fund | Fiduciary Fund | Special Revenue Fund - Internal | Special Revenue Fund - External | Total |
| 1 | 103xxx Executive Offices | 8,198,960 | 1,378,978 | | | | 15,000 | 2,428,750 | | | 12,021,688 |
| 2 | 104xxx Department of Justice | 6,546,470 | 1,893,724 | | | 541,660 | | | | 2,120,014 | 11,101,868 |
| 3 | 105xxx Office of Management and Budget | 1,431,153 | 1,017,922 | | | 68,420 | | | | | 2,517,195 |
| 4 | 106xxx Office of Navajo Tax Commission | 1,424,404 | | | | 106,588 | | | | | 1,530,992 |
| 5 | 107xxx Office of the Controller | 4,119,633 | 2,830,066 | | | 537,834 | 1,105,838 | 26,083,945 | 6,525,913 | | 41,203,229 |
| 6 | 108xxx Division of Community Development | 4,975,707 | 678,069 | | | | | | | 8,957,160 | 14,610,936 |
| 7 | 108xxx Navajo Nation Chapters | 26,952,028 | | | | 440,975 | | | 2,057,300 | | 29,450,303 |
| 8 | 109xxx Department of Dine' Education | 8,149,902 | 324,755 | 12,400,000 | 1,850,616 | | | 600,000 | 7,718,325 | 92,499,534 | 123,543,132 |
| 9 | 110xxx Division of Economic Development | 5,065,311 | 402,142 | | | | 250,000 | | 1,165,220 | | 6,882,673 |
| 10 | 111xxx Environmental Protection Agency | 1,312,945 | 106,013 | | 162,013 | 480,498 | | | 3,680,413 | 4,313,502 | 10,055,384 |
| 11 | 112xxx Division of General Services | 4,170,524 | 2,528,348 | | 859,480 | | 77,427,548 | | | 12,533,577 | 97,519,477 |
| 12 | 113xxx Department of Health | 11,128,209 | 133,166 | | 474,336 | 964,549 | | 257,100 | | 157,433,902 | 170,388,232 |
| 13 | 114xxx Division of Human Resources | 2,669,100 | 1,485,239 | | 453,555 | 89,730 | 20,000 | 47,532,150 | | 35,321,326 | 87,571,100 |
| 14 | 115xxx Division of Natural Resources | 18,458,631 | 241,536 | | | 1,713,622 | 8,664,893 | | 4,746,000 | 72,055,857 | 105,880,539 |
| 15 | 116xxx Division of Public Safety | 7,946,408 | 320,152 | | | 524,519 | 70,000 | | 7,300,000 | 106,392,089 | 122,550,168 |
| 16 | 117xxx Division of Social Services | 4,161,183 | 402,834 | | | 1,224,580 | | | | 158,719,914 | 164,508,511 |
| 17 | 120xxx Office of Gaming Regulatory | | | | | | 150,000 | | | | 150,000 |
| 18 | 121xxx Navajo Division of Transportation | 2,459,519 | 184,159 | | | 932,605 | 5,000 | | 7,183,200 | 173,243,158 | 184,007,641 |
| 19 | Total: | 119,170,087 | 13,927,103 | 12,400,000 | 3,800,000 | 7,619,250 | 87,708,279 | 76,901,945 | 40,376,371 | 823,590,033 | 1,185,493,068 |

Note: 1) The Executive Offices Veterans budget amounts in general funds and fiduciary funds are at 50% funding level due to 6-month continuing resolution provisions.

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The Navajo Nation
Fiscal Year 2021 Fixed Costs Budget Summary

EXHIBIT E

| A | B | C | D | E | F | G | H | I |
|---------------|--|----------------------------|--------------------|------------------|----------------|---------------------------------|---------------------------------|-------------------|
| Business Unit | Description | Navajo Nation General Fund | Indirect Cost Fund | Proprietary Fund | Fiduciary Fund | Special Revenue Fund - Internal | Special Revenue Fund - External | Total |
| 1 118001 | Annual Audit - OOC | 343,241 | 686,504 | | | | | 1,029,745 |
| 2 118004 | Insurance Premiums - DGS | 2,642,349 | 1,584,015 | | | | | 4,226,364 |
| 3 118005 | Utilities - DGS | 3,243,731 | 1,862,138 | | | | | 5,105,869 |
| 4 118007 | Telecommunications - DGS | 426,275 | 962,954 | | | | | 1,389,229 |
| 5 118008 | Radio Communications - DGS | 201,337 | 336,076 | | | | | 537,413 |
| 6 118010 | FMIS Debt Service - OOC | 982,744 | | | | | | 982,744 |
| 7 118013 | Hopi Partitioned Land Rental - NHLCO | 121,400 | | | | | | 121,400 |
| 8 118007 | Indirect Cost Plan - OMB | 23,107 | | | | | | 23,107 |
| 9 118018 | Retirement Plan Account - DHR | 0 | | | | | | 0 |
| 10 118019 | NN Integrated Justice Info. Sharing - JB | 375,000 | | | | | | 375,000 |
| 11 118020 | Fixed Cost Investment Fees - OOC | 150,000 | | | | | | 150,000 |
| 12 118022 | FMIS Maintenance Services - OOC | 1,278,960 | 564,848 | | | | | 1,843,808 |
| 13 118023 | Fixed Cost - Facility Maintenance | 627,000 | 1,373,373 | | | | | 2,000,373 |
| 14 118XXX | Fixed Cost - Information Technology | 400,000 | | | | | | 400,000 |
| 15 N01000 | Fixed Cost Litigation - DOJ | 5,000,000 | | | | | | 5,000,000 |
| 16 | Total: | 15,815,144 | 7,369,908 | | | | | 23,185,052 |

EXHIBIT F

**The Navajo Nation
Fiscal Year 2021 Capital Budget Summary**

| A | B | C | D | E | F | G | H | I |
|---------------|-------------------------------------|----------------------------|--------------------|------------------|----------------|---------------------------------|---------------------------------|-----------|
| Business Unit | Description | Navajo Nation General Fund | Indirect Cost Fund | Proprietary Fund | Fiduciary Fund | Special Revenue Fund - Internal | Special Revenue Fund - External | Total |
| 1 | 50XXXX Capital Outlay (NN Chapters) | | | | | 3,000,000 | | 3,000,000 |
| 2 | Total: | 0 | 0 | 0 | 0 | 3,000,000 | 0 | 3,000,000 |

THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



Memorandum:


Date: September 9, 2020

To: Honorable Jonathan Nez, President
Office of the President/Vice President


Honorable Seth Damon, Speaker
Navajo Nation Council

Honorable JoAnne Jayne, Chief Justice
Judicial Branch

Honorable Jamie Henio, Chairperson
Budget and Finance Committee

Through: Dominic Beyer, Director 
Office of Management and Budget

Reycita Toddy, Delegated Human Resource Director
Department of Personnel Management

From: 
Pearline Kirk, Controller
Office of Controller

Subject: Personnel Lapse Projection

The Office of the Controller has compiled the above referenced document (**Exhibit A**).

1. As of September 4, 2020 the projected Personnel Lapse amount is \$13,083,541.

The Assumptions in which this schedule takes into account are as follows:

- a. This schedule is based upon the assumption that the vacant positions will continue to stay vacant until 09/30/20.

NAVAJO NATION OFFICE OF THE CONTROLLER

P.O.BOX 3150 • WINDOW ROCK, AZ 86515 • PHONE: (928) 871-6398 • FAX: (928) 871-6026

THE NAVAJO NATION

Estimated Personnel Savings-Budget vs Actual- GENERAL FUND
Fiscal Year 2020
 September 4, 2020

Analysis of 24 PPE's (10/01 - 8/28/2020)

| | Gross Budget | 24 Actual Gross Payroll | Projected Year End Expenses | Projected Year End Balances |
|---------------------|----------------------|----------------------------|-----------------------------------|-----------------------------------|
| LEGISLATIVE: | | | | |
| Personnel | 9,117,393 | 7,046,080 | 7,738,093 | 1,379,300 |
| Taxes/Benefits | 4,281,765 | 2,880,548 | 3,163,454 | 1,118,311 |
| Sub-total | 13,399,157 | 9,926,628 | 10,901,547 | 2,497,611 |
| JUDICIAL: | | | | |
| Personnel | 9,400,039 | 7,561,466 | 8,304,097 | 1,095,942 |
| Taxes/Benefits | 4,824,569 | 3,287,771 | 3,610,672 | 1,213,897 |
| Sub-total | 14,224,608 | 10,849,237 | 11,914,768 | 2,309,839 |
| EXECUTIVE | | | | |
| Personnel | 57,692,957 | 45,202,998 | 49,642,497 | 8,050,460 |
| Taxes/Benefits | 28,117,382 | 19,319,821 | 21,217,269 | 6,900,113 |
| Sub-total | 85,810,339 | 64,522,819 | 70,859,766 | 14,950,573 |
| GRAND TOTAL | \$113,434,104 | \$85,298,684 | \$93,676,081 | \$19,758,024 |

| | |
|------------------------|-----------------|
| DOY - Temporary | \$842,158 (1) |
| OT/Holiday/Bonus/Merit | \$4,657,168 (2) |
| Headstart | \$775,156 |
| Contingencies | \$400,000 |

Estimated Personnel Lapse **\$13,083,541**

(1) Includes 9.95% fringe benefits

(2) Includes 43.85% fringe benefits

NOTE: If there is a vacant position that gets filled personnel lapse amount will decrease.

SUBJECT TO CHANGE. THIS IS JUST AN ESTIMATE.

**FY 2021
CONDITION OF APPROPRIATIONS**

Condition of Appropriation means a condition placed on an appropriation or expenditure by the Navajo Nation Council at the time the appropriation or expenditure is made, which requires performance of a specific task by a program within a specific time period within the fiscal year. The condition may require that failure to perform the specific tasks within the time period set out by the Navajo Nation Council will result in restrictions on future expenditure of the funds until the condition is met. 12 N.N.C. §810(I), Amended by CS-52-17.

RESULT for noncompliance with the following Conditions of Appropriations (COA):

1. Based on the quarterly COA Status Report, the Office of Management & Budget (OMB) will immediately report a program's non-compliance to the respective Division Director, appropriate Branch Chief, appropriate oversight Committee and the Budget and Finance Committee;
2. The OMB will notify the Budget and Finance Committee of any non-compliance. After consultation with the program director, the Office of the Controller, the OMB, and on recommendation of the appropriate oversight Committee, the Budget and Finance Committee may, by resolution, vote to:
 - (1) implement a freeze on the program's expenditure of travel funds, or withhold up to 10 percent of the program director's gross salary,
 - (2) extend the time period for the program to fulfill the condition, or
 - (3) vacate the condition if it is infeasible for the program to fulfill.
3. The Controller shall immediately freeze the program's travel funds or, withhold 10% of the gross salary of the program director of the responsible program after 10 working days of the Budget and Finance Committee's action provided that there has been no filing with the Office of Hearings and Appeals.
4. Prior to the approval of a COA in the comprehensive budget resolution, per 12 N.N.C. § 820 (R)(4), the Navajo Nation Council shall consult with the director of the program required to fulfill the condition, as well as the Office of the Controller, and the Office of Management and Budget. The consultation shall include a discussion of the feasibility of

the program fulfilling the condition within the time frame proposed by Council, and any possible alternatives to the proposed condition.

Condition of Appropriation 1

~~The Veterans Administration Executive Director, BU #103015, shall submit a plan as to how Chapter Veterans Organizations can maintain involvement in the distribution of funds to HEHSC by the end of the 1st quarter of FY 2021.~~

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If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze the Responsible Entity's travel funds. If this Condition of Appropriation is not complied with by the end of the fiscal year the withholding will be forfeited.

Responsible Entity: Veterans Administration Executive Director

Condition of Appropriation 2

~~The Veterans Administration Executive Director, BU #103015, shall submit an updated Veterans count for each agency and chapter by the end of the 1st quarter of FY 2021.~~

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If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze the Responsible Entity's travel funds. If this Condition of Appropriation is not complied with by the end of the fiscal year the withholding will be forfeited.

Responsible Entity: Veterans Administration Executive Director

Condition of Appropriation 3

~~The Division of Public Safety Executive Director, BU # 116018, shall establish Missing Persons Unit in the Division of Public Safety by the end of the first quarter.~~

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If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze the Responsible Entity's travel funds. If this Condition of Appropriation is not complied with by the end of the fiscal year the withholding will be forfeited.

Responsible Entity: Division of Public Safety Executive Director

Condition of Appropriation 4

~~The Navajo Election Administration, BU# 101021, through its Director or acting Director, in coordination with the Navajo Board of Election Supervisors, by the end of the 2nd quarter, shall:~~

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~~Define the terms "independent" and "independent entity" as the terms are used in the Navajo Nation Code at 2 N.N.C. § 871(A) and 11 N.N.C. § 321(A)(14), with intent and purposes of~~

~~ensuring complete autonomy and self-sustainability of the Navajo Election Administration and the Navajo Board of Election Supervisors in carrying out its powers and duties as specified under Title 2 and Title 11 of the Navajo Nation Code.~~

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If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze the Responsible Entity's travel funds. If this Condition of Appropriation is not complied with by the end of the fiscal year the withholding will be forfeited.

Responsible Entity: Navajo Election Administration, Director

EXHIBIT I

FISCAL YEAR 2021 LEGISLATIVE CONCERNS

Legislative Concern means a comment, directive or recommendation made by the Navajo Nation Council, by virtue of its legislative oversight authority and pursuant to its authority as the governing body of the Navajo Nation, raising an issue of concern with respect to the internal functioning of the three Branches. Such concerns are advisory in nature, and do not create legal conditions precedent to the expenditure of appropriated funds. In order for a particular legislative concern to be appended to a budget resolution, it must be voted upon and adopted by a majority of the Navajo Nation Council. Legislative concerns which are not voted upon, will not be appended to the budget resolution, but will be referred to the appropriate Branch Chief in memorandum form by the Speaker of the Navajo Nation Council. 12 N.N.C. § 810(M).

LEGISLATIVE CONCERN NO. 1

Division of Community Development
Administrative Service Centers

The Administrative Service Centers are to provide technical assistance to the chapter staff. The Department Manager and Division Director shall prepare a plan and provide a report, in writing and orally, to both the Resources and Development Committee and the Budget and Finance Committee at the end of the first and second quarters. The Resources and Development Committee and the Budget and Finance committee may choose to have a joint work session on this matter at the committees' discretion.

LEGISLATIVE CONCERN NO. 2

Office of the Auditor General

The Auditor General shall prepare a plan on how to expand the number of audits to include more chapters and programs into its annual work plan. In the plan, the Office of the Auditor General shall emphasize chapters and programs that have not been audited in more than three (3) years. The Office of Auditor General shall provide its plan, in writing and orally, to the Budget and Finance Committee by the end of the first quarter of FY 2021.

LEGISLATIVE CONCERN NO. 3

Division of Human Resources
Department of Personnel Management

The Department of Personnel Management is to provide a report on the total dollar amount of vacant positions to the Budget and Finance Committee by the end of the first quarter of FY 2021.

LEGISLATIVE CONCERN NO. 4

Division of Human Resources
Department of Personnel Management

The Department of Personnel Management shall examine its Policies and Procedures for hiring regarding the classification of positions and report to the Health, Education and Human Services Committee by the end of the first quarter of FY 2021.

LEGISLATIVE CONCERN NO. 5

Division of Public Safety

The Division of Public Safety is to station an officer at the Newlands sub-office and at To'hajiilee by the end to the first quarter of FY 2021 in accordance with the 638 contract for public safety services.

LEGISLATIVE CONCERN NO. 6

Division of Public Safety

The Division of Public Safety shall fully implement the Enhanced 911 service throughout the Navajo Nation by the end of the first quarter of FY2021. The Division of Public Safety shall submit a written report to the Law and Order and Budget and Finance Committees when this has been completed.

LEGISLATIVE CONCERN NO. 7

Division of Public Safety

The Division of Public Safety shall provide a written and oral report on establishing a Missing Persons Unit within the Division of Public Safety to the Law and Order and Budget and Finance Committees by the end of the first quarter of FY 2021.

LEGISLATIVE CONCERN NO. 8

Division of Public Safety

The Division of Public Safety shall establish a Medical Examiner position in accordance with LOCD- 20-18, within the Department of Criminal Investigations by the end of the first quarter of FY 2021.

LEGISLATIVE CONCERN NO. 9

Division of Public Safety

The Division of Public Safety shall develop a plan to attract and recruit high school students within the Navajo Nation into the Police Officer training program. This plan shall be presented in writing and orally to the Law and Order Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 10

Division of Public Safety

The Division of Public Safety shall re-establish the Drug and Gang Task Force. This task force is to be re-established by the end of the first quarter.

LEGISLATIVE CONCERN NO. 11

Division of Public Safety

The Division of Public Safety shall develop a plan for all Navajo Nation Police Officers, Rangers, Forestry, and Fish and Wildlife Officers to be Navajo Nation certified in the Police Officer Standards Training program by the end of the second quarter of FY 2021. The Division

of Public Safety shall provide an update to the Law and Order Committee on its progress by the end of the first quarter of FY 2021.

LEGISLATIVE CONCERN NO. 12

Office of Legislative Counsel

The Office of Legislative Counsel shall prepare a work plan to update the Navajo Nation Code by the end of the second quarter of FY 2021. This work plan shall include a proposal for remaining current with amendments to the Navajo Nation Code.

LEGISLATIVE CONCERN NO. 13

Navajo Hopi Land Commission Office

The Navajo Hopi Land Commission Office shall coordinate with the Office of Navajo Hopi Indian Relocation to remediate the dilapidated homes and buildings in East Mills, Little Silversmith area of New Lands, Hard Rock area, and the Coalmine Mesa Chapter House. The Navajo Hopi Land Commission Office shall provide its report to the Navajo Hopi Land Commission by the end of the second quarter of FY 2021.

LEGISLATIVE CONCERN NO. 14

Navajo Hopi Land Commission Office

The Navajo Hopi Land Commission Office shall coordinate with the Office of Navajo Hopi Indian Relocation to repair Road 8031 in the Hard Rock area. The Navajo Hopi Land Commission Office shall provide its report to the Navajo Hopi Land Commission by the end of the second quarter of FY 2021.

LEGISLATIVE CONCERN 15

Office of the Speaker

The Office of the Speaker shall present a draft version of a policies and procedures for the Office of the Speaker, as well as recommended amendments to its enabling legislation, and present a report on such to NABI by the end of the second quarter of FY 2021.

LEGISLATIVE CONCERN 16

Division of Social Services

The Division of Social Services Executive Director shall develop a comprehensive plan to address the increase in domestic violence within and around the Navajo Nation. Such plan shall include, but not be limited to, preventive, as well as protective measures. The Executive Director shall present the comprehensive plan to the Health, Education and Human Services Committee by the end of the second quarter of FY 2021.

LEGISLATIVE CONCERN 17

The Division of Social Services Executive Director shall evaluate whether there are duplicate services being provided by Work Force Development and Department of Self-Reliance and report such duplicate services to the Health, Education and Human Services Committee by the end of the second quarter of FY 2021. The Executive Director shall further provide a plan to eliminate the duplicate services, if any, to the Health, Education and Human Services Committee by the end of the third quarter of FY 2021.

LEGISLATIVE CONCERN 18

The Department of Family Services shall provide training to agency staff to enhance the provision of direct services through evidence-based practices. The Department of Family Services shall report quarterly to the Health, Education and Human Services Committee on the number, as well as the content of such trainings, provided to agency staff each quarter.

LEGISLATIVE CONCERN 19

The Division of General Services and Navajo Air Transportation Department shall perform a cost-benefits analysis on the existing air transportation program versus alternatives, including but not limited to, air charter services to determine the most effective way for the Nation to provide air transportation. The Division of General Services and Navajo Air Transportation Department shall report, in both written and oral formats, the findings of their analysis to the Health, Education and Human Services Committee by the end of the second quarter of FY 2021.

LEGISLATIVE CONCERN 20

Department of Dine Education

The Navajo Nation Board of Education shall provide enabling legislation a revised Plan of Operation to the Health, Education and Human Services Committee by the end of the second quarter of FY 2021.

LEGISLATIVE CONCERN 21

Office of Management and Budget

The Office of Management and Budget shall provide an update to the Budget and Finance Committee on the progress of the Budget Policies Manual by the end of the first quarter of FY2021. The Office of Management and Budget shall present this report orally and in writing.

LEGISLATIVE CONCERN 22

Department of Health

Department of Aging and Long Term Care Services

The Department Manager shall provide a report and a plan on the repairs and maintenance needs of existing facilities and capital improvement needs by the end of the third quarter of FY 2021. The program is encouraged to work with all potential funds from various resources. This report shall be present to the Health, Education and Human Services Committee, both orally and in writing.

LEGISLATIVE CONCERN 23

All Divisions and Programs

Implement handicap designated areas such as ramps, signage, and bathrooms, within their budgets across the board. All divisions and programs shall identify the need for appropriate facilities and facility modifications within their workplaces and develop a budget for such facilities for inclusion in the FY 2022 Comprehensive Budget or FY 2021 supplemental funding. In addition, all divisions and programs are to add Americans With Disabilities Act-type policies to their plans of operations. Each Division/Program shall report their efforts and budget needs to Health Education and Human Services Committee by the end of the 2nd quarter of 2021.

EXHIBIT J

BUDGET DETAIL BOOK

The Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations

| BU # | Program | Allocation | Brief Description of Need |
|--------|---|--------------------|---|
| 101016 | Office of Navajo Government Development | 69,432 | Operating Supplies, Building/Space, Consulting, Programs, Media. |
| 101017 | Office of Legislative Counsel | 165,522 | Personnel, Supplies, Attorneys, Insurance Premiums. |
| 101024 | Office of the Auditor General | 200,000 | Operating Supplies, Consulting, Contingencies/Losses. |
| 101029 | Human Rights Commission | 47,774 | Vehicle Rental, Personal Travel, Air, Operating Supplies. |
| 101020 | Ethics and Rules Office | 890 | Funding needed to cover the amount FY2021 Budget exceeded FY2020 Budget. Personnel costs for FY2021 increased due to reclassification of positions. |
| | Legislative Branch Total: | 483,615 | |
| 102002 | Chinle Judicial District | 16,500 | Supplies, Repair & Maintenance, and Special Transactions. |
| 102003 | Crownpoint Judicial District | 85,000 | Personnel, Travel, Supplies, Comm. & Utilities, Repair & Maint., and Special Transactions. |
| 102004 | Window Rock Judicial District | 100,000 | Personnel, Travel, Supplies, Comm. & Utilities, Repair & Maint., Special Transactions and Capital Outlay. |
| 102006 | Tuba City Judicial District | 45,433 | Travel, Supplies, Lease & Rental, Communication & Utilities, and Repair & Maintenance. |
| 102007 | Ramah Judicial District | 45,634 | Personnel, and Special Transactions. |
| 102008 | Supreme Court | 12,880 | Personnel, and Special Transactions. |
| 102009 | Peacemaking Program | 110,272 | Personnel, Repair & Maintenance, Special Transactions and Capital Outlay. |
| 102010 | Kayenta Judicial District | 45,504 | Personnel, and Special Transactions. |
| 102011 | Dilkon Judicial District | 90,470 | Personnel, Supplies, Repair & Maintenance, and Special Transactions. |
| 102013 | To'hajilee Judicial District | 145,000 | Personnel, Supplies, Repair & Maintenance, and Special Transactions. |
| 102014 | Alamo Judicial District | 200,000 | Personnel, Supplies, Comm. & Utilities, Repair & Maintenance, and Special Transactions. |
| 102015 | Dziłil Yilin Judicial District | 45,504 | Personnel, and Special Transactions. |
| 102017 | Pueblo Pintado Judicial District | 35,000 | Personnel, Travel, Supplies, Comm. & Utilities, Repair & Maint., Special Transactions. |
| 102018 | Probation Services | 25,000 | Personnel, and Special Transactions. |
| 102019 | Judicial Conduct Commission | 134,490 | Personnel, Travel, Supplies, and Special Transactions. |
| | Judicial Branch Total: | 1,133,684 | |
| 104005 | Office of the Prosecutor | 541,660 | Unmet personnel funds are requested to finalize the restructuring of the Office of the Prosecutor. Funds allocated in FY2020 were sufficient for the restructure, but full restructure not completed due to delays with DPM and subsequent COVID-19 closures. |
| | Department of Justice Total: | 541,660 | |

The Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations

| BU # | Program | Allocation | Brief Description of Need |
|-------------------|--|--------------------|---|
| 105001 | Office of Management and Budget | 68,120 | Personnel and Fringe |
| | Office of Management and Budget Total: | 68,120 | |
| 106001 | Office of the Navajo Tax Commission | 106,588 | Travel, Supplies, Building Lease and Training. |
| | Office of the Navajo Tax Commission Total: | 106,588 | |
| 107021 | Property Mgmt. Dept | 87,834 | Unmet need for Property Mgmt. |
| 107022 | OOC - Administration | 450,000 | 3 month budget salaries for OOC staff. |
| | Office of the Controller Total: | 537,834 | |
| 108014/ 108123 | NN 110 Chapters - Chapter Official's Stipend | 440,975 | To fully fund the NN 110 Chapter Official's Stipend to conduct official meetings on behalf of their community. |
| | Chapter Total: | 440,975 | |
| | Resources Conservation & Recovery Program | 9,641 | 3000 Travel Expenses (Travel Per Diem), 4000 Supplies, (Office Supplies and Operating Supplies), 7000 Special Transaction (Media, Training, Professional Dues) |
| 111011 | Leaking Underground Storage Tank - Trust (Special Revenue) | 400,000 | 6500 Contractual Services (Other Technical Services) |
| 511001 | | | 3000 Travel Expenses (Fleet Vehicle-Monthly Charges & Mileage and Personal Travel), 4000 Supplies, (Non Cap and Operating Expenses), 6000 Repairs & Maintenance (Equipment Repair), 6500 Contractual Services (Attorney Expenses), 7000 Special Transaction (Promotional Items, Media, & Training), 9000 Capital Outlay (Building Improvements and Copier Machine). |
| 511002 | Underground Storage Tank - Trust (Special Revenue) | 70,857 | |
| | Environmental Protection Agency Total: | 480,498 | |
| 113011 | Hardrock Senior Center | 60,000 | Personnel |
| 113011 | DALTCS - Chinle | 231,375 | 4 positions - \$26,568; Operating - \$204,807 |
| 113012 | DALTCS - Ft. Defiance | 177,175 | 0 positions - \$0 ; Operating - \$177,175 |
| 113013 | DALTCS - Crownpoint | 166,250 | 6 positions - \$26,497; Operating - \$139,753 |
| 113014 | DALTCS - Tuba City | 228,390 | 7 positions - \$26,869; Operating - \$201,521 |
| 113015 | DALTCS - Shiprock | 98,329 | 4 positions - \$17,718; Operating - \$80,611 |
| | Department of Health Total: | 961,519 | |
| | | | Travel Expenses - 6 mos. Fleet costs, General Operating and Non Cap Software, Wireless Cellular, Building Repair & Maintenance Services - Maintenance Agreement; Training & Professional Dues. |
| 114003 | Navajo Nation TV and Film | 17,660 | |
| | Navajo Occupational Safety & Health Administration | | One (1) New Safety Technician position, Fringe Benefits, Travel Expenses - 3 mos. Fleet Costs, Non Capital and General Operating, Special Transactions and Insurance Premiums. |
| 114007 | | 72,070 | |
| | Division of Human Resources Total: | 89,730 | |

The Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations

| BU # | Program | Allocation | Brief Description of Need |
|----------|---|----------------------|--|
| 115035 | F&W - Zoo | 629,200 | To build an energy efficient and handicap accessible men's and ladies' restroom on the south end of the Zoo Grounds. |
| 115035 | F&W - Zoo | 44,680 | To provide additional help to the Zookeepers by providing one additional year round staff. |
| NEW | Agriculture Department - Livestock Management | 396,765 | To reduce the number of feral livestock on the NN due to overgrazing, better management of animal care, and improvement of quality livestock resulting in better marketing return. |
| NEW | Agriculture Department - Livestock Management | 250,000 | Horse Roundup Pens and Equipment. |
| 115XXX-1 | Agriculture Department - Livestock Management | 287,977 | Southwest Fair Fairgrounds |
| NEW | Agriculture Department - Livestock Management | 105,000 | Fencing between District 5 and District 7. |
| | Division of Natural Resources Total: | 1,713,622 | |
| 116009 | NPD - Dilkon | 55,000 | Overtime and Holiday Pay |
| 116011 | Department of Criminal Investigations | 143,016 | Overtime |
| 116015 | NPD - Training Academy | 323,503 | Support Service Personnel, Travel, Mileage, Vehicle, Office Supplies. |
| | Division of Public Safety Total: | 521,519 | |
| NEW | Navajo Child Advocacy Center | 1,224,580 | Navajo Child Advocacy Center |
| | Division of Social Services Total: | 1,224,580 | |
| 121004 | Department of Roads | 170,634 | Solar Lights for Security purposes for the Pinon Maintenance Yard. |
| 121004 | Department of Roads | 272,000 | Eight (8) new vehicles to be traded in for Department of Roads field staff @ 34,000.00 each. |
| NEW | Department of Roads | 489,974 | Dilkon Road #5 - Streetlights and sidewalk. |
| | Navajo Division of Transportation Total: | 932,605 | |
| | Executive Branch Total: | 7,619,250 | |
| | Grand Total: | 9,236,549 | TOTAL FOR ALL BRANCHES/DIVISIONS/PROGRAMS |

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NAVAJO NATION

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Navajo Nation Council FY 2021 Budget Session

11/6/2020

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|----------------|----------------------------------|--------|
| Amd# to Amd# | Legislation 0224-20: Approving | PASSED |
| MOT James, V | the NN Fiscal Year 2021 | |
| SEC Stewart, W | Comprehensive Budget; Waiving | |
| | 12 N.N.C. SS 820(I) and 860,.... | |

Yeas : 22

Nays : 0

Excused : 0

Not Voting : 1

Yea : 22

| | | | |
|----------------|-------------|------------|------------|
| Begay, E | Daniels | Slater, C | Tso, E |
| Begay, K | Freeland, M | Smith | Walker, T |
| Begay, P | Halona, P | Stewart, W | Wauneka, E |
| Brown | Henio, J | Tso, C | Yazzie |
| Charles-Newton | James, V | Tso, D | Yellowhair |
| Crotty | Nez, R | | |

Nay : 0

Excused : 0

Not Voting : 1

Tso

Presiding Speaker: Damon