

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0135-19

SPONSOR: Elmer Begay

**TITLE: An Action Relating To Budget And Finance Committee; Accepting The Navajo Nation Fiscal Year 2020 General Fund Revenue Projection, Establishing The General Fund Budget Amount And Branch Planning Allocation Amounts, For The Preparation Of The Fiscal Year 2020 Navajo Nation Comprehensive Budget And Other Related Action**

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**LEGISLATIVE SUMMARY SHEET**

Tracking No. 0135-19

**DATE:** May 28, 2019

**TITLE OF RESOLUTION:** AN ACTION RELATING TO BUDGET AND FINANCE COMMITTEE; ACCEPTING THE NAVAJO NATION FISCAL YEAR 2020 GENERAL FUND REVENUE PROJECTION, ESTABLISHING THE GENERAL FUND BUDGET AMOUNT AND BRANCH PLANNING ALLOCATION AMOUNTS, FOR THE PREPARATION OF THE FISCAL YEAR 2020 NAVAJO NATION COMPREHENSIVE BUDGET AND OTHER RELATED ACTIONS

**PURPOSE:** The purpose of this legislation is to accept the Navajo Nation fiscal year 2020 General Fund Revenue Projection, establish the General Fund Budget Amount and Branch planning allocation amounts for preparation of the fiscal year 2020 comprehensive budget, approve and adopt the fiscal year 2020 Budget Preparation Calendar, and to approve and adopt the fiscal year 2020 Budget Instructions Manual.

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: December  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 6.2.19  
Eligible for Action: 6.3.19

1 PROPOSED STANDING COMMITTEE RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL – First Year, 2019

3 INTRODUCED BY

4  Elmer P. Buge

5 \_\_\_\_\_  
6 (Primary Sponsor)

7  
8 TRACKING NO. 0135-19

9  
10 AN ACTION

11 RELATING TO BUDGET AND FINANCE COMMITTEE; ACCEPTING THE NAVAJO  
12 NATION FISCAL YEAR 2020 GENERAL FUND REVENUE PROJECTION,  
13 ESTABLISHING THE GENERAL FUND BUDGET AMOUNT AND BRANCH  
14 PLANNING ALLOCATION AMOUNTS, FOR THE PREPARATION OF THE FISCAL  
15 YEAR 2020 NAVAJO NATION COMPREHENSIVE BUDGET AND OTHER RELATED  
16 ACTIONS

17  
18 BE IT ENACTED:

19  
20 **Section 1. Authority**

- 21 A. The Budget and Finance Committee of the Navajo Nation is empowered to review  
22 and recommend to the Navajo Nation Council the budgeting and appropriation of  
23 all funds. 2 N.N.C. § 301(B)(2).
- 24 B. The Navajo Nation Code (the “Code”) provides, “[t]he Controller shall prepare an  
25 annual long term revenue projection for use by the Navajo Nation government.  
26 This long term revenue projection shall include all sources of funds and revenues  
27 available for use by the Navajo Nation government within at least the next three  
28 fiscal years. The annual long term revenue projection shall be submitted by the  
29 Controller to and be reviewed by the Budget and Finance Committee. The Budget  
30 and Finance Committee will present the same to the Branch Chiefs by the end of



1 the second quarter of each fiscal year. A written narrative describing the  
2 methodology utilized to estimate revenues and a discussion of key variables  
3 affecting the actual revenue, including assumptions made, shall be included in the  
4 report. If deemed necessary by the Controller, the long-term revenue projection  
5 may be changed as economic circumstances require.” 12 N.N.C. § 830(B).

6 C. The Code provides, “[t]he Controller shall review and recommend an annual  
7 fiscal year revenue projections for all revenue generating sources for all  
8 governmental, proprietary and fiduciary funds of the Navajo Nation. The annual  
9 fiscal year revenue projection shall be submitted for review by the Budget and  
10 Finance Committee of the Navajo Nation Council and will serve as the annual  
11 revenue estimate at the beginning of the annual budget process for the next fiscal  
12 year. The Budget and Finance Committee will present the annual revenue  
13 projections to the Branch Chiefs by the end of the second quarter of each fiscal  
14 year. A written narrative describing the methodology utilized to estimate revenues  
15 and discussion of key variables affecting the actual revenues, including  
16 assumptions made, shall be included in the report. 12 N.N.C. § 830(C).

17 D. The Code also provides, “[t]he Office of Management and Budget shall prepare an  
18 estimate of all external funding to be received by the Navajo Nation in the  
19 upcoming fiscal year and shall present this information to the Budget and Finance  
20 Committee and the Controller by the end of the second quarter of each fiscal year.  
21 12 N.N.C. § 830(D).

22 E. The Code further provides, “[t]he Office of Management and Budget shall prepare  
23 budget instructions for each fiscal year which shall be approved by the Budget and  
24 Finance Committee no later than 30 days after the Controller releases the annual  
25 revenue projection as delineated in § 860(C). The budget instructions shall  
26 include fiscal, financial, operational, policy guidelines, budget development  
27 timelines and planning base amounts for each fiscal year for the Executive Branch,  
28 the Judicial Branch, and the Legislative Branch.” 12 N.N.C. § 830 (H).

29  
30 **Section 2. Findings**

1 A. The Office of the Controller presented to the Budget and Finance Committee the  
2 Navajo Nation Controller's Fiscal Year 2020 General Fund Revenue Projection of  
3 total gross recurring revenue of \$194,871,000 and net total general fund of  
4 \$143,394,000 which is less the set-asides of the projected revenue for:

- 5 a. 12% or \$23,385,000 for the Navajo Nation Permanent Fund;
- 6 b. 2% or \$3,897,000 for the Navajo Nation Land Acquisition Trust Fund;
- 7 c. \$2,000,000 for the Capital Outlay Match Funding Special Revenue Fund;
- 8 d. \$2,000,000 for the Navajo Nation Water Rights Claim Fund;
- 9 e. \$12,400,000 for the Diné Higher Education Grant Fund;
- 10 f. 4% or \$7,795,000 for the Navajo Veterans Trust Fund.

11 The Controller's memorandum, dated March 31, 2019, is included in **Exhibit A**.

12 B. The income from the Permanent Trust Fund ("PTF") available for FY 2020 is  
13 \$19,170,000. The Controller's PTF memorandum, dated March 31, 2019, is  
14 included in **Exhibit A**.

15 C. The Navajo Nation Branch Chiefs met on May 28, 2019, to discuss  
16 recommendations to the Budget and Finance Committee for the FY 2020 base  
17 planning amounts. The total projected revenue and the PTF income available for  
18 FY 2020 is \$\_\_\_\_\_. See Branch Chief Agreement to be attached as **Exhibit**  
19 **B**.

20 D. The Office of Management and Budget presented to the Budget and Finance  
21 Committee the Fiscal Year 2020 Annual Budget Calendar to guide the budget  
22 process, attached as **Exhibit C**, and provided the Budget Instruction Manual  
23 ("BIM") for Fiscal Year 2020, attached as **Exhibit D**.

### 24 25 **Section 3. Approvals and Directives**

26 A. The Budget and Finance Committee hereby accepts the Navajo Nation  
27 Controller's Fiscal Year 2020 General Fund Revenue Projection of total gross  
28 recurring revenue of \$194,871,000 and net total general fund of \$143,394,000  
29 which is less the set-asides of the projected revenue for:

- 30 a. 12% or \$23,385,000 for the Navajo Nation Permanent Fund;



- b. 2% or \$3,897,000 for the Navajo Nation Land Acquisition Trust Fund;
- c. \$2,000,000 for the Capital Outlay Match Funding Special Revenue Fund;
- d. \$2,000,000 for the Navajo Nation Water Rights Claim Fund;
- e. \$12,400,000 for the Diné Higher Education Grant Fund;
- f. 4% or \$7,795,000 for the Navajo Veterans Trust Fund.

The Controller’s memorandum, dated March 31, 2019, is included in **Exhibit A**.

- B. The Budget and Finance Committee hereby accepts the Navajo Nation Controller’s Fiscal Year 2020 Permanent Trust Fund (“PTF”) Income report stating the available balance for FY 2020 is \$19,170,000, as attached in **Exhibit A**.
- C. The Budget and Finance Committee accepts the FY 2020 base planning amounts recommendation as set forth in the Branch Chief Agreement, to be attached as **Exhibit B**.
- D. The Budget and Finance Committee further sets the General Fund Branch Planning Allocations, as follows:

| Budget Category       | FY 2020<br>Base Planning Amts. | Percentage |
|-----------------------|--------------------------------|------------|
| Fixed Costs           | \$ _____                       | ____%      |
| Executive Branch      | \$ _____                       | ____%      |
| Legislative Branch    | \$ _____                       | ____%      |
| Judicial Branch       | \$ _____                       | ____%      |
| Chapters – Non Admin  | \$ _____                       | ____%      |
| Ext. Funds Cash Match | \$ _____                       | ____%      |
| Total                 | \$ _____                       | 100.00%    |

- E. The Chapters will be allocated \$ \_\_\_\_\_ from the Capital Match Special Revenue Fund for Chapter Capital Expenses, replacing the use of General Funds.
- F. The Budget and Finance Committee recommends the budget amounts be set in accordance with the table as stated in “Approvals and Directives, paragraph D.”
- G. The Budget and Finance Committee directs that indirect cost funding be distributed to eligible branches, divisions, departments, offices, programs and

1 entities of the Navajo Nation, in accord with the currently approved indirect cost  
2 proposal.

3 H. The Budget and Finance Committee recommends that the IDC Recovery Revenue  
4 Projection will be set at \$22,500,000 which is subject to revision when IDC plans  
5 are up to date.

6 I. The Budget and Finance Committee approves and adopts the Navajo Nation Fiscal  
7 Year 2020 Budget Instructions Manual, attached as **Exhibit D**, for use by all  
8 Navajo Nation programs and entities for the preparation of the Navajo Nation  
9 Fiscal Year 2020 Comprehensive Budget, as well as for preparation of any  
10 subsequent carryover and supplemental budgets for the Navajo Nation Fiscal Year  
11 2020.

12 J. The Budget and Finance Committee directs that until such time as a  
13 comprehensive budget policy manual is adopted, Navajo Nation programs and  
14 entities shall be guided by existing budget policies as set forth in Navajo Nation  
15 statutes, and duly adopted resolutions. The last fiscal year in which comprehensive  
16 budget policies existed was in Fiscal Year 2014.

17 K. The Budget and Finance Committee requests that Branch Chiefs direct Navajo  
18 Nation programs and entities to comply with the Navajo Nation Fiscal Year 2020  
19 Budget Instructions Manual in preparation of Fiscal Year 2020 budget and other  
20 funding proposals.

21 L. The Budget and Finance Committee further directs and authorizes the Office of  
22 Management and Budget to take all actions authorized under its enabling  
23 legislation and plan of operations to recommend any amendments that it deems  
24 necessary to the Navajo Nation Fiscal Year 2020 Budget Instructions Manual for  
25 consideration by the Budget and Finance Committee.

26 M. The Budget and Finance Committee requests the Branch Chiefs direct all Navajo  
27 Nation programs and entities, which operate with external funds, to provide all  
28 financial and funding information to be included in the Fiscal Year 2020 budget to  
29 the Office of Management and Budget, as required by the Navajo Nation 2020  
30 Budget Instructions Manual.

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N. The Budget and Finance Committee approves and adopts the Navajo Nation Fiscal Year 2020 Annual Budget Calendar, attached as **Exhibit C**, and directs the Office of Management and Budget to monitor the scheduled timelines set forth within the Navajo Nation Fiscal Year 2020 Annual Budget Calendar, to assure that the timelines are being met and, if necessary, to recommend revisions of the timelines to the Budget and Finance Committee.

O. The Budget and Finance Committee of the Navajo Nation Council requests the Branch Chiefs and the Standing Committees of the Navajo Nation Council follow the timelines established in the Navajo Nation Fiscal Year 2020 Annual Budget Calendar to ensure that they are being met.