



**The Navajo Nation** **DR. BUU NYGREN** **PRESIDENT**  
**Yideeskáadi Nitsáhákees** **RICHELLE MONTOYA** **VICE PRESIDENT**

April 27, 2023

Honorable Crystalyne Curley, *Speaker*  
Navajo Nation Council  
Post Office Box 3390  
Window Rock, AZ 86515


RE: CAP-18--23 *An Action Relating to the Health, Education, and Human Services, Budget and Finance, and Naabik'iyáti' Committees, and to the Navajo Nation Council; Approving \$1,573,288 from the Unreserved, Undesignated Fund Balance to the Division of Social Services for a Grant to St. Michaels Association for Special Education*

Dear Speaker Curley,

The use of funds from the Unreserved, Undesignated Fund Balance must always be carefully considered. I support this one-time funding legislation for the St. Michaels Association for Special Education as the funds will be put to a use when no other funds are currently available. In addition, these funds are not duplicative of other Navajo Nation funds.

The St. Micheal Association for Special Education fills an important need on the Navajo Nation. I look forward to the future success of St. Michaels Association for Special Education and standing on its own financial fortitude.

Sincerely,

  
Dr. Buu Nygren, *President*  
THE NAVAJO NATION

RESOLUTION OF THE  
NAVAJO NATION COUNCIL  
25<sup>th</sup> NAVAJO NATION COUNCIL - FIRST YEAR, 2023

AN ACTION

RELATING TO THE HEALTH, EDUCATION, AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING \$1,573,288 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE TO THE DIVISION OF SOCIAL SERVICES FOR A GRANT TO ST. MICHAELS ASSOCIATION FOR SPECIAL EDUCATION

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Health, Education, and Human Services Committee ("HEHSC") is a standing committee of the Navajo Nation Council with the authority to oversee education matters on the Navajo Nation. 2 N.N.C. § 401(C)(2). HEHSC also has oversight responsibility for the Navajo Nation Division of Social Services. 2 N.N.C. § 401(C)(1).
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the authority to review and recommend to the Navajo Nation Council the management of all funds. 2 N.N.C. § 300(A), and § 301(B)(2).
- C. The Navajo Nation Council established the Naabik'íyáti' Committee as a Navajo Nation standing committee, and proposed legislation requiring final action by the Council shall be assigned to the Naabik'íyáti' Committee. 2 N.N.C. § 164(A)(9) and § 700(A).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A). As such, the Council ". . . may adopt and approve supplemental appropriations to the Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of General Funds within the current fiscal year are permitted, if and when additional sources of revenues above and beyond the initial or current revenue projections are projected and which are also in excess of the reserve amount set forth at § 820(J)." 12 N.N.C. § 820(L).
- E. The Title 12 restrictions on supplemental appropriations, including all amounts from the Unreserved, Undesignated Fund Balance ("UUFB"), include:
  - 1. Payment of recurring government operating expenses shall be from recurring revenues, and payment of nonrecurring

expenses shall be from nonrecurring revenues such as UUFB funds. 12 N.N.C. § 820(E); 12 N.N.C. § 820(F).

2. Specifically, the UUFB shall not be used for recurring government expenditures or operations. 12 N.N.C. § 820(J); 12 N.N.C. § 820(L).
3. Nonrecurring revenues such as UUFB funds may be used only after the Controller determines whether or not such revenues are subsidizing an imbalance between the Navajo Nation's recurring revenues and expenditures, and government expenditures shall only be authorized if a long-term (3-year to 5-year) forecast shows that the operating deficit will not continue; otherwise, nonrecurring revenues will be added to the UUFB. 12 N.N.C. § 820(F).
4. The above provisions in Title 12 may be amended or waived by a two-thirds vote of the full membership of the Navajo Nation Council. 12 N.N.C. § 820(F); 12 N.N.C. § 880.
5. Pursuant to 12 N.N.C. § 820(F), all UUFB funding requests must be reviewed by the Controller. The Controller ensures compliance with all provisions of 12 N.N.C. § 820(L).
6. Pursuant to 12 N.N.C. § 820(M) all UUFB funding requests must be submitted to the Office of Management and Budget ("OMB") for a budget impact analysis.

## SECTION TWO. FINDINGS

- A. The St. Michaels Association for Special Education ("SMASE") is seeking \$1,573,288 in Navajo Nation funds to address detrimental effects from the COVID-19 pandemic, including the closure of its Education Department. SMASE requests the funds in order to stabilize its current operations, maintain services to its 17 Navajo clients, increase client enrollment, continue employing 36 staff members and hire 11 new employees, and to maintain and increase needed services in the St. Michaels community. Regarding this funding request, SMASE has provided a Proposal dated March 30, 2023. **EXHIBIT A.**
- B. SMASE has provided a Resolution from its Board of Directors approving and supporting this funding request. **EXHIBIT B.** SMASE has also provided the required Navajo Nation Grant Application and Navajo Nation Budget Forms. **EXHIBIT C.**
- C. The Navajo Nation Division of Social Services has provided a memo explaining that it will serve as the Navajo Nation fiscal agent for the grant to SMASE. **EXHIBIT D.**

- D. The Fort Defiance, Sawmill, and Red Lake Chapters have approved resolutions supporting SMASE's funding request. **EXHIBIT E.**
- E. The Controller has provided a memorandum, as required by 12 N.N.C. § 820(L). The Controller has identified the proposed SMASE expenditures as *nonrecurring*. **EXHIBIT F.**
- F. The Office of Management and Budget has provided a budget impact statement required by 12 N.N.C. § 820(M). **EXHIBIT G.**

**SECTION THREE. APPROVING \$1,573,288 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE TO THE DIVISION OF SOCIAL SERVICES FOR A GRANT TO ST. MICHAELS ASSOCIATION FOR SPECIAL EDUCATION**

- A. The Navajo Nation hereby approves \$1,573,288 from the Unreserved, Undesignated Fund Balance to the Navajo Nation Division of Social Services ("DSS") for a grant to the St. Michaels Association for Special Education, for the purposes explained in the attached **Exhibits A, B, C, and D.**
- B. Pursuant to 12 N.N.C. § 820(J), the approved \$1,573,288 shall be from that amount of funds that exceeds the 10% minimum fund balance of the Unreserved, Undesignated Fund Balance, as determined by the Office of the Controller.
- C. Normally under 2 N.N.C. § 820(N), approved UUFb funds not expended or encumbered by the end of the current fiscal year lapse and revert to the UUFb. However, with this Action the Navajo Nation Council determines that the \$1,573,288 approved herein shall not lapse or revert so long as SMASE continues to budget and use the funds as explained in the attached **EXHIBITS A, B, C, and D.**
- D. No later than 30 business days after the effective date of this Action, the Controller shall transfer the UUFb funds approved herein to DSS. DSS shall then promptly enter into a Grant Agreement approved by the Controller and executed by SMASE and the Navajo Nation. Said Grant Agreement shall establish a payment or drawdown plan, a fund management plan, or other relevant procedures regarding SMASE's expenditure of the approved UUFb funds.
- E. The UUFb funds approved herein shall be used by SMASE strictly for the purposes described in the attached **EXHIBITS A, B, C, and D.** As a condition of receiving the UUFb funds, upon request SMASE shall allow the Navajo Nation full access to its financial records related to the UUFb funds provided to SMASE, for the purpose of the Navajo Nation's review and audit of SMASE's expenditures of UUFb funds.

- F. By October 31, 2023, SMASE shall submit a written report, and a verbal report if so requested, explaining its "to date" expenditures of the approved UUFB funds, to DSS and the Health, Education, and Human Services Committee. SMASE shall present further such reports to DSS and the HEHSC by the end of each fiscal year Quarter until all UUFB funds approved herein have been expended.

**SECTION FOUR. DIRECTIVE TO THE OFFICE OF MANAGEMENT AND BUDGET, THE DIVISION OF SOCIAL SERVICES, AND THE OFFICE OF THE CONTROLLER**

The Office of Management and Budget, the Division of Social Services, the Office of the Controller, and the Department of Justice are directed to take all necessary steps to expeditiously process this Resolution to ensure the grant money is received by St. Michaels Association for Special Education as soon as possible but no later than thirty (30) days after the Resolution's enactment.

**SECTION FIVE. EFFECTIVE DATE**


This Action shall become effective as provided in 2 N.N.C. § 221(B) and 2 N.N.C. § 164(A) (17).

**SECTION SIX. EFFECTIVE DATE**

If any provision of this Action is determined invalid by the Navajo Nation Supreme Court or a District Court of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, the remainder of this Action shall remain the law of the Navajo Nation.

**CERTIFICATION**

I, hereby, certify that the foregoing resolution was duly considered by the 25<sup>th</sup> 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 20 in Favor, and 00 Opposed, on this 19<sup>th</sup> day of April 2023.



Honorable Crystalyne Curley, Speaker  
25<sup>th</sup> Navajo Nation Council


4/21/23  
DATE

Motion: Honorable Vince R. James  
Second: Honorable Rickie Nez

Speaker Crystalyne Curley 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 28 day of April, 2023.

  
\_\_\_\_\_  
Buu Nygren, President  
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this \_\_\_\_\_ day of \_\_\_\_\_, 2023 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Buu Nygren, President  
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the budget line-item veto authority delegated to the President by vote of the Navajo People in 2009, on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Buu Nygren, President  
Navajo Nation

St. Michaels Association for Special Education  
(SMASE)

SEEKING FINANCIAL  
ASSISTANCE AND SELF-  
SUSTAINING FUNDS  
PROPOSAL

March 30 2023

ST MICHAELS ASSOCIATION FOR SPECIAL EDUCATION PO DRAWER 100, MUSTANG ROAD  
ST MICHAELS ARIZONA 86511 (928) 871-2800

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### **MISSION**

To promote and provide a coordinated, accessible system of quality services for children and adults with developmental disabilities including their family. Individuals shall:

- Be afforded dignity and respect
- Have options and opportunities to make choices in all aspects of their lives
- Have access to quality education, habilitation, trained medical care and other support necessary to advance their personal well being
- Have opportunities to participate in Navajo community life
- Have an opportunity for appropriate relationships with family and friends

### **PHILOSOPHY**

The school believes that a child with disabilities is foremost an individual in his/her own right; that he/she can grow and develop throughout his/her life regardless of his/her disability. Each child is assisted to the fullness of this potential so that he/she can live a richer life and participate as completely as possible in his/her family and community. It is also the philosophy of the school to work with a family and not just a child.



## WHO IS SMASE?

### History

Saint Michaels Association for Special Education (SMASE) was established in 1968 by Sister Marijane Ryan, a registered nurse from Boston, who had come to St. Michaels to care for another Sister with cancer. Sister Marijane Ryan was known for the brown cowboy boots protruding under her white habit and for always helping those in need. One day, Sister Marijane Ryan was wheeling around a 6-year old Navajo boy with polio, whom she had taken to, outside the Franciscan clinic, when she caught the attention of a Navajo Medicine Man who had been riding past in his horse-drawn wagon. Using her training in rehabilitation, Sister Marijane Ryan was working with the young boy in hopes of helping him to regain his ability to walk. Each day the pair would wander outside to continue their therapy, and every day the Navajo Medicine Man would arrive and watch the pair in silence, no matter what time of day the therapy was occurring. Sister Marijane would try talking to the Medicine Man, using the Navajo the young boy had taught her, but she could never get any reaction from him. After four months of therapy, the boy finally stood between two chairs. Seeing this feat, the Medicine Man took off in his horse and wagon. That afternoon, he came back with his grandson, a three-year-old with Cerebral Palsy. Within 3 weeks, Sister Marijane Ryan had about fifteen children.

On March 18, 1970, St. Michaels Association for Special Education was incorporated with the Arizona Corporation Commission as a 501 (c) (3) not-for-profit corporation and is governed by a Board of Directors. SMASE has been serving moderate to severely disabled children and adults from areas near and throughout the Navajo Nation in excess of 50 years. SMASE is located on the Navajo Nation within the St. Michaels Chapter on land donated by the Sisters of the Blessed Sacrament.

## PROJECT DESCRIPTION

### EXECUTIVE SUMMARY

SMASE has a long history in serving the Navajo communities. SMASE effectively administered a system of person-centered community support and services promoting positive outcomes for all stakeholders with a primary focus on assisting individuals with intellectual and developmental disabilities to exercise their rights to make choices, grow and contribute to their community and in circumstances become self-sufficient.

Over five decades, since 1970, SMASE has become the facility that provides highly specialized education and services for client members with Low Incidence, Significant Complex Disorders, and Medical Needs. The level of meeting these needs comes at a high cost. Our budget has met a shortfall due to a variety of issues, which we are addressing to bring our budget in balance for the future.

SMASE has faced significant challenges due to the COVID-19 pandemic. The pandemic has affected our financial revenue due to loss of services and client members. Revenues have declined in terms of donations and pre-negotiated reimbursed rates do not cover all operating costs incurred by SMASE. Expenses and liabilities are greater than revenues by \$70K per month.

SMASE is requesting support for monetary funds to continue providing day treatment and group home services for our seventeen Navajo Native Americans with Intellectual and Developmental Disabilities without interruption. SMASE has and will always keep the client members, also known as consumers, as priority. All of our client expenses are essential and are purchased from local vendors for all groceries, food, chux, toiletries, sanitizing and cleaning supplies.

SMASE has been hit hard in the past 9 months due to the closure of the education department in July 2022. The closure created a huge challenge in covering payroll and essential operating costs. Several of our employees have reduced hours and key professional positions have not been refilled due to the current financial constraints.

Buildings, classrooms, offices, and group homes are in a dilapidating condition due to the age of the building being greater than 30-40 years old, or older. All buildings, sidewalks and roads are in need of either repair, renovation, or replacement. Black mold was discovered in 2015. The information technology systems – hardware and software – is outdated and unsupported.

SMASE will be requesting from the Navajo Nation 1) immediate cash funds from NN DSS (Navajo Nation Division of Social Services) and 2) Long Term UUFB (Undesignated, Unreserved Fund Balance) funds for \$1,573,288 as a Grant assistance to stabilize the SMASE program, keep the 17 clients and increase client enrollment, employ 36 staff and hire eleven new staff, and to have the means to maintain and increase the needed services in our community.

Site Location & Vicinity Maps

The St. Michaels Association for Special Education School is located northwest of the intersection AZ-264 and Indian Route 12 in Window Rock, AZ. See Exhibit 1, 2 and 3.

Board of Directors

SMASE is governed by a Board of Directors:

- |                               |                                 |
|-------------------------------|---------------------------------|
| • Anna Beth Nez, President    | Member since: October 1986      |
| • Emma Chatto, Vice President | Member since: December 5, 2022  |
| • Janis Damon, Secretary      | Member since: November 16, 2021 |
| • Margaret Sandoval, Member   | Member since: February 2012     |
| • Vacant, Member              |                                 |

Employees

SMASE currently employs a staff of 36 located in Window Rock, Arizona. The direct service staffing pattern requires a high ratio of staff to client members to effectively work with high needs clients. See Organization Chart - Exhibit 7.

- Full Time: 31
- Part Time: 4
- Temporary: 1

Key Staff and Consultants

Leroy White, Acting Executive Director (appointed January 30, 2023)  
Andrea Manuelito, Accounting Supervisor  
Barbara Curtis, Residential & DTA Supervisor  
Henrietta Bia, Support Coordinator  
Geraldine Kee-Yazzie, Consultant (Internal Auditor/Financial Specialist)  
Pat Ives, Legal Counsel, Cuddy & McCarthy

Client Members/Consumers

Today, the organization has 17 client members being served:

- 10 clients reside on-site in the Residential program and Day Treatment for Adult program.
- 7 clients are transported daily, to/from home, to attend the Day Treatment for Adult program.

SMASE is the one of a very few organizations on the Navajo Nation dedicated to providing specialized care and services to children and adults (ages 15 to 54) with moderate to severe disabilities. Each client member is unique and requires a specialized care plan. SMASE is the only private non-profit special education institution in the Navajo Nation.

In the past, the Education and DTA (Day Treatment for Adult) programs provided education and services to approximately fifty (50) students and clients. Math, reading and science were taught, along with horticulture and Diné Culture and language. Clients had daily services of physical therapy, speech pathology and occupational therapy. A strong emphasis was placed on functional and daily living tasks, which integrated our clients into the community through frequent outings and events. Previously, SMASE has provided Education, Food Services, Therapy, and Rehabilitation Services.

SMASE is certified to provide Home & Community-Based Services (HCBS) services, as follows: See Exhibit 4.

Occupational Therapy  
Physical Therapy  
Speech/Hearing Therapy  
Homemaker Services  
Respite Care Services  
Attendance Care  
Non-Emergency Transportation  
Habilitation  
DD Program (DD day care programs)  
Rehabilitation

*\* Some of these services have been curtailed  
due to lack of licensed staff*

#### CURRENT SERVICES PROVIDED

SMASE offers the following services to Navajo families:

- Day Habilitation Services for adults (Day Treatment for Adults-DTA)
- Residential services
- Transportation
- Occupancy
- Nursing
- Administration

DTA – When clients age out of the school systems, there are many options. One option is our Day Time Adult Treatment and Training Program (DTA). Our DTA Program allows adults with disabilities a place to continue their learning as well as socialize with peers, all while receiving the care they need. DTA clients participate in a variety of community outings, learning opportunities, and activities that are both engaging and enriching to their lives. DTA puts an emphasis on independency and life skills. The Navajo Nation in the Arizona area does not have work support for Adults with Disabilities. Most of our clients are placed in our Day Treatment for Adults (DTA) program, a social and medical support program—not a work support program. The Navajo Nation has limited resources for clients with Autism Spectrum Disorder and SMASE is the best option for training, intervention, and resources for our Navajo clients. There is an immediate need to expand services. Without our services the only other option is to relocate our clients to Flagstaff or Phoenix—far from their homes. Under Arizona DES/DDD rules and regulations, it is very difficult for an Arizona resident to receive services in another state. DTA is the highest growth need for SMASE and our local area. We are unable to expand these services without financial assistance.

# of Employees: 7 Direct staff

Residential - Provides both full-time and school week housing for our clients. Currently, SMASE has five active group homes, capable of housing two to three clients each. Licensed with Arizona Department of Economic Security / Division of Developmental Disabilities (AZ DES/DDD) our Residential Department promotes the safety and care of the clients. The ratio of client to staff are based on their behavior and medical needs. For example, Group Home X is 1:2 Staff to Client ratio. Residential and Habilitation services are provided on a 24/7 basis.

# of Employees: 17 Direct staff and 2 Program Supervisors (Residential/DTA)

Transportation - Since the beginning of SMASE, we have been committed to keep the family close to their children, we transport seven (7) DTA clients to and from home daily. We have very high transport cost due to high gas prices, vehicle maintenance, vehicles leased with specialized equipment and higher overall costs due to the expanse of the Navajo Nation. Daily transportation is provided for clients to/from Ganado, Sawmill, and Sanders. See Exhibit 5 and 6 regarding two maps depicting the home location of current and past client members. Example: SMASE is not reimbursed for the two round trips made to Ganado School for one client under the contract NN DSS, five days a week.

# of Employees: 2

Occupancy - Responsible for the facility and maintenance needs which includes keeping each building, offices, classrooms, and group homes free of hazards that might compromise the safety of the clients, staff and visitors. The department routinely inspects all building infrastructure to ensure compliance with safety standards. Preventative maintenance includes inspecting, cleaning, adjusting, replacing and

lubricating to promote longer life expectancy of SMASE assets.

# of Employees: 1

Nursing – Part-time and on call 24/7; responsible for all medications for residential clients; assists with medical appointments; ensures all medical documents are updated & filed; collaborates for ongoing chronic and acute medical care. When the Education Department is fully operational, Arizona state regulations require SMASE to have, at least, a registered nurse on staff or on contract. SMASE decided to keep the Registered Nurse (RN) on a part-time basis to protect the health and safety of our client members, in large part due to the ever-changing situation with covid.

# of Employees: 1

Administration – Day-to-day management of the SMASE office and organization.

Responsible to perform a variety of duties and tasks such as Accounting and Financial activities, daily bookkeeping, billing, paying bills, deposits, mail to include recordkeeping and archiving activities, client intake and handling incoming calls and visitors.

# of Employees: 6

#### Demographics of 17 client members

##### Day Treatment for Adults (DTA)

- 7 Clients transported to/from SMASE daily
  - 3 Females
  - 4 Males

*One client reimbursed via Navajo Nation DSS \*\**

##### Residential and DTA

- 10 clients live at SMASE
  - 8 Females
  - 2 Males

#### PAST SERVICES PROVIDED

Education – SMASE closed the Education or Private School in July 2022, during the COVID-19 Pandemic, due to difficulty in retaining and recruiting certified special education teachers and an Education Director. This closure impacted the operations of SMASE with a decrease of \$2.1 million in funding from various school districts, the Bureau of Indian Education and the Navajo Nation Social Services. Education staff were laid off or resigned and that included an Education Director, Para-Educators, Special Education Teachers, Speech Therapist, and other staff were transferred to other positions within the organization.

In the past, the Education department promoted and facilitated the education of individual students aged 4-22 that were diagnosed with physical or intellectual disabilities. The school focused on self-sufficiency, academic knowledge, Navajo Culture, physical fitness and meaningful participation in both community and family life. Prior, there were three classrooms, each one structured by the needs of the student; those classrooms were the Rise Classroom, the autistic support class, the Multisensory Classroom, the medically fragile class, and the Learning Support Classroom, which placed a special emphasis on life skills and independent learning. Individual therapy sessions such as occupational, physical, speech/hearing as well as the Nursing department also assisted the classes as needed.

SMASE desires to re-open the Education services to provide a critical need of education to the special needs clients. When the Education Department closed in July 2022, the clients were forced to seek Education from other school districts such as Window Rock, Ganado, Fort Wingate (BIE), Ramah Social Services, Torreon, Chichiltah, Lukachukai, Sanders, Chinle, Pine School for Education, Tuba City, Pine School for Hab. During COVID, some of the schools did not renew their contract.

Long Term Plans are to re-open the Education Department in FY 2025; after SMASE can demonstrate financial stability and maintain a balanced budget.

Other programs offered were Special Olympics, 4-H program, partnership with Northern Arizona University Nursing students, partnership with Mercy Corps volunteers, and annual Telluride Ski Trip.



**FINANCIAL OVERVIEW**

Current management was appointed on January 30, 2023, by the SMASE Board of Directors. The task of assessing and analyzing the operations and finances was the priority. Soon thereafter, the management team advised the Board of Directors of its findings and began to formulate an immediate plan to address the shortage of cash and reduce operational expenses. The findings reported to the Board of Directors are as follows.

The financial situation of SMASE is dire as the non-profit is unable to create positive cash flow. Since 2012, SMASE has steadily lost 24% in net asset value due to ongoing yearly losses as expenses were greater than revenues (see Exhibit 10 and Exhibit 11). SMASE continued in operation, despite some yearly loss, with the help of a deposit of a Trust Settlement and Estate monies received in FY 2016 and FY 2020, respectively. No investment or emergency funds are currently available for cash needs. Bi-weekly payroll has been and is in jeopardy for the thirty-six employees. The complete recording of monthly accounting transactions, closing the books and bank reconciliations are behind. Some vendor payments and Long-Term Liabilities are past due. The Line of Credit has reached its limit and is due & payable. Contract compliance and reporting revealed weaknesses that are being addressed. Prior management misrepresented and failed to analyze, disclose and address the dire situation. The Board of Directors trusted the prior management to complete routine accounting tasks including the completion of financial audits. The last annual financial audit completed was for FY 2015.

SMASE Fiscal Year is October 01 to September 30.

**FINANCIAL ANALYSIS****NET ASSETS**

Exhibit 10 shows the Gains or Losses by year. The last audit is FY 2015. Total Net Assets as of August 31, 2022, is \$2,840,266.00. SMASE has a history of net loss. Exhibit 10 depicts eight of ten years in the red or a net loss.

SMASE expects a loss in Net Assets for FY 2022 in the amount of (\$390,000.00) or greater. As of August 2022, the net loss was (\$361,578) as reported to the Board of Directors.

**TOTAL NET ASSETS BY YEAR**

Exhibit 11 shows the Total Net Assets by year starting FY 2012 to August 2022. The last audit is FY 2015. The decline of Total Net Asset over nine years is 24% or a loss of \$885,091.00 which includes an Auditor adjustment of \$7,388 in FY 2015.

Prior to this proposal, in FY 2023, the annual budget revenue was expected to be \$1,274,196 or \$106,183 per month from reimbursements. The FY 2023 expenses were

estimated to be \$175,000 per month, or \$2,100,000 for the year. Thus, the projected net loss in FY 2023 is (\$826,000) rounded.

## REVENUE

SMASE is receiving its current revenue from two contracts:

- 1) Arizona Department of Economic Security / Division of Developmental Disabilities (AZ DES/DDD) – 16 clients are eligible for reimbursement. Costs reimbursed to SMASE include Habilitation, DTA, Room & Board and Transportation.
- 2) The Navajo Nation Division of Social Services (NN DSS) – The Contract is for three years; the Contract Total is \$1,207,683.00. The term began January 01, 2022, and ends December 31, 2024. Once client member is eligible for reimbursement. Costs reimbursed to SMASE include Habilitation and Room & Board. The total revenue received to SMASE in FY 2022 is \$86,024 (for one client only).

Prior to this proposal, the Total Revenue is budgeted at \$1.274 million for FY 2023 based on the two contracts. The budgeted total revenue is far less than essential operational expenses plus Long-Term Liabilities anticipated at \$356,000 (rounded). Expected shortfall and deficit = (\$1,181,980). No matching funds are received. Reimbursed revenue billings are based on attendance.

Other revenues include Donations. Donation revenues are minimal and not related to the core business operations. Donations have decreased over the last year and will be restructured to capitalize on donors, direct mail campaigns, and fundraising. See Exhibit 12.

The Total Revenue for FY 2022 is expected to be \$2,617,000. The total revenue for FY 2022 includes monies from the Education Department as it was active until July 2022 when it closed.

## EXPENSES

The latest, completed financial report (unaudited) is through the month ending August 2022.

- Total expenses = \$2,878,819
- Education = \$306,937
  - Residential = \$757,575
  - DTA, Other = \$211,799
  - Cost Pools \* = \$1,538,872
  - Direct Mail Fund = \$63,636

*\*Cost Pool is an allocation of costs to certain programs.*

Operating Expenses include Personnel & Benefits, Education, Day Treatment, Residential, Room & Board, Transportation, Occupancy, Food Service and Administrative Costs & Direct Mail Fund costs.

FY 2023 expenses are anticipated to be \$2,100,000 or \$175,000 per month-see Exhibit 8.

### NET GAIN/NET LOSS

SMASE expects a loss in Net Assets for FY 2022 in the amount of (\$390,000.00) or greater. The two-accounting staff is currently working to record, reconcile accounts and close FY 2022 books (i.e. September 2022 and the year) and FY 2023 from October 2022 to February 2023.

### SUMMARY & CONCLUSION

To continue operations for the benefit of the children and adults with developmental disabilities, SMASE requests a one-time financial assistance in the amount of \$1,573,288 to stay open for a one year, or the period beginning March 2023 to March 2024. See Exhibit 8.

Should a closure occur, the transition of the 10 of 17 client members currently living in Group Homes will transition to other facilities, which could be outside the vicinity of the Navajo Reservation. The impact of closure will result in moving and transferring the clients to a new unknown environment. This will cause hardship for the parents and guardians, and more so for the clients. SMASE is the only home to some of the client members who have resided here since childhood. To close the SMASE operations, the AZ DES funding source requires SMASE to provide 60 Days' notice to the Guardian including relocation costs for ten residential clients. The estimated minimum closure costs for 60 days are estimated at \$601,200 (rounded). See Exhibit 9.

### SHORT TERM AND LONG TERM

Short Term goals and needs:

- \$70,000 in cash per month to continue operations
  - \$175K monthly operating expenses less \$106K monthly reimbursements
- Prepare and complete the FY 2016 audit; to be funded by Navajo Housing Authority
- Request payment plan to Frontier Communications regarding current and past due bills
- Two accounting staff and consultant to record, reconcile accounts and close FY 2022 books (i.e. September 2022 and the year) and FY 2023 from October 2022 to February 2023.
- SMASE to resubmit documents for ARPA/Fiscal Recovery Fund (FRF) funding for 3 projects:

1. \$598,965 - Premium Pay and PPE (in review by Ms. Lisa Jymm, Deputy Executive Director)
2. \$1,091,000 - Capital Improvement: SMASE Roads and campus paving
3. \$644,000 - IT Infrastructure and Broadband

#### Short Term Completions

- SMASE provided a report on its financial situation via Zoom to the Health, Education and Human Services Committee (HEHSC) of the Navajo Nation Council on February 15, 2023. Unanimous support was expressed by the HEHSC.
- Completed request regarding a payment plan to NTUA and Navajo Gas Technologies regarding current and past due bills to not disconnect the utilities & communications for all facilities and to continue to provide essential utility & communication services to the member clients and staff.
- Met with the Navajo Housing Authority on progress reports and audit status.
- NHA agreed to assist SMASE by paying for single audit review fee from FY2016 to FY2020; \$0 cost to SMASE.
- DIGDEEP paid for past due and current utilities to: 1) NTUA = \$44,156.43 and 2) Nations Gas Technologies = \$2,744.28. Total paid by DIGDEEP=\$46,900.71
- The Sawmill Chapter, Fort Defiance Chapter, and Red Lake Chapter and the District 17 Council passed supporting resolutions for SMASE to seek financial assistance from the 25<sup>th</sup> Navajo Nation Council. See attached chapter resolutions-Exhibit 15a, 15b, 15c.
- St. Michaels Chapter resolution was deferred.
- SMASE Management met with President Nygren on March 16, 2023
- SMASE Management met with Honorable Delegate Brenda Jesus, Honorable Delegate Dr. Andy Nez and Honorable Delegate Mr. Seth Damon several times and communications continue.
- Restructured and consolidated two departments under one supervisor; reduced labor cost.
- SMASE Board of Directors passed a resolution of support for funding request to the 25<sup>th</sup> Navajo Nation Council, the Standing Committee's and others. See Exhibit 16.

#### Short Term - Mitigate costs

- Inactivate communication phone lines (Frontier)—Goal to reduce by 40% or a monthly reduction in cost of \$1,435 by June 2023
- Consolidate two departments; reduce all utility costs—the goal is a monthly reduction of \$1,700 per month effective by June 2023
- Improve, monitor and reduce purchases/expenses for clients; utilize Medicaid assistance if available—the goal is a reduction of \$1,250 per month to be effective by June 2023.

#### Long Term goals and needs:

- Become Self-Sustaining; maintain a balanced budget

- Develop strategies to increase revenues, increase DTA and Residential client member participation
  - Identify other services to offer
  - Capitalize on donors, direct mail campaign, fundraising
  - Establish a revised management framework from the inside to reduce operational expenses, retention of staff
  - Re-evaluate Team Members, Board of Directors and personnel
- \$1,573,288 million in cash to:
  - Remain open and maintain operations to March 31, 2024
  - See Exhibit 8
- Re-open the Education Department in FY 2025
  - Budget: \$750,000
- Complete the Audit from fiscal year ending September 30, 2017 to September 30, 2022; Navajo Housing Authority (NHA) will pay for the single audit review fees for FY 2016 to FY 2020
  - Budget: NHA will provide funding for single audit reviews; \$0 cost to SMASE
  - NHA provided documentation dated March 28, 2023 from Ms. Calandra Etsitty, Compliance Manager
- Evaluate, seek funding, repair Capital Assets
  - Budget: \$600,000; see Exhibit 13.

#### OTHER

- PPP monies were not applied for during the COVID-19 pandemic. The former management did not apply as the concern it was a loan and did not desire to commit to a loan. The Payroll Paycheck Protection (PPP) Program ended May 31, 2021.
- The last financial audit done was for FY 2015 and the cost was 4x the bid and contract amount and resulted in a qualified opinion (unclean audit) due to one issue: the final property, plant and equipment schedule did not match the books. Navajo Housing Authority has recently agreed to fund the cost of completing audits for SMASE. A total of seven years of audit remain to be completed, or from FY 2016 to FY 2022.
- 990 Forms are current and filed with the IRS through FY 2021. The extension to file FY 2022 990 form was approved by the IRS and is due August 2023.
- Certificate of Good Standing. See Exhibit 17.

## CLOSING STATEMENT

For the past fifty-three years, St. Michaels Association for Special Education has been a model of excellence, in providing care and services for children and adults with physical, intellectual, and emotional disabilities. SMASE, as we call it, was the very first special needs school established on the Navajo reservation. Our founder, Sister Mary Jane Ryan from Boston, Massachusetts had a vision to keep our children and adults home and not to be sent off to state mental institutions, which was considered an acceptable option in that era, she believed that new methods of teaching and therapies, along with dedicated staff would allow a progressive step toward integration into a community of people that at that time didn't understand or accept the many types of disabilities children and adults had. Sister Mary Jane's vision also included SMASE would always survive with help from our Navajo advocates and leaders, she also believed that SMASE should always be run by a Navajo Director. It is with these principles, passed down by former and current staff that strongly advocated that our special children and adults are normal, just slightly different who can lead with help from SMASE, family and community a happy, specialized, integrated and productive lives. One proud example involves a student who was diagnosed with Cerebral Palsy as an infant and through specialize care and training by our Physical, Occupational and classroom staff, she was able transition in a public school, graduated high school and graduated from a state university. SMASE' rich tradition is filled with successful stories.



SMASE is committed to remain open and face the challenges as opportunities and continue to provide quality services for children and adults with developmental disabilities. St. Michaels Association for Special Education not only provided services to the students with disabilities but to adults with disabilities. St. Michaels Association for Special Education respectfully requests to secure funding of \$1,573,288 during the 25<sup>th</sup> Navajo Nation Council Spring Session. SMASE will continue services to our client members on the Navajo Nation and help them become self-empowered while integrating cultural values. SMASE aims to become self-sufficient with a balanced budget. SMASE, long term, desires to re-open the Education Department, increase client enrollment, increase capacity and re-employ staff.

\*\*\*\*\*

Leroy White  
Acting Executive Director  
St. Michaels Association for Special Education  
[lwhite@smase.org](mailto:lwhite@smase.org)  
(928) 871-2851 work

Anna Beth Nez  
President, Board of Directors  
St. Michaels Association for Special Education  
(928) 871-2800 Message

### Exhibit 1. Location of SMASE, Window Rock, AZ

In April 2015, a physical needs assessment was completed by Dyron Murphy Architects (DMA), P.C. of the current condition of the three group homes for the Saint Michaels Association for Special Education located in Window Rock, Arizona. The following three maps were created by the DMA and inserted into this business plan to provide a visualization of the SMASE site.



### Exhibit 2. Location of SMASE, Window Rock, AZ

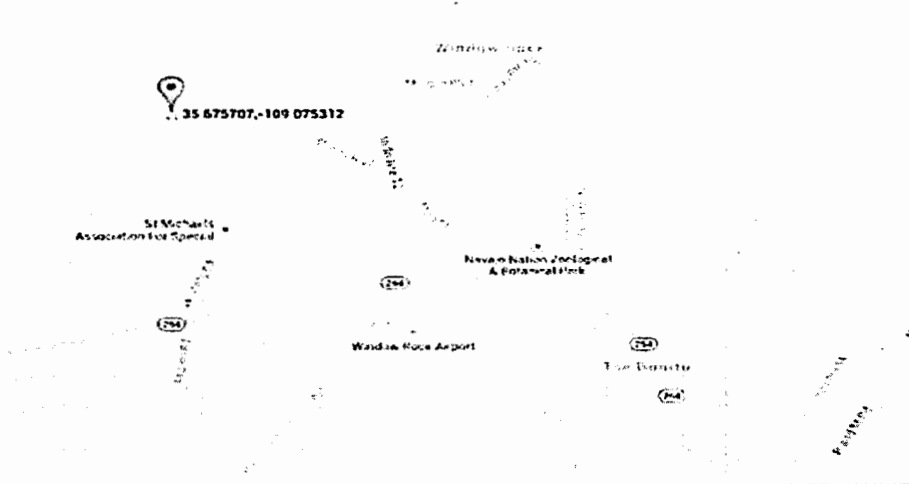




Exhibit 3. Detailed map of SMASE, Window Rock, AZ

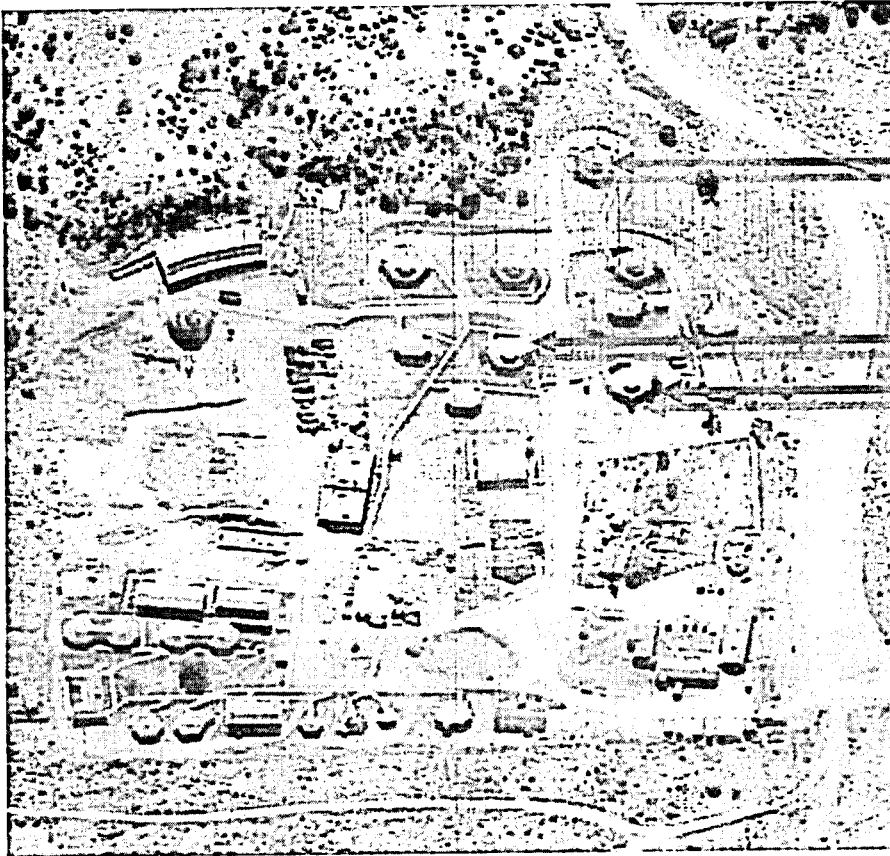


Exhibit 4. HCBS Certificate

<p><b>ARIZONA DEPARTMENT OF ECONOMIC SECURITY</b>  <b>Office of Licensing, Certification &amp; Regulation (OLCR)</b>  <b>Home &amp; Community-Based Services (HCBS)</b></p>		
<p><b>Certificate</b>  <b>St. Michaels Association for Special Education</b></p>		
<p>1 Mi. North of Highway 264, Mustang Road, Saint Michaels, AZ 86511</p>		
<p>is hereby certified for</p>		
<u>Service(s)</u>	<u>Effective</u>	<u>End Date</u>
05 OCCUPATIONAL THERAPY	09/01/2022	08/31/2023
06 PHYSICAL THERAPY	09/01/2022	08/31/2023
07 SPEECH/HEARING THERAPY	09/01/2022	08/31/2023
23 HOMEMAKER SERVICES	09/01/2022	08/31/2023
26 RESPITE CARE SERVICES	09/01/2022	08/31/2023
28 ATTENDANT CARE	09/01/2022	08/31/2023
31 NON-EMERGENCY TRANSPORTATION	09/01/2022	08/31/2023
32 HABILITATION	09/01/2022	08/31/2023
42 DD PROGRAMS (DD DAY CARE PROGRAMS)	09/01/2022	08/31/2023
45 REHABILITATION	09/01/2022	08/31/2023
<p>A.A.C. R6-6-1509, requires the re-certification of services each year. This certificate will remain in effect yearly with the Department's receipt of the signed Notice of Renewal, unless sooner suspended or revoked.</p>		
Issue Date: 02/01/2023	Certificate End Date:	
Certificate ID: LCR-200819-4082	AHCCCS ID: # 0412241	

Print Date: 9/26/2022

Exhibit 5. Map depicting home location of 17 current clients in FY 2023

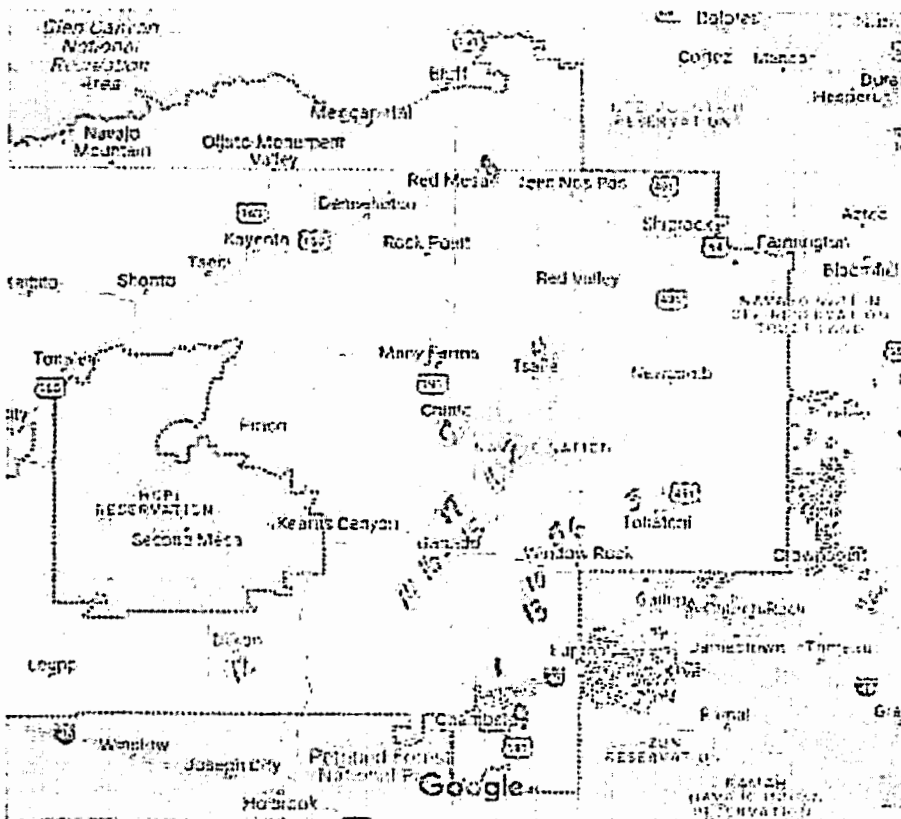


Exhibit 5a. Matrix of clients that correspond to the map in Exhibit 5.

Client #	Female	Male	Age	Home
7		X	20	Chinle
3	X		42	Crystal, NM
12	X		53	Dilkon
1	X		39	Houck
9	X		48	Houck
17		X	30	Kindahlichii
15	X		42	Kindahlichii
16	X		36	Klagetoh
14	X		39	Klagetoh
4		X	15	Lukachukai
8		X	34	Red Mesa
2	X		28	Saw mill
11	X		54	Saw mill
13		X	40	St. Michaels
10	X		50	St. Michaels
6		X	31	Window Rock
5	X		34	Window Rock

Exhibit 6. Map depicting home location of 38 past clients in FY 2019 – FY 2022. The longest distance to/from is Indian Wells, Tuba City & Counselor (NM)

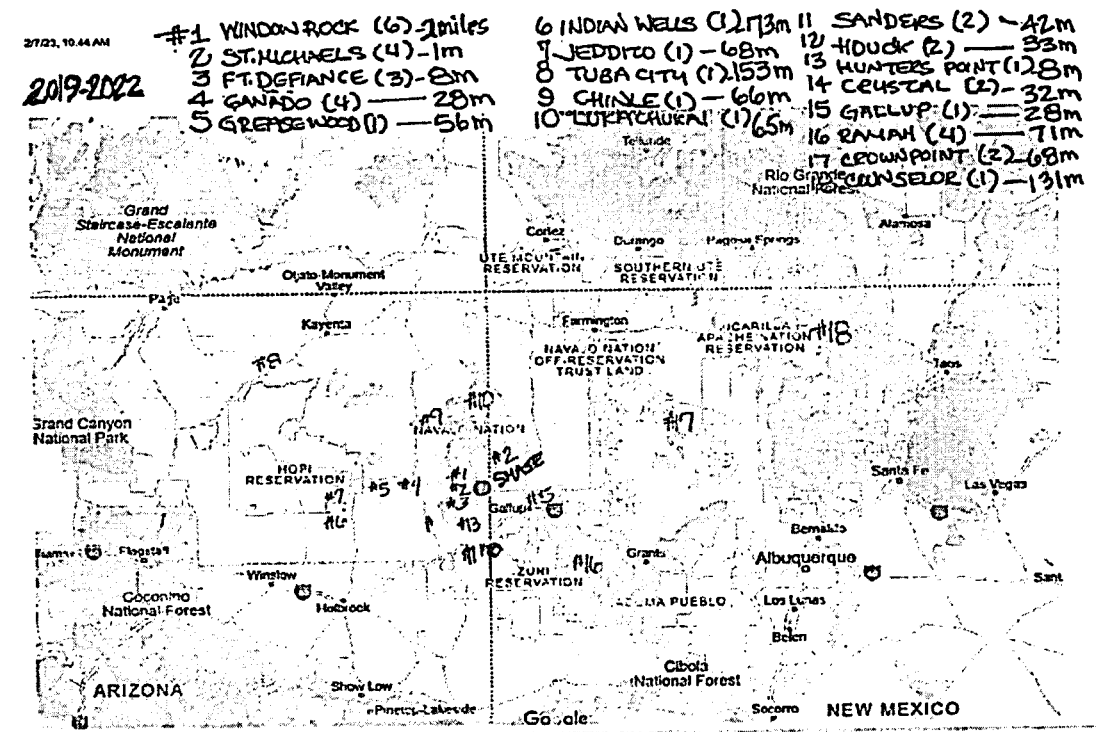
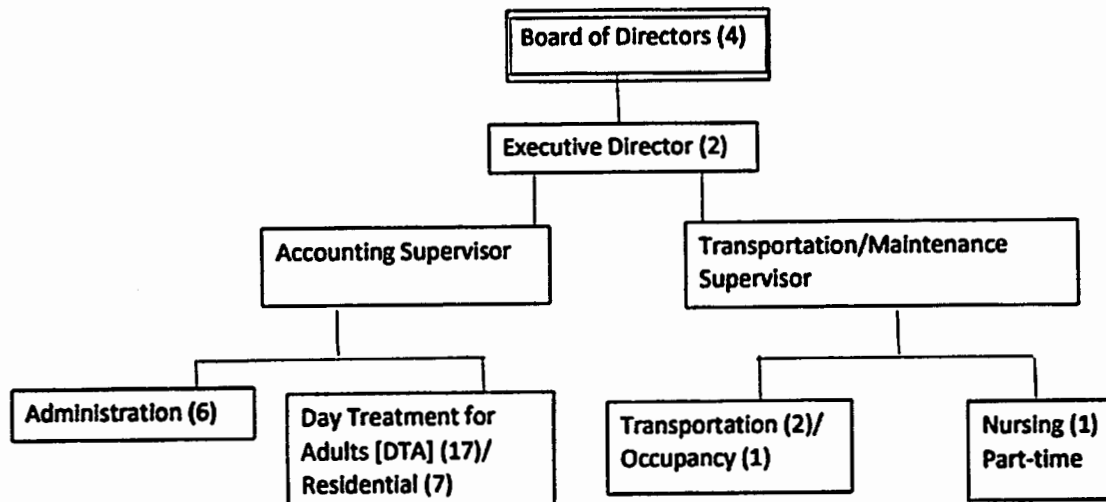


Exhibit 7. Organization Chart as of January 30, 2023

CURRENT ORGANIZATION CHART

EFFECTIVE: January 30, 2023





## Description of expenses (Exhibit 8 continued):

- Personnel Expenses include Payroll costs for thirty-six employees and eleven new, Employer Taxes, Workers Compensation, Unemployment taxes, Administrative Payroll fee (outsourced), and Health Claims.
- Supplies pertain to the client members and include food, toiletries, food thickener, sanitization, and cleaning supplies.
- Utilities & Communications expenses are to NTUA, Frontier and Nations Gas.
- Repairs & Maintenance include Transportation costs, Fuel, Commercial Insurance, Leased Vehicles and maintenance costs.
- Contractual services include Board of Directors, Legal, Accounting and Information Technology, and Human Resources.
- General & Administrative costs include office supplies and bank fees.
- Long Term and other liabilities include Line of Credit balance, Line of Credit Fee, ARPA balance, Insurance deductible, Client funds balances, Employee Vacation Liability, Equipment Lease cancellation fee, and Voom Direct Mail fund invoice.

## Exhibit 9. Minimum closing costs estimated at 60 days

Personnel Expenses	244,224
Supplies	18,200
Utilities, Comm	49,800
Repairs & Maintenance	14,684
Contractual Svcs	18,492
G&A	4,600
	<u>350,000</u>
LT Liabilities	368,877
	<u>718,877</u>
Relocate 10 clients	40,000
	<u>758,877</u>
Less 1 month Revenue billed	(106,183)
Less 1 month Revenue billed	(106,183)
	<u>546,511</u>
Total + Contingency	<u>601,162</u>

Exhibit 10. Graph depicting the Increase (Decrease) in Net Assets, by year, starting in FY 2012 to August 2022. Last audit completed FY 2015.

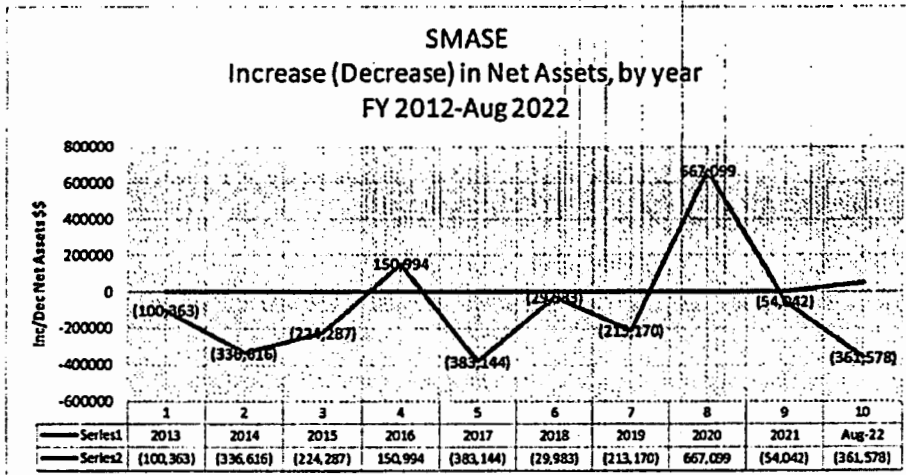
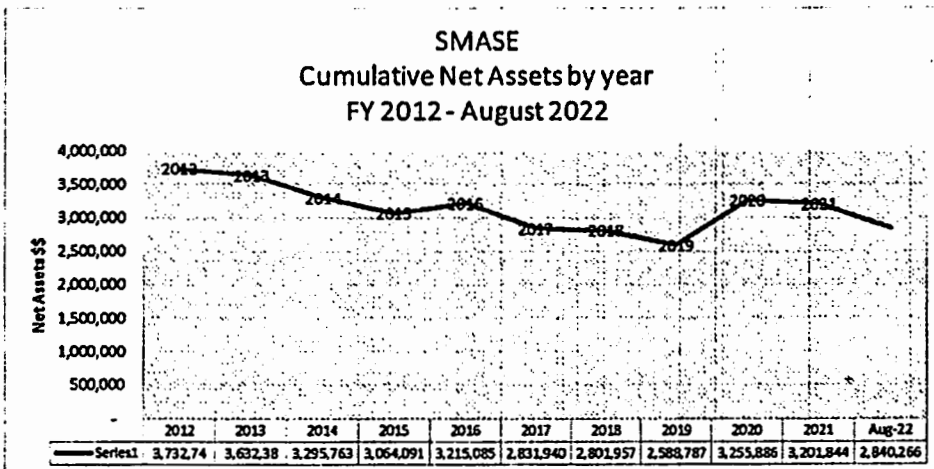


Exhibit 11. Graph depicting the Total Net Assets by year, starting in FY 2012 to August 2022. Last audit completed FY 2015.



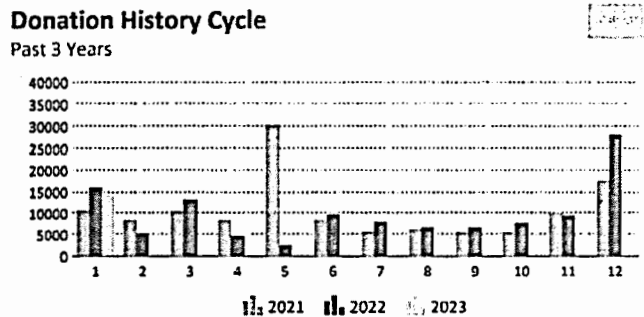


## Exhibit 12. DONATIONS

History of donations received are considered unrestricted funds and are applied to cover routine operating expenses. Currently donations are minimal. Management was working with Southwest Indian Foundation (SWIF), Gallup, NM; contract ended December 31, 2022. There are three types of donations received:

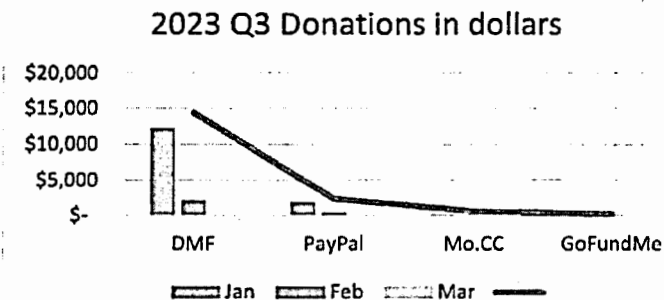
- Direct Mail Fund (DMF) – Donations received from the past relationship with Southwest Indian Foundation (SWIF), Gallup (NM). Donor History Cycle graph courtesy of SWIF-see Exhibit 12a.
  - Donations currently amount to \$14,462 for January, February and March 2023-see Exhibit 12b.

Exhibit 12a. Donation History Cycle provided by SWIF



- SMASE website – Donations are received via the PayPal button and currently amount to \$2,328 for January, February and March 2023-see Exhibit 13.
- GOFUNDME – Visit “Navajo Technology Services” in TIKTOK; the link is <https://gofund.me/b4b6e6ed>
  - Started February 2023
  - Total received = \$220 for January, February, and March 2023-see Exhibit 13

Exhibit 12b. Graph of Donations received in 2023 Quarter 3



### **Exhibit 13. CAPITAL ASSETS AND COSTS TO REPAIR**

The state of SMASE buildings, classrooms, offices, and group homes are in a dilapidating condition due to the age of the building being greater than 30 years old, or older. Recent estimates to repair are as follows. Total repair is \$600,000.00:

- The 2006 Cafeteria is \$300,000 (quoted before the Pandemic)
- The cracked floor in the Education office is \$20,000
- The Solar building roof repair is \$100,000
- Administration flat roof repair is \$80,000
- Independent Living Homes (ILH), Residential homes, classrooms and offices for floor repair, roof shingle replacing are unknown
- Heat pump units for cooling and painting most the exterior buildings is \$100,000

Per Assessment report done by Dyrion Murphy, Architect, in April 2015, he noted several items on site were not in compliance with ADA. Some examples include: • Lack of accessible parking spaces, bus drop-offs, or other site arrival points. • Accessible route between buildings on site is non-continuous • Steep slopes (both running and cross slopes) on accessible routes • Lack of proper landings and edge protection on ramped walks • Damaged walking surfaces • Missing or damaged handrails.

### **Exhibit 14. Navajo Nation Resolutions**

Two resolutions were passed:

- CJN-33-76 Resolution of the Navajo Tribal Council
- Resolution of the Advisory Committee of the Navajo Tribal Council, Granting Interim Charters to Non-Tribal Entities & Organizations, June 30, 1981

Exhibit 17 – Certificate of Good Standing.

	<b>NAVAJO NATION</b> <b>CORPORATION CODE</b>
<b>CERTIFICATE OF GOOD STANDING</b>	
<i>To all to Whom these Presents Shall Come, Greetings:</i>	
I, the Director of the Business Regulatory Department, DO HEREBY CERTIFY that <b>SAINT MICHAELS ASSOCIATION FOR SPECIAL EDUCATION, INC.</b> File Number: 100414	
a Corporation organized under the laws of the Navajo Nation Corporation Act, did incorporate on <u>September 30<sup>th</sup>, 2003</u>	
I FURTHER CERTIFY that this corporation has filed all affidavits and annual reports and has paid all annual filing fees required to date and, therefore, is in good standing within the Navajo Nation.	
	IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Navajo Nation Corporation Code. Done at Window Rock, Arizona, the Capital of the Navajo Nation, this <u>30<sup>th</sup></u> day of <u>December, 2022</u> A.D.   Director, Business Regulatory Division of Economic Development Notah C. Silversmith

## Seeking financial assistance and self-sustaining funds proposal

Exhibit 16. Resolution from SMASE Board of Directors supporting the financial request to the 25<sup>th</sup> Navajo Nation Council, the Standing Committee's and others.

St. Michaels Association for Special Education  
P.O. Drawer 100, Mustang Road  
St. Michaels, Arizona 86511

ORIGINAL  
SMASE-2023-12

### RESOLUTION OF THE BOARD OF DIRECTORS OF ST. MICHAELS ASSOCIATION FOR SPECIAL EDUCATION, INC.

Supporting Financial Request and Business Plan Proposal from the Saint Michaels Association for Special Education to The Health, Education, and Human Services Committees of the 25<sup>th</sup> Navajo Nation Council, The Navaho'iyai' Committee, The Budget & Finance Committee, and The 25<sup>th</sup> Navajo Nation Council (including any additional standing committee of the 25<sup>th</sup> Navajo Nation Council), Navajo Nation President Buu Nygren and the Vice President Ritchie Montoya to Continue Operations for March 2023 to March 2024.

#### WHEREAS:

1. The Board of Directors of St. Michaels Association for Special Education has the responsibility of overseeing the operations of the organization; and;
2. The Board of Directors is authorized to review and approve the Business Plan Proposal for St. Michaels Association for Special Education; and,
3. The St. Michaels Association for Special Education is a non-profit organization in operation since 1970, governed by a Board of Directors and provides Day Treatment for Adults and Residential services to moderate to severely disabled children and adults; and;
4. The St. Michaels Association for Special Education is seeking monetary and financial assistance ultimately from the 25<sup>th</sup> Navajo Nation Council to meet its short- and long- term needs; and,
5. The St. Michaels Association for Special Education accepts and recommends that Saint Michaels Association for Special Education continue operating for the benefit of the children and adults with developmental disabilities; and,
6. The St. Michaels Association for Special Education acknowledges and supports the financial request and business plan proposal (Exhibit A) to continue operating as it provides a coordinated and accessible system of quality services to children and adults with developmental disabilities, provides local employment and is uniquely part of the economic growth to the Navajo Nation.

#### NOW THEREFORE BE IT RESOLVED THAT:

1. The St. Michaels Association for Special Education hereby approves and supports the financial request and Business Plan Proposal to The Health, Education, and Human Services Committees of the 25<sup>th</sup> Navajo Nation Council, The Navaho'iyai' Committee, The Budget & Finance Committee, and The 25<sup>th</sup> Navajo Nation Council (including any additional standing committee of the 25<sup>th</sup> Navajo Nation Council), Navajo Nation President Buu Nygren and Vice President Ritchie Montoya to continue operations for March 2023 to March 2024.

St. Michaels Association for Special Education  
P.O. Drawer 100, Mustang Road  
St. Michaels, Arizona 86511

ORIGINAL  
SMASE-2023-12

#### CERTIFICATION

We hereby certify that the foregoing resolution was considered by the St. Michaels Association for Special Education (Navajo Nation) Arizona at a duly called meeting at which a quorum was present and that the same was approved by a vote of 4 in favor, 0 opposed, and 0 abstained.

Motion: Luis Dutton

Second: Emma Chitto

Anna Beth Nez  
Anna Beth Nez, Board President

THE NAVAJO NATION  
PROGRAM BUDGET SUMMARY

FY 2023-2024

NEW (Leroy White 928-871-2851; lwhite@smase.org)		SMASE seeking Financial Assistance & Self-Sustaining Funds		Division/Branch: geraldine@smase.org	
Business Unit No.: lwhite@smase.org		Program Title:		Email Address:	
Prepared By: Geraldine Kee-Yazzie		Phone No.: 505-870-6266			

PART III. BUDGET SUMMARY			Fund Type Code	NNC Approved Original Budget	(B) Proposed Budget	(C) Difference or Total
2001 Personnel Expenses	1	1	937,527			
3000 Travel Expenses	1	1	4,547			
3500 Meeting Expenses	1	1				
4000 Supplies	1	1	60,660			
5000 Lease and Rental	1	1	33,923			
5500 Communications and Utilities	1	1	159,628			
6000 Repairs and Maintenance	1	1	95,090			
6500 Contractual Services	1	1	91,148			
7000 Special Transactions	1	1	190,765			
8000 Public Assistance	1	1				
9000 Capital Outlay	1	1				
9500 Matching Funds	1	1				
9500 Indirect Cost	1	1				
<b>TOTAL</b>			\$0.00	1,573,288	0	

PART IV. POSITIONS AND VEHICLES		(D)	(E)
Total # of Positions Budgeted:			49
Total # of Vehicles Budgeted:			5

PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE.

SUBMITTED BY:	Leroy White, Acting Executive Director, SMASE	APPROVED BY:	Patrick Sandoval
	Program Manager's Printed Name		Division Director / Branch Chief's Printed Name
	<i>[Signature]</i> 4/17/23		<i>[Signature]</i>
	Program Manager's Signature and Date		Division Director / Branch Chief's Signature and Date

EXHIBIT C

THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA

FY 2023

PART I. PROGRAM INFORMATION:		St. Michaels Association for Special Education, Inc.							
Business Unit No.:	New	Program Name/Title:							
PART II. PLAN OF OPERATION/RESOLUTION NUMBER/PURPOSE OF PROGRAM:									
To promote and provide a coordinated plan for quality services for children and adults with developmental disabilities in accordance with the SMASE Articles of Incorporation.									
PART III. PROGRAM PERFORMANCE CRITERIA:									
1. Goal Statement;		1st QTR		2nd QTR		3rd QTR		4th QTR	
To establish a permanent key management team in FY 2023; hire three (3) personnel.		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Program Performance Measure/Objective:									
Q3: Hire a permanent Finance Manager by end of 3rd quarter. Q4: Hire a permanent Executive Director and Human Resources Manager by end of 4th quarter.						1			2
2. Goal Statement:		1st QTR		2nd QTR		3rd QTR		4th QTR	
To hire new six (6) staff direct service personnel positions in FY 2023		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Program Performance Measure/Objective:									
Q3: Hire (2) Day-Treatment-for-Adults service provider, (2) Residential providers, and (1) Transportation employee by end of 3rd quarter. Q4: Hire (1) Residential provider by end of 4th quarter.						5			1
3. Goal Statement:		1st QTR		2nd QTR		3rd QTR		4th QTR	
To increase revenue by adding three (3) additional clients/consumers to be served by the Day Treatment for Adults and/or Residential Program in FY 2023		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Program Performance Measure/Objective:									
FY 2023: Add two (2) clients by end of 3rd quarter; Add (1) new client by end of the 4th quarter.						2			1
4. Goal Statement:		1st QTR		2nd QTR		3rd QTR		4th QTR	
Program Performance Measure/Objective:									
5. Goal Statement:		1st QTR		2nd QTR		3rd QTR		4th QTR	
Program Performance Measure/Objective:									
6. Goal Statement:		1st QTR		2nd QTR		3rd QTR		4th QTR	
Program Performance Measure/Objective:									
PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.									
LEROY M. WHITE		Program Manager's Signature		4/19/23		Program Manager's Printed Name		PATRICK SANDORAL	
		Program Manager's Signature				Division Director/Branch Chief's Signature and Date		PATRICK SANDORAL	

THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA

FY 2024

PART I. PROGRAM INFORMATION:		ST. MICHAEL'S ASSOCIATION FOR SPECIAL EDUCATION, INC.							
Business Unit No.:	New	Program Name/Title:							
PART II. PLAN OF OPERATION/RESOLUTION NUMBER/PURPOSE OF PROGRAM:									
To promote and provide a coordinated plan for quality services for children and adults with developmental disabilities in accordance with the SMASE Articles of Incorporation.									
PART III. PROGRAM PERFORMANCE CRITERIA:									
1. Goal Statement:		1st QTR		2nd QTR		3rd QTR		4th QTR	
To hire new four (4) staff direct service personnel positions in FY 2024		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Program Performance Measure/Objective:									
Q1: Hire (1) Day-Treatment-for-Adults service provider and (1) Residential providers by end of 2nd quarter		2		2					
2. Goal Statement:									
Increase revenue by adding three (3) additional clients/consumers to be served by the Day Treatment for Adults and/or Residential Program in FY 2024									
Program Performance Measure/Objective:									
FY 2024: Add two (2) clients by end of 1st quarter; Add (1) new client by end of the 2nd quarter.		2		1					
3. Goal Statement:									
Complete the Fiscal Year 2016 Audit in Quarter One.									
Program Performance Measure/Objective:									
Finalize and complete the Audit for the year ending September 30, 2016 by December 2023.		1							
4. Goal Statement:									
Prepare for the Fiscal Year 2017 Audit in Quarter Two.									
Program Performance Measure/Objective:									
Prepare and submit required schedules per the PBC (Prepared by Client) report to procured Auditor for the year ending September 30, 2017 by March 2024.				1					
5. Goal Statement:									
Prepare a budget and forecast in Quarter Four (or September 30, 2024) to re-open the Education Department in FY 2025.									
Program Performance Measure/Objective:									
Prepare an Education Budget, forecast, cashflow and timeline to re-open the Education Department in the Fall of 2025.								1	
PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.									
LEROY WHITE		PATRICK SYDAN							
Program Manager's Printed Name		Division Director/Branch Chief's Printed Name							
4/9/23		4/9/23							
Program Manager's Signature and Date		Division Director/Branch Chief's Signature and Date							

THE NAVAJO NATION  
LISTING OF POSITIONS AND ASSIGNMENTS BY BUSINESS UNIT

SUB ACCT	POS NO	JOB TYPE	POSITION TITLE	EMP ID	WRKSITE CODE	FY 2022 ACTUAL		FY 2023 PROPOSED	
						G/S	SALARY	HOURS	BUDGET
			<sup>1</sup> Executive Director (Acting)	1071	SMASE			403.9	8,473.85
			<sup>2</sup> Acctg. Spvr. & 2nd Command	5333	SMASE			404.0	10,168.82
			<sup>2</sup> Accounting Supervisor	5333	SMASE			302.9	6,355.02
			Accounting Tech/DMF/AP	1057	SMASE			565.5	7,118.17
			Office Specialist (32)	5339	SMASE			565.5	6,572.58
			Program Supervisor (40)	5348	SMASE			706.9	14,236.34
			Support Coordinator (40)	5167	SMASE			706.9	11,721.03
			Social Worker Liaison (20)	1058	SMASE			353.4	4,730.46
			Prog Suppt Asst (32)	5340	SMASE			565.5	6,572.58
			Residential Direct Support	5143	SMASE			706.9	8,215.49
			Residential Direct Support	1072	SMASE			706.9	8,215.49
			Residential Direct Support	5089	SMASE			706.9	8,215.49
			Residential Direct Support	5273	SMASE			706.9	8,215.49
			Residential Direct Support	5142	SMASE			706.9	8,215.49
			Residential Direct Support	5169	SMASE			706.9	8,215.49
			Residential Direct Support	1041	SMASE			706.9	8,215.49
			Residential Direct Support	5137	SMASE			706.9	8,215.49
			Residential Direct Support	4330	SMASE			706.9	8,215.49
			Residential Direct Support	5356	SMASE			706.9	8,215.49
			Residential Direct Support	5358	SMASE			706.9	8,215.49
			Residential Direct Support	1102	SMASE			706.9	8,215.49
			Residential Direct Support	5234	SMASE			706.9	8,215.49
			Residential Direct Support	1160	SMASE			706.9	8,215.49
			Residential Direct Support	5364	SMASE			706.9	8,215.49
			Residential Direct Support	5297	SMASE			706.9	8,215.49
			Residential Direct Support	4193	SMASE			706.9	8,215.49
			OVERTIME - Residential Dir. Support		SMASE			1804.9	31,463.20
			DTA Support Staff	5271	SMASE			706.9	8,215.71
			DTA Support Staff	5257	SMASE			706.9	8,215.71
			DTA Support Staff	5209	SMASE			706.9	8,215.71
			DTA Support Staff	5048	SMASE			706.9	8,215.71
			DTA Support Staff	5270	SMASE			706.9	8,215.71
			DTA Support Staff	5138	SMASE			706.9	8,215.71
			DTA Support Staff	5086	SMASE			706.9	8,215.71
			<sup>1</sup> Transp/FMD Supervisor	1071	SMASE			303.0	5,170.84
			Van Driver (32)	5278	SMASE			549.7	6,572.58
			Van Driver (32)	5294	SMASE			549.7	6,572.58
			Maintenance/Driver (40)	5354	SMASE			687.1	8,215.72
			Nursing - P/T (30)	5332	SMASE			530.2	16,193.84
			Executive Director	New	SMASE			303.0	9,660.38
			Finance Manager	New	SMASE			303.0	8,898.20
			HR Manager	New	SMASE			605.9	14,235.37
			Residential Direct Support	New	SMASE			202.0	2,347.14
			Residential Dir. Support (Floater)	New	SMASE			605.9	7,041.91
			Residential Dir. Support (Floater)	New	SMASE			605.9	7,041.91
			DTA Support Staff	New	SMASE			605.9	7,042.03
			DTA Support Staff	New	SMASE			404.0	4,694.69
			Van Driver (32)	New	SMASE			471.1	5,633.43
			Same position	36 employees Active					
			Same position	9 New Positions					
									413,906.00



THE NAVAJO NATION  
LISTING OF POSITIONS AND ASSIGNMENTS BY BUSINESS UNIT

SUB ACCT	POS NO	JOB TYPE	POSITION TITLE	EMP ID	WRKSITE CODE	FY 2022 ACTUAL		FY 2024 PROPOSED	
						G/S	SALARY	HOURS	BUDGET
			Executive Director	Occupied	SMASE			533.4	19,320.75
			Finance Manager	Occupied	SMASE			533.5	17,796.40
			HR Manager	Occupied	SMASE			533.4	14,235.36
			Accounting Supervisor	5333	SMASE			533.4	12,710.04
			Accounting Tech/DMF/AP	1057	SMASE			426.7	6,101.29
			Office Specialist (32)	5339	SMASE			432.9	5,715.07
			Program Supervisor (40)	5348	SMASE			533.4	12,202.58
			Support Coordinator (40)	5167	SMASE			533.4	10,046.59
			Social Worker Liaison (20)	1058	SMASE			266.7	4,054.82
			Prog Suppt Asst (32)	5340	SMASE			420.8	5,715.07
			Residential Direct Support	5143	SMASE			525.9	7,143.59
			Residential Direct Support	1072	SMASE			525.9	7,143.59
			Residential Direct Support	5089	SMASE			525.9	7,143.59
			Residential Direct Support	5273	SMASE			525.9	7,143.59
			Residential Direct Support	5142	SMASE			525.9	7,143.59
			Residential Direct Support	5169	SMASE			525.9	7,143.59
			Residential Direct Support	1041	SMASE			525.9	7,143.59
			Residential Direct Support	5137	SMASE			525.9	7,143.59
			Residential Direct Support	4330	SMASE			525.9	7,143.59
			Residential Direct Support	5356	SMASE			525.9	7,143.59
			Residential Direct Support	5358	SMASE			525.9	7,143.59
			Residential Direct Support	1102	SMASE			525.9	7,143.59
			Residential Direct Support	5234	SMASE			525.9	7,143.59
			Residential Direct Support	1160	SMASE			525.9	7,143.59
			Residential Direct Support	5364	SMASE			525.9	7,143.59
			Residential Direct Support	5297	SMASE			525.9	7,143.59
			Residential Direct Support	4193	SMASE			525.9	7,143.59
			Residential Direct Support	Occupied	SMASE			525.9	7,143.59
			OVERTIME-Residential Dir. Support		SMASE			1310.2	26,693.14
			Residential Dir. Support (Floater)	Occupied	SMASE			525.9	7,143.59
			Residential Dir. Support (Floater)	Occupied	SMASE			525.9	7,143.59
			DTA Support Staff	5271	SMASE			525.9	7,143.59
			DTA Support Staff	5257	SMASE			525.9	7,143.59
			DTA Support Staff	5209	SMASE			525.9	7,143.59
			DTA Support Staff	5048	SMASE			525.9	7,143.59
			DTA Support Staff	5270	SMASE			525.9	7,143.59
			DTA Support Staff	5138	SMASE			525.9	7,143.59
			DTA Support Staff	5086	SMASE			525.9	7,143.59
			DTA Support Staff	Occupied	SMASE			525.9	7,143.59
			DTA Support Staff	Occupied	SMASE			525.9	7,143.59
			Transp/FMD Supervisor	1071	SMASE			533.4	10,341.88
			Van Driver (32)	Occupied	SMASE			420.8	5,715.07
			Van Driver (32)	5278	SMASE			420.8	5,715.07
			Van Driver (32)	5294	SMASE			420.8	5,715.07
			Maintenance/Driver (40)	5354	SMASE			528.4	7,177.33
			Nursing - P/T (30)	5332	SMASE			400.1	13,880.43
			Residential Direct Support	New	SMASE			439.5	5,969.78
			Residential Direct Support	New	SMASE			266.7	3,622.64
			DTA Support Staff	New	SMASE			439.5	5,969.78
			DTA Support Staff	New	SMASE			266.7	3,622.64
45 employees-Active & Occupied									
4 New Positions									
									409,485.00

THE NAVAJO NATION  
DETAILED BUDGET AND JUSTIFICATION

FY 2023-2024

PART I. PROGRAM INFORMATION:			
Program Name/Title:		Business Unit No.:	New
St. Michaels Association for Special Education			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
2000	<b>Personnel Expenses</b> To provide employment to 36 existing staff and 13 new staff with overtime compensation and fringe benefits. Permanent Employees 36 Regular, 13 new                      \$        765,235 Overtime Pay, Permanent 20 Permanent                              58,156		937,527
2900	<b>Fringe Benefits</b> Permanent Employees                      \$        114,136		
3000	<b>Travel Expenses</b> To provide travel coverage for mileage only; 5.4 trips per month at 100 miles @ .70/mile (Est) Mileage                                              \$        4,547.00 5.34 trips per month @ 100 miles x 7 mos @ \$.655 = \$2,448 (FY 2023) 5.00 trips per month @ 100 miles x 6 mos @ \$.70 = \$2,099 (FY 2024 est increase to .70/mile)		4,547
4000	<b>Supplies</b> To provide supplies for clients including PPE (Personal Protective Equipment) and Janitorial. Face masks/shields, gloves, sanitizing/cleaning supply                      \$        53,396.00 disinfectant solutions, wipes & sprays Office Supplies                                              \$        4,167.00 Paper, Envelopes, Ink, Toner, Staples, Pens Postage and Annual Post Office Box Fee                                      \$        3,097.00		60,660

THE NAVAJO NATION  
DETAILED BUDGET AND JUSTIFICATION

FY 2023-2024

PART I. PROGRAM INFORMATION:			
Program Name/Title:		Business Unit No.:	New
St. Michaels Association for Special Education			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
5000	Lease and Rental To provide 5-Lease vehicles from GSA and leased office equipment. 5 vehicles x \$1,852 / Monthly Avg \$ 33,923.00 Equipment x \$757 / Qtrly Avg		33,923
5500	Communications and Utilities To provide utilities and internet services to group homes and operations. Utilities/Propane \$12,071 / Monthly Avg \$ 159,628.00 Internet \$208 / Monthly Avg		159,628
6000	Repairs and Maintenance To provide repairs and routine maintenance to the group homes and operations. R&M cost include transportation cost, fuel, insurance and maintenance cost \$ 86,990.00		86,990
6300	Information Technology-Hardware and Software 3 - Computers i7, 16GB RAM, 512SSD \$ 5,900.00 1-Accounting Software (5 users), MS Office, Cyber Security \$ 2,200.00		8,100
6500	Contractual Services Technology, Accounting, Human Resources, Finance and Direct Mail Fund consultant. \$ 91,148.00		91,148

THE NAVAJO NATION  
DETAILED BUDGET AND JUSTIFICATION

FY 2023-2024

PART I PROGRAM INFORMATION:		Business Unit No.:		New	
Program Name/Title:		St. Michaels Association for Special Education			
PART II DETAILED BUDGET:					
(A)	(B)	(C)	(D)		
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)		
7410	Media		1,321		
	Advertisement cost to solicit for 13 vacant positions.	\$ 1,321.00			
7310	Contingencies & Losses		18,750		
	Bank Fees				
	Bank fees for general fund account.	\$ 3,750.00			
	Line of Credit fee	\$ 15,000.00			
	Bad Debt				
	Line of Credit balance	\$ 71,694.00			
	ARPA Home and Community Based Services balance (State funded) to recruit and maintain direct support staff. Section 9817.	\$ 99,000.00			
TOTAL			1,573,288		


<b>PART I. PROGRAM INFORMATION:</b> Funding Period: <u>March 01, 2023 - March 31, 2024</u> Program Name/Title: <u>St. Michaels Association for Special Education</u> K #: _____ Contract/Grant No.: _____ Prepared by: <u>Leroy White / lwhite@smase.org</u>			
<b>PART II. PURPOSE OF FUNDING AND MATCH FUNDS REQUIREMENT</b> SMASE seeking financial assistance & self-sustaining funds			
<b>PART III. BUDGET INFORMATION:</b>			
(A) Major Object Code and Description	(B) Current Award Fiscal Year	(C) Anticipated Funding Fiscal Year	(D) Difference Columns (C) - (B)
2001 Personnel Expenses		978,897	978,897.00
3000 Travel Expenses		4,748	4,748.00
3500 Meeting Expenses			
4000 Supplies		55,752	55,752.00
5000 Lease and Rental		35,419	35,419.00
5500 Communication and Utilities		166,672	166,672.00
6000 Repairs and Maintenance		90,828	90,828.00
6500 Contractual Services		95,169	95,169.00
7000 Special Transaction			
8000 Assistance			
9000 Capital Outlay			
9510 Matching - Cash			
9610 Matching - In - Kind			
9710 Indirect Cost (Overhead) Allocation		215,226	215,226.00
<b>TOTALS:</b>	<b>-</b>	<b>1,642,711</b>	<b>1,642,711.00</b>
<b>PART IV.</b>			
MATCH FUNDS - No. of Positions:			
MATCH FUNDS - Required GF Cash Match:			
Required GF In-Kind Match:			
Required GF % Match:			
<b>CONCURRED BY:</b>			
Contracting Officer's Signature / Date:			
<b>PART V. ACKNOWLEDGEMENT:</b>			
Submitted by (print): <u>LEROY WHITE</u>		Approved by (print): <u>Patricia Sanchez</u>	
Signature/Date: <u>Leroy White 4/7/23</u>		Signature/Date: <u>Patricia Sanchez</u>	



**The Navajo Nation** **DR. BUU NYGREN** *PRESIDENT*  
**Yideeskáadi Nitsáhákees** **RICHELLE MONTOYA** *VICE PRESIDENT*

## MEMORANDUM

**TO:** THE NAVAJO NATION  
*Divisions, Programs, Departments*

**FROM:**   
Dr. Buu Nygren, *President*  
THE NAVAJO NATION

**DATE:** April 4, 2023

**SUBJECT:** STANDING DELEGATION OF AUTHORITY

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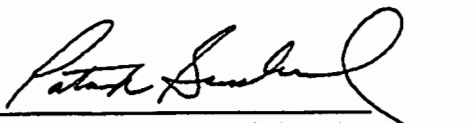
Effective April 4, 2023, and ending April 6, 2023, the following shall have a standing delegation of authority for the Office of the President and Vice President:

1. Bidtah Becker, *Chief Legal Counsel*
2. Arvin Trujillo, *Executive Administrator*
3. Sherylene Yazzie, *Deputy Chief of Staff*

This delegation is in effect should Chief of Staff Patrick Sandoval be on travel, leave, or is away from the office. The delegated individual is responsible for overseeing, directing, and supervising Executive Branch personnel, and reviewing and approving documents.

Your cooperation with those delegated is appreciated. If you have any questions, please contact Chief of Staff Patrick Sandoval at (928) 871-7244. Ahéhee'

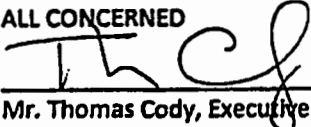
**ACKNOWLEDGEMENT:**

  
Patrick Sandoval, *Chief of Staff*



**The Navajo Nation** **DR. BUU NYGREN** **PRESIDENT**  
**Yideeskáadi Nitsáhákees** **RICHELLE MONTTOYA** **VICE PRESIDENT**

**MEMORANDUM**

**TO:** ALL CONCERNED  
**FROM:**   
Mr. Thomas Cody, Executive Director  
Navajo Division of Social Services  
**DATE:** February 17, 2023  
**SUBJECT:** DELEGATION OF AUTHORITY

The following order of delegation shall become effective in my absence:

1. Marinda Littleman, Deputy Division Director  
Office of the Executive Director/NDSS
2. Roxanne Gorman, Department Manager III  
Department for Self Reliance/NDSS
3. Brenda Tsosie, Principal Accountant  
Office of the Executive Director/NDSS

The person delegated will be responsible to act prudently, review and/or sign off on all routine correspondences including Budget Revision Request, Budget Modifications and Personnel Action Forms on behalf of the Executive Director. Office of Hearings & Appeals' (OHA) issues shall be reviewed and approved by the Executive Director only.

The standing delegation supersedes any previous delegation of authority and can be superseded by a specific written delegation. In the event of uncertainty or if further clarification is needed in signing any documents or regarding other issues, decision will be made until I return or contact me for clarification.

All documents that require the Executive Director's signature are to be routed to NDSS Executive Office for records purpose. Your cooperation and assistance is appreciated.

**ACKNOWLEDGEMENT:**

  
Marinda Littleman, Deputy Division Director  
Office of the Executive Director/NDSS

  
Roxanne Gorman, Department Manager III  
Department of Self Reliance/NDSS

  
Brenda Tsosie, Principal Accountant  
Office of the Executive Director/NDSS

xc: File Copy

# Appendix G

## The Navajo Nation Grant Application

Name of Applicant: St. Michaels Association for Special Education	Telephone No.: (928) 871-2815
Mailing Address: P.O. Box 100, St. Michaels, Arizona, 86511-0100	Email: lwhite@smase.org
Physical Address: 1 mile north of AZ highway 264 and Mustang Road	IRS TIN/EIN No: 86-0224865
NN Grant Request Amount: \$1,573,288	Grant Start Date: 3/1/2023 Grant End Date: 3/31/2024

### Brief Description of the Organization or Entity Requesting the Grant:

The St. Michaels Association for Special Education is a private, non-profit organization that provides care and services to students and adults with mild, moderate, and severe disabilities. When fully operational, SMASE offers an education department, adult services, residential services, transportation services, facility maintenance, and nursing/medical services.

### PROBLEMS/NEEDS STATEMENT

Briefly describe the problems/needs identified based on relevant and collected data. The statement should be brief, clear and concise, including population (Navajo) to be served and location of the population.

The Covid-19 pandemic forced SMASE to eventually close its Education Department, ending services for 21 students and resulting in layoff of 12 employees with a loss of \$2.1 million. The pandemic also forced SMASE to drastically decrease services through its Day Treatment for Adults program, initially reducing consumers from 25 to 5 and employees from 15 to 4. Prior to the pandemic, SMASE served families from 26 Navajo Nation communities. Currently, SMASE Education Department remains closed. SMASE now serves 16 adults and 1 student with 10 of these individuals in the residential program and the other 7 being transported daily to the campus by SMASE. These 17 individuals come from 11 communities from Houck to Red Mesa and from Window Rock to Dilkon. Today, SMASE relies on contracts with the Navajo Division of Social Services and the Arizona Department of Developmental Disabilities. These contracts provide monthly average revenue of \$106,183 to cover monthly average operating expenses of \$175,000. Without this grant, SMASE projects this budget shortfall to continue in Fiscal Year 2023 to Fiscal Year 2024.

### METHODOLOGY

Briefly describe the approaches, services, and/or ways the problems or needs which will be addressed with the grant.

The grant will enable SMASE to meet immediate expenses of increasing the number of adult clients through additional contracts with NDSS and AZ-DDD, expenses such as direct habilitation services, room and board, transportation, and health and medical and to meet legally mandated staffing ratios. The grant will provide a stable financial foundation to enable SMASE to begin re-building and to eventually re-open the Education Department which is a significant source of revenue. The grant will enable SMASE to meet specific requirements from funding sources such as annual audits, facilities licensing, employee certifications and training, etc. The grant will provide the time and resources to begin a complete re-organization of internal operations with the goal of maximizing direct service expenditures and minimizing administrative costs. The grant will allow SMASE to initiate new sources of revenue-generating programs and to expand partnerships with local and regional service providers.

To the best of my knowledge and belief, all data in this application are true and correct. The document has been duly authorized by the governing body of the applicant and the applicant will comply with the Navajo Nation terms and conditions if the grant is awarded.

Signature of Authorized Representative

Leroy White

Type Name of Authorized Representative

31-Mar-23

Date Signed

Acting Executive Director

Title



## THE NAVAJO NATION SUPPLEMENTAL FUNDING PROPOSAL SUMMARY

<b>PART I. Business Unit No.:</b> _____		<b>Program Title:</b> <u>St. Michaels' Association for Special Educa</u>	
<b>Division/Branch:</b> _____	<b>Amount Requested:</b> <u>\$1,573,288</u>	<b>Prepared By:</b> <u>LeRoy White</u>	
<b>Phone No.:</b> <u>(928) 871-2800</u>		<b>Email Address:</b> <u>lwhite@smase.org</u>	

**PART II. REASON FOR REQUEST AND STATEMENT OF NEED:**

Due to the Covid-19 pandemic, SMASE closed their Education Department, resulting in a projected loss of (\$390,00.00) which severely impacted FY22 operating revenue used for the care and services of our special needs students and adults. As a result SMASE was forced to lay off & transfer employees.

Currently, SMASE relies on two contracts - Division of Developmental Disabilities and Arizona Department of Economic Security and Navajo Nation Division of Social Services. These contracts provide current average revenue of \$106,183 per month for 10 individuals for residential services and for (7) individuals for Day Treatment for Adult Services.

FY2022 current average monthly operating expenses of \$175,000 consistently exceeds current average monthly revenue of \$106,183

Due to current inflationary price trends and absent an injection of funds, projected operating expenses will exceed projected revenue well into Fiscal Year 2024.

Should SMASE be forced to entirely close, SMASE will need approximately \$601,200 for mandated client transition needs and liabilities.

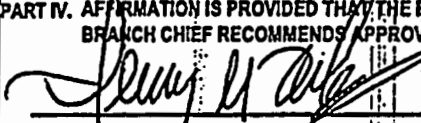
  

**PART III. LIST ALTERNATIVE FUNDING SOURCES BEING PURSUED AND CONTINGENCY PLAN IF REQUEST IS NOT FUNDED:**

1. SMASE is implementing and enhanced direct mail donation program with Southwest Indian Foundation, Gallup, NM
2. SMASE is restructuring departments and consolidating personnel positions as a cost-saving measure.
3. SMASE implemented an expanded client-recruitment program to increase the number of contracts with NDSS and AZDES/ODD.
4. SMASE is applying for ARPA/Fiscal Recovery Funds in the amount of \$2,334,765.00
5. SMASE is work with partner organizations on potential grants.
6. SMASE is exploring alternative on-site revenue generating projects such as facility rentals for meetings and conferences, offering new adult services and child care services.

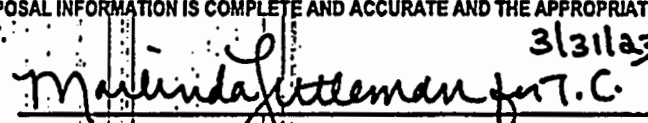
  

**PART IV. AFFIRMATION IS PROVIDED THAT THE BUDGET AND PROPOSAL INFORMATION IS COMPLETE AND ACCURATE AND THE APPROPRIATE BRANCH CHIEF RECOMMENDS APPROVAL AS A PRIORITY.**



REVIEWED BY: Division Director's Signature / Date

31311a3

 for T.C.

RECOMMEND SUPPLEMENTAL Branch Chief's Signature / Date

ST. MICHAELS ASSOCIATION FOR SPECIAL EDUCATION

*School & Home Since 1970*  
P. O. Drawer 100 • Mustang Road  
St. Michael, AZ 86511

**EXHIBIT D**

April 5, 2023

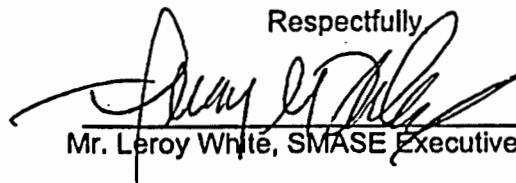
TO : Navajo Division of Social Services  
FROM: Leroy White, SMASE Executive Director  
RE: SMASE UUFB GRANT REQUEST

The St. Michaels Association for Special Education, Inc. ("SMASE") has long been an integral part the community of service providers on the Navajo Nation. SMASE developed a reputation of providing valuable services to individuals with disabilities and their families. SMASE has built a strong connection with local Navajo communities and with organizations off the Navajo Nation. Like many direct service agencies, SMASE has been greatly affected by the covid pandemic and finds itself facing financial and operational challenges.

Because SMASE is an important part of ensuring that our Dine' people and families receive the services and supports they need in order to succeed, the Navajo Nation's Division of Social Services (NN-DSS) fully supports the grant request submitted by SMASE.

The NN-DSS will be the fiscal agent for the grant of funds to SMASE. The NN-DSS will monitor use of the funds through reports submitted by SMASE on a regularly occurring timeline.

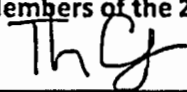
Respectfully

  
Mr. Leroy White, SMASE Executive Director



**The Navajo Nation**  
Yideeskáadi Nitsáhákees

**DR. BUU NYGREN** *PRESIDENT*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

Date : April 4, 2023  
To : Members of the 25<sup>th</sup> Navajo Nation Council  
From :   
Thomas Cody, Executive Director  
Navajo Division of Social Services  
Subject : Unreserved, Undesignated Fund Balance to the  
Navajo Division of Social Services for a Grant to St. Michaels Association  
for Special Education.

This memo is submitted on behalf of the St. Michaels Association for Special Education (SMASE) to received \$1,573,288 from the Unreserved, Undesignated Fund Balance (UUFb) through a Grant Agreement.

The Grant Agreement will be between the Navajo Nation, Division of Social Services (DSS), and St. Michaels Association for Special Education. In addition to the Grant Agreement, DSS and SMASE will jointly develop performance measures, reporting periods, and disbursement plans to assure accountability measures are in place and adhered to.

SMASE submitted the Grant Application to address a shortfall in revenue, and the UUFb funds will be used restore the organization to full capacity and operations. SMASE serves a vulnerable population and provides support services to individuals with intellectual and developmental disabilities; and with its revenue shortfall, services are limited.

On behalf of SMASE, your support and consideration of this request is appreciated. Thank you.

xc: File  
SMASE

## Seeking financial assistance and self-sustaining funds proposal

### Exhibit 15a – Fort Defiance Chapter Resolution, passed on the 14<sup>th</sup> day of March, 2023.



#### THE NAVAJO NATION FORT DEFIANCE CHAPTER

P.O. Box 366 • Ft Defiance, Arizona 86504  
Phone: (928) 729-4352 • Fax (928) 729-4353  
Email: [ftdefiance@navajochapters.org](mailto:ftdefiance@navajochapters.org)

Aaron U. Sam, President  
Genevieve Jackson, Vice-President  
Grace Tracy, Secretary/Treasurer  
Herman Billie, Grazing Official  
Dr. Andy Nez, 25th NN Council Delegate

Dr. Buu Van Nygren

Richelle Montoya

#### RESOLUTION OF THE FORT DEFIANCE CHAPTER

FDC-2023-MAR-14-04

SUPPORTING FINANCIAL REQUEST FROM THE SAINT MICHAELS ASSOCIATION FOR SPECIAL EDUCATION TO THE HEALTH, EDUCATION, AND HUMAN SERVICES COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE (INCLUDING ANY ADDITIONAL STANDING COMMITTEES OF THE 25<sup>th</sup> NAVAJO NATION COUNCIL), AND THE NAABIK'YATI' COMMITTEE AND NAVAJO NATION COUNCIL, NAVAJO NATION PRESIDENT BUU NYGREN AND VICE PRESIDENT RICHELLE MONTOYA TO CONTINUE OPERATIONS FOR MARCH 2023 TO MARCH 2024.

#### WHEREAS:

1. Pursuant to 26 NNC section 3 (A), the Fort Defiance Chapter is duly recognized chapter of the Navajo Nation Government as list as 22 NNC, part 1, section 10; and
2. Pursuant to 26 NNC Section 3 (A), the Fort Defiance Chapter is vested with the authority to review all matters affecting the community, make appropriate corrections when necessary and to make recommendations to the Navajo Nation and other local agencies for appropriate actions; and
3. The Fort Defiance Chapter is aware that Saint Michaels Association for Special Education is a non-profit organization in operation since 1970, governed by a Board of Directors and provides Day Treatment for Adults and Residential services to moderate to severely disabled children and adults; and
4. The Fort Defiance Chapter is aware that Saint Michaels Association for Special Education (SMASE) is seeking monetary and financial assistance ultimately from the 25<sup>th</sup> Navajo Nation Council to meet its short- and long-term needs; and
5. The Fort Defiance Chapter accepts and recommends that Saint Michaels Association for Special Education continue operating for the benefit of the children and adults with developmental disabilities; and
6. The Fort Defiance Chapter acknowledges and supports the efforts of Saint Michaels Association for Special Education to continue operating as it provides a coordinated and accessible system of quality services to children and adults with developmental disabilities, provides local employment and is uniquely part of the economic growth to the Navajo Nation.

#### NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Fort Defiance Chapter hereby approves and supports the financial request from the Saint Michaels Association for Special Education to the 25<sup>th</sup> Navajo Nation Council and Naabik'iyati' Committee and Budget & Finance Committee of the Navajo Nation Council (including any additional standing committee of the 25<sup>th</sup> Navajo Nation Council), and Health, Education, and Human Service Committee, Navajo Nation President Buu Nygren and Vice President Richelle Montoya to continue operations for March 2023 to March 2024.

#### CERTIFICATION

We hereby certify that the foregoing resolution was considered by the Fort Defiance Chapter (Navajo Nation) Arizona at a duly called meeting at which a quorum was present and that the same was approved by a vote of 21 In favor, 0 opposed and 1 abstained, this 14<sup>th</sup> day of March 2023.

Motioned by: George Mitchell  
[Signature]  
Fort Defiance Chapter President, Aaron Sam

Seconded by: Geri Ru-Ycaie

## Seeking financial assistance and self-sustaining funds proposal

### Exhibit 15. Chapter Resolutions

#### Exhibit 15a - Sawmill Chapter Resolution, passed on the 12<sup>th</sup> day of March, 2023.



RESOLUTION OF THE SAWMILL CHAPTER  
NAVAJO NATION

SAW-03-12-23-04

**SUPPORTING FINANCIAL REQUEST, THE SAINT MICHAELS ASSOCIATION FOR SPECIAL EDUCATION TO THE HEALTH, EDUCATION, AND HUMAN SERVICE COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE (INCLUDING ANY ADDITIONAL STANDING COMMITTEE OF THE 25<sup>th</sup> NAVAJO NATION COUNCIL), AND THE NAABIK'LYNII COMMITTEE AND NAVAJO NATION COUNCIL, NAVAJO NATION PRESIDENT BILU NYGREN AND VICE PRESIDENT RICHIELE MONTOYA TO CONTINUE OPERATIONS FOR MARCH 2023 TO MARCH 2024.**

#### WHEREAS:

1. Pursuant to 26 NNC, Section 3(A), the Sawmill Chapter is a duly recognized chapter of the Navajo Nation Government, as listed under 11 NNC part 1, section 10; and
2. Pursuant to 26 NNC, section 1(B), the Sawmill Chapter is vested with the authority to make decisions over local matters consistent with Navajo Law, custom, and tradition; and
3. The Sawmill Chapter is aware that Saint Michaels Association for Special Education is a non-profit organization in operation since 1970, governed by a Board of Directors and provides Day Treatment for Adults and Residential services to moderate to severely disabled children and adults; and
4. The Sawmill Chapter is aware that Saint Michaels Association for Special Education (SMASE) is seeking monetary and financial assistance ultimately from the 25<sup>th</sup> Navajo Nation Council to meet its short and long-term needs; and
5. The Sawmill Chapter accepts and recommends that Saint Michaels Association for Special Education continue for the benefit of the children and adults with developmental disabilities of which two (2) clients are from the Sawmill community; and
6. The Sawmill Chapter acknowledge and supports the efforts of Saint Michaels Association for Special Education to continue operating as it provides a coordinated and accessible system of quality services to children and adults with developmental disabilities, provides local employment and is uniquely part of the economic growth to the Navajo Nation.

#### NOW, THEREFOR BE IT RESOLVED THAT:

1. Supporting Financial Request, the Saint Michaels Association for Special Education to the Health, Education, and Human Service Committee and the Budget and Finance Committee (including any additional standing committee of the 25<sup>th</sup> Navajo Nation Council), and the Naabik'lyni Committee and Navajo Nation Council, Navajo Nation President Bilu Nygren and Vice President Richelle Montoya to continue operations for March 2023 to March 2024.

### Sawmill Chapter

#### CERTIFICATION

We hereby certify that the foregoing resolution was considered by the Sawmill Chapter (Navajo Nation) Arizona at a duly called meeting at which a quorum was present and that the same was approved by a vote of 24 in favor, 0 opposed and 1 abstained, this 12<sup>th</sup> day of March, 2023.

Motioned by: Larry Foster  
Seconded by: Leonard Watchman

  
Woodie Bennett, Chapter President

# Seeking financial assistance and self-sustaining funds proposal

## Exhibit 15c – Red Lake Chapter Resolution, passed on 15<sup>th</sup> day of March, 2023.

Arval T. McCabe  
PRESIDENT  
Roger L. Jones  
VICE-PRESIDENT  
Liberto Buchanan  
SECRETARY/TREASURER  
Dr. Andy Nee  
COUNCIL DELEGATE



### RED LAKE CHAPTER

Kathleen Sharkey  
CHAPTER COORDINATOR  
Florina Howard  
GRADING COMMITTEE  
MEMBER

RLC-03-23-10

#### RESOLUTION OF RED LAKE CHAPTER #18

Supporting Financial Request From The Saint Michaels Association For Special Education To The Health, Education, And Human Services Committee And The Budget And Finance Committee (Including Any Additional Standing Committees Of The 25th Navajo Nation Council), And The Naabik'iyat' Committee And Navajo Nation Council, Navajo Nation President Buu Nygren And Vice President Richelle Montoya To Continue Operations For March 2023 To March 2024.

#### WHEREAS:

1. Pursuant to the N.N.C., Section 3 (A), the Red Lake Chapter #18 is a certified chapter of the Navajo Nation as listed under 11NNC, Part I, Section 10; and
2. The Red Lake Chapter #18, a recognized certified local government of the Navajo Nation, vested with the power and authority to advocate on behalf of its constituents for the improvement of health, education, safety, and general welfare; and
3. The Red Lake Chapter is aware that Saint Michaels Association for Special Education is a non-profit organization operating since 1970, governed by a Board of Directors and provides Day Treatment for Adults and Residential services to moderate to severely disabled children and adults; and
4. The Red Lake Chapter is aware that Saint Michaels Association for Special Education (SMASE) is seeking monetary and financial assistance ultimately from the 25th Navajo Nation Council to meet its short- and long-term needs; and
5. The Red Lake Chapter accepts and recommends that Saint Michaels Association for Special Education continue operating for the benefit of the children and adults with developmental disabilities; and
6. The Red Lake Chapter acknowledges and supports the efforts of Saint Michaels Association for Special Education to continue operating as it provides a coordinated and accessible system of quality services to children and adults with developmental disabilities, provides local employment and is uniquely part of the economic growth to the Navajo Nation.

#### NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Red Lake Chapter hereby approves and supports the financial request from the Saint Michaels Association for Special Education to the 25th Navajo Nation Council and

P.O. Box 130 Navajo, NM 87328 505-777-2810 Fax 505-777-2815 redlake18@navajochapters.org

Resolution No. RLC-03-23-10  
Page - 2

Naabik'iyat' Committee and Budget & Finance Committee of the Navajo Nation Council (including any additional standing committee of the 25th Navajo Nation Council), and Health, Education, and Human Services Committee, Navajo Nation President Buu Nygren and Vice President Richelle Montoya to continue operations for March 2023 to March 2024.

#### CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Red Lake Chapter at a duly called meeting in Navajo, New Mexico (Navajo Nation) at which a quorum was present and that same was passed by a vote of 13 in favor 0 opposed and 0 abstained this 15th day of March, 2023.

  
Arval T. McCabe  
Chapter President

Motion by: Florina Howard  
Second by: Bruce Ash



# DR. BUU NYGREN *PRE* EXHIBIT F

## RICHELLE MONTOYA *VICE PRESIDENT*

The Navajo Nation | Yideeskáądi Nitsáhákees

### Memorandum:

**To:** 2 NNC § 164 Reviewers  
Delegates & 2 NNC '164 Reviewers  
Navajo Nation Government  
*Robert Willie*

**From:** Robert Willie, Accounting Manager  
Office of the Controller

**Date:** March 31, 2023

**Subject:** UUFB request \$1,573,288 for St. Michaels Association for Special Education

The Office of the Controller has reviewed the above referenced document.

1. The unaudited balance of the UUFB as of February 24, 2023 is \$18,809,586.
2. Division of Social Services is seeking \$1,573,288 from the UUFB for St. Michaels Association for Special Education. The request would be in the form of a grant based upon the documents submitted to this office. The grant start date would be 03/01/23 to grant end date 03/31/24. This would be over two Navajo Nation Fiscal Years. It is not started the terms of the drawdown of the grant and program agency to monitor the progress of this grant would appear to be the Division of Social Services.
3. This request would be considered **NON-RECURRING** for the St. Michaels Association for Special Education.

If you should have any questions, please contact me at tribal extension X6496.





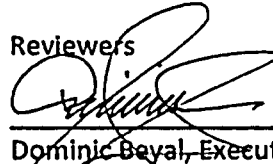
**DR. BUU NYGREN** *PRE* **EXHIBIT G**  
**RICHELLE MONTOYA** *VICE PRESIDENT*

**The Navajo Nation | Yideeskáądi Nitsáhákees**

**MEMORANDUM**

**TO:** Reviewers

**FROM:**

  
Dominic Bernal, Executive Director  
Office of Management and Budget

**DATE:** April 12, 2023

**SUBJECT:** Legislation No. 0062-23: Supplemental Funding Budget Proposal in the amount of \$1,573,288 from UUFB for St. Michaels Association for Special Education, Inc.

1. OMB has reviewed the Budget Forms 1-4 and finds them to be in good order.
2. This memorandum will replace the budget document review memorandum dated April 5, 2023.

Contact OMB at (928) 871-6470 if there are any questions and/or concerns regarding this memorandum.






**DR. BUU NYGREN** *PRE*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

**The Navajo Nation | Yideeskáadi Nitsáhákees**

**MEMORANDUM**

**TO:** Leroy White, Acting Executive Director  
SMASE

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

**DATE:** April 5, 2023

**SUBJECT:** Supplemental Funding Budget Proposal in the amount of \$1,573,288 from UUFB for St. Michaels Association for Special Education

1. OMB has reviewed the submitted Budget Forms and found corrections are needed, as follows:
  - a. Form 1: Part III. Fund Type Code should be 1 and the position count is different on the two (2) position listings attached.
  - b. Form 2: questions were provided to SMASE/DSS so the goals/objectives could be more specific and useful, but no changes have been made.
  - c. Form 4: the object codes should have more detailed information. Page 1 of 2 is the same as Page 2 of 2, so this appears to be an error needing correction.
  - d. Form 6: this form would be for the "NN DDD" budget in the amount of \$258,072 and there should be another Form 6 for "AZ DES" in the amount of \$1,384,639.
2. OMB provided the above comments and recommendations to SMASE and DSS on Monday, 4/3, so corrections and/or clarification could be provided.

OMB hoped that the Budget Forms would have been revised to be accurate, meaningful, and useful. As is, the forms could be deemed "insufficient". Contact OMB at (928) 871-6470 if there are any questions and/or concerns regarding this memorandum.

xc: Marlinda Littleman, Deputy Director, DSS

# NAVAJO NATION

95

4/19/2023

Navajo Nation Council Spring Session

02:11:06 PM

Amd# to Amd#

Legislation 0062-23: Approving

PASSED

MOT James, V

\$1,573,288 from the Unreserved,

SEC Nez, R

Undesignated Fund Balance to the  
Division of Social Service.....

**Yeas : 20**

**Nays : 0**

**Excused : 2**

**Not Voting : 1**

## **Yea : 20**

Arviso, S

Damon, S

Nez, R

Slater, C

Aseret, L

James, V

Notah, N

Tolth, G

Begay, H

Jesus, B

Parrish, S

Tso, O

Charles-Newton, E

Johnson, C

Simonson, G

Yanito, C

Claw, S

Nez, A

Simpson, D

Yazzie, C

## **Nay : 0**

## **Excused : 2**

Daniels, H

Crotty, A

## **Not Voting : 1**

Begay, N

**Presiding Speaker: Curley, C**