

LEGISLATIVE SUMMARY SHEET

Tracking No. 0322-15

DATE: September 15, 2015

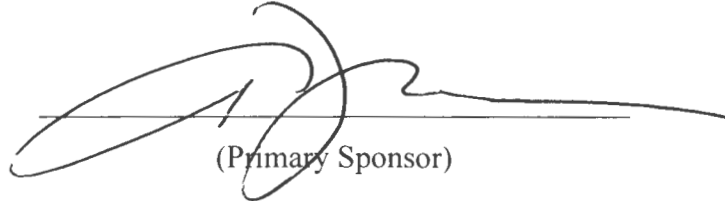
TITLE OF RESOLUTION: AN ACTION RELATING TO AN EMERGENCY; FISCAL APPROPRIATION; APPROVING THE NAVAJO NATION FISCAL YEAR 2016 COMPREHENSIVE BUDGET; AND WAIVING 12 N.N.C. §820(I), §840(B)

PURPOSE: This emergency resolution, if approved, will adopt and approve the FY 2016 Comprehensive Budget for the Navajo Nation and will waive 12 N.N.C. §§ 820(I), 840(B)

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.

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
23rd NAVAJO NATION COUNCIL – First Year 2016

INTRODUCED BY



(Primary Sponsor)

TRACKING NO. 0322-15

AN ACTION
RELATING TO AN EMERGENCY;
FISCAL APPROPRIATION;
APPROVING THE NAVAJO NATION FISCAL YEAR 2016 COMPREHENSIVE
BUDGET; AND WAIVING 12 N.N.C. §820(I), §840(B)

BE IT ENACTED:

Section One. Findings

- A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
- B. The Navajo Nation Council hereby finds that the lack of an adopted Navajo Nation Fiscal Year 2016 Comprehensive Budget constitutes an emergency for purposes of 2 N.N.C. §164(A)(16) due to the impending cessation of law enforcement services, disaster relief services, fire protection services and direct government services which would result from the absence of a Navajo Nation Fiscal Year 2016 Comprehensive Budget.
- C. The Budget and Finance Committee made recommendations concerning the budget; submitting it to the Navajo Nation Council for deliberation and approval, which included accepting the Navajo Nation Controller's Fiscal Year 2016 General Fund

1 Revenue Projection of total gross recurring revenue of \$217,785,000 and a net total
2 general fund of \$163,384,000 and supporting the Navajo Nation Branch Chiefs
3 recommended General Fund Allocations of \$172,654,000 that recognized the
4 difference to be realized from general fund excess actual revenue less actual expenses
5 or the net income realized of the General Fund or other fund sources prior to the close
6 of the Fiscal Year 2015. See BFJN-18-15.

7 D. The Budget and Finance Committee made recommendations concerning the final
8 Fiscal Year 2016 Comprehensive Budget, after consultation with all oversight
9 committees, to the Navajo Nation Council. See Legislation No. 0305-15, Budget and
10 Finance Committee Report, September 2, 2015.

11 E. The Navajo Nation Controller has received verification from the Navajo Nation Tax
12 Commission of supplemental projected revenue of \$10,660,000, which is less Set
13 Asides, of which \$9,270,000 will provide a balanced budget for Fiscal Year 2016;
14 with the balance of \$1,390,000 to be reserved for possible projected revenue
15 reductions in Fiscal Year 2015; and the Controller has determined the use of non-
16 recurring revenue is proper under 12 N.N.C. §820(F).

17 F. It is in the best interest of the Navajo Nation to approve the Navajo Nation Fiscal Year
18 2016 Comprehensive Budget.

19 20 **Section Two. Adopting Navajo Nation Fiscal Year 2016 Budget**

21 A. The Navajo Nation Council hereby adopts the Navajo Nation Fiscal Year 2016
22 Comprehensive Budget as recommended by the Navajo Nation Council's Budget and
23 Finance Committee, BFJN-18-15 and Legislation No. 0305-15 as amended by the
24 Budget and Finance Committee, with the Navajo Nation Controller's verification of
25 supplemental projected revenue which balances revenues and expenditures; and
26 approving \$1,390,000 from the supplemental projected revenue be reserved for
27 possible revenue reductions in Fiscal Year 2015, as the extent of such reductions or
28 impacts become known, this fund may be appropriated. The adoption of the Navajo
29 Nation Fiscal Year 2016 Comprehensive Budget, as recommended by the Budget and
30

1 Finance Committee, shall not include the provision regarding the use of the Permanent
2 Fund.

3
4 B. The Navajo Nation Council approves the appropriation of 12% of the Fiscal Year
5 2016 revenue in the amount of \$26,134,000 to the Navajo Nation Permanent Fund;
6 4% of Fiscal Year 2016 revenue in the amount of \$8,711,000 to the Navajo Veterans
7 Trust Fund; 2% of Fiscal Year 2016 revenue in the amount of \$4,356,000 to the
8 Navajo Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2016 revenue
9 to the Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal
10 Year 2016 revenue to the Water Rights Claim Fund; and \$11,200,000 of Fiscal Year
11 2016 revenue to the Diné Higher Education Grant Fund.

12
13 C. The Navajo Nation Council hereby approves the appropriation of \$620,361,145 as the
14 Navajo Nation Fiscal Year 2016 Operating Budget, as set forth in the attached **Exhibit**
15 **A**, which constitutes \$172,654,000 of General Funds; \$17,500,000 Indirect Cost
16 Credit; \$11,200,000 in Higher Education set aside funds; \$5,000,000 Personnel
17 Savings; \$60,045,615 Proprietary Fund; \$54,628,256 Fiduciary Funds; \$25,185,239
18 Special Revenue Internal Funds; and \$274,148,035 Special Revenue External Funds,
19 summarized as follows:

20
21 1. Legislative Branch: \$16,444,089 as the Navajo Nation Fiscal Year 2016
22 Operating Budget, as set forth in the attached **Exhibit B**, which is constituted of
23 \$14,902,730 General Fund Revenue; \$1,531,359 Indirect Cost Credit; \$10,000
24 Proprietary Funds; \$__0__ Fiduciary Funds, \$__0__ Special Revenue Internal
25 Funds; \$__0__ Special Revenue External Funds, for the Navajo Nation Council,
26 various Standing Committees, boards, commissions, offices, programs, and
27 activities within the Legislative Branch.

28
29 2. Judicial Branch: \$15,396,641 as the Navajo Nation Fiscal Year 2016 Operating
30 Budget, as set forth in the attached **Exhibit C**, which constitutes \$13,873,785 of

1 General Funds; \$81,805 Indirect Cost Credit; \$__0__ Proprietary Funds; \$__0__
2 Fiduciary Funds; \$__0__ Special Revenue Internal Funds and \$1,441,051 Special
3 Revenue External Funds, for the Navajo Nation Supreme Court, district courts,
4 family courts, various offices, programs and activities within the Judicial Branch.

5
6 3. Executive Branch: \$556,947,065 as the Navajo Nation Fiscal Year 2016
7 Operating Budget, as set forth in the attached **Exhibit D**, which constitutes
8 \$121,060,689 of General Funds; \$12,130,282 Indirect Cost Credit; \$11,200,000
9 Higher Education Set Aside Funds; \$60,035,615 Proprietary Funds; \$54,628,256
10 Fiduciary Funds; \$25,185,239 Special Revenue Internal Funds; and,
11 \$272,706,984 Special Revenue External Funds; for the various divisions,
12 departments, programs and offices within the Executive Branch.

13
14 4. Fixed Costs: \$27,573,350 constituted of \$18,816,796 General Funds, \$3,756,554
15 Indirect Cost Credit; and \$5,000,000 Personnel Savings as set forth in the attached
16 **Exhibit E**.

17
18 5. Capital Improvement Funds constituted of \$4,000,000 General Fund Revenue, to
19 be used at chapter discretion (exception: not be used for recurring expenses), as
20 set forth in the attached **Exhibit F**.

21
22 6. Chapter Non-Administrative Costs; \$12,500,000 for non-administrative costs.
23 This does not include chapter official's stipends, permanent personnel costs, and
24 travel expenses of chapter officials and chapter staff.

25
26 D. The Navajo Nation Council hereby approves funding from the Fiscal Year 2015
27 Personnel Savings Fund as follows:

28 Funding of up to \$5,000,000 from the Fiscal Year 2015 Personnel Savings Fund
29 for funding the shortfall in Defined Benefit Plan Retirement Plan, Business Unit
30 Number 118018.

1
2 E. The Navajo Nation Council hereby approves the carryover of unexpended Indirect
3 Cost Credit, if any, from Navajo Nation Fiscal Year 2015 into Fiscal Year 2016.

4
5 F. The Navajo Nation Council hereby approves the carryover of unexpended Capital
6 Improvement Project Funds from Fiscal Year 2015 to Fiscal Year 2016.

7
8 G. The Navajo Nation Council hereby approves the carryover of General Fund
9 unexpended balances from Navajo Nation Fiscal Year 2015 into Fiscal Year 2016 as
10 follows:

11 1. \$4,000,000 for the Government Branches (Executive, Legislative, Judicial) from
12 their respective unexpended balances, as follows:

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

14 b) Legislative: \$1,000,000

15 c) Judicial: \$ 500,000

16 2. Other unexpended fund balances for Divisions, Departments and Programs listed
17 in **Exhibit G**.

18
19 H. The Navajo Nation Council hereby approves the Conditions of Appropriations for
20 Navajo Nation Fiscal Year 2016, as set forth in the attached **Exhibit H**.

21
22 I. The Navajo Nation Council hereby acknowledges that all federal, state, and local
23 government funds addressed in the Navajo Nation Fiscal Year 2016 Comprehensive
24 Budget are provided primarily for information purposes, as directed in the Budget
25 Instructions and Policies Manual, and should not be deemed to limit the expenditure
26 authority for any program, provided additional funds are accepted pursuant to 2
27 N.N.C. §164(B), 2 N.N.C. §301(B)(15), and 2 N.N.C. §701(A)(10).

28
29 J. The Navajo Nation Council hereby authorizes monthly drawdowns of all deposited
30 into BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico, which are

1 considered Navajo Nation General Funds as part of the overall revenue projection for
2 support of the operations of the Navajo Nation Government.

3
4 K. The Budget and Finance Committee and the Navajo Nation Council hereby authorizes
5 the Office of Management and Budget to carry-over available budget amounts to
6 cover any prior year open encumbrances carried into Fiscal Year 2016 by the Office
7 of the Controller. Further, the Office of the Controller shall ensure that the budgeted
8 funds carried over are used specifically, and only for, those open encumbrances. The
9 Office of the Controller shall also inform the Office of Management and Budget, in
10 writing, of any cancelled or reduced prior year open encumbrances so that the Office
11 of Management and Budget can make the appropriate budget adjustments.

12
13 L. The Navajo Nation Council hereby directs the Branch Chiefs of the Executive,
14 Legislative and Judicial Branches to prioritize the unmet needs of their respective
15 branches and to prepare appropriate budgets for such prioritized needs for potential
16 consideration of supplemental appropriations in Fiscal Year 2016, in accordance with
17 12 N.N.C. § 820(L).

18
19 M. The Navajo Nation Council hereby waives 12 N.N.C. §820(I) requiring the
20 development of a Capital Budget of an appropriation for the current year of the
21 Capital Improvement Plan.

22
23 N. The Navajo Nation Council, in harmony with the emergency resolution, authorizes a
24 limited procedural waiver of 12 N.N.C. §840(B), which requires the adoption of a
25 Comprehensive Budget at least "twenty (20) days" prior to the expiration of each
26 fiscal year.

27
28 O. The Navajo Nation Council hereby approves the Fiscal Year 2016 Budget Detail
29 binder, included as **Exhibit I**.

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

2

3 A. The Navajo Nation Council directs the Office of Management and Budget to

4 recalculate the final monetary totals such that the figures conform to the amendments

5 passed by the Navajo Nation Council.

6

7 B. The Navajo Nation Council directs the Office of Management and Budget to make

8 any other changes to the exhibits such that they conform to the amendments passed

9 by the Navajo Nation Council.

**The Navajo Nation
Fiscal Year 2016 Budget Summary**

EXHIBIT A

A	B	C	D	E	F	G	H	I	J	K
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Higher Education Setaside	Personnel Saving Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	100xxx	Executive Branch	12,130,282	11,200,000		60,035,615	54,628,256	25,185,239	272,706,984	556,947,065
2	101xxx	Legislative Branch	1,531,359			10,000				16,444,089
3	102xxx	Judicial Branch	81,805						1,441,051	15,396,641
4	118xxx	Fixed Costs	3,756,554		5,000,000					27,573,350
5	108xxx	Capital Projects	4,000,000							4,000,000
6		Total:	17,500,000	11,200,000	5,000,000	60,045,615	54,628,256	25,185,239	274,148,035	620,361,145

The Navajo Nation

EXHIBIT B

Fiscal Year 2016 Legislative Branch Budget Summary

A	B	C	D	E	F	G	H	I
Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1 101001	Navajo Nation Council	2,046,081	745,085					2,791,166
2 101003	Budget & Finance Committee	91,650	8,157					99,807
3 101014	Navajo Nation Labor Commission	288,612	35,841					324,453
4 101015	Ofc of the Speaker	2,129,024	215,032					2,344,056
5 101016	Ofc of Government Development	514,959	18,762					533,721
6 101017	Ofc of Legislative Counsel	1,149,415	110,154					1,259,569
7 101018	Navajo Utah Commission	268,091						268,091
8 101019	Ofc of Legislative Services	1,455,824	187,598					1,643,422
9 101020	Ethics & Rules Office	461,907	41,309					503,216
10 101021	Ofc of Election Administration	1,094,427	29,151					1,123,578
11 101022	Board of Elections Supervisors	138,175						138,175
12 101023	Black Mesa Review Board	19,126						19,126
13 101024	Ofc of the Auditor General	1,493,767	34,331					1,528,098
14 101025	Navajo-Hopi Land Commission	215,000						215,000
15 101026	Commission on Emergency Mgmt	13,157						13,157
16 101027	Eastern Agency Land Commission	110,685						110,685
17 101028	Office of Eastern Navajo Land Commission	309,234						309,234
18 101029	Human Rights Commission	656,111						656,111
19 101030	Health, Educ. and Human Services Comm.	121,940	31,453					153,393
20 101031	Resources and Development Committee	126,331	31,326					157,657
21 101032	Law and Order Committee	95,810	20,507					116,317
22 101033	Nabik'iyatii Committee	333,601	22,653					356,254
23 101034	OLS/Legislative District Assistants	1,769,803						1,769,803
24 901001	Navajo Nation Code Enterprise			10,000				10,000
25	Total:	14,902,730	1,531,359	10,000				16,444,089

**The Navajo Nation
Fiscal Year 2016 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	1,566,024	81,805				1,441,051	3,088,880
2 102002	Chinle Judicial District	837,162						837,162
3 102003	Crownpoint Judicial District	709,886						709,886
4 102004	Window Rock Judicial District	1,044,096						1,044,096
5 102005	Shiprock Judicial District	924,196						924,196
6 102006	Tuba City Judicial District	812,127						812,127
7 102007	Ramah Judicial District	560,421						560,421
8 102008	Supreme Court	818,567						818,567
9 102009	Peacemaker Division	1,209,564						1,209,564
10 102010	Kayenta Judicial District	915,063						915,063
11 102011	Dilkon Judicial District	709,217						709,217
12 102012	Utah Judicial District	599,985						599,985
13 102013	Tohajilee Judicial District	594,985						594,985
14 102014	Alamo Judicial District	182,075						182,075
15 102015	Dził Yíjín Judicial District	400,142						400,142
16 102017	Pueblo Pintado Circuit Court	298,712						298,712
17 102018	Probation Services	1,691,563						1,691,563
18	Total:	13,873,785	81,805				1,441,051	15,396,641

**The Navajo Nation
Fiscal Year 2016 Executive Branch Budget Summary**

EXHIBIT D

A	B	C	D	E	F	G	H	I	J
Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Higher Education Setaside	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1 103xxx	Executive Offices	8,431,692	815,895						9,247,587
2 104xxx	Department of Justice	5,887,325	1,332,987						7,220,312
3 105xxx	Office of Management and Budget	1,454,811	837,399						2,292,210
4 106xxx	Office of Navajo Tax Commission	1,548,967							1,548,967
5 107xxx	Office of the Controller	3,415,354	2,833,968		1,208,000	14,845,777	4,651,000		26,954,099
6 108xxx	Division of Community Development	4,124,743	774,917					6,586,157	11,485,817
7 108xxx	Navajo Nation Chapters	26,975,993					2,138,966		29,114,959
8 109xxx	Department of Dine' Education	8,041,836	316,562	11,200,000	45,000	766,352	4,092,997	40,417,583	64,880,330
9 110xxx	Division of Economic Development	4,629,334	184,206		290,000		1,451,400		6,554,940
10 111xxx	Navajo Environmental Protection Agency	1,752,683	96,380				2,912,076	4,876,831	9,637,970
11 112xxx	Division of General Services	5,059,531	2,270,685		50,479,615			2,666,017	60,475,848
12 113xxx	Division of Health	12,638,294	111,988			274,308		53,794,925	66,819,515
13 114xxx	Division of Human Resources	4,999,746	1,331,797		47,500	38,741,819		13,725,885	58,846,747
14 115xxx	Division of Natural Resources	18,021,292	223,321		7,505,000		2,750,000	10,564,669	39,064,282
15 116xxx	Division of Public Safety	9,607,450	244,428		75,500		432,000	43,649,460	54,008,838
16 117xxx	Division of Social Services	3,455,078	586,790		140,000			81,843,662	86,025,530
17 120xxx	Office of Gaming Regulatory				200,000				200,000
18 121xxx	Navajo Division of Transportation	1,016,560	168,959		45,000		6,756,800	14,581,795	22,569,114
19	Total:	121,060,689	12,130,282	11,200,000	60,035,615	54,628,256	25,185,239	272,706,984	556,947,065

The Navajo Nation
Fiscal Year 2016 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
118001	Annual Audit - OOC	1,719,886	114						1,720,000
118004	Insurance Premiums - DGS	3,800,000							3,800,000
118005	Utilities - DGS	2,700,000	1,434,502						4,134,502
118007	Telecommunications - DGS	1,100,000	523,872						1,623,872
118008	Radio Communications - DGS	310,000	309,960						619,960
118009	Equip./Furniture/Bldg. Maint. - OOC		4,554						4,554
118010	FMIS Debt Service - OOC	976,731							976,731
118013	Hopi Partitioned Land Rental - NHLCO	120,400							120,400
118017	Indirect Cost Plan - OMB	50,000							50,000
118018	Retirement Plan Account - DHR	600,000		5,000,000					5,600,000
118019	NN Integrated Justice Info. Sharing - JB	368,991							368,991
118020	Fixed Cost Investment Fees - OOC	150,000							150,000
118022	FMIS Maintenance Services - OOC	1,500,000							1,500,000
118023	Fixed Cost Facility Maintenance	420,788	1,483,552						1,904,340
N01000	Fixed Cost Litigation - DOJ	5,000,000							5,000,000
Total:		18,816,796	3,756,554	5,000,000					27,573,350

The Navajo Nation

Fiscal Year 2016 Capital Budget Summary

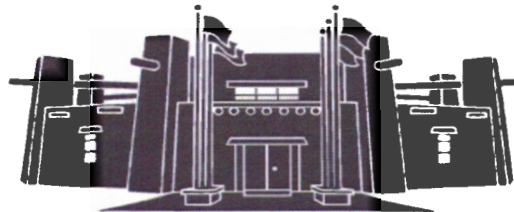
EXHIBIT F

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	108xxx Capital Projects (NN Chapters)	4,000,000						4,000,000
2	Total:	4,000,000						4,000,000

EXHIBIT G

Fund Carryovers

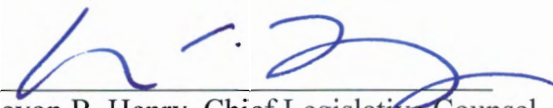
1. Business Unit No. 102019, Judicial Conduct Commission. \$100,000 or remaining balance.
2. Business Unit No. 101020, Ethics and Rules Office. Remaining balance from object code 6520, Consulting.
3. Business Unit No. 101021, Election Administration Office. Remaining balance.
4. Business Unit No. 118023, Facilities Maintenance Fixed Cost. \$670,000 or remaining balance.
5. Business Unit No. 510003, Tourism Department. \$2,000,000 or remaining balance.
6. Business Unit No. 910005, Karigan Professional Office. \$100,000 or remaining balance.



MEMORANDUM

TO: Honorable Seth Damon
Navajo Nation Council

FROM:


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

DATE: September 15, 2015

SUBJECT: AN ACTION RELATING TO AN EMERGENCY; FISCAL
APPROPRIATION; APPROVING THE NAVAJO NATION FISCAL YEAR
2016 COMPREHENSIVE BUDGET; AND WAIVING 12 N.N.C. §820(I),
§840(B)

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.

The Office of Legislative Council confirms the appropriate standing committee(s) reviews based on the standing committees powers outlined in 2 N.N.C. §§ 301, 401, 501, 601 and 701. 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: _0322-15_

SPONSOR: Seth Damon

**TITLE: An Action Relating To An Emergency; Fiscal Appropriation; Approving
The Navajo Nation Fiscal Year 2016 Comprehensive Budget; And Waiving
12N.N.C. §820(I), §840(B)**

Date posted: September 15, 2015 at 8:01PM

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.*