

THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



October 17, 2022

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

RE: CS-44-22, *An Action Relating to the Resources and Development, Health Education and Human Services, Budget and Finance, Law and Order, and Naabik'iyáti Committees and the Navajo Nation Council; Amending the Navajo Nation Veterans Trust Fund at 12 N.N.C. § 1176 to Create Separate Business Unit Numbers When Funding Navajo Veterans Organizations*

Dear Speaker Damon,

We cannot support CS-44-22 and exercise veto authority regarding this legislation. The management of veterans funds is clearly an authority and responsibility of the Veterans Administration and should not be diminished by the Navajo Nation Council's effort to micromanage Executive Branch programs.

This amendment would create more work for the program, Office of Management and Budget (OMB) and Office of the Controller, among others, which are already operating with limited staff. It would also cause increased delay and obstacles in distributing the needed funds to individual veterans. *See* attached "Exhibit A" Memorandum from the Office of Management and Budget.

The budget as it is currently structured was crafted in a way to assist all veterans uniformly and simplify management of veterans funds. We are open to working with the program to develop an internal process that can maintain the current budget structure while providing more detailed information requested by the Chapter organizations. These processes are administrative in nature and are confident that improvements can be made by the program. Pursuant to the authority vested in the Navajo Nation President, I am vetoing CS-44-22.

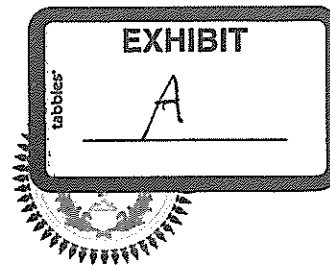
Sincerely,


Jonathan Nez, President
THE NAVAJO NATION


Myron Lizer, Vice President
THE NAVAJO NATION

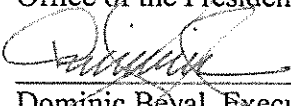
THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



MEMORANDUM

TO : President Jonathan Nez
Office of the President and Vice President

FROM : 
Dominic Béal, Executive Director
Office of Management and Budget

DATE : October 12, 2022

SUBJECT : Resolution CS-44-22: NN Veterans Trust Fund Business Units

The following are OMB's comments on the legislation:

1. Changing the business units from 5 agencies to 110 Chapter organizations will be more work for all involved staff (NNVA, OMB, OOC, OPVP, etc.). When budget transfers and budget form performance assessments are done, there can be 110 budget transfers and 110 performance assessments instead of the minimum of 5 agency budget transfers. For FY 2022 there were only about 1 to 3 budget transfers submitted per agency. If the 110 business units get approved then there would be 110 budgets plus budget transfers and performance assessments to be done (up to 220).
2. If approved, the Veterans Administration Office will have to recalculate the amounts that go back into each of the 110 business units; then prepare the individual budgets.
3. It is OMB's understanding that the consolidated budgets by NNVA was intended to allow more flexibility in administering, budgeting, and monitoring expenditures.
4. One of the main concerns is "budget control" from some of the CVO's because they do not see their individual budgets, so they want their own Business Unit budgets. It seems NNVA could establish administrative internal allocations to monitor transactions, balances, and provide reports to the CVO's and others. A system and a process could be developed.

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



OFFICE OF MANAGEMENT AND BUDGET

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RESOLUTION OF THE
NAVAJO NATION COUNCIL
24th NAVAJO NATION COUNCIL - FOURTH YEAR, 2022

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH EDUCATION AND HUMAN SERVICES, BUDGET AND FINANCE, LAW AND ORDER, AND NAABIK'ÍYÁTI' COMMITTEES AND THE NAVAJO NATION COUNCIL; AMENDING THE NAVAJO NATION VETERANS TRUST FUND AT 12 N.N.C. § 1176 TO CREATE SEPARATE BUSINESS UNIT NUMBERS WHEN FUNDING NAVAJO VETERANS' ORGANIZATIONS

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with the delegated responsibility to "establish policies and legislation appropriate to the housing needs of the Navajo Nation and its People." 2 N.N.C. § 500, § 501(C)(3).
- B. The Health, Education and Human Services Committee is a standing committee of the Navajo Nation Council and exercises oversight authority over veterans' services, among other duties and responsibilities. 2 N.N.C. § 400, § 401(C)(6).
- C. The Budget and Finance Committee is a standing committee of the Navajo Nation Council that has the authority to review and recommend the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. § 301(B)(2).
- D. The Law and Order Committee is a standing committee of the Navajo Nation Council with the delegated responsibility to "review and make recommendations to the Navajo Nation Council on proposed amendments to and enactments to the Navajo Nation Code." 2 N.N.C. § 600(A), § 601(B)(14).
- E. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council with the delegated responsibility to recommend resolutions to the Navajo Nation Council. 2 N.N.C. § 700, § 701(A)(3).
- F. The Navajo Nation Council is the governing body of the Navajo Nation, and as such is empowered to amend Navajo Nation law. 2 N.N.C. § 102.

SECTION TWO. FINDINGS

- A. The Navajo Nation Veterans Trust Fund, 12 N.N.C. §§ 1171 - 1176, was established to provide funding for programs, projects and services or activities for Navajo veterans.
- B. During the FY2022 Comprehensive Budget process, confusion arose regarding allocation of funds for local chapter veterans' organizations. Some funds were allocated in a single business unit for various local chapter veterans' organizations. This use of a single business unit number has concerned local chapter veterans' organizations because with this procedure there is no way to determine the amount of funds allocated for each of their respective organizations.
- C. Clarity and transparency is recommended by Navajo veterans and they have therefore requested that the Navajo Nation Veterans Administration create individual business unit codes during the comprehensive budget process for each of the several local chapter veterans' organizations.
- D. The Navajo Nation Council recognizes that there is a need to continue and prioritize funding for Navajo veterans, particularly at the local level.

SECTION THREE. APPROVING AMENDMENTS TO 12 N.N.C. § 1176

The Navajo Nation hereby amends the Navajo Nation Veterans Trust Fund, 12 N.N.C. § 1176, as follows:

Title 12. Fiscal Matters

Subchapter 8. Navajo Nation Veterans Trust Fund

§ 1176. Expenditure of Trust Fund

The Fund income shall not be expended, except as in § 1177, from Fiscal Year 1998 to Fiscal Year 2003. From Fiscal Year 2004, the Fund income shall be expended as follows:

- A. 75 percent (75%) of the total income earned, plus the current projected set aside of the Fund ~~will~~ shall be used as supplemental funding for programs and services to benefit veterans, as noted under § 1172 on an annual basis, excluding two percent (2%), which shall be for the exclusive use of the

Veterans Housing Program in accordance with 2 N.N.C. § 1171(A) and with Navajo Nation Council Resolution No. CS-56-17. The Fund's income earned at the end of the previous audited fiscal year, plus the current fiscal year projected set aside, will be used to determine the allowable expenditure (i.e., budget purposes). The excess of the Fund income over expenditures shall be reinvested in the Fund to cover the rate of inflation and to provide for reasonable Fund growth.

- B. Tribal grants to non-tribal government programs and projects shall be awarded in accordance with rules and regulations developed by the Department of Navajo Nation Veterans Affairs Administration, in consultation with and approved by the Health, Education and Human Services Committee of the Navajo Nation Council and, if required, the Navajo Nation Council.
- C. Of the 75 percent (75%) of the Fund, ~~total amount as set forth as described in paragraph A, ninety-five percent (95%) of the proceeds will~~ shall be used for the purposes set forth in Subsections (A) and (B) of this Section and five percent (5%) will shall be used for administrative purposes, and this will be reviewed further by the Office of Management and Budget and the Program.
- D. The Navajo Nation Veterans Administration shall maintain a separate business unit for budgeting purposes for each local chapter veterans' organization whose plan of operation has been duly approved by its respective certified/non-certified Chapter or Township.

Except as provided at § 1171, all Trust Fund income distribution shall be determined pursuant to all eligible Navajo veterans and distributed among those applicable Navajo Nation chapters to be expended in accordance with § 1172 of this Plan.

SECTION FOUR. EFFECTIVE DATE

This legislation shall become effective in accordance with 2 N.N.C. § 221(B).

SECTION FIVE. CODIFICATON


The provisions of this legislation that amend the Navajo Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall incorporate such amended provisions in the next codification of the Navajo Nation Code.

SECTION SIX. SAVING CLAUSE

If any provision of this legislation 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, those portions of this legislation not determined invalid shall remain valid and effective.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the 24th Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 12 in Favor, and 08 Opposed, on this 29th day of September 2022.



Honorable Seth Damon, Speaker
24th Navajo Nation Council

Oct 7, 2022
DATE

Motion: Honorable Eugenia Charles-Newton
Second: Honorable Eugene Tso

Speaker Seth Damon not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I, hereby, sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(10), on this _____ day of _____, 2022.

Jonathan Nez, President
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this 17 day of October, 2022 for the reason(s) expressed in the attached letter to the Speaker.

Jonathan Nez, President
Jonathan Nez, President
Navajo Nation

1180

NAVAJO NATION

Navajo Nation Council Special Session

9/29/2022
02:59:44 PM

Amd# to Amd# Legislation 0024-22: Amending
MOT Charles-Newton the Navajo Nation Veterans Trust
SEC Tso, E Fund at 12 N.N.C. SS 1176 to
Create Seperate Business....

PASSED

Yeas : 12

Nays : 8

Excused : 0

Not Voting : 3

Yea : 12

Begay, E	Charles-Newton	Nez, R	Tso, D
Begay, K	Crotty	Slater, C	Tso, E
Brown	Freeland, M	Stewart, W	Yellowhair

Nay : 8

Begay, P	Halona, P	Tso	Wauneka, E
Daniels	Smith	Tso, C	Yazzie

Excused : 0

Not Voting : 3

Henio, J	James, V	Walker, T
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Presiding Speaker: Damon