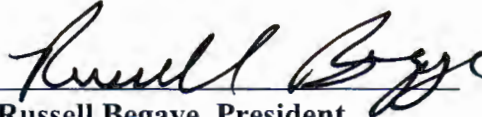




THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

TO: Honorable LoRenzo C. Bates, Speaker
Navajo Nation Council

FROM: 
Russell Begaye, President
THE NAVAJO NATION

DATE: September 30, 2017

SUBJECT: Resolution No. CS-53-17: RELATING TO BUDGET AND FINANCE COMMITTEE; NAABIK'IYATI COMMITTEE, AND NAVAJO NATION COUNCIL; FISCAL APPROPRIATION; APPROVING THE NAVAJO NATION FISCAL YEAR 2018 AND COMPREHENSIVE BUDGET; WAIVER OF 12 N.N.C. 840(B)

Pursuant to 2 N.N.C. 1005 (C)(10), action for Resolution No. CS-53-17 is being submitted to the Navajo Nation Council, through the Office of the Speaker within the ten (10) day requirement. Furthermore, the Navajo Nation President has line item veto authority for budget items within the annual Navajo Nation Comprehensive Budget or Supplemental appropriations, which are not subject to override by the Navajo Nation Council. 2 N.N.C. 164(A)(17).

After careful consideration and consultation with the Divisions, I have decided to exercise my line-item veto.

The following budget items are line-item vetoed:

1. Section Two. Adopting Navajo Nation Fiscal Year 2018 Budget; B \$3,789,918 Capital Outlay Match Funds and B(5) \$3,789,918 from the Capital Outlay Match Funding Special Revenue Fund.
2. Section Two. Adopting Navajo Nation Fiscal Year 2018; B(7), the following language: "This carry over shall be for only the twenty-three (23) external cash match grants existing in FY 2017."
3. Section Two. Adopting Navajo Nation Fiscal Year 2018; (D), the following language: "The expenditure of this carryover shall be subject to approval of the appropriate Standing Committees."
4. Section Two. Adopting Navajo Nation Fiscal Year 2018; F(1)(a), the following language: "Phoenix Indian Center shall receive a priority allocation of \$100,000."

5. Section Two. Adopting Navajo Nation Fiscal Year 2018; F(1)(a), the following language: "Navajo Chapters shall receive \$50,000 each for housing renovation projects and Naschitti Chapter receiving additional \$764,368.03 for Assayi Burnout financial assistance, as a priority allocation from the Executive Branch. Waiving 12 N.N.C. 820(O)."
6. Section Two. Adopting Navajo Nation Fiscal Year 2018; F(1)(c), the following language: "Phoenix Indian Center shall receive a priority allocation of \$48,325."
7. Section Two. Adopting Navajo Nation Fiscal Year 2018; (G), the following language only, "However, in the event the identified Division, Department or Program fails to complete the Condition of Appropriation within the time specified, the Controller will place specified funding in unallocated funds. Should the Responsible Entity, with more than one Condition of Appropriation, not complete its Conditions of Appropriation within the stated time period or in the state manner, then the reserved non-personnel operating funds will become unallocated funds at the quarter that last Condition of Appropriation was due to be completed."
8. Exhibit A; Business Unit No. 50xxxx; Capital Projects; Capital Outlay Match Funds 3,789,918; Total 3,789,918.
9. Exhibit F; Business Unit No. 50XXX Capital Outlay Match (NN Chapters) in the amount of 3,789,918.
10. Exhibit H, FUND CARRYOVERS
 - a. No. 6, the following language: "Division of Natural Resources, \$75,000 of the remaining balance is Navajo Land Title Data BU #115037, to Allocation Clearing Account OC #7250 to comply with IRS agreement (\$50,000 for BU #115002, \$14,000 for BU #115005 and \$11,000 for BU #115007). Directive to have NDOJ to analyze the 2011 agreement with IRS and present options to the Speaker within six (6) months."
 - b. No. 7, the following language: "Carryover remaining balances from Division of Natural Resources BU #s 115001, 115002, 115004, 115005, 115007, 115009, 115011, 115012, 115013, 115017, 115018, 115021, 115023, 115024, 115026, 115027, 115034, 115037, 115038; the carried over funds to BU #115002 District Grazing Committees; to BU #115005 Eastern Navajo Land Board and to BU #115007; Any remaining balance will be distributed between the three (3) programs, except for carry overs previously approved."
11. Exhibit I, FY 2018 CONDITIONS OF APPROPRIATION, RESULT for noncompliance with the following Conditions of Appropriations (COA):
 - a. No. 4, the following language: "and the Controller to immediately withhold 10% of the program's non-personnel operating budget".
 - b. No. 5, the following language: "Thereafter, if noncompliance continues, an additional 10% of non-personnel operating budget will be withheld each quarter;"
 - c. CONDITION OF APPROPRIATION NO. 5, the following language, "The Department of Diné Education, Office of Scholarship (BU #109008), shall by the end of the second quarter, develop a scholarship/loan program for difficult positions to be filled at Navajo Nation Divisions and to propose funding from the Sihasin Fund. Loans shall be repaid to the Navajo Nation; however, if the loan recipient becomes employed by the Navajo Nation the loan amount will be waived at a percentage for years of service. The Office of Scholarship (BU #109008), shall present the scholarship/loan program to the Health,

Education and Human Services Committee for approval by the appropriate standing committee and/or Navajo Nation Council.”

- d. **CONDITION OF APPROPRIATION NO. 6, the following language only, “The Department of Health, Navajo Area Agency on Aging (BU #113010) shall fill all vacant agency staff positions by the end of the second quarter. If the Condition of Appropriation is not completed by the second quarter the above state result shall apply. Responsible Entity jn: Navajo Area Agency on Aging”**
- e. **CONDITION OF APPROPRIATION NO. 7, the following language only, “The Division of Economic Development – Administration (BU #110001) to hire an Appraiser by the end of 1st Quarter to allow Real Estate Department to carry out its plan of operation.”**
- 12. **Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, Business Unit 115009 DWR – WATER RES. MGMT. 6830 Other Technical Services in the amount of 60,000.**
- 13. **Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, AGR – DIST. GRAZING COMM. 115002.3610 Meetings in the amount of 750,000.**
- 14. **Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, AGR – EASTERN NAD/JL BOARDS 115005.3610 Meetings in the amount of 350,000.**
- 15. **Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, AGR – MAJOR IRRGTN FARM B 115007.3810 Meetings in the amount of 150,000.**
- 16. **Exhibit K, Fiscal Year 2018 Budget Detail. DEPARTMENT OF DINE EDUCATION, Business Unit 109006 NAVAJO NATION LIBRARY 6520 Consulting in the amount of 49,000.**
- 17. **Exhibit K, Fiscal Year 2018 Budget Detail. DEPARTMENT OF DINE EDUCATION, Business Unit 109XXX DINE SCHOOL ACCOUNTABILITY PLAN in the amount of 900,000.**
- 18. **Exhibit K, Fiscal Year 2018 Budget Detail, DIVISION OF ECONOMIC DEVELOPMENT, Business Unit 110015.1003 Senior Appraiser in the amount of 40,414.**
- 19. **Exhibit K, Fiscal Year 2018 Budget Detail, EXECUTIVE OFFICES, OFC OF NAVAJO PUBLIC DEFENDER, Business Unit 104003.1123 Unclassified Title in the amount of 16,312.**
- 20. **Exhibit K, Fiscal Year 2018 Budget Line Item Detail, EXECUTIVE OFFICES, NAVAJO-HOPI LAND COMMISSION OFFICE, 103003.6500 in the amount of 100,000.**
- 21. **Exhibit K, Fiscal Year 2018 Budget Detail, Line Item Detail, NAVAJO NATION COUNCIL, Business Unit 101001.6910 Other Contractual Services in the amount of 50,188**
- 22. **Exhibit K, Fiscal Year 2018 Budget Line Item Detail, OFFICE OF THE SPEAKER, Business Unit 101015**
 - a. **6200 External Contractors in the amount of 6,700**
 - b. **6520 Consulting in amount of 141,581**
 - c. **6910 Other Contractual Services in the amount of 7,000**
- 23. **Exhibit K, Fiscal Year 2018 Budget Line Item Detail, OFFICE OF LEGISLATIVE SERVICES, Business Unit 101019.6520 Consulting in the amount of 52,121.**
- 24. **Exhibit K, Fiscal Year 2018 Budget Line Item Detail, HEALTH, EDUCATION AND HUMAN SERVICES, Business Unit 101030.6520 Consulting in the amount of 4,714.**

25. Exhibit K, Fiscal Year 2018 Budget Line Item Detail, NAA'BIK'I'YA'TI COMMITTEE Business Unit 101033

- a. 6520 Consulting in the amount of 18,000**
- b. 6910 Other Contractual Services in the amount of 2,000**

26. Exhibit K, Fiscal Year 2018 Budget Line Item Detail, OLS/LEGISLATIVE DISTRICT ASSISTANTS Business Unit 101034 in the amount of 1,621,017.

The justification for use of the President's line-item veto is set forth below.

As stated by this Administration, the Divisions have been implementing a strategic plan to carry out the priorities of the Navajo Nation. As part of this strategy, each Division developed a budget that follows their strategy and monies were allocated in line with such strategy. We have stated since day one of our Administration that in order for our Government to be effective and be able to carry out our priorities we must develop a budget that is strategic. As such, we will maintain that position and preserve the budget that was submitted by our Executive Branch as it is the budget needed and advocated by our Division Directors to carry out the priorities of the Navajo Nation Government and the needs of our People.

1. Section Two. Adopting Navajo Nation Fiscal Year 2018 Budget; B \$3,789,918 Capital Outlay Match Funds and B(5) \$3,789,918 from the Capital Outlay Match Funding Special Revenue Fund.

This allocation failed to require that the use of the Capital Outlay Match Funds shall be consistent with the statutory purposes and administration requirements set forth in 12 N.N.C. 2001 et. seq. The statute states the purpose of the fund is to provide match, supplemental funding and cost reimbursement for the States of Arizona, Utah and New Mexico and Federal grants that partially fund capital improvement and local government projects. In addition, Division of Community Development shall follow established policies including the Budget Instructions Manual ("BIM") and capital improvement project policies and procedures.

In reviewing Resolution No. CS-53-17, there is no indication that the funds will be spent in accordance with the statutory requirements and that Division of Community Development has approved the projects and that the projects are in compliance with the BIM and Objective Criteria. Without documentation the use of the \$3,789,918 for Chapters Capital/Infrastructure costs can potentially be inconsistent with the statutory purposes and administration requirements in 12 N.N.C. 2001 et. seq.

Therefore I must line-item veto as these valuable resources must go to viable project that will benefit our Navajo People.

2. Section Two. Adopting Navajo Nation Fiscal Year 2018; B(7), the following language: "This carry over shall be for only the twenty-three (23) external cash match grants existing in FY 2017."

A reconciliation must be completed before we know the carry-over amount. In other words, monies are being allocated without knowing the amount available.

Therefore, I exercise my line item veto authority.

- 3. Section Two. Adopting Navajo Nation Fiscal Year 2018; (D), the following language: “The expenditure of this carryover shall be subject to approval of the appropriate Standing Committees.”**

There are budget policies in place that allow for this to be done administratively. We often speak of streamlining the processes. It can be very time-consuming to create legislation, have the 5-day public comment period then wait for the next Committee meeting or meetings. This can be very lengthy.

Therefore, I exercise my line-item veto.

- 4. Section Two. Adopting Navajo Nation Fiscal Year 2018; F(1)(a), the following language: “Phoenix Indian Center shall receive a priority allocation of \$100,000.”**

We fully support this initiative and our Urban Navajos. As such, we will support these funds being taken from Undesignated, Unreserved Fund Balance (“UUFB”). The reason for this line-item veto is the reconciliation must be completed before we know the carry-over amount. In other words, monies are being allocated without knowing the amount available. The Phoenix Indian Center is also encouraged to seek funds from the former Phoenix Indian School. In addition, there is the Urban Navajo Trust Fund that was created by the Budget and Finance Committee of the Navajo Nation Council. We also encourage the Phoenix Indian Center to actively fundraise during the year.

Therefore I exercise my line-item veto.

- 5. Section Two. Adopting Navajo Nation Fiscal Year 2018; F(1)(a), the following language: “Navajo Chapters shall receive \$50,000 each for housing renovation projects and Naschitti Chapter receiving additional \$764,368.03 for Assayi Burnout financial assistance, as a priority allocation from the Executive Branch. Waiving 12 N.N.C. 820(O).”**

The Resolution No. CS-53-17 does not provide a priority list or a plan for housing renovations. The Office of the President and Vice President in coordination with the Division of Community Development are conducting renovation projects based on priority and with Community Development Block Grant dollars. This should continue to be the process.

In communication with Emergency Management, some of the structures at Assayi are no longer being utilized. As we have been advised, most of the structures are used seasonally mainly only for the summer. The Office of the President and Vice President will need time to conduct its own assessment and conclusion based on existing facts for these homes.

Therefore, I must exercise my line-item veto authority. Every dollar spent on behalf of our People must be accounted for and spent wisely.

- 6. Section Two. Adopting Navajo Nation Fiscal Year 2018; F(1)(c), the following language: “Phoenix Indian Center shall receive a priority allocation of \$48,325.”**

Same rationale as No. 4 above.

7. **Section Two. Adopting Navajo Nation Fiscal Year 2018; (G), the following language:**
“However, in the event the identified Division, Department or Program fails to complete the Condition of Appropriation within the time specified, the Controller will place specified funding in unallocated funds. Should the Responsible Entity, with more than one Condition of Appropriation, not complete its Conditions of Appropriation within the stated time period or in the state manner, then the reserved non-personnel operating funds will become unallocated funds at the quarter that last Condition of Appropriation was due to be completed.”

The Condition of Appropriations (“COA”) are important and supported by this Administration. However, this Administration does not support the proposed withholding of the program’s non-personnel operating budget as a penalty for noncompliance. The reason is this would also impact the direct services provided to our Navajo people.

Our people should not be penalized for managerial and/or personnel shortcomings by those employees that are not adequately carrying out their duties. As President of the Navajo Nation and Branch Chief to the Executive Branch, I will continue to work with the Division Directors to hold our employees within the executive branch accountable for their work performances.

As such, I exercise my line-item veto authority

8. **Exhibit A; Business Unit No. 50xxxx; Capital Projects; Capital Outlay Match Funds in the amount of 3,789,918.**

Same rationale as No. 1 above.

9. **Exhibit F; Business Unit No. 50XXX Capital Outlay Match (NN Chapters) in the amount of 3,789,918.**

Same rationale as No. 1 above.

10. Exhibit H, FUND CARRYOVERS

- a. **No. 6, the following language: “Division of Natural Resources, \$75,000 of the remaining balance is Navajo Land Title Data BU #115037, to Allocation Clearing Account OC #7250 to comply with IRS agreement (\$50,000 for BU #115002, \$14,000 for BU #115005 and \$11,000 for BU #115007). Directive to have NDOJ to analyze the 2011 agreement with IRS and present options to the Speaker within six (6) months.”**

This is Amendment No. 1 of the Navajo Nation Council. The Office of the President and Vice President with the Division of Natural Resources will prioritize the use of the carryover funds.

Therefore I exercise my line-item veto.

- b. No. 7, the following language: “Carryover remaining balances from Division of Natural Resources BU #s 115001, 115002, 115004, 115005, 115007, 115009, 115011, 115012, 115013, 115017, 115018, 115021, 115023, 115024, 115026, 115027, 115034, 115037, 115038; the carried over funds to BU #115002 District Grazing Committees; to BU #115005 Eastern Navajo Land Board and to BU #115007; Any remaining balance will be distributed between the three (3) programs, except for carry overs previously approved.”

This is Amendment No. 2 of the Navajo Nation Council. As stated above the reconciliation must be completed before we know the carry-over amount. In other words, monies are being allocated without knowing the amount available. We will support legislation drawing from the Undesignated, Unreserved Fund Balance (UUFB).

Therefore I exercise my line-item veto authority.

11. Exhibit I, FY 2018 CONDITIONS OF APPROPRIATION, RESULT for noncompliance with the following Conditions of Appropriations (COA): No. 4 and No. 5:

As stated above COA's are important and supported by this Administration. However, this Administration does not support the proposed withholding 10% of the program's non-personnel operating budget as a penalty for noncompliance. The reason is this would also impact the direct services provided to our Navajo people.

While we understand the need to have enforcement for the conditions of appropriations, it should be in a form to discipline the employees not carrying out their duties, but not harm the people that are being served. By withholding 10% of the program's non-personnel operating budget, this practice can adversely impact the direct services to our People. Again as stated above, as President of the Navajo Nation and Branch Chief to the Executive Branch, I will continue to work with the Division Directors to hold our employees within the executive branch accountable for their work performances.

As such, I exercise my line-item veto authority.

CONDITION OF APPROPRIATION NO. 5, the following language, “The Department of Diné Education, Office of Scholarship (BU #109008), shall be the end of the second quarter, develop a scholarship/loan program for difficult positions to be filled at Navajo Nation Divisions and to propose funding from the Sishasin Fund. Loans shall be repaid to the Navajo Nation; however, if the loan recipient becomes employed by the Navajo Nation the loan amount will be waived at a percentage for years of service. The Office of Scholarship (BU #109008), shall present the scholarship/loan program to the Health, Education and Human Services Committee for approval by the appropriate standing committee and/or Navajo Nation Council.”

First, there is no existing program. This must be developed first and appropriate funding identified by the Department of Diné Education and the Health, Education and Human Services Committee. Second, to access funds from the Sishasin an expenditure plan must be developed. Inasmuch, this COA is circumventing funds from the Sishasin Fund.

Therefore I exercise my line-item veto authority.

CONDITION OF APPROPRIATION NO. 6, the following language only, “The Department of Health, Navajo Area Agency on Aging (BU #113010) shall fill all vacant agency staff positions by the end of the second quarter. If the Condition of Appropriation is not completed by the second quarter the above stated result shall apply. Responsible Entity jn: Navajo Area Agency on Aging”

This COA is not feasible. One of the most critical position for this Program are Commercial Driver’s License (“CDL”) bus drivers. There is a Nation wide shortage for CDLs. The Program needs to develop an agreement with one of our higher institutions to develop a CDL program. Without the CDL Program it will consistently fail to adhere to this COA. I recommend a partnership with the Health, Education, Human Services Committee and one of our higher institutions to develop this Program.

Therefore I exercise my line-item veto authority.

CONDITION OF APPROPRIATION NO. 7, the following language only, “The Division of Economic Development – Administration (BU #110001) to hire an Appraiser by the end of 1st Quarter to allow Real Estate Department to carry out its plan of operation.”

The position was line-item vetoed so this COA would no longer apply nor make sense. Therefore I exercise my line-item veto.

12. Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, Business Unit 115009 DWR – WATER RES. MGMT. 6830 Other Technical Services in the amount of 60,000.

This is Amendment No. 4 of the Navajo Nation Council. In consultation with the Division of Natural Resources this allocation was not requested nor part of their budget strategy. As stated above, it is important to ensure these budgets are based on strategy.

Therefore I exercise my line-item veto authority.

13. Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, AGR – DIST. GRAZING COMM. 115002.3610 Meetings in the amount of 750,000.

This is Amendment No. 7 from the Navajo Nation Council. These funds were moved from the Permanent Trust Fund to General Funds. The Permanent Fund account within the Office of the Controller is used to account for expenses related to administering numerous fiduciary funds including the Permanent fund and the multiple Navajo Nation Trust Funds. As fiduciary funds, the Nation holds these funds as a trustee and when expending funds from these sources we are required to adhere to the statutory authorizations. The Navajo Nation Council’s actions of shifting funds from a fiduciary account to General Funds potentially violates multiple statutes.

This Administration will support a UUFB request. Therefore I exercise my line-item veto authority.

**14. Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, AGR
– EASTERN NAD/JL BOARDS 115005.3610 Meetings in the amount of 350,000.**

This is in relation to Amendment No. 7. See rationale above in No. 13. This Administration will support a UUFB request.

Therefore I exercise my line-item veto authority.

**15. Exhibit K, Fiscal Year 2018 Budget Detail. DIVISION OF NATURAL RESOURCES, AGR
– MAJOR IRRGTN FARM B 115007.3810 Meetings in the amount of 150,000.**

This is in relation to Amendment No. 7. See rationale above in No. 13. This Administration will support a UUFB request.

Therefore I exercise my line-item veto authority.

**16. Exhibit K, Fiscal Year 2018 Budget Detail. DEPARTMENT OF DINE EDUCATION,
Business Unit 109006 NAVAJO NATION LIBRARY 6520 Consulting in the amount of
49,000.**

This is Amendment No. 5 from the Navajo Nation Council. This allocation was taken from the Division of Community Development direct operations and supplies that are needed to adequately carry out its responsibilities. Again, the Executive Branch budget is based on strategy to most effectively carry out their duties to our Navajo People.

Therefore I exercise my line-item veto authority.

**17. Exhibit K, Fiscal Year 2018 Budget Detail. DEPARTMENT OF DINE EDUCATION,
Business Unit 109XXX DINE SCHOOL ACCOUNTABILITY PLAN in the amount of
900,000.**

This is Amendment No. 10 from the Navajo Nation Council. As stated above, these funds were moved from the Permanent Trust Fund to General Funds. The Permanent Fund account within the Office of the Controller is used to account for expenses related to administering numerous fiduciary funds including the Permanent fund and the multiple Navajo Nation Trust Funds. As fiduciary funds, the Nation holds these funds as a trustee and when expending funds from these funds must adhere to the statutory authorizations. The Navajo Nation Council's actions of shifting funds from a fiduciary account to General Funds potentially violates multiple statutes.

Therefore I must exercise my line-item veto authority.

18. Exhibit K, Fiscal Year 2018 Budget Detail, DIVISION OF ECONOMIC DEVELOPMENT, Business Unit 110015.1003 Senior Appraiser in the amount of 40,414.

This is Amendment No. 17 from the Navajo Nation Council. As I continue to mention, the Executive Branch was based on strategy. In consultation with the Division of Economic Development, this is not part of their strategy. It is more cost-effective to contract these responsibilities.

Therefore I exercise my line-item veto authority.

19. Exhibit K, Fiscal Year 2018 Budget Detail, EXECUTIVE OFFICES, OFC OF NAVAJO PUBLIC DEFENDER, Business Unit 104003.1123 Unclassified Title in the amount of 16,312.

This represents an amendment by the Budget and Finance Committee. This represents an amendment made by the Budget and Finance Committee. However, in consultation with Office of Management and Budget, it is unclear the uses of the funds. There is no clear plan or priority for this allocation and this budget must be based on strategy.

Therefore I must exercise my line-item veto authority.

20. Exhibit K, Fiscal Year 2018 Budget Line Item Detail, EXECUTIVE OFFICES, NAVAJO-HOPI LAND COMMISSION OFFICE, 103003.6500 in the amount of 100,000.

This is an amendment made by the Budget and Finance Committee. However, in consultation with Navajo-Hopi Land Commission Office, this is not based on the Office's budget strategy.

Therefore I must line-item veto authority.

26. Exhibit K, Fiscal Year 2018 Budget Line Item Detail, OLS/LEGISLATIVE DISTRICT ASSISTANTS Business Unit 101034 in the amount of 1,621,017.

It was the intent of the Navajo People's referendum was to cut costs in the administration of government services. This is an unfulfilled mandate of the Navajo Nation Council that remains since the inception of the twenty-four member Council. We strongly recommend that the Legislative Branch revisit its own Branch and restructure and reorganize as the Executive is currently doing. This will cut costs and become more effective in serving our Navajo People.

Therefore, I exercise my line-item veto authority.

I hereby direct the Office of Management and Budget to make the adjustments as necessary for the line-item vetoes. I hereby direct the Office of the Controller and Office of the Management and Budget to adjust the budget and act accordingly to ensure the budget will be implemented properly. In addition, I request for a one-on-one meeting with the Navajo Nation Council to re-visit the priorities of the Navajo Nation to effectively serve the Navajo People.

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - THIRD YEAR, 2017

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; FISCAL APPROPRIATION; APPROVING THE NAVAJO NATION FISCAL YEAR 2018 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820(I) AND 860 AND LIMITED PROCEDURAL WAIVER OF 12 N.N.C. § 840(B)

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 submits it to the Navajo Nation Council for deliberation and approval. 12 N.N.C. §840(A).
- D. It is in the best interest of the Navajo Nation to approve the Navajo Nation Fiscal Year 2018 Comprehensive Budget.

Section Two. Adopting Navajo Nation Fiscal Year 2018 Budget

The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2018 Comprehensive Budget as follows:

- A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2018 revenue in the amount of \$24,002,000 to the Navajo Nation Permanent Fund; 4% of Fiscal Year 2018 revenue in the amount of \$8,001,000 to the Navajo Veterans Trust Fund; 2% of Fiscal Year 2018 revenue in the amount of \$4,000,000 to the Navajo Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2018 revenue to the Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2018 revenue to the Water Rights Claim Fund; and \$11,200,000 of Fiscal Year 2018 revenue to the Diné Higher Education Grant Fund.
- B. The Navajo Nation hereby approves the appropriation of \$636,634,949 as the Navajo Nation Fiscal Year 2018 Operating Budget, as set forth in the attached **Exhibit A**, which constitutes \$162,453,622 of General Funds, \$19,000,000 Indirect Cost Credit; \$11,200,000 in Higher Education set

aside funds; \$2,231,795 Personnel Savings; \$60,854,277 Proprietary Fund; \$62,817,601 Fiduciary Funds; \$38,966,279 Special Revenue Internal Funds; \$4,283,378 External Funds Cash Match Funds; \$3,789,918 Capital Outlay Match Funds and \$271,038,079 Special Revenue External Funds, summarized as follows:

1. Legislative Branch: \$15,730,543 as the Navajo Nation Fiscal Year 2018 Operating Budget, as set forth in the attached **Exhibit B**, which includes \$14,561,988 General Fund Revenue; \$1,123,555 Indirect Cost Credit; \$45,000 Proprietary Funds; \$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: \$14,870,198 as the Navajo Nation Fiscal Year 2018 Operating Budget, as set forth in the attached **Exhibit C**, which includes \$13,300,000 General Funds; \$133,897 Indirect Cost Credit; \$0 Proprietary Funds; \$0 Fiduciary Funds; \$0 Special Revenue Internal Funds and \$1,436,301 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: \$578,736,319 as the Navajo Nation Fiscal Year 2018 Operating Budget, as set forth in the attached **Exhibit D**, which includes \$115,324,330 General Funds; \$14,733,676 Indirect Cost Credit; \$11,200,000 Higher Education Set Aside Funds; \$1,000,000 Personnel Savings; \$60,809,277 Proprietary Funds; \$62,817,601 Fiduciary Funds; \$38,966,279 Special Revenue Internal Funds; \$4,283,378 External Funds Cash Match, and, \$269,601,778 Special Revenue External Funds; for the various divisions, departments, programs and offices within the Executive Branch.
4. Fixed Costs: \$23,507,971 which includes \$19,267,304 General Funds, \$3,008,872 Indirect Cost Credit; and \$1,231,795 Personnel Savings as set forth in the attached **Exhibit E**.
5. \$3,789,918 for Chapters Capital/Infrastructure costs will be allocated from the Capital Outlay Match Funding Special Revenue Fund, not the General Fund, as set forth in the attached **Exhibit F**.

6. Chapter Non-Administrative Costs: \$11,413,541 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: \$4,283,378 for external funds cash match obligations for grant agreements and contracts.

The FY 2017 External Fund Cash Match (BU# 118024) unexpended fund balance shall be carried over to FY 2018 to maintain a fund balance for cash match needs during the 2018 Fiscal Year. This carry over shall be for only the twenty-three (23) external cash match grants existing in FY 2017.

- 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 for those Savings to go to an annual General Wage Adjustment, step increase and other salary adjustments to the Pay Plan, and that any excess or surplus funds shall be deposited to the Unreserved, Undesignated Fund Balance (UUFB).

The Navajo Nation adopts a General Wage Adjustment, **see Exhibit G**, and waives the requirement of excess and surplus funds deposit to the UUFB and hereby approves funding from the Fiscal Year 2017 Personnel Savings Fund as follows:

1. General Wage Adjustment at 2.5%
and 1.5% : \$2,035,650
2. Retirement Plan Account, BU #118018: \$1,231,795
3. ISD - Group Health Benefit Fund,
BU # NEW : \$1,000,000

- D. The Navajo Nation hereby approves the carryover of unexpended Indirect Cost Credit, if any, from Navajo Nation Fiscal Year 2017 into Fiscal Year 2018. The expenditure of this carryover shall be subject to approval of the appropriate Standing Committees.

- E. The Navajo Nation hereby approves the carryover of unexpended Capital Improvement Project Funds from Fiscal Year 2017 to Fiscal Year 2018.
- F. The Navajo Nation hereby approves any carryover of General Fund unexpended balances from Navajo Nation Fiscal Year 2017 into Fiscal Year 2018:
1. For the Government Branches (Executive, Legislative, Judicial) from their respective unexpended balances, if available, as follows:
 - a) Executive: \$8,764,368.03
 - Phoenix Indian Center shall receive a priority allocation of \$100,000.
 - Navajo Chapters shall receive \$50,000 each for housing renovation projects and Naschitti Chapter receiving additional \$764,368.03 for Assayi Burnout financial assistance, as a priority allocation from the Executive Branch. Waiving 12 N.N.C. §820(0)
 - Navajo Tax Commission shall receive a priority allocation of \$300,000
 - b) Legislative: \$1,500,000
 - Phoenix Indian Center shall receive a priority allocation of \$48,325.
 - c) Judicial: the remaining balance
 2. Other unexpended operating fund balances for Divisions, Departments and Programs listed in **Exhibit H**.
- G. 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.

Pursuant to 12 N.N.C. § 810(I), Condition of Appropriation means a specific contingency placed on an appropriation by the Navajo Nation Council at the time the appropriation is made creating legal conditions precedent to the expenditure of funds. Appropriated funds or any other funds received by

the Navajo Nation on which a condition of appropriation or expenditure is placed may not be lawfully expended until the condition of appropriation or expenditure is met. It is the responsibility of the Controller to ensure that funds are expended in accordance with the conditions placed on the appropriation or expenditure.

The Navajo Nation Council has approved Conditions of Appropriation in the 2018 Comprehensive Budget. These Conditions of Appropriations are attached as **Exhibit I**. When the identified Division, Department or Program ("Responsible Entity") completes the Condition of Appropriation within the time specified, the Controller will not withhold the funding to the Division, Department or Program. However, in the event the identified Division, Department or Program fails to complete the Condition of Appropriation within the time specified, the Controller will place specified funding in unallocated funds. Should the Responsible Entity, with more than one Condition of Appropriation, not complete its Conditions of Appropriation within the stated time period or in the stated manner, then the reserved non-personnel operating funds will become unallocated funds at the quarter the last Condition of Appropriation was due to be completed.

- H. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation Fiscal Year 2018, as set forth in the attached **Exhibit J**.
- I. The Navajo Nation hereby acknowledges that all federal, state, and local government funds addressed in the Navajo Nation Fiscal Year 2018 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).
- J. 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.
- K. 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 2018 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.

- L. 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 potential consideration of supplemental appropriations in Fiscal Year 2018, in accordance with 12 N.N.C. § 820(L). The Judicial Branch unmet need is attached as **Exhibit L**.
- 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 approves a limited procedural waiver of the Appropriations Act, 12 N.N.C. § 840(B), requiring the adoption of the Comprehensive Budget no less than twenty (20) days prior to the expiration of each fiscal year, due to the circumstances surrounding the uncertainty of the Navajo Generating Station's future that delayed the necessary revenue projections for the Navajo Nation budget planning.
- O. The Navajo Nation hereby approves the Fiscal Year 2018 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. Effective Date

The Navajo Nation Fiscal Year 2018 Comprehensive Budget enacted herein, notwithstanding 12 N.N.C. § 840(B), shall be effective pursuant to 2 N.N.C. §§ 164(A)(17) and 221(B).

Section Four. Effective Date

The Navajo Nation Fiscal Year 2018 Comprehensive Budget enacted herein, notwithstanding 12 N.N.C. § 840(B), 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 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 19 in favor and 02 opposed, this 14th day of September, 2017.



LoRenzo C. Bates, Speaker
Navajo Nation Council

9-22-17

Date

Motion: Honorable Kee Allen Begay, Jr.
Second: Honorable Herman M. Daniels

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 _____ 2017.

Russell Begaye, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(11), on this _____ day of _____ 2017 for reason(s) expressed in the attached letter to the Speaker.

Russell Begaye, 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 30th day of September 2017.



Russell Begaye, President
Navajo Nation

**The Navajo Nation
Fiscal Year 2018 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	Total
1 100xxx	Executive Branch	115,324,330	14,733,676	11,200,000	4,283,378	1,000,000		60,809,277	62,817,601	38,966,279	269,601,778	578,736,319
2 101xxx	Legislative Branch	14,561,988	1,123,555					45,000				15,730,543
3 102xxx	Judicial Branch	13,300,000	133,897								1,436,301	14,870,198
4 118xxx	Fixed Costs	19,267,304	3,008,872			1,231,795						23,507,971
5 50xxxx	Capital Projects						3,789,918					3,789,918
6	Total:	162,453,622	19,000,000	11,200,000	4,283,378	2,231,795	3,789,918	60,854,277	62,817,601	38,966,279	271,038,079	636,634,949

Note: 1) The Executive Branch appropriation includes \$1,550,000 from the Permanent Fund (BU# 407001).

2) The External Funds listed are for informational purposes only.

The Navajo Nation
Fiscal Year 2018 Legislative Branch Budget Summary

EXHIBIT B

	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	101001	Navajo Nation Council	2,154,144	281,747					2,435,891
2	101003	Budget & Finance Committee	110,058	7,117					117,175
3	101014	Navajo Nation Labor Commission	259,751	39,541					299,292
4	101015	Ofc of the Speaker	2,019,078	244,962					2,264,040
5	101016	Ofc of Government Development	451,575	59,555					511,130
6	101017	Ofc of Legislative Counsel	1,132,944	107,669					1,240,613
7	101018	Navajo Utah Commission	271,160						271,160
8	101019	Ofc of Legislative Services	1,383,033	272,937					1,655,970
9	101020	Ethics & Rules Office	469,937	36,581					506,518
10	101021	Ofc of Election Administration	1,039,706	15,265					1,054,971
11	101022	Board of Elections Supervisors	124,357						124,357
12	101023	Black Mesa Review Board	18,170						18,170
13	101024	Ofc of the Auditor General	1,508,079	21,527					1,529,606
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	293,773						293,773
18	101029	Human Rights Commission	633,305						633,305
19	101030	Health, Educ. and Human Services Comm.	123,843	11,149					134,992
20	101031	Resources and Development Committee	128,014	7,505					135,519
21	101032	Law and Order Committee	109,020	7,994					117,014
22	101033	Nabik'iyatii Committee	345,612	10,006					355,618
23	101034	Legislative District Assistants	1,681,313						1,681,313
24	901001	Navajo Nation Code Enterprise			45,000				45,000
25		Total:	14,561,988	1,123,555	45,000	0	0	0	15,730,543

The Navajo Nation
Fiscal Year 2018 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	1,272,407	133,897				1,436,301	2,842,605
2	102002	Chinle Judicial District	970,765						970,765
3	102003	Crownpoint Judicial District	763,314						763,314
4	102004	Window Rock Judicial District	1,016,547						1,016,547
5	102005	Shiprock Judicial District	929,754						929,754
6	102006	Tuba City Judicial District	822,389						822,389
7	102007	Ramah Judicial District	572,766						572,766
8	102008	Supreme Court	832,440						832,440
9	102009	Peacemaker Division	1,074,035						1,074,035
10	102010	Kayenta Judicial District	892,679						892,679
11	102011	Dilkon Judicial District	683,422						683,422
12	102012	Utah Judicial District	566,692						566,692
13	102013	Tohajilee Judicial District	567,254						567,254
14	102014	Alamo Judicial District	165,343						165,343
15	102015	Dziil Yijiin Judicial District	391,328						391,328
16	102017	Pueblo Pintado Circuit Court	171,605						171,605
17	102018	Probation Services	1,532,260						1,532,260
18	102019	Judicial Conduct Commission	75,000						75,000
19		Total:	13,300,000	133,897	0	0	0	1,436,301	14,870,198

The Navajo Nation
Fiscal Year 2018 Executive Branch Budget Summary

EXHIBIT D

A	B	C	D	E	F	G	H	I	J	K	L
Business Unit	Program	Navajo Nation 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
1	103xxx Executive Offices	8,981,298	1,037,286					4,280,528			14,299,112
2	104xxx Department of Justice	6,005,166	1,413,124								7,418,290
3	105xxx Office of Management and Budget	1,383,194	1,009,054								2,392,248
4	106xxx Office of Navajo Tax Commission	1,519,526									1,519,526
5	107xxx Office of the Controller	2,969,084	3,287,913				1,146,755	16,957,632	6,732,351		31,093,735
6	108xxx Division of Community Development	4,462,267	989,628							10,678,452	16,130,347
7	108xxx Navajo Nation Chapters	24,859,300							2,864,285		27,723,585
8	109xxx Department of Dine' Education	8,428,768	380,828	11,200,000	1,737,357		20,000	1,052,283	6,036,982	39,495,348	68,351,566
9	110xxx Division of Economic Development	4,962,726	298,151				257,000		1,325,940		6,843,817
10	111xxx Environmental Protection Agency	1,356,180	112,772		211,389				3,128,802	3,868,022	8,677,165
11	112xxx Division of General Services	3,469,570	2,584,424		1,062,294	1,000,000	49,578,522			6,694,209	64,389,019
12	113xxx Department of Health	11,679,724	129,322		608,165			357,158		55,228,312	68,002,681
13	114xxx Division of Human Resources	2,348,151	1,845,934		419,080		60,500	40,170,000		14,803,609	59,647,274
14	115xxx Division of Natural Resources	18,126,600	283,083				9,236,000		11,364,519	7,776,960	46,787,162
15	116xxx Division of Public Safety	9,352,863	325,012				75,500		732,000	31,469,647	41,955,022
16	117xxx Division of Social Services	3,930,336	793,426				140,000			76,306,964	81,170,726
17	120xxx Office of Gaming Regulatory						250,000				250,000
18	121xxx Navajo Division of Transportation	1,489,577	243,719		245,093		45,000		6,781,400	23,280,255	32,085,044
19	Total:	115,324,330	14,733,676	11,200,000	4,283,378	1,000,000	60,809,277	62,817,601	38,966,279	269,601,778	578,736,319

Note: 1) The Executive Branch appropriation includes \$1,550,000 from the Permanent Fund (BU# 407001).

2) The External Funds listed are for informational purposes only.

**The Navajo Nation
Fiscal Year 2018 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	1,700,000							1,700,000
2	118004	Insurance Premiums - DGS	4,020,000							4,020,000
3	118005	Utilities - DGS	1,531,752	1,754,088						3,285,840
4	118007	Telecommunications - DGS	554,481	919,391						1,473,872
5	118008	Radio Communications - DGS	164,607	335,393						500,000
7	118010	FMIS Debt Service - OOC	982,744							982,744
8	118013	Hopi Partitioned Land Rental - NHLCO	120,400							120,400
10	118018	Retirement Plan Account - DHR	0		1,231,795					1,231,795
11	118019	NN Integrated Justice Info. Sharing - JB	484,160							484,160
12	118020	Fixed Cost Investment Fees - OOC	155,000							155,000
13	118022	FMIS Maintenance Services - OOC	1,500,000							1,500,000
14	118023	Fixed Cost Facility Maintenance	1,700,000							1,700,000
	NEW	Tribal Airplane Lease	1,354,160							1,354,160
15	N01000	Fixed Cost Litigation - DOJ	5,000,000							5,000,000
16		Total:	19,267,304	3,008,872	1,231,795	0	0	0	0	23,507,971

**The Navajo Nation
Fiscal Year 2018 Capital Budget Summary**

EXHIBIT F

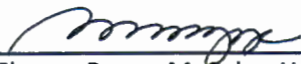
A	B	C	D	E	F	G	H	I	
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total	
1	50XXXX	Capital Outlay Match (NN Chapters)				3,789,918		3,789,918	
2		Total:	0	0	0	0	3,789,918	0	3,789,918


**DEPARTMENT OF PERSONNEL MANAGEMENT
FY'18 PAY PLAN OPTIONS - GENERAL FUNDS
GENERAL WAGE ADJUSTMENT (GWA)**

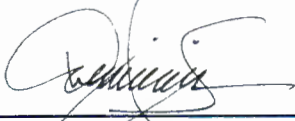
BRANCH	GWA %	TOTAL EMP	TOTAL AMT	TOTAL FRINGE AMT	TOTAL AMOUNT
Employees with Salaries \$35,000 or Less					
Executive Branch	2.50%	866	575,052.00	236,149.00	811,201.00
Judicial Branch	2.50%	91	75,855.00	31,176.00	107,031.00
Legislative Branch	2.50%	38	24,308.00	9,991.00	34,299.00
TOTAL		995	675,215.00	277,316.00	952,531.00
Employees with Salaries \$35,001 & Above					
Executive Branch	1.50%	756	591,038.00	247,396.00	838,434.00
Judicial Branch	1.50%	99	84,654.00	46,390.00	131,044.00
Legislative Branch	1.50%	97	78,557.00	35,084.00	113,641.00
TOTAL		952	754,249.00	328,870.00	1,083,119.00

OVERALL TOTAL					
Executive Branch		1,622	1,166,090.00	483,545.00	1,649,635.00
Judicial Branch		190	160,509.00	77,566.00	238,075.00
Legislative Branch		135	102,865.00	45,075.00	147,940.00
OVERALL TOTAL		1,947	1,429,464.00	606,186.00	2,035,650.00

We, the undersigned hereby recommend a General Wage Adjustment (GWA), as follows:
 Employees with salaries of \$35,000 or less at 2.5%; and
 Employees with salaries of \$35,001 & above at 1.5%.


 Dr. Sharon Begay-McCabe, Human Resources Director
 Department of Personnel Management


 Pearlina Kirk, Controller
 Office of the Controller


 Dominic Beyal, Executive Director
 Office of Management and Budget

FUND CARRYOVERS

All carryover amounts will be the remaining non-personnel account balances in the relevant business unit, after reconciliation of balances occurs.

1. Division of Human Resources, the remaining balance in Business Unit #114001, OC #6520,
2. Division of Public Safety:
 - a. Chinle Police District, \$532,109, BU #116002
 - b. Crownpoint Police District, \$329,368, BU #116003
 - c. Kayenta Police District, \$142,946, BU #116005
 - d. Shiprock Police District, \$307,507, BU #116006
 - e. Window Rock Police District, \$425,107, BU #116008
 - f. Department of Fire and Rescue, \$298,593, BU #116012
 - g. Training Academy, \$100,000, BU #116015
 - h. Department of Emergency Management, \$132,347, BU #116019
3. Navajo Election Office, the remaining balance, Business Unit #101021
4. Office of the Public Defender, the remaining balance, Business Unit #104003
5. Navajo Hopi Land Commission, \$100,000 or remaining balance, BU #101025, Object Code 6520
6. Division of Natural Resources, \$75,000 of the remaining balance in Navajo Land Title Data BU #115037, to Allocation Clearing Account OC #7250 to comply with IRS agreement (\$50,000 for BU #115002, \$14,000 for BU #115005 and \$11,000 for BU #115007).
7. Carryover remaining balances from Division of Natural Resources BU #s 115001, 115002, 115004, 115005, 115007, 115009, 115011, 115012, 115013, 115017, 115018, 115021, 115023, 115024, 115026, 115027, 115034, 115037, 115038; the carried over funds to BU #115002 District Grazing Committees; to BU #115005 Eastern Navajo Land Board and to BU #115007; Any remaining balance will be distributed between the three (3) programs, except for carry-overs previously approved.

8. 117001 – Executive Administration – All Carryover amounts will be the remaining balances in the business unit 117001, after reconciliation of balances occur. These funds are for the Strengthening Families Program and its Shelter in Shiprock.

117023 – General Assistance & Welfare Assistance ** - All Carryover amounts will be the remaining balances in the business unit 117023, after reconciliation of balances occur. These funds are for Contractual Services and Public Assistance for direct services. ** One-time funding.

9. Carry over request for the Office of Veteran’s Administration Operating only for unexpended balances as follows:

103015	NNVA Administration	\$21,398.32
103016	NNVA Chinle	\$15,909.25
103017	NNVA Crownpoint	\$10,814.04
103018	NNVA Ft. Defiance	\$9,519.95
103019	NNVA Shiprock	\$11,045.29
103020	NNVA Western	\$13,976.18
	TOTAL	\$82,663.03

FY2018
CONDITION OF APPROPRIATIONS

Condition of Appropriation means a specific contingency place on an appropriation by the Navajo Nation Council at the time the appropriation is made creating legal conditions precedent to the expenditure of funds. Appropriated funds or any other funds received by the Navajo Nation on which a condition of appropriation or expenditure is placed may not be lawfully expended until the condition of appropriation or expenditure is met. It is the responsibility of the Controller to ensure that funds are expended in accordance with the conditions placed on the appropriation or expenditure. 12 N.N.C. §810(I)

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)/department(s) non-compliance to the respective Division Director and/or Branch Chief and the Budget and Finance Committee;
2. The appropriate oversight Committee may place the non-compliant program/department on notice for 30 days;
3. At the end of the 30 day probation period the OMB will follow-up on COA compliance status;
4. The OMB will notify the appropriate oversight Committee of any continued non-compliance and the Controller to immediately withhold 10% of the program's non-personnel operating budget;
5. Thereafter, if noncompliance continues, an additional 10% of non-personnel operating budget will be withheld each quarter;
6. COA noncompliance will become part of the annual Employee Performance Appraisal Form (EPAF).

CONDITION OF APPROPRIATION NO. 1

All appropriate Division Directors, with the assistance of the Office of Management and Budget (BU # 105001), Office of the Controller (BU #107022), shall enforce compliance with each of the Condition of Appropriations, including but not limited to coordination of the written responses on a quarterly basis so as to insure adherence with each Condition of Appropriation. If the Condition of Appropriation is not complied with the above stated result shall apply.
Responsible Entity: Appropriate Divisions

CONDITION OF APPROPRIATION NO. 2

The Office of the Controller (BU# 107022) and Office of Management and Budget (BU#105001), and the Budget and Finance Committee (BU #101003), assisted by the Department of Justice (BU # 104001), shall, by the end of the 1st quarter, develop written policies on the management and operation of the External Cash Match budget (BU #118024). If the Condition of Appropriation is not complied with the above stated result shall apply.
Responsible Entity: Office of the Controller, Office of Management and Budget and the Budget and Finance Committee

CONDITION OF APPROPRIATION NO. 3

The Division of Community Development, Administrative Service Center, (BU# 108125) shall, by the end of the 1st quarter, develop an updated Plan of Operation to be approved by the Resources and Development Committee.

The Administrative Service Center program (BU #108125) shall receive an FY 2018 appropriation for the 1st Quarter only. The Office of the Controller shall release the appropriated FY 2018 funds for the remaining quarters when an approved Resources and Development Committee resolution is presented with an updated Plan of Operation to the Office of the Controller.

Responsible Entity: Division of Community Development

CONDITION OF APPROPRIATION NO. 4

All Divisions and Programs whose plans of operation which have been identified to be updated per Exhibit I-1 shall present, to their respective oversight committees, amendments to their respective plans of operation to bring the plans of operation up to date by the end of the 3rd quarter, except the Division of Natural Resources which shall bring their plans of operation up to date by the end of the 4th quarter. If this Condition of Appropriation is not complied with the above stated result shall apply.

Responsible Entity: Affected Divisions and Programs

CONDITION OF APPROPRIATION NO. 5

The Department of Diné Education, Office of Scholarship (BU #109008), shall by the end of the second quarter, develop a scholarship/loan program for difficult positions to be filled at Navajo Nation Divisions and to propose funding from the Síhasin Fund. Loans shall be repaid to the Navajo Nation; however, if the loan recipient becomes employed by the Navajo Nation the loan amount will be waived at a percentage for years of service. The Office of Scholarship (BU #109008), shall present the scholarship/loan program to the Health, Education and Human Services Committee for approval by the appropriate standing committees and/or Navajo Nation Council.

Responsible Entity: Office of Scholarship

CONDITION OF APPROPRIATION NO. 6

The Department of Health, Navajo Area Agency on Aging (BU #113010) shall, by the end of the second quarter, develop and/or update the policy regarding food purchase and delivery for Navajo Senior Centers, to ensure the health and safety of Navajo seniors. When the policy has been developed and/or updated, the Department of Health, Navajo Area Agency on Agency (BU #113010) shall report to the Health, Education and Human Services Committee to finalize the policy. The Department of Health, Navajo Area Agency on Agency (BU #113010) shall fill all vacant agency staff positions by the end of the second quarter. If the Condition of Appropriation is not completed by the second quarter the above stated result shall apply.

Responsible Entity jn: Navajo Area Agency on Aging

CONDITION OF APPROPRIATION NO. 7

Division of Economic Development – Administration (BU #110001) to hire an Appraiser by the end of the 1st Quarter to allow Real Estate Department to carry out its plan of operation.

Condition of Appropriation No. 4
Updating Plan of Operation

- A. Office of the Controller/Credit Services Department
- B. Office of Management and Budget
- C. NN Environmental Protection Agency
- D. Division of Transportation Administration and Programs
- E. Department of Diné Education Administration and Programs
- F. Division of Public Safety Administration and Districts
- G. Division of Economic Development Administration and Programs
- H. Department of Justice and Programs
- I. Division of Human Resources – Office of Navajo Women and Families
 - Navajo Occupational Safety & Health Administration
 - Navajo Department of Workforce Development
 - Navajo Office of Vital Records
- J. Division of General Services – Administration
 - Insurance Service Department and Programs
 - Navajo Transit System
 - Records Management Department
 - Fleet Management Department

FISCAL YEAR 2018
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, but 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

Budget and Finance Committee - Chair

Establish a Naabik'iyáti' Committee Sub-committee, with representatives from each Standing Committee, to establish proposed amendments to Title 26 regarding policies related to Chapter employee supervision, insurance benefits for Chapters and other related issues. Continues through Fiscal Year 2018.

LEGISLATIVE CONCERN NO. 2

Navajo Department of Health

Prepare a study and report for consideration by the Department's Oversight Committee regarding the Senior Citizens Trust Fund use of vendors and vendor availability to senior centers.

Studies and report will be presented to the oversight committee and the Budget and Finance Committee by the end of the 2nd quarter.

LEGISLATIVE CONCERN NO. 3

Veterans Administration

Prepare a report on proposed solutions regarding the use of budgeted funds and the administration of funds relative to the Veterans Trust Fund, General Funds and External Funds; and how the funds will assist all veterans and a fair use of the funds. The report will be presented to the Oversight Committee and the Budget and Finance Committee by the end of the 1st quarter.

EXHIBIT K

“THE BIG BOOK”



JUDICIAL BRANCH OF THE NAVAJO NATION

Acting Chief Justice Thomas J. Holgate

August 09, 2017

As part of the proposed FY 2018 Judicial Branch budget, the branch was asked to prioritize our unmet needs that were included in the proposal to our oversight committee. Our unmet needs for FY 2018 total \$425,950. The budgets for these unmet needs are attached.

The priorities for the unmet needs of the Judicial Branch are as follows:

1. BU 102001 – Administrative Office of the Courts (AOC)
Travel; Supplies; Lease & Rental; Comm. & Util; Rep. & Maint.; Spec. Trans.: \$69,309
2. BU 102008 – Supreme Court
Travel; Supplies; Comm. & Util; Repairs & Maint.; Special Trans. \$20,659
3. BU 102004 – Window Rock Judicial District
Travel; Supplies; Repairs & Maint.; Contractual Services; Special Trans. \$29,497
4. BU 102002 - Chinle Judicial District
Travel; Supplies; Repairs & Maint.; Contractual Services; Special Trans. \$24,276
5. BU 102005 - Shiprock Judicial District
Travel; Supplies; Repairs & Maint.; Contractual Ser.; Spec. Trans. \$24,196
6. BU 102006 – Tuba City Judicial District
Travel; Supplies; Repairs & Maint.; Contractual Services; Spec. Trans. \$35,483

Top Six Priorities Subtotal: \$203,420

7. BU 102003 – Crownpoint Judicial District	
Travel; Supplies; Rep. & Maint.; Contractual Services; Spec. Trans.	\$24,902
8. BU 102007 – Ramah Judicial District	
Travel; Supplies; Rep. & Maint.; Contractual Services.; Spec. Trans.	\$15,333
9. BU 102009 – Peacemaking Program	
Travel; Meeting; Supplies; Contractual Services; Spec. Trans.	\$26,800
10. BU 102010 – Kayenta Judicial District	
Travel; Supplies; Rep. & Maint.; Contractual Services; Special Trans.	\$19,210
11. BU 102011 – Dilkon Judicial District	
Travel; Supplies; Rep. & Maint.; Contractual Services.; Spec. Trans.	\$17,410
12. BU 102012 – Aneth Judicial District	
Travel; Supplies; Rep. & Maint.; Contractual Services; Spec. Trans.	\$16,226
13. BU 102013 – Tohajiilee Judicial District	
Travel; Supplies; Contractual Services; Special Transactions	\$19,709
14. BU 102014 – Alamo Judicial District	
Travel; Supplies; Repair & Maintenance; Cont. Servies; Spec. Trans.	\$15,930
15. BU 102015 – Dzil Yijin Judicial District	
Travel; Supplies; Repair & Maintenance; Contractual Ser.; Spec. Trans.	\$12,309
16. BU 102018 – Probation Services	
Travel; Supplies; Repairs & Maint. Contractual Ser.; Spec. Trans.	\$42,900
17. BU 102017 – Pueblo Pintado Circuit Court	
Travel; Supplies; Repairs & Maint. Contractual Ser.; Spec. Trans.	\$ 6,351
18. BU 102019 – Judicial Conduct Commission	
Travel; Meeting; Supplies; Lease & Rental; Contractual Ser.; Spec. Trans.	\$ 5,450

Priorities No. 7 through No. 18 Subtotal: \$222,530

GRAND TOTAL: \$ 425,950

Approved by:
JG
8/9/17

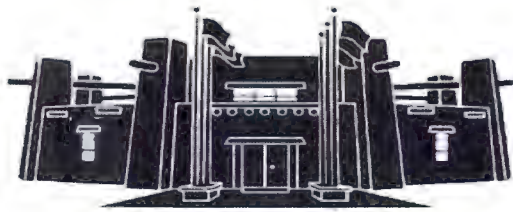
Fiscal Year 2018

**The Navajo Nation
Recommended Unmet Needs Budgets**

EXHIBIT E


Branch: Judicial BranchDivision: Judicial Branch

(A) Business Unit Number	(B) Program Title	(C) Amount of Unmet Need	(D) Explanation of Recommended UNMET NEEDS to the FY 2018 General Fund Budget
102001	ADMIN. OFC. OF THE COURTS	69,309	Additional Operation & Maintenance Funding
102002	CHINLE JUDICIAL DISTRICT	24,276	Additional Operation & Maintenance Funding
102003	CROWNPOINT JUDICIAL DISTRICT	24,902	Additional Operation & Maintenance Funding
102004	WINDOW ROCK JUDICIAL DISTRICT	29,497	Additional Operation & Maintenance Funding
102005	SHIPROCK JUDICIAL DISTRICT	24,196	Additional Operation & Maintenance Funding
102006	TUBA CITY JUDICIAL DISTRICT	35,483	Additional Operation & Maintenance Funding
102007	RAMAH JUDICIAL DISTRICT	15,333	Additional Operation & Maintenance Funding
102008	SUPREME COURT	20,659	Additional Operation & Maintenance Funding
102009	PEACEMAKING PROGRAM	26,800	Additional Operation & Maintenance Funding
102010	KAYENTA JUDICIAL DISTRICT	19,210	Additional Operation & Maintenance Funding
102011	DILKON JUDICIAL DISTRICT	17,410	Additional Operation & Maintenance Funding
102012	ANETH JUDICIAL DISTRICT	16,226	Additional Operation & Maintenance Funding
102013	TOHAJIILEE JUDICIAL DISTRICT	19,709	Additional Operation & Maintenance Funding
102014	ALAMO JUDICIAL DISTRICT	15,930	Additional Operation & Maintenance Funding
102015	DZIL YIJIN JUDICIAL DISTRICT	12,309	Additional Operation & Maintenance Funding
102017	PUEBLO PINTADO JUDICIAL DISTRICT	6,351	Additional Operation & Maintenance Funding
102018	PROBATION SERVICES	42,900	Additional Operation & Maintenance Funding
102019	JUDICIAL CONDUCT COMMISSION	5,450	Additional Operation & Maintenance Funding
TOTAL:		425,950	



MEMORANDUM

TO: Tom Platero, Executive Director
Office of Legislative Services
Navajo Nation Council

FROM: 
Edward A. McCool, Principal Attorney
Office of Legislative Counsel

DATE: March 1, 2018

SUBJECT: Administrative Correction to Legislation CS-53-17 FY 2018 Budget
Resolution Budget Form 2 Page 2 of 6, records Management Department Business Unit
112010

A typographical error occurred regarding the Records Management Department's providing the correct Budget Form as part of legislation CS-53-17. When completing FY2018 Budget Form 2, Page 2 of 6, Part III. Program Performance Criteria; No. 1. Program Performance Area: Overall Documents Scanned Goal Statement the Department entered the number 700,000. The correct number should be 70,000. Please substitute the attached corrected budget form as provided by the Records Management Department, Division of General Services as part of Legislation CS-53-17 as an administrative correction of a typographical error.

If you have any questions regarding this request, let me know. Thank you.

cc. Delegate Jonathan Hale, Navajo Nation Council
Joelynn M. Ashley, Division Director, General Services

FY 2018

THE NAVAJO NATION PROGRAM PERFORMANCE CRITERIA

Page 2 of 6
BUDGET FROM 2

PART I. PROGRAM INFORMATION:

Business Unit No.: 112010

Program Name/Title:

Records Management Department

PART II. PLAN OF OPERATION REFERENCE/LEGISLATED PROGRAM PURPOSE:

(GSCS 40A-10): Records Management is a department function under the Division of General Services to maintain and oversee vital official records and to provide duplicating services for the Navajo Nation divisions, departments and programs.

PART III. PROGRAM PERFORMANCE CRITERIA:

	1st QTR	2nd QTR	3rd QTR	4th QTR
Goal				
Actual				

1. Program Performance Area:

Overall number of documents electronically scanned

Goal Statement:

Scan ~~700,000~~ 70,000 images per quarter

70,000	70,000	70,000	70,000
700,000	72,165	700,000	700,000

2. Program Performance Area:

Retention: through the Attorney General dispose of records that are no longer needed

Goal Statement:

Dispose of 2,900 lbs. of records that are no longer needed per quarter

2,900	2,967	2,900	2,900
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3. Program Performance Area:

Mail Services: To distribute Navajo Nation and U.S. Postal mail to the Divisions, Departments and Programs within the Navajo Nation

Goal Statement:

Process 8,000 mail per quarter to the divisions, departments and programs within the Navajo Nation

8,000	3,456	8,000	8,000	8,000
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4. Program Performance Area:

Continue to provide Records Management training to all Navajo Nation divisions, departments, and programs

Goal Statement:

Provide 1 presentation per quarter to the divisions, departments and programs

1	1	1	1	1
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5. Program Performance Area:

Finalize and implement the department Strategic Plan in 4 phases during the FY2018

Goal Statement:

Develop, design, implement, and monitor of the strategic plan for the department

Phase 1	Phase 1	Phase 2	Phase 3	Phase 4
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PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.

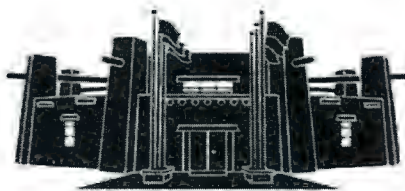
Norman Begay, Program Supervisor

Program Manager's Printed Name

Program Manager's Signature and Date

Joelynn Ashley, Division Director

Division Director/Branch Chief's Signature and Date



Navajo Nation
Legislative Branch
Office of Legislative Services

For Office Use Only

REQUEST FOR PUBLIC RECORDS

2 N.N.C. §§ 81-91

Records Requested: HEHSCMY-017-13
legislation and all attachments

Date/Time Period of Records Requested: Year of 2013 -

REQUESTOR:

Department (if applicable): <u>DODE - Office of Navajo Nation Scholarship & Financial Assistance</u>	
Name (print): <u>Michael Trosier</u>	Title (print): <u>Associate Statistical/Research Analyst</u>
Signature: <u>[Signature]</u>	Date: <u>3/28/2018</u>
Phone: <u>925 811 7444</u>	E-Mail: <u>m.trosier2@navajo-nm.gov</u>

Note:

1. Legislations/Resolutions from year 2015 to present can be found at: <http://dibb.nnols.org/PublicReporting.aspx>
2. Pursuant to 2 N.N.C. § 88 (F), the Office of Legislative Services shall respond to public record request(s) within the specified time frame of 90 days.
3. Pursuant to 2 N.N.C. § 88 (H), reasonable costs may be assessed for photocopying and other duplicating activities.

As authorized under 2 N.N.C. §§ 81-91, I approve the release of the requested public information mentioned above under Records Requested.

COMPLETED BY: ☒ Legislative Tracking ☐ Legislative Process emailed

Legislative Staff

Date Record Retrieved

AUTHORIZED BY:

Legislative Tracking Supervisor (or designee)

Date Approved

Legislative Process Supervisor (or designee)

Date Approved