

LEGISLATIVE SUMMARY SHEET
Tracking No. 0278-18

DATE: August 15, 2018

TITLE OF RESOLUTION: AN ACTION RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2019 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820(I) AND 860 AND CF-07-11

PURPOSE: This resolution adopts and approves the FY 2019 Comprehensive Budget for the Navajo Nation and will waive 12 N.N.C. § 820(I) and 860 regarding the Capital Improvement Project expenditure plan and CF-07-11 regarding the Personnel Accounts Savings as restricted carryover funds.

The waivers impose a 2/3rds majority vote of the full membership of the Navajo Nation Council for passage of the legislation.

This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each committee member to review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 11/21/18
Website Posting Time/Date: 5:08pm 8/16/18
Posting End Date: 8/20/2018
Eligible for Action: 8/21/2018

Budget & Finance Committee
Thence
Naa'bik'íyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
23rd NAVAJO NATION COUNCIL – Third Year, 2018

INTRODUCED BY



(Primary Sponsor)

TRACKING NO. 0278-18

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI'
COMMITTEE, AND NAVAJO NATION COUNCIL;
APPROVING THE NAVAJO NATION FISCAL YEAR 2019 COMPREHENSIVE
BUDGET; WAIVING 12 N.N.C. §§ 820(I) AND 860 AND CF-07-11

BE IT ENACTED:

Section One. Authority

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

Section Two. Adopting Navajo Nation Fiscal Year 2019 Budget

The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2019 Comprehensive Budget as follows:

1 A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2019
2 revenue in the amount of \$24,692,000 to the Navajo Nation Permanent Fund; 4% of
3 Fiscal Year 2019 revenue in the amount of \$8,231,000 to the Navajo Veterans Trust
4 Fund; 2% of Fiscal Year 2019 revenue in the amount of \$4,115,000 to the Navajo
5 Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2019 revenue to the
6 Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2019
7 revenue to the Water Rights Claim Fund; and \$12,400,000 of Fiscal Year 2019
8 revenue to the Diné Higher Education Grant Fund.

9
10 B. The Navajo Nation hereby approves the appropriation of \$767,606,125 as the Navajo
11 Nation Fiscal Year 2019 Operating Budget, as set forth in the attached **Exhibit A**,
12 which constitutes \$168,813,082 of General Funds, \$21,500,000 Indirect Cost Credit;
13 \$12,400,000 in Higher Education set aside funds; \$7,543,170 Personnel Savings;
14 \$62,828,841 Proprietary Fund; \$77,800,009 Fiduciary Funds; \$35,820,059 Special
15 Revenue Internal Funds; and \$377,100,964 Special Revenue External Funds,
16 summarized as follows:

17
18 1. Legislative Branch: \$16,163,890 as the Navajo Nation Fiscal Year 2019
19 Operating Budget, as set forth in the attached **Exhibit B**, which includes
20 \$14,643,003 General Fund Revenue; \$1,234,417 Indirect Cost Credit; \$60,000
21 Proprietary Funds; \$226,470 Personnel Savings Fund; \$__0__ Fiduciary Funds,
22 \$__0__ Special Revenue Internal Funds; \$__0__ Special Revenue External
23 Funds, for the Navajo Nation Council, various Standing Committees, boards,
24 commissions, offices, programs, and activities within the Legislative Branch.

25
26 2. Judicial Branch: \$16,085,825 as the Navajo Nation Fiscal Year 2019 Operating
27 Budget, as set forth in the attached **Exhibit C**, which includes \$14,373,994 of
28 General Funds; \$143,432 Indirect Cost Credit; \$__0__ Proprietary Funds; \$__0__
29 Fiduciary Funds; \$__0__ Special Revenue Internal Funds and \$1,568,399 Special
30

Revenue External Funds, for the Navajo Nation Supreme Court, district courts, family courts, various offices, programs and activities within the Judicial Branch.

3. Executive Branch: \$704,553,266 as the Navajo Nation Fiscal Year 2019 Operating Budget, as set forth in the attached **Exhibit D**, which includes \$117,671,389 of General Funds; \$13,843,703 Indirect Cost Credit; \$12,400,000 Higher Education Set Aside Funds; \$4,316,700 Personnel Savings Fund; \$62,768,841 Proprietary Funds; \$77,800,009 Fiduciary Funds; \$35,820,059 Special Revenue Internal Funds; and, \$375,532,565 Special Revenue External Funds; for the various divisions, departments, programs and offices within the Executive Branch.

4. Fixed Costs: \$27,003,144 which includes \$17,724,696 General Funds, \$6,278,448 Indirect Cost Credit; and \$3,000,000 Personnel Savings Fund as set forth in the attached **Exhibit E**.

5. Capital Improvement Funds which includes \$3,800,000 Capital Outlay Match, to be used at the Chapter's discretion, with the exception that these funds are not to be used for recurring expenses, as set forth in the attached **Exhibit F**.

6. Chapter Non-Administrative Costs: \$12,040,299 for non-administrative costs. This does not include chapter official's stipends, permanent personnel costs, and travel expenses of chapter officials and chapter staff.

7. External Funds Cash Match: \$4,400,000 for external funds cash match obligations for grant agreements and contracts.

The FY 2018 External Fund Cash Match, BU# 118024, unexpended fund balance shall be carried over to FY 2019 to maintain a fund balance for cash match needs during the 2019 Fiscal Year.

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

11 The Navajo Nation Controller projects the Personnel Lapse amount is \$9,268,518. The
12 Navajo Nation adopts a General Wage Adjustment, **Exhibit G**, and waives the
13 requirement of excess and surplus funds deposit to the UUFB and hereby approves
14 funding from the Fiscal Year 2019 Personnel Savings Fund as follows:

- | | | |
|----|--|-------------|
| 15 | 1. General Wage Adjustment (Exhibit G) | \$1,725,348 |
| 16 | 2. Retirement Plan Account, BU #118018 | \$3,000,000 |
| 17 | 3. ISD-Group Health Benefit Fund, BU #112015 | \$2,000,000 |
| 18 | 4. Scholarship, BU #109008 | \$1,600,000 |
| 19 | 5. Department of Justice, BU #104001 | |
| 20 | a. To address unmet need for attorney salary | \$ 600,000 |
| 21 | 6. Office of Management and Budget, BU #105001 | |
| 22 | a. To address staff salary adjustment | \$ 116,700 |
| 23 | 7. Office of the Speaker, BU # 101015 | |
| 24 | a. To address preparation for 2020 U.S. Census | \$ 126,470 |
| 25 | 8. Navajo Election Administration, BU # 101021 | |
| 26 | a. To address education for voter participation in | |
| 27 | elections at national, state and Tribal levels | \$ 100,000 |

28
29 D. The Navajo Nation hereby approves the carryover of excess Indirect Cost Credit, if
30 any, from Navajo Nation Fiscal Year 2018 into Fiscal Year 2019.

1
2 E. The Navajo Nation hereby approves the carryover of unexpended Capital
3 Improvement Project Funds from Fiscal Year 2018 to Fiscal Year 2019.
4

5 F. The Navajo Nation hereby approves any carryover of General Fund unexpended
6 balances from Navajo Nation Fiscal Year 2018 into Fiscal Year 2019:

7 1. \$4,500,000 for the Government Branches (Executive, Legislative, Judicial) from
8 their respective unexpended balances, if available, as follows:

9 a) Executive: \$2,500,000

10 b) Legislative: \$1,500,000

11 c) Judicial: \$ 500,000

12 2. Other unexpended operating fund balances for Divisions, Departments and
13 Programs listed in **Exhibit H**.
14

15 G. The Navajo Nation hereby approves \$3,345,918 from the Permanent Fund Income for
16 deposit into the Permanent Fund Five-Year Contingency Fund to be used as needed for
17 subsequent fiscal years. 12 N.N.C. § 2601 et seq., CO-54-16.
18

19 H. The Navajo Nation Council and its standing committees, through its oversight
20 authorities, are responsible to the Navajo Nation to ensure that the Navajo Nation
21 Divisions, Departments and Programs provide timely, professional, updated,
22 appropriate services to the Navajo People. One very pragmatic, effective method to
23 assure quality services is to prompt the Divisions, Departments and Programs through
24 the use of Conditions of Appropriations. Condition of Appropriation means a
25 condition placed on an appropriation or expenditure by the Navajo Nation Council at
26 the time the appropriation or expenditure is made, which requires performance of a
27 specific task by a program within a specific time period within the fiscal year. The
28 condition requires the performance of specific tasks within the time period set out by
29 the Navajo Nation Council. Failure to perform within the specified time period may
30

1 result in restrictions on future expenditure of the funds until the condition is met. 12
2 N.N.C. §810(I), Amended by CS-52-17

3 The Navajo Nation Council has included Conditions of Appropriation in the 2019
4 Comprehensive Budget. These Conditions of Appropriations are attached as **Exhibit**
5 **I.** The Navajo Nation Council hereby adopts the Conditions of Appropriation
6 identified in **Exhibit I.**

7
8 I. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation
9 Fiscal Year 2019, as set forth in the attached **Exhibit J.**

10
11 J. The Navajo Nation hereby acknowledges that all federal, state, and local government
12 funds addressed in the Navajo Nation Fiscal Year 2019 Comprehensive Budget are
13 provided primarily for information purposes, as directed in the Budget Instructions
14 and Policies Manual, and should not be deemed to limit the expenditure authority for
15 any program, provided additional funds are accepted pursuant to 2 N.N.C. §164(B), 2
16 N.N.C. §301(B)(15), and 2 N.N.C. §701(A)(10).

17
18 K. The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into
19 BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico, which are considered
20 Navajo Nation General Funds as part of the overall revenue projection for support of
21 the operations of the Navajo Nation Government.

22
23 L. The Navajo Nation hereby authorizes the Office of Management and Budget to carry-
24 over available budget amounts to cover any prior year open contracts carried into
25 Fiscal Year 2019 by the Office of the Controller. Further, the Office of the Controller
26 shall ensure that the budgeted funds carried over are used specifically, and only for,
27 those open encumbrances. The Office of the Controller shall also inform the Office of
28 Management and Budget, in writing, of any cancelled or reduced prior year open
29 encumbrances so that the Office of Management and Budget can make the appropriate
30 budget adjustments.

1
2 M. The Navajo Nation hereby directs the Branch Chiefs of the Executive, Legislative and
3 Judicial Branches to prioritize the unmet needs of their respective branches and to
4 prepare appropriate budgets for such prioritized needs for consideration by the
5 appropriate Standing Committee with oversight for potential supplemental
6 appropriations in Fiscal Year 2019, in accordance with 12 N.N.C. § 820(L).

7
8 N. The Navajo Nation hereby waives 12 N.N.C. §§ 820(I) and 860 for the purpose of
9 passing a comprehensive budget because the Capital Improvement Plan is not
10 available.

11
12 O. The Navajo Nation hereby approves the Fiscal Year 2019 Budget Detail, included as
13 **Exhibit K.**

14
15 **Section Three. Directive to the Office of Management and Budget**

16 A. The Navajo Nation directs the Office of Management and Budget to recalculate the
17 final monetary totals such that the figures conform to the amendments passed by the
18 Navajo Nation.

19 B. The Navajo Nation directs the Office of Management and Budget to make any other
20 changes to the exhibits such that they conform to the amendments passed by the
21 Navajo Nation Council.

22
23 **Section Four. Effective Date**

24 The Navajo Nation Fiscal Year 2019 Comprehensive Budget enacted herein shall be
25 effective pursuant to 2 N.N.C. §§ 164(A)(17) and 221(B).

Fiscal Year 2019

The Navajo Nation
Fiscal Year 2019 Budget Summary

EXHIBIT A

A	B	C	D	E	F	G	H	I	J	K	L	M
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Higher Education Setaside	External Funds Cash Match	Personnel Savings Fund	Capital Outlay Match Funds	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	100xxx	Executive Branch	117,671,389	13,843,703	12,400,000	4,400,000	4,316,700		62,768,841	77,800,009	35,820,059	704,553,266
2	101xxx	Legislative Branch	14,643,003	1,234,417			226,470		60,000			16,163,890
3	102xxx	Judicial Branch	14,373,994	143,432							1,568,399	16,085,825
4	118xxx	Fixed Costs	17,724,696	6,278,448			3,000,000					27,003,144
5	50xxxx	Capital Projects					3,800,000					3,800,000
6		Total:	164,413,082	21,500,000	12,400,000	4,400,000	7,543,170	3,800,000	62,828,841	77,800,009	35,820,059	767,606,125

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

Fiscal Year 2019

The Navajo Nation
Fiscal Year 2019 Legislative Branch Budget Summary

EXHIBIT B

	A	B	C	D	E	F	G	H	I	J
	Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Personnel Savings Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	101001	Navajo Nation Council	2,103,956	305,583						2,409,539
2	101003	Budget & Finance Committee	110,058	9,481						119,539
3	101014	Navajo Nation Labor Commission	265,880	44,846						310,726
4	101015	Ofc of the Speaker	1,936,691	219,977	126,470					2,283,138
5	101016	Ofc of Government Development	486,767	49,057						535,824
6	101017	Ofc of Legislative Counsel	1,187,774	126,036						1,313,810
7	101018	Navajo Utah Commission	277,943							277,943
8	101019	Ofc of Legislative Services	1,512,234	220,079						1,732,313
9	101020	Ethics & Rules Office	481,820	129,186						611,006
10	101021	Ofc of Election Administration	1,069,865	19,485	100,000					1,189,350
11	101022	Board of Elections Supervisors	126,687							126,687
12	101023	Black Mesa Review Board	18,170							18,170
13	101024	Ofc of the Auditor General	1,569,376	29,377						1,598,753
14	101025	Navajo-Hopi Land Commission	193,000							193,000
15	101026	Commission on Emergency Mgmt	12,499							12,499
16	101027	Eastern Agency Land Commission	99,617							99,617
17	101028	Office of Eastern Navajo Land Commis	302,402							302,402
18	101029	Human Rights Commission	653,640							653,640
19	101030	Health, Educ. and Human Services Co	119,129	13,686						132,815
20	101031	Resources and Development Committ	128,014	8,273						136,287
21	101032	Law and Order Committee	109,020	10,647						119,667
22	101033	Nabik'iyatii Committee	325,612	48,704						374,316
23	101034	Legislative District Assistants	1,552,849							1,552,849
24	901001	Navajo Nation Code Enterprise				60,000				60,000
25	Total:		14,643,003	1,234,417	226,470	60,000	0	0	0	16,163,890

Fiscal Year 2019

The Navajo Nation
Fiscal Year 2019 Judicial Branch Budget Summary

EXHIBIT C

	A	B	C	D	E	F	G	H	I
	Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	102001	Administrative Office of the Courts	1,356,821	143,432				1,568,399	3,068,652
2	102002	Chinle Judicial District	1,031,750						1,031,750
3	102003	Crownpoint Judicial District	877,257						877,257
4	102004	Window Rock Judicial District	1,091,009						1,091,009
5	102005	Shiprock Judicial District	1,050,159						1,050,159
6	102006	Tuba City Judicial District	849,179						849,179
7	102007	Ramah Judicial District	573,110						573,110
8	102008	Supreme Court	1,158,398						1,158,398
9	102009	Peacemaker Division	1,171,751						1,171,751
10	102010	Kayenta Judicial District	805,259						805,259
11	102011	Dilkon Judicial District	717,051						717,051
12	102012	Utah Judicial District	599,048						599,048
13	102013	Tohajilee Judicial District	594,488						594,488
14	102014	Alamo Judicial District	166,808						166,808
15	102015	Dził Yijiin Judicial District	406,770						406,770
16	102017	Pueblo Pintado Circuit Court	180,827						180,827
17	102018	Probation Services	1,695,984						1,695,984
18	102019	Judicial Conduct Commission	48,325						48,325
19	Total:		14,373,994	143,432	0	0	0	1,568,399	16,085,825

The Navajo Nation
Fiscal Year 2019 Executive Branch Budget Summary

A	B	C	D	E	F	G	H	I	J	K	L
Business Unit	Program	General Fund	Indirect Cost Fund	Higher Education Setaside	External Fund Cash Match	Personnel Savings Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
103xxx	Executive Offices	8,972,549	937,920				15,000	8,978,702			18,904,171
104xxx	Department of Justice	6,034,637	1,302,044			600,000					7,936,681
105xxx	Office of Management and Budget	1,349,163	1,042,016			116,700					2,507,879
106xxx	Office of Navajo Tax Commission	1,482,140									1,482,140
107xxx	Office of the Controller	3,462,296	2,881,861				1,130,598	20,729,986	6,179,914		34,384,655
108xxx	Division of Community Development	4,827,906	1,006,462							20,122,958	25,957,326
108xxx	Navajo Nation Chapters	25,486,058							2,465,200		27,951,258
109xxx	Department of Dine' Education	7,909,030	274,241	12,400,000	1,858,736	1,600,000		847,737	4,927,765	51,302,822	81,120,331
110xxx	Division of Economic Development	5,270,626	573,893				257,000		1,245,580		7,347,099
111xxx	Environmental Protection Agency	1,366,163	115,343		207,418			3,805,384		3,910,496	9,404,804
112xxx	Division of General Services	4,084,207	2,670,980		962,779	2,000,000	48,613,243			6,959,940	65,291,149
113xxx	Department of Health	11,266,007	90,495		643,057			293,200		61,368,252	73,661,011
114xxx	Division of Human Resources	2,385,054	1,869,075		448,359		40,500	43,145,000		15,998,416	63,886,404
115xxx	Division of Natural Resources	19,131,000	205,579				12,105,000		5,749,200	11,737,741	48,928,520
116xxx	Division of Public Safety	7,922,252	324,412				75,500		8,471,000	28,622,430	45,415,594
117xxx	Division of Social Services	4,033,638	381,140				140,000			76,977,492	81,532,270
120xxx	Office of Gaming Regulatory						350,000				350,000
121xxx	Navajo Division of Transportation	2,688,663	168,242		279,651		42,000		6,781,400	98,532,018	108,491,974
Total:		117,671,389	13,843,703	12,400,000	4,400,000	4,316,700	62,768,841	77,800,009	35,820,059	375,532,565	704,553,266

Fiscal Year 2019

The Navajo Nation
Fiscal Year 2019 Fixed Costs Budget Summary

EXHIBIT E

A	B	C	D	E	F	G	H	I	J
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Personnel Saving Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	118001 Annual Audit - OOC	934,169	765,831						1,700,000
2	118004 Insurance Premiums - DGS	2,471,057	1,528,943						4,000,000
3	118005 Utilities - DGS	2,362,448	1,737,552						4,100,000
4	118007 Telecommunications - DGS	784,833	715,167						1,500,000
5	118008 Radio Communications - DGS	217,421	282,579						500,000
6	118010 FMIS Debt Service - OOC	982,744							982,744
7	118013 Hopi Partitioned Land Rental - NHLCO	120,400							120,400
8	118018 Retirement Plan Account - DHR	1,000,000		3,000,000					4,000,000
9	118019 NN Integrated Justice Info. Sharing - JB	350,000							350,000
10	118020 Fixed Cost Investment Fees - OOC	150,000							150,000
11	118022 FMIS Maintenance Services - OOC	789,744	610,256						1,400,000
12	118023 Fixed Cost - Facility Maintenance	961,880	638,120						1,600,000
13	118025 Lease Cost - Large Equipment - OOC	1,400,000							1,400,000
14	118XXX Fixed Cost - Information Technology	200,000							200,000
15	N01000 Fixed Cost Litigation - DOJ	5,000,000							5,000,000
16	Total:	17,724,696	6,278,448	3,000,000					27,003,144

Fiscal Year 2019

The Navajo Nation
Fiscal Year 2019 Capital Budget Summary

EXHIBIT F

A	B	C	D	E	F	G	H	I
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	50XXXX Capital Outlay Match (NN Chapters)					3,800,000		3,800,000
2	Total:	0	0	0	0	3,800,000	0	3,800,000



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE-PRESIDENT

Memorandum:

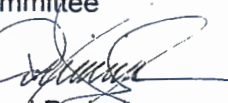
Date: August 7, 2018


To: Honorable Russell Begaye, President
Office of the President/Vice President /

Honorable Lorenzo Bates, Speaker
Navajo Nation Council

Honorable JoAnne Jayne, Chief Justice
Judicial Branch

Honorable Seth Damon, Chairperson
Budget and Finance Committee

Through: Dominic Beyal, Director 
Office of Management and Budget


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

From: 
Pearline Kirk, Controller
Office of Controller

Subject: Personnel Lapse Projection and General Wage Adjustment

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

1. As of August 2, 2018 the projected Personnel Lapse amount is \$9,268,518.

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

- a. This schedule is based upon the assumption that the vacant positions will continue to stay vacant until 09/30/18.
- b. This schedule assumes that all the Department of Youth temporary employees will utilize all the dollars currently budgeted in their programs.

- c. This schedule also assumes that all the overtime currently budgeted will be utilized fully.
 - d. Also, this schedule is taking into consideration any judgments or settlements related to payroll that General Fund programs may incur before the end of the year.
 - e. Any budgeted amount within the Merit pay or bonus pay or step increase line items are also considered to be fully utilized before the end of the year.
 - f. This schedule does not include a recommended allocation of \$3,000,000 for retirement from the Three Branch Chiefs Agreement. The Budget and Finance Committee should make this determination.
 - g. Within the schedule there are two extra days that are accounted for which reflect the number of extra days that the Navajo Nation works in this fiscal year.
2. In addition with discussions with the Office of Management and Budget and Department of Personnel Management there are five options for a possible Fiscal Year 2019 General Wage Adjustment as shown in attached Exhibit B.

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

CC: Robert Joe, Chief of Staff, Office of President Vice President
Pete Ken Atcitty, Chief of Staff, Office of the Speaker
Stephen Etsitty, Court Administrator, Judicial Branch.
File

THE NAVAJO NATION

**Estimated Personnel Savings-Budget vs Actual- GENERAL FUND
Fiscal Year 2018
July 31, 2018**

Analysis of 21 PPE's (10/01 - 7/20/2018)

	<u>Gross Budget</u>	<u>21 Actual Gross Payroll</u>	<u>Projected Year End Expenses</u>	<u>Projected Year End Balances</u>
LEGISLATIVE:				
Personnel	8,557,021	6,491,424	8,098,824	458,197
Taxes/Benefits	3,446,255	2,824,215	3,523,545	(77,290)
Sub-total	<u>12,003,276</u>	<u>9,315,639</u>	<u>11,622,369</u>	<u>380,907</u>
JUDICIAL:				
Personnel	8,700,848	6,670,063	8,321,698	379,150
Taxes/Benefits	3,792,098	3,178,183	3,965,162	(173,064)
Sub-total	<u>12,492,946</u>	<u>9,848,246</u>	<u>12,286,859</u>	<u>206,087</u>
EXECUTIVE				
Personnel	61,184,397	40,671,588	50,742,648	10,441,749
Taxes/Benefits	24,172,512	19,787,822	24,687,664	(515,152)
Sub-total	<u>85,356,909</u>	<u>60,459,411</u>	<u>75,430,312</u>	<u>9,926,597</u>
GRAND TOTAL	<u>\$109,853,131</u>	<u>\$79,623,296</u>	<u>\$99,339,540</u>	<u>\$10,513,590</u>

DOY - Temporary	\$567,602 (1)
Overtime	\$607,407 (2)
Merit/Bonus	\$70,063 (2)
Judgements/Settlements	<u>\$500,000 (3)</u>

Estimated Personnel Lapse **\$9,268,518**

Retirement Allocation \$3,000,000 (4)

(1) Includes 9.95% fringe benefits

(2) Includes 41.10% fringe benefits

(3) Judgements/Settlements

(4) Three Branch Chief Agreement-Fixed Cost Retirement Allocation(not approved)

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

SUBJECT TO CHANGE. THIS IS JUST AN ESTIMATE.

**DEPARTMENT OF PERSONNEL MANAGEMENT
FY'19 PAY PLAN - GENERAL FUNDS
GENERAL WAGE ADJUSTMENT (GWA)**

BRANCH	GWA %	TOTAL EMP	TOTAL AMT	TOTAL FRINGE AMT	TOTAL AMOUNT
Employees with Salaries \$35,000 or Less					
Executive Branch	2.50%	693	471,435.22	206,961.52	678,396.74
Judicial Branch	2.50%	9	5,550.00	2,434.00	7,984.00
Legislative Branch	2.50%	61	38,392.44	19,983.50	58,375.94
TOTAL		763	515,377.66	229,379.02	744,756.68
Employees with Salaries \$35,001 & Above					
Executive Branch	1.50%	560	460,908.93	207,008.58	667,917.51
Judicial Branch	1.50%	183	133,672.00	63,204.00	196,876.00
Legislative Branch	1.50%	95	78,215.90	37,582.32	115,798.22
TOTAL		838	672,796.83	307,794.90	980,591.73
OVERALL TOTAL					
Executive Branch		1,253	932,344.15	413,970.10	1,346,314.25
Judicial Branch		192	139,222.00	65,638.00	204,860.00
Legislative Branch		156	116,608.34	57,565.82	174,174.16
OVERALL TOTAL		1,601	1,188,174.49	537,173.92	1,725,348.41

FY 18 Fund Carryovers Into FY 19

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

	BU#	Division	Program Title	Amount
1	105001	OMB	Office of Management and Budget	Remaining operating balance
2	106001	ONTC	Office of Navajo Tax Commission	Remaining operating balance
3	107020	OOC	Purchasing Services	Remaining balance up to \$154,148
4	107021	OOC	Property Mgt. Dept.	Remaining balance up to \$483,156
5	107022	OOC	Administration	Up to \$815,126
6	112001	DGS	Administration	Remaining operating balance
7	112003	DGS	Insurance Services Dept. (ISD)	Remaining operating balance
8	112004	DGS	ISD - Risk Mgt/Safety Loss Control	Remaining operating balance
9	112008	DGS	Facilities Maintenance	Remaining operating balance
10	112009	DGS	Dept. of Info Technology	Remaining operating balance
11	112010	DGS	Records Management	Remaining operating balance
12	113003	DOH	Navajo Uranium Workers Program	Remaining balance up to \$200,000
13	113010	DOH	Division of Aging & Long Term Care Support (DALTCS) - Admin.	Remaining balance up to \$340,000
14	113011	DOH	DALTCS - Chinle	Remaining balance up to \$395,059
15	113012	DOH	DALTCS - Ft. Defiance	Up to \$419,652
16	113013	DOH	DALTCS - Crownpoint	Up to \$447,906
17	113014	DOH	DALTCS - Tuba City	Up to \$370,927
18	113015	DOH	DALTCS - Shiprock	Remaining balance up to \$368,724
19	114001	DHR	Administration	Remaining operating balance
20	114007	DHR	Navajo Occupational Safety and Health Admin.	Remaining operating balance
21	114009	DHR	Department of Personnel Management	Remaining operating balance
22	115017	DNR	NN Museum/Treaty of 1868 Exhibit	Up to \$155,765
23	115026	DNR	F&W - Animal Control Program (ACP)	Remaining balance up to \$129,000
24	117001	DSS	Administration	Remaining operating balance
25	117023	DSS	General Assistance & Welfare Assistance	Remaining operating balance
26	118001	OOC	Fixed Cost - Annual Audit	Remaining operating balance
27	118022	OOC	Fixed Cost - FMIS Maintenance	Remaining operating balance

FY2019
CONDITION OF APPROPRIATIONS

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

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

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

Condition of Appropriation No. 1

All Departments and Programs whose plans of operation, which have been identified to be updated in Exhibit I-1, shall present to their respective oversight committees amendments to their respective plans of operation and to bring the plans of operation up-to-date by the end of the 2nd quarter.

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

Responsible Entity: Affected Departments and Programs

Condition of Appropriation No. 2

The Chief of Staff, Office of the President, BU #103001, by the end of the first quarter, shall conduct a salary study on how to bring the Office of Hearings and Appeals' Hearing Officer's salary commensurate with Navajo Nation judges.

If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze 10% of the Chief of Staff's gross salary. If this Condition of Appropriation is not complied with by the end of the stated quarter the withholding will be forfeited.

Responsible Entity: Chief of Staff, Office of the President and Vice-President

Condition of Appropriation No. 3

The Hazardous Substance Program, BU #511007, by the end of the first quarter, shall develop a plan to address the prevention of unauthorized transport of uranium across the Navajo Nation.

If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze 10% of the program director's gross salary. If this Condition of Appropriation is not complied with by the end of the stated quarter the withholding will be forfeited.

Responsible Entity: Program Manager, Hazardous Substance Program

Condition of Appropriation No. 4

The Air & Toxic Program, BU #111002, by the end of the first quarter, shall develop a plan to construct or place an additional 10 air monitoring stations across the Navajo Nation.

If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze 10% of the program director's gross salary. If this Condition of Appropriation is not complied with by the end of the stated quarter the withholding will be forfeited.

Responsible Entity: Program Manager, Air Quality Program

Condition of Appropriation No. 5

The Tourism Department, BU #510003, in coordination with the Parks and Recreation Department, by the end of the second quarter, shall develop a revised Plan of Operation with an emphasis on economic development and tourism.

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

Responsible Entity: Program Manager, Tourism Department

Condition of Appropriation No. 6

The Office of the Controller, BU #107022 and Air Transportation Department, BU #112007, by the end of the second quarter, shall arrange the purchase of airplanes for the Navajo Nation, begin the process for a Purchase Agreement or other such document to complete the purchase of airplanes, and in coordination with the Division of General Services restore the Air Transportation Program.

If this Condition of Appropriation is not complied with by the end of the stated quarter, the Office of the Controller and Office of Management and Budget, by oversight Committee Resolution, shall freeze the Responsible Entity's travel funds. If this Condition of Appropriation is not complied with by the end of the stated quarter the withholding will be forfeited. If, by the end of the stated quarter, the review is delayed in the Executive Review process, the purchase is not approved by the Navajo Nation Council, or the resolution is vetoed by the Navajo Nation President then the Condition of Appropriation shall be void.

Responsible Entity: Controller, Office of the Controller

Condition of Appropriation No. 7

The Water Resources Program, BU #115011, by the end of the first quarter, shall develop a plan to repair or replace windmills and to repair earthen dams, at each quarter shall report on the location of the repaired or replaced windmills and the location of the repaired earthen dams, and shall establish a quarterly goal of the number of repaired or replaced windmills and repaired

earthen dams. The plan and report shall be given to the Resources and Development Committee and the Budget and Finance Committee.

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

Responsible Entity: Water Resources Program

Condition of Appropriation No. 1 Updating Plan of Operation

- A. Legislative Branch – Office of the Speaker
 - Office of Legislative Counsel
 - Office of Navajo Government Development
 - Election Administration Office
 - Navajo Board of Election Supervisors
 - Black Mesa Review Board
 - Office of the Auditor General
 - Navajo/Hopi Land Commission
 - Commission on Emergency Management
 - Eastern Navajo Land Commission
 - Office of the Eastern Navajo Land Commission
 - Navajo Nation Human Rights Commission
- B. Judicial Branch – Administration Office of the Courts
- C. Executive Offices – Office of the President/Vice President
 - Navajo Nation Washington Office
 - Navajo-Hopi Land Commission Office
 - Office Hearing and Appeals
 - Office of Miss Navajo Nation
 - Executive Protection Services Program
 - Office of the Public Defender
 - Department of Veterans Affairs & Agency Offices
- D. Office of the Controller/Administration/Financial Services
 - Property Management Department
 - Navajo Nation Permanent Fund
 - Credit Services Home Loan Program
 - Credit Services Personal Loan Program
 - Scholarship Plan for Finance and Accounting
- E. Fixed Cost – Annual Audit OOC
 - Insurance Premium DGS
 - Office Machine/Furniture/Building Maintenance OOC
 - FMIS OOC
 - Hopi Partitioned Land Rental NHLCO
 - Indirect Cost Plan OMB
 - Investment Fees OOC
 - FMIS Fixed Cost Maintenance Service OOC
 - Lease Cost – Large Equipment OOC
 - NN Integrated Justice Judicial
 - Litigation DOJ

F. Office of Management & Budget

G. Division of General Services – Administration

- Insurance Services Department
- ISD –Safety & Loss Control
- ISD – Risk Management Program
- ISD – Employee Benefit Plan
- ISD – Worker’s Compensation Program
- Records Management Department
- RMD – Duplicating Services Program
- Navajo Transit System Fixed Routes Services

H. Division of Human Resources – Office of Navajo Women & Families

- Navajo Occupational Safety & Health Administration
- Navajo Office of Vital Records & Identification

I. Division of Public Safety – Department of Emergency Medical Services

J. Department of Justice – Office of the Attorney General

- Navajo – Hopi Legal Services Program
- Office of the Prosecutor of the Navajo Nation
- Juvenile Justice

K. Department of Dine Education – OSERS Food Service Vending Program

- OSERS Tuba City Laundry
- OSERS Navajo Nation Trust Fund Handicapped Services
- Office of Dine Standards, Curriculum & Assessment
- Navajo Traditional Apprenticeship Project
- Office of Dine School Improvement
- Navajo Nation Board of Education

L. Division of Economic Development – Administration

- Business Regulatory Department
- Project Development Department
- PDD – Tourism Department
- PDD – Tourism Department/Parks & Recreation
- Small Business Development Department & 6 RBDOS
- Support Services Department
- Real Estate Department
- Karigan Professional Office

M. Navajo Gaming Regulatory

FISCAL YEAR 2019
LEGISLATIVE CONCERNS

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

LEGISLATIVE CONCERN NO. 1

Division of Aging and Long Term Care Support

To prevent delay in services to elders the DALTC will submit timely invoices to the Office of the Controller for payment to vendors. The DALTC will report to the Health, Education and Human Services Committee and the Budget and Finance Committee each quarter.

LEGISLATIVE CONCERN NO. 2

Division of Aging and Long Term Care Support

The Chapters have raised concerns regarding senior citizen's care and to resolve the concerns the DALTC will identify and attempt to resolve the concerns raised by Chapters and the Senior Centers. The DALTC will report to the Health, Education and Human Services Committee and the Budget and Finance Committee each quarter.

LEGISLATIVE CONCERN NO. 3

Department of Diné Education – Navajo Technical University and Diné College

The Navajo Technical University and Diné College will each conduct a study on the reasons for their low graduation rate. The report will be presented to the Health, Education and Human Services Committee and the Budget and Finance Committee by the end of the second quarter.

LEGISLATIVE CONCERN NO. 4

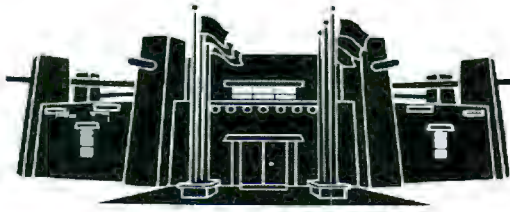
Office of the Controller

The Office of the Controller will report on the backlog of the Department of Health's invoice payment requests to the Health, Education and Human Services Committee and the Budget and Finance Committee.

LEGISLATIVE CONCERN NO. 5

Office of the Controller

The Office of the Controller will report on the plan for upgrading the pay scale for Accountants. The report will be presented to the Budget and Finance Committee by the end of the first quarter.



MEMORANDUM

TO: Honorable Seth Damon
23rd Navajo Nation Council

FROM: 
Levon B. Henry, Chief Legislative Counsel
Office of Legislative Counsel

DATE: August 15, 2018

SUBJECT: AN ACTION RELATING TO BUDGET AND FINANCE COMMITTEE,
NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL;
APPROVING THE NAVAJO NATION FISCAL YEAR 2019
COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820(I) AND 860
AND CF-07-11

Pursuant to your request, attached is the above-referenced proposed resolution and associated legislative summary sheet. Based on existing law and review of the documents submitted, the resolution as drafted is legally sufficient. However, as with all legislation, it is subject to review by the courts in the event of a challenge.

NOTE: the waivers included in the legislation impose a 2/3rds vote requirement for passage.

The Office of Legislative Council confirms the Navajo Nation Council and appropriate standing committee(s) reviews based on the legislative powers outlined in 2 N.N.C. §§ 102 and 164(A)(9) and 12 N.N.C. § 840(B). Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. § 164(A)(5).

Please review the proposed resolution to ensure it is drafted to your satisfaction. If this proposed resolution is acceptable to you, please sign it where it indicates "Prime Sponsor", and submit it to the Office of Legislative Services for the assignment of a tracking number and referral to the Speaker.

If the proposed resolution is unacceptable to you, or if you have further questions, please contact me at the Office of Legislative Counsel and advise me of changes you would like made to the proposed resolution. You may contact me at (928) 871-7166. Thank you.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0278-18__

SPONSOR: Seth Damon

TITLE: An Action Relating To Budget And Finance Committee, NAABIK'IYATI' Committee, And Navajo Nation Council; Approving The Navajo Nation Fiscal Year 2019 Comprehensive Budget; Waiving 12 N.N.C. §§ 820 (I) And 860 And CF-07-11

Date posted: August 15, 2018 at 5:08 PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

**Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586**

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

**THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY**

LEGISLATION NO.: 0278-18

SPONSOR: Honorable Seth Damon

TITLE: An Action Relating to Budget And Finance Committee, NAABIK'IYATI' Committee, And Navajo Nation Council; Approving The Navajo Nation Fiscal Year 2019 Comprehensive Budget; Waiving 12 N.N.C. §§ 820 (I) And 860 And CF-07-11

Posted: August 15, 2018 at 5:08 PM

5 DAY Comment Period Ended: August 20, 2018

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Inconclusive Comments	<i>None</i>



**Legislative Secretary II
Office of Legislative Services**

8/21/2018 8:16am

Date/Time