

THE NAVAJO NATION



JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

September 13, 2019

Seth Damon, Speaker
Council Delegates
24th Navajo Nation Council
PO Box 3390
Window Rock, Navajo Nation (AZ) 86515

RE: Navajo Nation Fiscal Year 2020 Comprehensive Budget, CS-30-19

Dear Speaker Damon and Council Delegates,

On behalf of the Navajo People and all Navajo Nation employees, we thank you for passing the Navajo Nation's Comprehensive Budget for Fiscal Year 2020. The prompt passage of CS-30-19 is a testament to the dedication and devotion of the Standing Committees in reviewing and preparing each Branch's budget for final review. A special thank you to Council Delegate Raymond Smith for shepherding the FY 2020 budget through the legislative process.

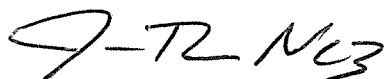
Early in the budget process we stood on the principle that we, as a government, have a fiduciary responsibility to account for public funds, to manage finances wisely, and to plan for the adequate funding of services desired by the Navajo People. In keeping with this principle, the FY 2020 comprehensive budget will provide for services to our Navajo people, including our elders, children, and veterans.

There are two matters we would like to raise after reviewing CS-30-19. First, over the past several fiscal years the Navajo Nation has waived 12 N.N.C. §§ 820(I) and 860 due to the unavailability of a Capital Improvement Plan. Previously the Navajo Nation Council passed a Capital Improvement Plan but due to some confusion that Plan was placed on hold. We propose working together with the Navajo Nation Council to develop a new Capital Improvement Plan, as detailed in the Appropriations Act, to address the needs of the Nation. The Division of Community Development will lead the development of a Plan with the assistance of the Office of the Controller and the Office of Management and Budget. Working together, with the Navajo Nation Council over the next fiscal year, we will address this important need for the Navajo Nation.

Second, concerning the directive regarding Navajo Nation Chapter's unmet, we continue to be committed to addressing the needs of our Chapters and following the spirit of the directive we will work toward a Capital Improvement Fund Plan which should address this issue. With the Navajo Nation Council's support, we can work together to address many of the Nation's needs through careful, strategic planning.

The Navajo Nation will face revenue shortfalls in the coming years but working together with the Navajo Nation Council we will find ways to address the need of providing services to the Navajo People. We continue to stand by our positions of staying within our budgets, being fiscally responsible, and reviewing our financial system while maintaining our service level to the Navajo People and those that work with the Navajo Nation government. We trust the Legislative and Judicial Branches will join us in working within our budgets and being fiscally responsible for the funds entrusted to us. Thank you.

Sincerely,



Jonathan Nez, *President*
THE NAVAJO NATION



Myron Lizer, *Vice President*
THE NAVAJO NATION

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

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2020 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820(I) AND 860, COUNCIL RESOLUTION CF-07-11, AND 12 N.N.C. §§ 2001 *et seq.*

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 2020 BUDGET

The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2020 Comprehensive Budget as follows:

- A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2020 revenue in the amount of \$23,385,000 to the Navajo Nation Permanent Fund; 4% of Fiscal Year 2020 revenue in the amount of \$7,795,000 to the Navajo Veterans Trust Fund; 2% of Fiscal Year 2020 revenue in the amount of \$3,897,000 to the Navajo Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2020 revenue to the Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2020 revenue to the Water Rights Claim Fund; and \$12,400,000 of Fiscal Year 2020 revenue to the Diné Higher Education Grant Fund.
- B. The Navajo Nation hereby approves the appropriation of \$1,253,069,202 as the Navajo Nation Fiscal Year 2020 Operating Budget, as set forth in the attached **Exhibit A**, which constitutes \$163,200,000 of General Funds, \$22,500,000 Indirect Cost Credit; \$12,400,000 in Higher Education set aside

funds; \$6,948,207 Personnel Savings Funds; \$84,505,383 Proprietary Fund; \$78,905,642 Fiduciary Funds; \$43,767,992 Special Revenue Internal Funds; \$3,800,000 External Fund Cash Match (General Funds); \$ 3,000,000 Capital Outlay Match Funds; and \$834,041,978 Special Revenue External Funds, summarized as follows:

1. Legislative Branch: \$16,836,333 as the Navajo Nation Fiscal Year 2020 Operating Budget, as set forth in the attached Exhibit B, which includes \$14,892,739 General Fund Revenue; \$1,291,833 Indirect Cost Credit; \$2,500 Proprietary Funds; \$649,261 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: \$19,857,398 as the Navajo Nation Fiscal Year 2020 Operating Budget, as set forth in the attached Exhibit C, which includes \$14,924,653 of General Funds; \$150,104 Indirect Cost Credit; \$ 0 Proprietary Funds; \$ 0 Fiduciary Funds; \$ 0 Special Revenue Internal Funds and \$4,782,641 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: \$1,190,717,730 as the Navajo Nation Fiscal Year 2020 Operating Budget, as set forth in the attached Exhibit D, which includes \$117,567,464 of General Funds; \$14,465,466 Indirect Cost Credit; \$12,400,000 Higher Education Set Aside Funds; \$6,048,946 Personnel Savings Fund; \$84,502,883 Proprietary Funds; \$78,905,642 Fiduciary Funds; \$3,800,000 External Fund Cash Match; \$43,767,992 Special Revenue Internal Funds; and, \$829,259,337 Special Revenue External Funds; for the various divisions, departments, programs and offices within the Executive Branch.
4. Fixed Costs: \$22,657,741 which includes \$15,815,144 General Funds, \$6,592,597 Indirect Cost Credit; and \$250,000 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 2019 External Fund Cash Match, BU# 118024, unexpended fund balance shall be carried over to FY 2020 to maintain a fund balance for cash match needs during the 2020 Fiscal Year.

- C. The Navajo Nation Resolution, CF-07-11, *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 \$ 9,141,903. 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 2020 Personnel Savings Fund as follows:

- | | |
|--|-------------|
| 1. General Wage Adjustment - 2% (Exhibit G) | \$2,193,696 |
| 2. Chapter Official Stipends | \$1,000,000 |
| 3. Legislative District Assistants, BU# 101034 | \$199,261 |
| a. For personnel | |
| 4. Office of the Speaker, BU# 101015 | \$450,000 |
| a. To hire an energy policy consultant | |

- b. To hire a Radiation Exposure Compensation Act Lobbyist \$250,000
- 5. Office of the Navajo Tax Commission, BU# 106001 \$85,000
 - a. Travel, Space Rental, Office Supplies
- 6. Retirement Plan Account, BU# 118018 \$250,000
- 7. Navajo Energy Office, BU# 115039 \$663,988
 - a. For Personnel
- 8. Veterans Administration, BU# 103015 \$1,153,245
 - a. For new central office building
- 9. Resource Enforcement, BU# 115027 \$500,025
- 10. Office of the Controller, Purchasing. BU# 107020
 - a. For personnel overtime \$14,819
- 11. Navajo Department of Transportation, BU# 121004 \$631,869
 - a. Dept. of Roads - For gravel pit site development
- 12. DALTCS, BU#'s 113010-15 \$1,000,000
 - a. To be distributed as follows:
 - i. Administration, \$75,000
 - ii. DALTCS Chinle, \$185,000
 - iii. DALTCS Fort Defiance, \$185,000
 - iv. DALTCS Crownpoint, \$185,000
 - v. DALTCS Shiprock, \$185,000
 - vi. DALTCS Tuba City, \$185,000
- 13. Prosecutors BU# 104005 \$100,000 for Dzilh Yijiin Court Prosecutor; \$617,069 for BU# 116011 Criminal Investigation unmet need; \$282,931 for Department of Corrections BU# 116014.

- D. The Navajo Nation hereby approves the carryover of excess Indirect Cost Credit, if any, from Navajo Nation Fiscal Year 2019 into Fiscal Year 2020.
- E. The Navajo Nation hereby approves the carryover of unexpended Capital Improvement Project Funds from Fiscal Year 2019 to Fiscal Year 2020.
- F. The Navajo Nation hereby approves any carryover of General Fund unexpended balances from Navajo Nation Fiscal Year 2019 into Fiscal Year 2020:
 - 1. \$5,000,000 for the Government Branches (Executive, Legislative, Judicial) from their respective unexpended balances, if available, as follows:
 - a. Executive: \$3,000,000

The Division of Community Development shall receive priority allocation of \$1,000,000 to cover chapter meeting stipends of the 110 Chapters of the Navajo Nation.
 - b. Legislative: \$1,500,000
 - c. Judicial: \$ 500,000
 - 2. Other unexpended operating fund balances for Divisions, Departments and Programs listed in **Exhibit H**.
- G. The Navajo Nation hereby approves that the remaining amount of non-recurring funds as determined by the Office of the Controller, that is \$10,958,583 be placed in the Permanent Fund Contingency, BU# 107032, for use during FY 2021 budgeting.
- H. The Navajo Nation approves that \$21,000,000 of the FY 2019 Undesignated, Unreserved Fund Balance be set aside for use in the FY 2021 budget process due to impending projected revenue reductions.
- I. 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 2020 Comprehensive Budget. These Conditions of Appropriations are attached as **Exhibit I**. The Navajo Nation Council hereby adopts the Conditions of Appropriation identified in **Exhibit I**.

- J. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation Fiscal Year 2020, as set forth in the attached **Exhibit J**.
- K. The Navajo Nation hereby acknowledges that all federal, state, and local government funds addressed in the Navajo Nation Fiscal Year 2020 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).
- L. 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.
- M. 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 2020 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.
- N. The Navajo Nation hereby directs the Branch Chiefs of the Executive, Legislative and Judicial Branches to prioritize the

unmet needs of their respective branches and to prepare appropriate budgets for such prioritized needs for consideration by the appropriate Standing Committee with oversight for potential supplemental appropriations in Fiscal Year 2020, in accordance with 12 N.N.C. § 820(L).

- O. 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.
- P. 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.
- Q. The Navajo Nation hereby approves the Fiscal Year 2020 Budget Detail, included as **Exhibit K**.

SECTION THREE. 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.
- 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 FOUR. DIRECTIVE REGARDING THE UNMET NEEDS OF THE NAVAJO NATION CHAPTERS

The Navajo Nation Council hereby directs that the Navajo Nation Chapter unmet needs, as identified by the oversight committee fiscal year 2020 Navajo Nation supplemental revenues including the UUFB, settlement proceeds or any other source of additional funding.

SECTION FIVE. EFFECTIVE DATE

The Navajo Nation Fiscal Year 2020 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 16 in Favor, and 04 Opposed, on this 3rd day of September 2019.



Honorable Seth Damon, Speaker
24th Navajo Nation Council

Sept 05, 2019

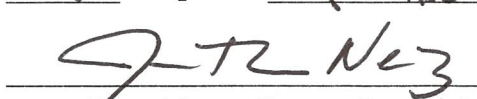

DATE

Motion: Honorable Edmund Yazzie
Second: Honorable Mark A. Freeland

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 13 day of September, 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 pursuant to the 2010 Certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this _____ day of _____, 2019.

Jonathan Nez, President
Navajo Nation

**The Navajo Nation
Fiscal Year 2020 Budget Summary**

EXHIBIT A

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 ¹	Total
1 100xxx	Executive Branch	117,567,464	14,465,466	12,400,000	3,800,000	6,048,946		84,502,883	78,905,642	43,767,992	829,259,337	1,190,717,730
2 101xxx	Legislative Branch	14,892,739	1,291,833			649,261		2,500				16,836,333
3 102xxx	Judicial Branch	14,924,653	150,104								4,782,641	19,857,398
4 118xxx	Fixed Costs	15,815,144	6,592,597			250,000						22,657,741
5 50xxxx	Capital Projects						3,000,000					3,000,000
6	Total:	163,200,000	22,500,000	12,400,000	3,800,000	6,948,207 ²	3,000,000	84,505,383	78,905,642	43,767,992	834,041,978	1,253,069,202

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

2) The Personnel Savings Fund does not include \$2,193,696 for General Wage Adjustments.

The Navajo Nation
Fiscal Year 2020 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	2,037,474	319,797						2,357,271
2	101003 Budget and Finance Committee	82,205	9,922						92,127
3	101014 Navajo Nation Labor Commission	265,880	46,932						312,812
4	101015 Ofc of the Speaker	1,903,824	230,208	450,000					2,584,032
5	101016 Ofc of Government Development	573,967	51,339						625,306
6	101017 Ofc of Legislative Counsel	1,257,774	131,899						1,389,673
7	101018 Navajo Utah Commission	277,943							277,943
8	101019 Ofc of Legislative Services	1,592,023	230,315						1,822,338
9	101020 Ethics and Rules Office	481,820	135,195						617,015
10	101021 Ofc of Election Administration	1,169,865	20,392						1,190,257
11	101022 Board of Elections Supervisors	126,687							126,687
12	101023 Black Mesa Review Board	18,170							18,170
13	101024 Ofc of the Auditor General	1,639,621	30,744						1,670,365
14	101025 Navajo-Hopi Land Commission	193,000							193,000
15	101026 Commission on Emergency Mgmt	12,499							12,499
16	101027 Eastern Agency Land Commission	99,617							99,617
17	101028 Office of Eastern Navajo Land Commission	302,402							302,402
18	101029 Human Rights Commission	685,290							685,290
19	101030 Health, Educ. and Human Services Comm.	119,129	14,323						133,452
20	101031 Resources and Development Committee	128,014	8,658						136,672
21	101032 Law and Order Committee	109,020	11,142						120,162
22	101033 Nabik'iyatii Committee	263,666	50,967						314,633
23	101034 Legislative District Assistants	1,552,849		199,261					1,752,110
24	901001 Navajo Nation Code Enterprise				2,500				2,500
25	Total:	14,892,739	1,291,833	649,261	2,500	0	0	0	16,836,333

The Navajo Nation
Fiscal Year 2020 Judicial Branch Budget Summary

EXHIBIT C

A	B	C	D	E	F	G	H	I
Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1 102001	Administrative Office of the Courts	1,402,327	150,104				4,782,641	6,335,072
2 102002	Chinle Judicial District	1,057,747						1,057,747
3 102003	Crownpoint Judicial District	889,240						889,240
4 102004	Window Rock Judicial District	1,112,071						1,112,071
5 102005	Shiprock Judicial District	1,096,452						1,096,452
6 102006	Tuba City Judicial District	980,740						980,740
7 102007	Ramah Judicial District	492,201						492,201
8 102008	Supreme Court	1,268,887						1,268,887
9 102009	Peacemaker Division	1,227,708						1,227,708
10 102010	Kayenta Judicial District	854,344						854,344
11 102011	Dilkon Judicial District	766,520						766,520
12 102012	Utah Judicial District	628,065						628,065
13 102013	Tohajiltee Judicial District	631,876						631,876
14 102014	Alamo Judicial District	227,716						227,716
15 102015	Dzilil Yijini Judicial District	317,430						317,430
16 102017	Pueblo Pintado Circuit Court	166,088						166,088
17 102018	Probation Services	1,770,563						1,770,563
18 102019	Judicial Conduct Commission	34,678						34,678
19	Total:	14,924,653	150,104	0	0	0	4,782,641	19,857,398

The Navajo Nation
Fiscal Year 2020 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	Personnel Savings Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
103xxx	Executive Offices	8,761,201	1,186,493			1,153,245	15,000	8,754,920			19,870,859
104xxx	Department of Justice	6,902,050	1,365,765			100,000				2,803,405	11,171,220
105xxx	Office of Management and Budget	1,431,153	1,093,640								2,524,793
106xxx	Office of Navajo Tax Commission	1,424,404				85,000					1,509,404
107xxx	Office of the Controller	4,119,633	3,025,385			14,819	1,151,450	22,072,085	6,207,040		36,590,412
108xxx	Division of Community Development	4,649,024	1,062,757							2,128,124	7,839,905
108xxx	Navajo Nation Chapters	25,152,028				1,000,000			2,169,700		28,321,728
109xxx	Department of Dine' Education	8,184,500	290,157	12,400,000	146,930		2,000	624,637	8,923,080	89,881,823	120,453,127
110xxx	Division of Economic Development	5,065,311	480,467				265,000		1,165,220		6,975,998
111xxx	Environmental Protection Agency	1,312,945	123,868		401,170				3,436,652	4,244,332	9,518,967
112xxx	Division of General Services	3,925,108	2,817,339		1,596,836		70,053,433			6,770,350	85,163,066
113xxx	Department of Health	11,163,510	97,865		887,234	1,000,000		271,000		156,730,944	170,150,553
114xxx	Division of Human Resources	2,421,886	1,776,348		767,830		50,000	47,183,000		30,127,305	82,326,369
115xxx	Division of Natural Resources	18,481,865	218,302			1,164,013	12,295,000		5,951,100	75,243,200	113,353,480
116xxx	Division of Public Safety	7,946,408	345,823			900,000	75,000		8,732,000	97,811,521	115,810,752
117xxx	Division of Social Services	4,161,988	402,029				146,000			226,289,299	230,999,316
120xxx	Office of Gaming Regulatory						400,000				400,000
121xxx	Navajo Division of Transportation	2,464,450	179,228			631,869	50,000		7,183,200	137,229,034	147,737,781
	Total:	117,567,464	14,465,466	12,400,000	3,800,000	6,048,946	84,502,883	78,905,642	43,767,992	829,259,337	1,190,717,730

The Navajo Nation
Fiscal Year 2020 Fixed Costs Budget Summary

EXHIBIT E

A	B	C	D	E	F	G	H	I	J
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Personnel Saving Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1 118001	Annual Audit - OOC	1,000,000	804,612						1,804,612
2 118004	Insurance Premiums - DGS	2,600,000	1,603,218						4,203,218
3 118005	Utilities - DGS	2,800,000	1,821,529						4,621,529
4 118007	Telecommunications - DGS	650,000	751,592						1,401,592
5 118008	Radio Communications - DGS	100,000	298,884						398,884
6 118010	FMIS Debt Service - OOC	982,744							982,744
7 118013	Hopi Partitioned Land Rental - NHLCO	120,400							120,400
8 118007	Indirect Cost Plan - OMB	12,000							12,000
9 118018	Retirement Plan Account - DHR			250,000					250,000
10 118019	NN Integrated Justice Info. Sharing - JB	350,000							350,000
11 118020	Fixed Cost Investment Fees - OOC	150,000							150,000
12 118022	FMIS Maintenance Services - OOC	950,000	641,801						1,591,801
13 118023	Fixed Cost - Facility Maintenance - DGS	800,000	670,961						1,470,961
14 118026	Fixed Cost - Information Technology - DGS	300,000							300,000
15 N01000	Fixed Cost Litigation - DOJ	5,000,000							5,000,000
16	Total:	15,815,144	6,592,597	250,000					22,657,741

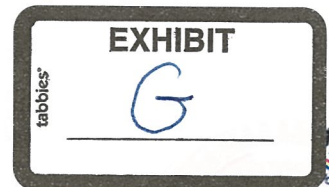
The Navajo Nation
Fiscal Year 2020 Capital Budget Summary

EXHIBIT F

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: August 19, 2019

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

Tonia Becenti
Tonia Becenti, Human Resource Director
Department of Personnel Management

Pearline Kirk
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 August 2, 2019 the projected Personnel Lapse amount is \$9,141,903.

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 09/30/19.

NAVAJO NATION OFFICE OF THE CONTROLLER

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- b. This schedule assumes that all the Department of Youth temporary employees will utilize all the dollars currently budgeted in their programs.
- c. This schedule also assumes that all the overtime currently budgeted will be utilized fully.
- d. This schedule reserves the remaining budget available for the Headstart supplemental. There are a number of permanent positions within this business unit.
- e. Also, this schedule is taking into consideration any judgments or settlements related to payroll that General Fund programs may incur before the end of the year.
- f. Any budgeted amount within the Merit pay or bonus pay or step increase line items are also considered to be fully utilized before the end of the year.
- g. Within the schedule there are three extra days that are accounted for which reflect the number of extra days that the Navajo Nation works in this fiscal year.

2. In addition with discussions with the Office of Management and Budget and Department of Personnel Management there are three options available. The attached **Exhibit B** there are the three options for consideration for Fiscal Year 2020. The option in which we have recommended is option #1.

If you should have any questions you can contact me at tribal extension X6308.

CC: Paulson Chaco, Chief of Staff, Office of President Vice President
Lashawna Tso, Chief of Staff, Office of the Speaker
Stephen Etsitty, Court Administrator, Judicial Branch.
File

THE NAVAJO NATION

Estimated Personnel Savings-Budget vs Actual- GENERAL FUND
Fiscal Year 2019
August 2, 2019

Analysis of 22 PPE's (10/01 - 8/02/2019)

	<u>Gross Budget</u>	<u>22 Actual Gross Payroll</u>	<u>Projected Year End Expenses</u>	<u>Projected Year End Balances</u>
LEGISLATIVE:				
Personnel	8,627,772	6,294,928	7,525,300	1,102,471
Taxes/Benefits	3,598,768	2,716,131	3,247,011	351,757
Sub-total	<u>12,226,539</u>	<u>9,011,059</u>	<u>10,772,311</u>	<u>1,454,228</u>
JUDICIAL:				
Personnel	9,142,187	7,211,000	8,620,422	521,765
Taxes/Benefits	4,311,805	3,376,702	4,036,694	275,111
Sub-total	<u>13,453,992</u>	<u>10,587,702</u>	<u>12,657,117</u>	<u>796,875</u>
EXECUTIVE				
Personnel	64,312,002	45,434,678	54,315,093	9,996,909
Taxes/Benefits	26,890,156	20,393,740	24,379,790	2,510,366
Sub-total	<u>91,202,158</u>	<u>65,828,419</u>	<u>78,694,882</u>	<u>12,507,275</u>
GRAND TOTAL	<u>\$116,882,689</u>	<u>\$85,427,179</u>	<u>\$102,124,310</u>	<u>\$14,758,379</u>

DOY - Temporary	\$531,337 (1)
OT/Holiday/Bonus/Merit	\$674,199 (2)
Headstart	\$3,691,691
Judgements/Settlements	<u>\$719,250 (2)</u>
Estimated Personnel Lapse	<u>\$9,141,903</u>

(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.

**DEPARTMENT OF PERSONNEL MANAGEMENT
FY'20 PAY PLAN OPTIONS - GENERAL FUNDS**

BRANCH	GWA %	TOTAL EMP	TOTAL SI	TOTAL AMT	TOTAL FRINGE AMT	TOTAL AMOUNT
OPTION 1 - GWA ONLY						
Executive Branch	3.00%	1,498		1,788,991.00	793,636.00	2,582,627.00
Judicial Branch	3.00%	192		275,472.00	141,409.00	416,881.00
Legislative Branch	3.00%	146		204,075.00	94,891.00	298,966.00
TOTAL		1,836		2,268,538.00	1,029,936.00	3,298,474.00

OPTION 2 - GWA ONLY						
Executive Branch	2.50%	1,498		1,486,849.00	659,909.00	2,146,758.00
Judicial Branch	2.50%	192		229,560.00	117,841.00	347,401.00
Legislative Branch	2.50%	146		170,384.00	79,263.00	249,647.00
TOTAL		1,836		1,886,793.00	857,013.00	2,743,806.00

OPTION 3 - GWA ONLY						
Executive Branch	2.00%	1,498		1,188,379.00	527,284.00	1,715,663.00
Judicial Branch	2.00%	192		183,648.00	94,273.00	277,921.00
Legislative Branch	2.00%	146		136,586.00	63,526.00	200,112.00
TOTAL		1,836		1,508,613.00	685,083.00	2,193,696.00

**The Navajo Nation
FY 2019 Carryovers into FY 2020**

EXHIBIT H

BU#	Division	Program Title	Amount	Proposed Carryovers for the FY 2020 General Fund Budget
101001	Legislative	Navajo Nation Council	\$110,000 or remaining balance	6660, Attorneys, \$50,000 or remaining balance; and 6910, Other Contractual Services, \$60,000 or remaining balance.
101015	Legislative	Office of the Speaker	\$170,000 or remaining balance	6020, Supplies, \$20,000 or remaining balance; 6520, Consulting, \$100,000 or remaining balance; 6910, Other Contractual Services, \$20,000 or remaining balance; and 7110, Programs, \$30,000 or remaining balance.
101021	Legislative	Election Administration	\$60,000 or remaining balance	4120, Office Supplies and Equipment, \$20,000 or remaining balance; 4200, Non-Capital Assets, \$20,000 or remaining balance; and 4410, Operating Supplies, \$20,000 or remaining balance.
101024	Legislative	Office of the Auditor General	\$200,000 or remaining balance	6520, Consulting, \$200,000 or remaining balance.
101025	Legislative	Navajo/Hopi Land Commission	\$100,000 or remaining balance	6520, Consulting, \$100,000 or remaining balance.
101033	Legislative	Naabik'iyati' Committee	\$230,000 or remaining balance	3230, Personal Travel, \$50,000 or remaining balance; 6520, Consulting, \$100,000 or remaining balance; 6910, Other Contractual Services, \$50,000 or remaining balance; 7110, Programs, \$30,000 or remaining balance.
101034	Legislative	Legislative District Assistants	\$30,000 or remaining balance	3230, Personal Travel, \$30,000 or remaining balance.
105001	OMB	Office of Management and Budget	\$1,059,222 or remaining balance.	Fix Administration Building One air quality problems or for a new building. Object code 9000-Capital Outlay.
101014	Legislative	Navajo Nation Labor Commission	26,887	FY 2019 Carryover to replace laptops, computers, Xerox copier, travel costs of NNLC membership and staff. And other needed equipment and furniture.
112001	DGS	Administration	Remaining Operating Balance	All Carry over amounts will be remaining operating balances in the business unit 112001, after reconciliation of balances occur. These funds are for the continued services for Division of General Services. This will ensure list of projects are completed by end of the calendar year.
112003	DGS	Insurance Services Dept. (ISD)	Remaining Operating Balance	All Carry over amounts will be remaining operating balances in the business unit 112003, after reconciliation of balances occur. These funds are for the continued services for Insurance Services Department. This will ensure list of projects are completed by end of the calendar year.
112007	DGS	Navajo Air Transportation Dept.	Remaining Operating Balance	All Carry over amounts will be remaining operating balances in the business unit 112007, after reconciliation of balances occur. These funds are for the continued services for Air Transportation Department. This will ensure list of projects are completed by end of the calendar year.
112008	DGS	Facilities Maintenance	Remaining Operating Balance	All Carry over amounts will be remaining operating balances in the business unit 112008, after reconciliation of balances occur. These funds are for the continued services for Facilities Maintenance Department. This will ensure list of projects are completed by end of the calendar year.
112009	DGS	Dept. of Info Technology	Remaining Operating Balance	All Carry over will be remaining operating balances in the business unit 112009. Information Technology completion of DIT infrastructure projects.

**The Navajo Nation
FY 2019 Carryovers into FY 2020**

EXHIBIT H

BU#	Division	Program Title	Amount	Proposed Carryovers for the FY 2020 General Fund Budget
112010	DGS	Records Management	Remaining Operating Balance	All Carry over amounts will be remaining operating balances in the business unit 112010, after reconciliation of balances occur. These funds are for the continued services for Records Management Department. This will ensure list of projects are completed by end of the calendar year.
117001	DSS	Administration	Remaining Operating Balance	All carryover amounts will be the remaining operating balance in business unit 117001, after reconciliations of balances occur. These funds are for the Information Technology assessment as the sub offices and to implement and consolidate one Case management system.
**117023	DSS	General Assistance & Welfare Assistance	Remaining Operating Balance	All carryover amounts will be the remaining operating balance in business unit 117023, after reconciliations of balances occur. These funds are for Contractual Services and Public Assistance for direct services. ** One time funding.

FY2020
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 No. 1

The Division of Social Services, Strengthening Families Program, BU #_____, shall develop a plan to include all shelters and battered women's centers for inclusion into the Fiscal Year 2021 budget, by the end of the second quarter. This includes all facilities supporting the Navajo Nation, whether funded through contracts or general funds.

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 stated quarter the withholding will be forfeited.

Responsible Entity: Strengthening Families Program and Division of Social Services Division Director

FISCAL YEAR 2020
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

Office of the Speaker

The Chief of Staff of the Office of the Speaker shall provide a report on the benefits of establishing a Legislative Branch Department of Personnel Management. The Chief of Staff shall provide this report to the Naabik'íyáti' by the end of the second quarter.

LEGISLATIVE CONCERN NO. 2

Office of Legislative Services

Policy Analyst positions are needed to advise standing committees. The Executive Director of the Office of Legislative Services shall reevaluate the need for policy analysts within the Office of Legislative Services and provide a report to the Naabik'íyáti' Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 3

Navajo Hopi-Land Commission

The Navajo-Hopi Land Commission has consistently under performed in Fiscal Year 2019. The Legislative Advisor for the Navajo-Hopi Land Commission coordinate with the Office of Management and Budget prior to the end of each quarter to ensure proper performance score reporting.

LEGISLATIVE CONCERN NO. 4

Executive Offices

Veteran's Program is not meeting its performance goals. The program director shall meet at the end of each quarter with the Health, Education and Human Services Committee to discuss its performance scores.

LEGISLATIVE CONCERN NO. 5

Executive Offices/Office of Hearings and Appeals

The Office of Hearings and Appeals is not meeting its performance goals. The Director for the Office of Hearings and Appeals is to report to the Law and Order Committee at the end of each quarter to discuss its performance scores.

LEGISLATIVE CONCERN NO. 6

Executive Offices

Telecommunications Regulatory Commission

The Telecommunications Regulatory Commission has had low performance scores. The director of the Telecommunications Regulatory Commission is to report its performance scores to the Naabik'íyáti' Committee at the end of each quarter.

LEGISLATIVE CONCERN NO. 7

Division of Human Resources

The Women's Commission does not have a budget in the Comprehensive Budget. The Division Director shall develop a long-range plan for the women's commission and report the plan to the Naabik'íyáti' by the end of the second quarter.

LEGISLATIVE CONCERN NO. 8

Department of Health/DALTCS

The Executive Branch has underfunded DALTCS in providing for the needs of Navajo elders. DALTCS has also failed to submit timely invoices for prompt payment to vendors. DALTCS and the Department of Health Division Director shall report to the Health, Education and Human Services Committee at the end of quarter to provide updates on its funding levels and payment processing to vendors.

LEGISLATIVE CONCERN NO. 9

Division of Dine Education/Scholarship Office

The Scholarship Office is to report on and develop incentives for Navajo students to become teachers. The Scholarship Office shall report its progress to the Health, Education and Human Services Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 10

Division of Dine Education/Scholarship Office

The Scholarship Office is to develop a scholarship program for displaced mine workers to receive educational assistance. The Scholarship Office shall report its progress to the Health, Education and Human Services Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 11

Division of Dine Education

Navajo Preparatory School has not met its performance goals. Navajo Preparatory School shall report its progress to the Health Education and Human Services Committee at the end of each quarter.

LEGISLATIVE CONCERN NO. 12

Department of Social Services/Strengthening Families Program

The Department of Social Services, Strengthening Families Program shall develop a plan to include Tohdenasshai Committee Against Family Abuse in Kayenta, Arizona to receive a general fund appropriation for Fiscal Year 2021. The Strengthening Families Program shall report its progress to the Health Education and Human Services Committee by the end of the second quarter.

LEGISLATIVE CONCERN NO. 13

Division of Transportation

Trucks on Navajo Nation roads are causing significant damage and creating unsafe conditions. The Executive Director is to develop a plan in coordination with the states of Utah, New Mexico, and Arizona Departments of Transportation, and BIA to remedy the conditions and provide this report to the Resources and Development Committee and the Budget and Finance Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 14

Division of Transportation

Route 491 and Navajo Nation road junctions are unsafe and dangerous. The Executive Director is to propose a plan to remedy the unsafe conditions and provide this report to the Resources and Development Committee and the Budget and Finance Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 15

Division of Transportation

The bridge on Route 9402 is unsafe and dangerous. The Executive Director is to coordinate with the BIA to secure funding to remedy the unsafe conditions. The report is to be provided to the Resources and Development Committee and the Budget and Finance Committee by the end of the first quarter.

LEGISLATIVE CONCERN NO. 16

Division of Transportation

The Division of Transportation has funded road projects that have not been completed. The Executive Director is to propose a plan to complete all funded projects and provide this report, in writing, to the Resources and Development Committee and the Budget and Finance Committee at the end of each quarter.

LEGISLATIVE CONCERN NO. 17

Navajo EPA

Navajo EPA shall develop a plan to address the qualifications for uranium experts and wage scale adjustments for uranium experts. Navajo EPA shall report its plan to the Resources and Development Committee by the end of the second quarter.

LEGISLATIVE CONCERN NO. 18

Division of Natural Resources

The Division of Natural Resources shall provide a report to the Resources and Development Committee by the end of the first quarter as to how it will meet its outstanding contractual obligations regarding the decommissioning of Navajo Generating Station, the Kayenta Mine, and the San Juan Generating Station.

LEGISLATIVE CONCERN NO. 19

Office of the Controller

Veterans have continued to raise concerns over the delay in processing checks. The Controller shall develop a plan to disburse checks for veterans within 14 calendar days after the request for payment is received in the Office of the Controller. The Controller shall develop this plan and report to the Budget and Finance Committee by the end of the first quarter.

The Navajo Nation Fiscal Year 2020 Comprehensive Budget



Prepared by:
The Navajo Nation
Office of Management and Budget
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NAVAJO NATION

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NNC FY 2020 Budget Session

9/3/2019

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Amd# to Amd#	Legislation 0257-19: Approving	PASSED
MOT Yazzie	the Navajo Nation Fiscal Year	
SEC Freeland, M	2020 Comprehensive Budget;	
	Waiving 12 NNC SS820(I) and 860	

Yea : 16

Nay : 4

Excused : 1

Not Voting : 1

Yea : 16

Begay, K	Freeland, M	Nez, R	Tso, E
Begay, P	Halona, P	Smith	Walker, T
Brown	Henio, J	Stewart, W	Wauneka, E
Daniels	James, V	Tso, C	Yazzie

Nay : 4

Tso, D	Yellowhair	Charles-Newton	Crotty
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Excused : 1

Tso

Not Voting : 1

Begay, E

Presiding Speaker: Damon