

LEGISLATIVE SUMMARY SHEET

Tracking No. 0185-19

DATE: July 2, 2019

TITLE OF RESOLUTION: AN ACT RELATING TO LAW AND ORDER, HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING A FUNDING REQUEST OF FIFTY MILLION DOLLARS (\$50,000,000) FROM THE SÍHASIN FUND TO ESTABLISH THE NAVAJO NATION YOUTH TRUST FUND EXPENDITURE PLAN PURSUANT TO CD-68-14 AND 12 N.N.C §§ 2501 – 2508; WAIVING 12 N.N.C. § 2502 (A)(1); ENACTING THE NAVAJO NATION YOUTH TRUST FUND

PURPOSE: The purpose of this legislation is to allocate Síhasin Funds to establish a Navajo Nation Youth Trust Fund and to enact a Youth Trust Fund in the Navajo Nation Code.

NOTE: The voting requirement on this legislation is 90 percent (90%) of the full membership of the Navajo Nation Council.

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

5-DAY BILL HOLD PERIOD: None
Website Posting Time/Date: _____
Posting End Date: 7/8/19
Eligible for Action: 7/9/19

Law & Order Committee
Thence
Health Education & Human Services Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

24th NAVAJO NATION COUNCIL – First Year, 2019

INTRODUCED BY

(Prime Sponsor)

Kee Allen Begay Jr.

TRACKING NO. 0185-19

AN ACT

RELATING TO LAW AND ORDER, HEALTH, EDUCATION AND HUMAN
SERVICES COMMITTEE, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI'
COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING A FUNDING
REQUEST OF FIFTY MILLION DOLLARS (\$50,000,000) FROM THE SÍHASIN
FUND TO ESTABLISH THE NAVAJO NATION YOUTH TRUST FUND
EXPENDITURE PLAN PURSUANT TO CD-68-14 AND 12 N.N.C §§ 2501 – 2508;
WAIVING 12 N.N.C. § 2502 (A)(1); ENACTING THE NAVAJO NATION
YOUTH TRUST FUND

BE IT ENACTED:

Section One. Authority

- A. The Law and Order Committee of the Navajo Nation Council is empowered to review and make recommendations to the Navajo Nation Council on proposed amendments to and enactments in the Navajo Nation Code. 2 N.N.C. § 601 (B) (14).
- B. The Health, Education and Human Services Committee of the Navajo Nation Council is empowered to exercise oversight authority to review and recommend resolutions relating to social services and education. 2 N.N.C. § 401(6)(a).

- 1 C. The Budget and Finance Committee of the Navajo Nation Council is empowered to
2 review and recommend to the Navajo Nation Council the budgeting, appropriation,
3 investment, and management of all funds. 2 N.N.C. § 301 (B) (2).
- 4 D. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review
5 all proposed legislation which requires final action by the Navajo Nation Council. 2
6 N.N.C. §164(A)(9).
- 7 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §
8 102 (A).
- 9

10 **Section Two. The Naabik'iyáti Síhasin Fund Subcommittee and Navajo Nation**
11 **Síhasin Fund**

12 A. The Naabik'iyáti Committee of the 24th Navajo Nation Council continued the
13 Naabik'iyáti Síhasin Fund Subcommittee in Resolution NABIAP-23-19. The
14 Naabik'iyáti Síhasin Fund Subcommittee was initially established in 2015 by
15 Resolution NABIAP-20-15 to provide recommendations to the Naabik'iyáti
16 Committee and Navajo Nation Council for projects to be funded using Síhasin
17 Funds. Notwithstanding the creation and continuation of the Naabik'iyáti Síhasin
18 Fund Subcommittee, approval from the Subcommittee is not a requirement for the
19 Navajo Nation Council to approve expenditure plans from the Navajo Nation
20 Síhasin Fund.

21 B. The Navajo Nation Code provides the purpose of the Navajo Nation Síhasin Fund
22 ("Síhasin Fund") is as follows:

23 §2502 Purpose

24 A. The purposes of this Fund are to provide financial support and/or
25 financing for:

- 26 1. The planning and development of economic development
27 and regional infrastructure supporting economic development
28 and community development, including such infrastructure
29 as, but not limited to, housing, commercial and government
30 buildings, waterline, solid waste management development,

1 powerline projects, and transportation and communication
2 systems, within the Navajo Nation; and

3 2. Education opportunities for members of the Navajo Nation.

4 B. For the Purpose in § 2502(A)(1), Fund expenditures for
5 infrastructure shall not be limited by 12 N.N.C. § 1301(F) or
6 TCDCJY-77-99.

7 C. Leveraging the Fund by way of guaranteeing loans, match funding,
8 direct funding in part, and other weighted uses of the Fund,
9 including loan financing from the Fund, for the purposes in
10 § 2502(A)(1), shall be favored over direct funding in whole.

11 12 N.N.C. § 2502, as amended by CJA-03-18.

12 C. The Síhasin Fund provides that Fund Principal shall consist of all deposits made to
13 the Síhasin Fund and that Fund Income shall consist of all earnings (interest,
14 dividends, etc.) generated and realized by the Fund Principal, and that Fund Income
15 shall be deposited in and added to Fund Principal until such time as a Fund
16 Expenditure Plan is duly adopted. 12 N.N.C. §§ 2504 and 2505 (C).

17 D. Amendments to the Síhasin Fund require “a ninety percent (90%) vote of the full
18 membership of the Navajo Nation Council and signature of the President of the
19 Navajo Nation.” 12 N.N.C. § 2508.

20 21 **Section Three. Findings**

22 The purpose of the Youth Trust Fund is to provide funding for youth-centered
23 programs, projects, and services within the Navajo Nation. These projects include
24 establishing Navajo youth initiatives to benefit the physical, mental, and emotional
25 health, welfare and safety of young Navajos.

26 27 **Section Four. Approval and Adoption of Expenditure Plan from Síhasin Funds**

28 A. The Navajo Nation hereby approves and adopts the Navajo Nation Youth Trust
29 Fund.
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1 B. The Navajo Nation hereby approves funding to establish a Navajo Nation Youth
2 Trust Fund in the amount of fifty million dollars (\$50,000,000).

3 C. The Sihasin Funds allocated to establish the Navajo Nation Youth Trust Fund
4 Expenditure Plan may be further leveraged by bond or loan financing pursuant to
5 the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 et seq., as amended,
6 using Sihasin Fund Earnings for repayment and financing costs upon the
7 recommendation of the Budget & Finance Committee and approval by a two-thirds
8 (2/3) vote of all members of the Navajo Nation Council.
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10 **Section Five. Approval and Adoption of Expenditure Plan Administration**

11 The Navajo Nation hereby approves administration of the Navajo Youth Trust Fund
12 Expenditure Plan as follows:

- 13 1. The Navajo Nation Controller shall determine whether the source of the fifty
14 million dollars (\$50,000,000) will be Sihasin Fund Principal or Income or a
15 combination of both;
- 16 2. The funds allocated for the Navajo Nation Youth Trust Fund shall be for the
17 purposes specified in the Navajo Nation Youth Trust Fund, at 12 N.N.C. §
18 1192, in Section Six of this Resolution.
- 19 3. The Navajo Nation Controller shall establish the Navajo Youth Trust Fund
20 during Navajo Nation Fiscal Year 2019 or Fiscal Year 2020, provided that the
21 Navajo Youth Trust Fund is established within thirty (30) days of the formal
22 adoption of this legislation.
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24 **Section Six. Enacting the Navajo Nation Youth Trust Fund**

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26 The Navajo Nation enacts the Navajo Nation Youth Trust Fund, as follows:
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29 Title 12. Fiscal Matters
30 Chapter 10. Navajo Nation Trust Funds

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The “Navajo Nation Youth Trust Fund” hereinafter “Youth Trust Fund” is established with an initial allocation of fifty million dollars (\$50,000,000) from the Navajo Nation Sihasin Fund. Any funds deposited into the Youth Trust Fund, plus accrued interest, shall be used only as provided hereinafter in this subchapter.

The purpose of the Youth Trust Fund is to provide funding for youth-centered programs, projects, and services within the Navajo Nation. These projects include establishing Navajo youth initiatives to benefit the physical, mental, and emotional health, welfare and safety of young Navajos.

A. Youth Trust Fund Principal shall consist of the initial funding that established the fund, all Navajo Nation appropriations made pursuant to the Navajo Nation appropriation processes and procedures; and any contributions made by any parties or entities.

B. Youth Trust Fund income shall consist of all earnings, such as interest and dividends generated by the principal and interests of the Youth Trust Funds.

The Youth Trust Fund income shall be expended as follows:

- A. Ninety-five percent of the Youth Trust Fund income shall be used as provided in § 1192 of this subchapter. Five percent (5%) of the Youth Trust Fund shall be reinvested to cover the rate of inflation.
- B. Any grants made from Youth Trust Fund income to Navajo Nation government and non-Navajo Nation programs and projects, shall be awarded in accordance with rules and regulations developed by the Office of Diné Youth as approved by

1 the Health, Education and Human Services Committee of the Navajo Nation
2 Council.

3 § 1195 Expenditure of Fund Principal

4 Fund principal shall not be expended except pursuant to a referendum adopted by a two-
5 thirds majority of those voting in an election open to all registered Navajo voters. The Navajo
6 Nation Council may place a "Referendum to Expend Youth Trust Fund Principal" on the
7 ballot of any primary, special, or general election by a two-thirds (2/3) vote of the full Navajo
8 Nation Council.

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10 § 1196 Expenses

11 All expenses directly associated with the administration and management of the Youth
12 Trust Fund shall be paid from the Youth Trust Fund income as approved by the Budget and
13 Finance Committee of the Navajo Nation Council, prior to any income distributions made in
14 accordance with §§ 1193 and 1195 of this subchapter. Such expenses shall include
15 investment advisory and management fees, audit costs, and other related expenses, pursuant
16 to duly approved contracts for such services.

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18 §1197 Fund Investment

19 All monies deposited into the Navajo Youth Fund shall be invested in accordance with
20 the Navajo Nation Master Investment Policies as adopted by the Budget and Finance
21 Committee of the Navajo Nation Council.

22
23 § 1198 Amendments

24 Any section or sections in this subchapter may be amended upon the recommendation of
25 the Health, Education and Human Service Committee and the Budget and Finance
26 Committee of the Navajo Nation Council by a majority vote of the full membership of the
27 Navajo Nation Council.

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3 **Section Seven. Waiving 12 N.N.C. § 2502 (A)(1)**

4 The Navajo Nation Council approves a one-time waiver of the purposes of the Síhasin Fund
5 as enumerated in 12 N.N.C. § 2502 (A)(1) in order to provide the initial funds to establish the
6 Navajo Nation Youth Trust Fund.
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8 **Section Eight. Directive**

9 All Navajo Nation programs, specifically including, but not limited to, the Office of
10 Controller and the Office of Management and Budget, shall take all steps necessary to
11 expeditiously implement the Navajo Nation Youth Trust Fund Expenditure Plan consistent
12 with the provisions set forth above.
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14 **Section Nine. Saving Clause**

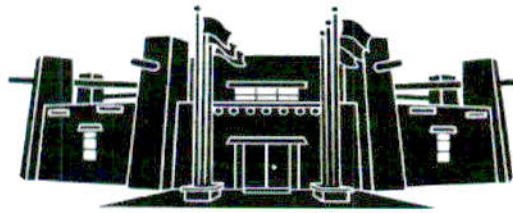
15 The provisions of the Act which amend or adopt new sections of the Navajo Nation Code
16 shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel
17 shall incorporate such amended provisions in the next codification of the Navajo Nation
18 Code.
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20 **Section Ten. Codification**

21 Should any provision of this Act be determined invalid by the Navajo Nation Supreme
22 Court or the District Courts of the Navajo Nation, without appeal to the Navajo Nation
23 Supreme Court, the remainder of the Act shall remain the law of the Navajo Nation.
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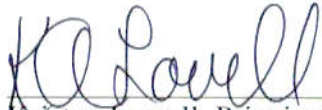
25 **Section Eleven. Effective Date**

26 The provisions of this Act shall become effective in accordance with 2 N.N.C. § 221(B)
27 and 2 N.N.C. §§1005 (C) (10-12).
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MEMORANDUM

TO: Honorable Kee Allen Begay, Jr.
24th Navajo Nation Council

FROM: 
Kristen Lowell, Principal Attorney
Office of Legislative Counsel

DATE: July 2, 2019

SUBJECT: **AN ACT RELATING TO LAW AND ORDER, HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING A FUNDING REQUEST OF FIFTY MILLION DOLLARS (\$50,000,000) FROM THE SÍHASIN FUND TO ESTABLISH THE NAVAJO NATION YOUTH TRUST FUND EXPENDITURE PLAN PURSUANT TO CD-68-14 AND 12 N.N.C §§ 2501 – 2508; WAIVING 12 N.N.C. § 2502 (A)(1); ENACTING THE NAVAJO NATION YOUTH TRUST FUND**

As requested, I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge.

Please ensure that this particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

The Office of Legislative Counsel confirms the appropriate standing committee(s) 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).

If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.