

# THE NAVAJO NATION

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JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

March 31, 2021

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

RE: CMA-13-21, *An Action Relating to Health, Education, and Human Services, Budget and Finance, and Naabik 'iyáti' Committees, and Navajo Nation Council; Amending Council Resolution CN-88-20, the Navajo Nation Fiscal Year 2021 Comprehensive Budget; Continuing the Extension of the Navajo Nation Veterans Administration Budget through September 30, 2021*

Dear Speaker Damon,

We appreciate the Navajo Nation Council's support of the Veterans and the program that provides services. In the past year the Veterans program has made tremendous strides in organizing services for Veterans and is now on the brink of a housing initiative that will serve more of our Veterans. The Veterans Administration, working together with the Veterans Agency Council, is bringing more help to those who served in the military and their families; and we look forward to more progress in the near future.

The Navajo Nation supports our Veterans in many areas, so we are grateful a full budget is approved to continue services to support our Veterans. Should you or members of the Council require any information on the Veterans program please contact Executive Director Jim Zwierlein. We sign CMA-13-21 into law.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Nez".

Jonathan Nez, President  
THE NAVAJO NATION

A handwritten signature in black ink, appearing to read "Myron Lizer".

Myron Lizer, Vice President  
THE NAVAJO NATION

RESOLUTION OF THE  
NAVAJO NATION COUNCIL  
24<sup>th</sup> NAVAJO NATION COUNCIL - THIRD YEAR, 2021

AN ACTION  
RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND  
FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL;  
AMENDING COUNCIL RESOLUTION CN-88-20, THE NAVAJO NATION FISCAL  
YEAR 2021 COMPREHENSIVE BUDGET; CONTINUING THE EXTENSION OF THE  
NAVAJO NATION VETERANS ADMINISTRATION BUDGET THROUGH SEPTEMBER 30,  
2021

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Health Education and Human Services committee is empowered to make recommendations on resolutions involving veterans and veterans services. 2 N.N.C. § 401(B)(6)(a).
- B. The Budget and Finance Committee is empowered to appropriate, allocate, cancel, re-appropriate, and review the use of Navajo Nation funds. 2 NNC. § 301(B)(3).
- C. The Naabik'íyáti' Committee is assigned proposed resolutions that require final action by the Navajo Nation Council. 2 N.N.C. § 164(A)(9).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A).

SECTION TWO. FINDINGS

- A. The Navajo Nation Council approved Council Resolution CN-88-20, the Navajo Nation Fiscal Year 2021 Comprehensive Budget, on November 30, 2020 and the Navajo Nation President signed CN-88-20 on December 10, 2020, which is attached as **Exhibit A** (exhibits omitted).
- B. Section Four of Resolution CN-88-20 provided an appropriation of half (1/2) the Fiscal Year 2020 funding to the Navajo Nation Veterans Administration - Central Administration, and Veterans Administration - Agency Administration, BU# 103015 and BU#s 103016 - 103020, in order to allow for more time to obtain additional information before approving the Fiscal Year 2021 budgets.

- C. As oversight committee for the Navajo Nation Veterans Administration the Health, Education and Human Services Committee recommends continuing the extension approved in Council Resolution CN-88-20 for an additional quarter.
- D. The Navajo Nation Council amends the Fiscal Year 2021 Comprehensive Budget as indicated in the Section Three below.

**SECTION THREE. AMENDING COUNCIL RESOLUTION CN-88-20, THE NAVAJO NATION FISCAL YEAR 2021 COMPREHENSIVE BUDGET, BY CONTINUING THE EXTENSION TO THE NAVAJO NATION VETERANS ADMINISTRATION BUDGET**

- A. The Navajo Nation Council approves the extension of the Navajo Nation Veterans Administration Budget for two additional quarters, through September 30, 2021. To that end, the Navajo Nation Council continues the extension for the Navajo Nation Veterans Administration to receive the full amount of its annual FY 2020 general fund, indirect cost fund, proprietary fund, special revenue, and fiduciary fund allocations as of September 30, 2020 for the operation of the Navajo Nation Veterans Administration - Central Administration (BU# 1003015) and Navajo Nation Veterans Administration - Agency Administration, (BU# 103016-103020), beginning October 1, 2020 and ending on September 30, 2021.
- B. The Navajo Nation Council affirms that the continuation of the extension approved in Paragraph A of this section shall be based on one hundred percent (100%) of the final approved Fiscal Year 2020 budget amounts for BU# 103015 (Veterans Administration - Central Administration) and BU#s 103016 - 103020 (Veterans Administration - Agency Administration), as approved in CS-30-19 and signed by the Navajo Nation President on September 13, 2019. In order to maintain consistency between the budget extension amount and the Fiscal Year 2020 General Revenue Fund projections, supplemental appropriations made in Fiscal Year 2020, shall not be included in this budget extension for BU#s 103015, and 103016 -103020.
- C. The Navajo Nation Veterans Administration shall submit its extension budgets to the Office of Management and Budget at the level of funding detailed in Paragraphs A and B above, by March 29 for immediate entry into the Financial Management Information System ("FMIS").

**SECTION FOUR. DIRECTIVE TO THE OFFICE OF MANAGEMENT AND BUDGET**


The Navajo Nation Council directs the Office of Management and Budget to enter the budgets in FMIS immediately after presented by the Navajo Nation Veterans Administration.

**SECTION FIVE. EFFECTIVE DATE**

This Resolution shall be effective pursuant to 2 N.N.C. §§ 164(A)(17) and 221(B).

**CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the 24<sup>th</sup> Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 23 in Favor, and 00 Opposed, on this 26<sup>th</sup> day of March 2021.

  
Honorable Seth Damon, Speaker  
24<sup>th</sup> Navajo Nation Council

3-29-2021

DATE

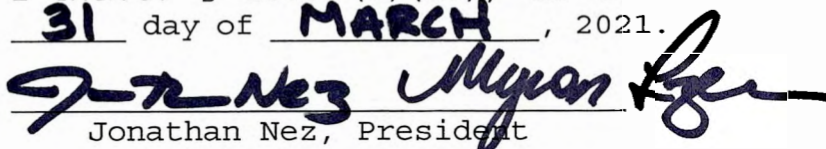
Motion: Honorable Edmund Yazzie  
Second: Honorable Carl R. Slater

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

31 day of MARCH, 2021.

  
Jonathan Nez, President  
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this \_\_\_\_\_ day of \_\_\_\_\_, 2021 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

December 10, 2020

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

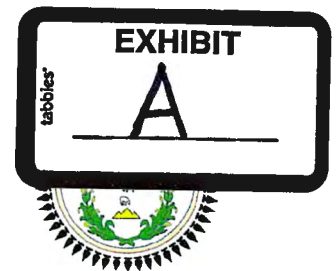
RE: CN-88-20, *An Action Relating To Budget And Finance Committee, Naabik 'íyáti' Committee, And Navajo Nation Council; Approving The Navajo Nation Fiscal Year 2021 Comprehensive Budget; Waiving 12 N.N.C. §§ 820(I) And 860, 12 N.N.C. §§ 2001 Et Seq. And 12 N.N.C. § 840(B), And CF-07-11*

Dear Speaker Damon,

Our thanks to the 24<sup>th</sup> Navajo Nation Council, the legislative staff, and financial advisors for completing the Fiscal Year 2021 Comprehensive Budget. We know what a tremendous undertaking this was and made even more cumbersome with other pressing issues calling for your attention.

With major undertakings, our grandparents taught us the foundational principles of Nitsáhákees, Nahat'á, Iiná, and Sí Hasin and using these principles as a guide the Nation can provide for our citizens. Adding to our foundational principles, we have our Navajo laws to guide us in the fiscal process. We must balance our decisions using our foundational principles and our laws because this is the harmonious approach we must take to ensure we do not overwhelm one with the other. We know every one of our financial decisions has impact well beyond a program or department. True leadership looks at every aspect of the decision; what is the impact today and how will it affect tomorrow. Our overall financial responsibility for the Navajo Nation is over one billion dollars and that responsibility is sobering. Alqají' Hózhóójí Naat'ááh implements the policies and laws. Alqají Naat'ááh and Alqají Naat'ááh Ndaanit'ááh enact policies and laws to address immediate and future needs. Working together our Branches of government can build the financial backbone to set in place the services for the Navajo Nation.

This year's comprehensive budget process highlighted a critical need for the Navajo Nation; the need to address issues which arose due to the a Continuing Resolution. It is not too early to evaluate the events of the past few months regarding the Continuing Resolution. The Navajo Nation has enacted a continuing resolution in rare instances. We need to refrain from continuing resolutions but be guided by this year's continuing resolution experience should this event come up again. We cannot use a continuing resolution to avoid our responsibilities for good budgeting; it should be a tool for extraordinary circumstances. We are open to working with the Council to address this matter.



Another critical need is a formal, public procedure for conducting Committee and Council sessions. The general concern is the quality of the communication network. To ensure public participation and transparency we have to work on improving the quality of the Legislative and Judicial telecommunication service. Making a Council session or committee hearing room virtual has been difficult. Committee Chairs and Vice Chairs would certainly like to have committee members in one meeting room, as in the past, and now we must work to create that virtual space. This year's budget process was highlighted by interrupted meetings because of limited service, dropped calls by committee members or presenters, inability to immediately share documents or amendments, limited access to meetings, or meeting participation cut off due to time limits. It is an important part of government that there is participation by everyone who wishes to participate. In the FY 2021 budget process there was limited access to exhibits and amendments making it difficult to respond or debate the matter. We must plan for a transparent and fluid process to ensure our government is open to the public and to those directly impacted.

We appreciate the time and effort put into the FY 2021 Comprehensive Budget by Delegates; however, as we have cautioned before, we must be fiscally responsible with the People's money. Early in the budget process we urged the Council to complete a comprehensive budget and not issue a continuing resolution. The Council did not heed our words and now, we have to deal with the ramifications of the continuing resolution and correct the issues created. The Navajo Nation's revenue is limited and only through foresight were we able to meet our financial needs for Fiscal Year 2021. The limited budget is pronounced due to closures of major revenue generators such as NGS and Peabody mining. The position of the Branch Chiefs was to keep the budget as the previous year considering our declining revenues and the strain the COVID-19 pandemic has put on our resources. We will repeat, we must be fiscally responsible for the People's funds and plan appropriately.

Remedies for the Nation's declining revenue must be addressed. We have recommended a second Permanent Trust Fund Five Year Plan that will fund needed services for the Navajo Nation. Another instance of a solution is the negotiation on closures of coal-fired power plants. Working with the Arizona Corporation Commission the Navajo Nation can receive funds to help work through the closures of area power plants and assist the local economy. Working with the Council we can find solutions to our declining revenue.

Knowing the limits of the Nation's revenues and looking to outside resources we make the difficult decision of what the Nation can truly provide and where the Nation may find other resources to provide important services. For instance, to provide adequate funds for our court system there are options. In early October this year the Nation was notified by the Navajo Department of Justice of a court decision awarding \$15 million, plus interest, to the Nation for the federal government's underfunding a contract for the Nation's court system. These funds will help the Judicial Branch with their services and we recommend the Council immediately consider legislation to appropriate the court award for the Judicial Branch. Our charge now is to find alternative ways to work with less while keeping or increasing our level of service. This pandemic has taught us a new way to work; we only need to improve on those methods.

Exercising the authority granted by the People and in consideration of the appropriations made in CN-88-20, we line item veto the following as a full line item veto or a partial line item veto to an overall appropriation (indicated by a dotted line):

A. All appropriations in Section Two, paragraph C(2), and its details in Exhibit K.

We acknowledge that the Navajo Child Advocacy Center as a new program, is listed in this appropriation. The importance of having persons advocate for our children in need is not lost on us; we know what it means to protect our children, to make sure they have a loving home, and free to grow as children without fear. We also know our guiding principles tell us to plan appropriately for important matters such as this. Presently, there is no plan for the Child Advocacy Center on how an interdisciplinary team will work for the children, no method of how this Center will be funded in future years, and no oversight in the Executive or Legislative branch. Today, our Social Workers, Health Workers, Law Enforcement, and Prosecutors work together to protect the children. While the proposal of bringing all these services together is an excellent idea we must plan and manage these services appropriately. We pledge our support to move this idea forward.

We also recognize many of the programs have special needs, but we must work together on how to distribute our limited revenues.

B. In the Legislative Branch we line item veto the Navajo Election Administration appropriation in BU # 101021, \$442,583. The Council appropriated the funds previously in CO-81-20 and for that resolution we noted the adjustment must be made in the FY 2021 Comprehensive Budget. The election funding is a consistent issue and often the Council or President recommended solutions on funding. We will work with the Council to find a solution to this matter.

In this time of rising cases of COVID-19 we must limit our exposure and protect ourselves, our co-workers, our families, and the public and work areas within our limits. Further, there has been too much effort to veto overrides. We need to be conservative in our spending, so we line item veto:

BU # 101001	3210 Vehicle rental	\$40,000
	3230 Personal travel	\$271,861
	3310 Air	\$30,000
	6520 Consulting	\$15,000
	6660 Attorneys	\$15,000
	6910 Other Contractual Services	\$10,000
	7510 Training & Professional Dues	\$8,000

BU # 101013	3230 Personal Travel	\$33,345
	3310 Air	\$5,000
	7510 Training & Professional Dues	\$4,000

BU # 101015	3210 Vehicle rental (off reservation)	\$4,000
	3230 Personal travel	\$72,300
	3310 Air	\$26,000
	6520 Consulting	\$186,000
	6660 Attorneys	\$113,520
	6910 Other Contractual Services	\$17,927

- C. The Navajo Veterans Administration and the Navajo Veterans Advisory Council, including the Veterans Agency Organization and Veterans Chapter Organizations all serve the needs of our veterans but are structured in different ways.<sup>1</sup>
- The Veterans Administration, which includes the five agency offices, is established within the Executive Branch with the Executive Director reporting to the President.
  - The Navajo Veterans Advisory Council members are selected by the Veterans Agency Organization which is made up of the Veterans Chapter Organizations.
- The restrictions on the Navajo Nation Veterans Administration appropriation is misplaced and the Navajo Veterans Advisory Council made recommendations on this matter. See attached Veterans Advisory Council resolution.
- Placing conditions on the appropriation to the Navajo Veterans Administration interferes with the budget oversight authority of the Health, Education, and Human Services Committee and Naabik'iyati' Committee as the oversight for Executive Programs. In addition, the appropriation conditions overstep into Executive authority over the Navajo Veterans Administration. The appropriation for the Navajo Veterans Administration must follow the lawful process and for this reason we line item veto the appropriation conditions in Section Four, E(1-3).
- D. Generally, as stated in the law, a condition of appropriation is a condition placed on an appropriation or expenditure which requires specific tasks by a program within a specific time. The appropriation condition may require that a failure to perform the tasks will result in restrictions of future expenditure of funds. In plain words, failure to meet the specific tasks means no funding or restrictions on funds.
- As a practical matter, conditions of appropriation are discussed with the affected program and often put in place after agreement of its purpose and time frame. The condition is also placed on the appropriation due to past action or inaction and as a measure to improve services. Conditions of appropriation are not disciplinary actions or a set up for failure. Putting such punitive conditions on appropriations should be refrained from during this pandemic.
- Conditions of Appropriation No. 1 through 4 are not within the spirit of the law or practical measures for improving services. Most of the Conditions of Appropriations also set short timeframes, the end of the 1<sup>st</sup> Quarter, which is unreasonable and a set up for failure. For these reasons we line item veto the Conditions of Appropriations No. 1 through 4.

The directives to the Division of Community Development and to the Office of the Controller, CN-88-20, Section Five and Six, respectively, are untimely. Care needs to be taken in formulating directives such as these. The Capital Improvement Plan is a large undertaking and certainly not achievable in three months. Directing the Office of the

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<sup>1</sup> The Veterans Trust Fund is an important funding source for the Navajo Veterans. In our background work on the Veterans Trust Fund we learned of an increased payment for fund management which is not consistent with the agreed percentage of payment for management. We recommend the Budget and Finance Committee, with the Investment Committee, review all trust fund management plans to ensure Veterans and others fully benefit.

Controller to report on unexpended funds for Fiscal Year 2020 by December 1, 2020 is an oversight, to say the least. We note these directives for the record.

As a final note, the three Branch Chiefs, as leaders of Navajo Nation government branches, know the needs of their departments and should provide input when necessary. Through the adopted Three Branch Chiefs' Agreement the branch leaders outlined their position on the Fiscal Year 2021 Comprehensive Budget. In that position statement, the branch leaders said that when the Personnel Lapse Savings Fund is known they will make additional recommendations on a possible General Wage Adjustment and *other uses of the Personnel Lapse/Savings Fund*. Ignoring the Branch Chiefs in an important appropriation matter disrespects their leadership roles and leaves this decision making only for a few Delegates. For a handful of Delegates on one committee to divide the Personnel Lapse Savings Fund as to earmark for seemingly personal or favored projects is not an action respecting Navajo relationships or customs. We must work together for the benefit of all.

The pandemic hit the Navajo Nation hard and while we continue to fight this monster we, as leaders, must realize this monster will remain with us for years to come. With that in mind, we need to come together to ensure all our Navajo Nation employees have the resources they need, not only to provide important services, but to feel safe in their workplaces. We expect more resources to help with the fight of COVID-19 but we cannot count on it. So, we must plan how to discipline our spending and we look forward to working with the Council on these matters.

Sincerely,



Jonathan Nez, President  
THE NAVAJO NATION



Myron Lizer, Vice President  
THE NAVAJO NATION



## **NAVAJO NATION VETERANS ADVISORY COUNCIL**

**Chairperson: George H. Tolth Vice-Chairperson: Arthur Hardy, Jr.  
Secretary: Cassandra Morgan**

***Eastern Agency Tuba City Agency Central Agency Fort Defiance Agency  
Northern Agency***

### **OFFICE OF PRESIDENT/VICE-PRESIDENT ADMINISTRATION**

C/O Honorable Navajo Nation President Mr. Jonathan Nez  
P.O Box 7440  
Window Rock, Arizona 86515

Dear Honorable President Mr. Jonathan Nez,

The Navajo Nation Veterans Advisory Council (NNVAC) was formed “with the purpose and authority ... to provide policy advice to the President of the Navajo Nation regarding veteran issues and concerns.” 2 N.N.C. §1033(B). However, Resolution CN-88-20 attempts to extend that the authority far beyond this role.

CN-88-20 requires the Navajo Nation Veterans Administration (NNVA) to submit its proposed FY 2021 budget to the NNVAC and the five Agency Veterans Organizations (AVOs). “The NNVAC will consider the proposed budget, consult with the AVOs, and submit a proposed FY 2021 budget to the Health, Education, and Human Services Committee for sponsorship.” See CN-88-20, Sec. 4, E(1). This condition adds to the budgetary process, improperly extends the power to the NNVAC that is not premised on authority that has been delegated. The NNVAC has never held any authority over the NNVA and it has never been assigned budgetary review responsibilities.

Since the creation of the NNVA and the NNVAC, the Executive Director has been empowered to “recommend necessary budget proposals for professional and/or technical positions and services, as needed, to carry out the duties and responsibilities” of the NNVA. See Navajo Nation Veterans Administration Plan of Operations, V(A)(5). The NNVAC has never held a role in that process.

Again, the NNVAC's purpose is to provide policy advice to the President of the Navajo Nation related to concerns of veterans and their issues. The NNVAC has never been delegated an oversight authority for NNVA and it certainly has never been provided with budgetary review authority or responsibility over the NNVA.

The NNVAC does not agree that it is its role to direct how the NNVA general fund monies shall be budgeted. Instead, the NNVAC suggests that it would be more appropriate that it be included in a collaboration as part of the Veterans Trust Fund allocation/budget development beginning in fiscal year 2022. NNVAC believes that HEHSCJA-3-20 should be amended to include that authority as the joint responsibility of the Executive Director of the NNVA, the NNVAC and AVOs.

NNVAC wants to convey to the Navajo Nation Council its great disappointment in not listening to its concern and its rejection of its comments. The NNVAC wants the Navajo Nation Council to know that NNVAC, the NNVA, and the Office of the President and Vice President are working together to address and remedy veterans' issues.

It is the recommendation of the NNVAC that the President exercise his line item veto authority pursuant to Title two of the Navajo Nation Code and veto section 4, paragraph E(1) of Resolution CN-88-20.

Motion made by Mr. Arthur Hardy, Jr. of Fort Defiance Agency  
Seconded by Ms. Candice Pioche-Zunie of Northern Agency

We hereby certify that the foregoing letter was considered by a duly called special Teleconference calls meeting of the Navajo Nation Veterans Advisory Council, which the same was approved by a vote of 6 in favor, 0 opposed, and 2 abstained on this 09<sup>th</sup> day of December 2020.

***Mr. George H. Tolth,*** NVAC Commander

***Mr. Arthur Hardy, Jr.*** NVAC Vice-Commander

***Ms. Cassandra Morgan,*** NVAC Secretary

RESOLUTION OF THE  
NAVAJO NATION COUNCIL  
24<sup>th</sup> NAVAJO NATION COUNCIL - SECOND YEAR, 2020

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION FISCAL YEAR 2021 COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §§ 820 (I) AND 860, 12 N.N.C. §§ 2001 *ET SEQ.*, 12 N.N.C. § 840 (B), 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 2021 BUDGET

The Navajo Nation hereby adopts the Navajo Nation Fiscal Year 2021 Comprehensive Budget as follows:

- A. The Navajo Nation approves the appropriation of 12% of the Fiscal Year 2021 revenue in the amount of \$19,011,000 to the Navajo Nation Permanent Fund; 4% of Fiscal Year 2021 revenue in the amount of \$6,337,000 to the Navajo Veterans Trust Fund; 2% of Fiscal Year 2021 revenue in the amount of \$3,168,000 to the Navajo Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2021 revenue to the Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2021 revenue to the Water Rights Claim Fund; and \$12,400,000 of Fiscal Year 2021 revenue to the Diné Higher Education Grant Fund.
- B. The Navajo Nation hereby approves the appropriation of \$1,249,628,948 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit A**, which constitutes \$166,945,206 of General Funds, \$22,500,000 Indirect Cost Credit; \$12,400,000 in Higher Education set aside funds; \$9,236,549 Personnel Savings Fund; \$87,710,279

Proprietary Fund; \$76,901,945 Fiduciary Funds; \$40,376,371 Special Revenue Internal Funds; \$3,800,000 External Cash Match Funds (General Funds); \$3,000,000 Capital Outlay Match Funds; and \$826,758,598 Special Revenue External Funds, summarized as follows:

1. Legislative Branch: \$16,893,819 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit B**, which includes \$15,335,322 General Fund Revenue; \$1,072,882 Indirect Cost Credit; \$2,000 Proprietary Funds; \$483,615 Personnel Savings Fund; \$0 Fiduciary Funds, \$0 Special Revenue Internal Funds; \$0 Special Revenue External Funds, for the Navajo Nation Council, various Standing Committees, boards, commissions, offices, programs, and activities within the Legislative Branch.
2. Judicial Branch: \$21,057,009 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit C**, which includes \$16,624,653 of General Funds; \$130,107 Indirect Cost Credit; \$0 Proprietary Funds; \$1,133,684 Personnel Lapse Fund; \$0 Fiduciary Funds; \$0 Special Revenue Internal Funds and \$3,168,565 Special 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: \$1,185,493,068 as the Navajo Nation Fiscal Year 2021 Operating Budget, as set forth in the attached **Exhibit D**, which includes \$119,170,087 of General Funds; \$13,927,103 Indirect Cost Credit; \$12,400,000 Higher Education Set Aside Funds; \$7,619,250 Personnel Savings Fund; \$87,708,279 Proprietary Funds; \$76,901,945 Fiduciary Funds; \$3,800,000 External Fund Cash Match; \$40,376,371 Special Revenue Internal Funds; and, \$823,590,033 Special Revenue External Funds; for the various divisions, departments, programs and offices within the Executive Branch.
4. Fixed Costs: \$23,185,052 which includes \$15,815,144 General Funds, \$7,369,908 Indirect Cost Credit; and \$0 Personnel Savings Fund as set forth in the attached **Exhibit E**.
5. Capital Improvement Funds which includes \$3,000,000 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: \$11,998,969 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: \$3,800,000 for external funds cash match obligations for grant agreements and contracts.

The FY 2020 External Fund Cash Match, BU# 118024, unexpended fund balance shall be carried over to FY 2021 to maintain a fund balance for cash match needs during the 2021 Fiscal Year.

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

The Navajo Nation Controller projects the Personnel Lapse amount is \$13,083,541. The Navajo Nation adopts a General Wage Adjustment, **Exhibit G**, and waives the requirement of excess and surplus funds deposit to the UUFB and hereby approves funding from the Fiscal Year 2021 Personnel Savings Fund as follows:

1. General Wage Adjustment - 3% (**Exhibit G**) \$3,846,992
2. ~~The Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations, attached as **Exhibit K**.~~ JMN  
mL
- D. The Navajo Nation hereby approves the carryover of excess Indirect Cost Credit, if any, from Navajo Nation Fiscal Year 2020 into Fiscal Year 2021.
- E. The Navajo Nation approves \$3,168,460 set aside for the Veterans Housing Program in the Fiscal Year 2021 budget to be placed in the Veterans Financial Assistance Program.

- F. The Navajo Nation hereby approves the carryover of unexpended Capital Improvement Project Funds from Fiscal Year 2020 to Fiscal Year 2021.
- G. The Navajo Nation approves \$20,000,000 of the FY 2020 Unreserved, Undesignated Fund Balance be set aside for the FY 2022 budget process due to impending projected revenue reductions.
- H. The Navajo Nation Council and its standing committees, through its oversight authorities, are responsible to the Navajo Nation to ensure that the Navajo Nation Divisions, Departments and Programs provide timely, professional, updated, appropriate services to the Navajo People. One very pragmatic, effective method to assure quality services is to prompt the Divisions, Departments and Programs through the use of Conditions 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.

~~The Navajo Nation Council has included Conditions of Appropriation in the 2021 Comprehensive Budget. The Navajo Nation Council hereby adopts the Conditions of Appropriation identified in Exhibit H.~~ JMN  
ML

- I. The Navajo Nation hereby approves the Legislative Concerns for Navajo Nation Fiscal Year 2021, as set forth in the attached **Exhibit I**.
- J. The Navajo Nation hereby acknowledges that all federal, state, and local government funds addressed in the Navajo Nation Fiscal Year 2021 Comprehensive Budget are provided primarily for information purposes, as directed in the Budget Instructions Manual, and should not be deemed to limit the expenditure authority for any program, provided additional funds are accepted pursuant to 2 N.N.C. § 164 (B), 2 N.N.C. § 301(B) (15), and 2 N.N.C. § 701 (A) (10).
- K. The Navajo Nation hereby authorizes monthly drawdowns of all funds deposited into BIA Account, PL7341701, Navajo Tribe, Arizona/New Mexico, which are considered Navajo Nation General

Funds as part of the overall revenue projection for support of the operations of the Navajo Nation Government.

- L. The Navajo Nation hereby authorizes the Office of Management and Budget to carry-over available budget amounts to cover any prior year open contracts carried into Fiscal Year 2021 by the Office of the Controller. Further, the Office of the Controller shall ensure that the budgeted funds carried over are used specifically, and only for, those open encumbrances. The Office of the Controller shall also inform the Office of Management and Budget, in writing, of any cancelled or reduced prior year open encumbrances so that the Office of Management and Budget can make the appropriate budget adjustments.
- M. The Navajo Nation hereby waives 12 N.N.C. §§ 820 (I) and 860 for the purpose of passing a comprehensive budget because the Capital Improvement Plan is not available.
- N. The Navajo Nation hereby waives 12 N.N.C. §§ 2001 et seq. in order to allow chapters to use Capital Outlay Match Funds as described in paragraph B.5, above.
- O. ~~The Navajo Nation Council hereby waives Council Resolution CF-07-11, Resolved Clause, Paragraph 3, in order to allow for the Navajo Nation Fiscal Year 2021 Personnel Lapse Fund Allocations, as indicated in **Exhibit K**. The Navajo Nation Council further waives the requirement in CF-07-11 that excess or surplus funds from unexpended personnel funds be deposited into the Unreserved, Undesignated Fund Balance.~~ JMN  
mz
- P. The Navajo Nation waives the provision in 12 N.N.C. § 840 (B) that requires the Navajo Nation Council to adopt the comprehensive budget no less than twenty (20) days prior to the expiration of each fiscal year.
- Q. The Navajo Nation hereby waives 12 N.N.C. §§ 1171 and 1176 (A), to the extent those provisions require two percent (2%), or half of four percent (1/2 of 4%) from the set aside for veterans, to be used by the Navajo Nation Veterans Administration to construct homes for Navajo veterans. The purpose of this waiver is to allow for the implementation of the Navajo Nation's approval of \$3,168,460 from the set aside for the Veterans Housing Program to be included in the Veterans Financial Assistance Program.
- R. The Navajo Nation hereby waives 12 N.N.C. §§ 820 (E), (F) and (J) for the purposes of allowing UUFB funds in the amount of

\$17,057,417 to be used for recurring expenditures and government operations in FY 2021.

- S. The Navajo Nation hereby approves the Fiscal Year 2021 Budget Detail, included as **Exhibit J**.

**SECTION THREE. AUTHORITY FOR EXTENSION OF NAVAJO NATION CHAPTERS VETERANS TRUST FUNDS BUDGET**

- A. The Navajo Nation Council has identified a need to obtain more information before approving the proposed Navajo Nation Chapters Veterans Trust Funds, BU#s 703XXX-2 through 703XXX-6, FY 2021 budget(s).
- B. To ensure that the Navajo Nation Chapter Veterans Organizations, BU#s 703014 - 703124, have funds to continue operations and provide financial assistance during FY 2021, the Navajo Nation Council hereby exercises its budget authority to resolve and authorize that the Navajo Nation Veterans Trust Fund Chapter Veterans Organizations Chapters Veterans Trust Funds, BU#s 703014 - 703124, shall receive one-half (1/2) of their FY 2020 fiduciary fund allocations as of September 30, 2020 for the continued operation of the Chapter Veterans Organizations and provision of financial assistance to Navajo Veterans beginning October 1, 2020 and ending no later than March 30, 2021.
- C. The budget extension amounts identified above shall be based on 100% (one hundred percent) of the final Navajo Nation approved Fiscal Year 2020 Budget amounts for BU#s 703014 - 703124, as approved in CS-30-19 and signed by the Navajo Nation President on September 13, 2019. In order to maintain consistency between this budget extension amount and the Fiscal Year 2020 General Revenue Fund projections, supplemental appropriations made in Fiscal Year 2020 shall not be included in this budget extension for BU#s 703014 - 703124.
- D. In order for the budget extension to be entered into the Financial Management and Information System (FMIS), the Navajo Nation Veterans Administration shall submit extension budgets for BU#s 703014 - 703124 to the Office of Management and Budget at the level of funding stated in Paragraph C above by September 28, 2021.
- E. This budget extension shall be in effect until The Navajo Nation has enacted a FY 2021 Budget for the Navajo Nation Veterans Trust Fund Chapter Veterans Organizations Chapters Veterans Trust Funds, BU#s 703014 - 703124.

- F. The Navajo Nation Council hereby waives 12 N.N.C. § 840 (B) pertaining to the adoption of a comprehensive twelve-month budget in order that this budget extension be adopted and implemented. This waiver shall cease to be in effect upon adoption of the Fiscal Year 2021 Budget for BU#s 703014 - 703124.

**SECTION FOUR. AUTHORITY FOR EXTENSION OF NAVAJO NATION VETERANS ADMINISTRATION BUDGET**

- A. The Navajo Nation Council has identified a need to obtain more information before approving the proposed Navajo Nation Veterans Administration - Central Administration and Veterans Administration - Agency Administration FY 2021 Budget, BU# 103015 and BU#s 103XXX.
- B. To ensure that the Navajo Nation Veterans Administration - Central Administration, BU# 103015, and Veterans Administration - Agency Administration, BU#s 103016 - 103020, have funds to continue operations during FY 2021, the Navajo Nation Council hereby exercises its budget authority to resolve and authorize that the Navajo Nation Veterans Administration - Central Administration, BU# 103015, Veterans Administration - Agency Administration, BU#s 103016 - 103020, shall receive one-half (1/2) of their FY 2020 general fund, indirect cost fund, proprietary fund, special revenue, and fiduciary fund allocations, as of September 30, 2020 for the operation of the Navajo Nation Veterans Administration - Central Administration and Agency Administration beginning October 1, 2020 and ending when the FY 2021 Budget(s) for the Navajo Nation Veterans Administration - Central, BU# 103015, and Veterans Administration - Agency Administration, BU#s 103XXX, is enacted.
- C. The budget extension amounts identified above shall be based on 100% (one hundred percent) of the final Navajo Nation approved Fiscal Year 2020 Budget amounts for BU# 103015, and Veterans Administration - Agency Administration, BU#s 103016 - 103020, as approved in CS-30-19 and signed by the Navajo Nation President on September 13, 2019. In order to maintain consistency between this budget extension amount and the Fiscal Year 2020 General Revenue Fund projections, supplemental appropriations made in Fiscal Year 2020 shall not be included in this budget extension for BU# 103015 and BU#s 103016 - 103020.
- D. In order for the budget extension to be entered into the Financial Management and Information System (FMIS), the Navajo

Nation Veterans Administration shall submit extension budgets to the Office of Management and Budget at the level of funding stated in Paragraph C above by September 28, 2021.

E. ~~This budget extension shall be in effect until all of the following have taken place:~~

JMN  
ML

1. ~~The Navajo Nation Veterans Administration (NNVA) has submitted a proposed FY 2021 budget to the Navajo Nation Veterans Advisory Council (NNVAC) and the five (5) Agency Veterans Organizations (AVOs). The NNVAC will consider the NNVA proposal, consult with the AVOs, and submit a proposed FY 2021 budget to the Health, Education, and Human Services Committee for sponsorship.~~
2. ~~The Health, Education, and Human Services Committee has submitted a proposed FY 2021 Comprehensive Budget resolution amendment to the Budget and Finance Committee, Naabik'iyáti' Committee, and Navajo Nation Council.~~
3. ~~The Navajo Nation has enacted a FY 2021 Budget(s) for the Navajo Nation Veterans Administration - Central, BU#103015, and Veterans Administration - Agency Administration, BU#s 103XXX.~~

F. The Navajo Nation Council hereby waives 12 N.N.C. §840 (B) pertaining to the adoption of a comprehensive twelve-month budget in order that this budget extension be adopted and implemented. This waiver shall cease to be in effect upon adoption of the Fiscal Year 2021 Budget for the Navajo Nation Veterans Administration BU#s 103015 - 103020.

#### **SECTION FIVE. DIRECTIVE TO THE OFFICE OF MANAGEMENT AND BUDGET**

- A. The Navajo Nation directs the Office of Management and Budget to recalculate the final monetary totals such that the figures conform to the amendments passed by the Navajo Nation Council.
- B. The Navajo Nation directs the Office of Management and Budget to make any other changes to the exhibits such that they conform to the amendments passed by the Navajo Nation Council.

#### **SECTION SIX. DIRECTIVE TO THE DIVISION OF COMMUNITY DEVELOPMENT**

The Division of Community Development is directed to develop the Navajo Nation Capital Improvement Plan in accordance with the plans submitted by branches, divisions and chapters. This plan is to be developed by the end of the first quarter of Fiscal Year 2021.

**SECTION SEVEN. DIRECTIVE TO THE OFFICE OF THE CONTROLLER**

The Office of the Controller is directed to provide a report of unexpended funds for Fiscal Year 2020 by program and business unit by December 1, 2020. This report shall be presented to the Navajo Nation Council for its consideration to make a supplemental appropriation to programs with unexpended fund amounts from Fiscal Year 2020. Any supplemental appropriation of unexpended fund amounts from Fiscal Year 2020 will be done as an alternative to approving program or division carryovers as part of the Fiscal Year 2021 comprehensive budget.

**SECTION EIGHT. EFFECTIVE DATE**

The Navajo Nation Fiscal Year 2021 Comprehensive Budget enacted herein shall be effective pursuant to 2 N.N.C. §§ 164 (A) (17) and 221 (B).

**CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the 24<sup>th</sup> Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 22 in Favor, and 00 Opposed, on this 6<sup>th</sup> day of November 2020.

  
Honorable Seth Damon, Speaker  
24<sup>th</sup> Navajo Nation Council

Nov 30, 2020  
DATE

Motion: Honorable Vince James  
Second: Honorable Wilson C. Stewart, Jr.

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 \_\_\_\_\_, 2020.

\_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this \_\_\_\_\_ day of \_\_\_\_\_, 2020 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the budget line-item veto authority delegated to the President by vote of the Navajo People in 2009, on this 10th day of December, 2020.

Jonathan Nez Myron Rye  
Jonathan Nez, President  
Navajo Nation

# NAVAJO NATION

714

3/26/2021

Navajo Nation Council Special Session

04:10:04 PM

Amd# to Amd#	Legislation 0048-21; Amending	PASSED
MOT Yazzie	Council Resolution CN-88-20, the	
SEC Slater, C	Navajo Nation Fiscal Year 2021	
	Comprehensive Budget; Continuing	

**Yeas : 23**

**Nays : 0**

**Excused : 0**

**Not Voting : 0**

## **Yea : 23**

Begay, E	Daniels	Slater, C	Tso, E
Begay, K	Freeland, M	Smith	Walker, T
Begay, P	Halona, P	Stewart, W	Wauneka, E
Brown	Henio, J	Tso	Yazzie
Charles-Newton	James, V	Tso, C	Yellowhair
Crotty	Nez, R	Tso, D	

## **Nay : 0**

## **Excused : 0**

## **Not Voting : 0**

**Presiding Speaker: Damon**