

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0263-19

SPONSOR: Daniel Tso

TITLE: An Action Relating To Health, Education And Human Services, Budget And Finance, NAABIK'IYATI' And Navajo Nation Council; Approving And Adopting The Sihasin Higher Education Initiative Fund And Fund Expenditure Plan Pursuant To 12 N.N.C. §§ 2501 – 2508

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0263-19

DATE: August 30, 2019

TITLE OF RESOLUTION: AN ACT RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FINANCE, NAABIK'ÍYÁTI' AND NAVAJO NATION COUNCIL; APPROVING AND ADOPTING THE SÍHASIN HIGHER EDUCATION INITIATIVE FUND AND FUND EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §§ 2501 - 2508

PURPOSE: This resolution will approving and adopting the Síhasin Higher Education Initiative Fund and Fund Expenditure Plan pursuant to 12 N.N.C. §§ 2501 - 2508.

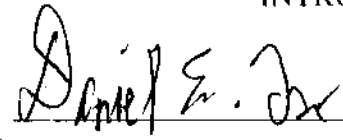
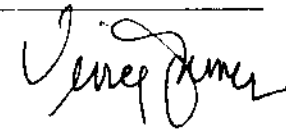

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD:
Website Posting Time/Date:
Posting End Date: 9-8-19
Eligible for Action: 9-9-19

Health Education & Human Services Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyati' Committee
Thence
Navajo Nation Council

1 **PROPOSED NAVAJO NATION COUNCIL RESOLUTION**
2 **24th NAVAJO NATION COUNCIL - First Year, 2019**

3 **INTRODUCED BY**

4 
5 _____
6 (Prime Sponsor) 
7 

8 TRACKING NO. 0263-19

9 **AN ACT**

10 **RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND**
11 **FINANCE, NAABIK'IYATI' AND NAVAJO NATION COUNCIL; APPROVING AND**
12 **ADOPTING THE SIHASIN HIGHER EDUCATION INITIATIVE FUND AND FUND**
13 **EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §§ 2501 - 2508**

14 **BE IT ENACTED:**

15 **SECTION ONE. AUTHORITY**

- 16 A. The Health, Education and Human Services Committee of the Navajo Nation Council
17 is empowered to exercise oversight authority to review and recommend resolutions
18 relating to social services and education. 2 N.N.C. § 401 (B)(6)(a).
19 B. The Budget and Finance Committee of the Navajo Nation Council is empowered to
20 review and recommend to the Navajo Nation Council the budgeting, appropriation,
21 investment, and management of all funds. 2 N.N.C. § 301 (B)(2).
22 C. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review
23 all proposed legislation which requires final action by the Navajo Nation Council and
24 shall recommend to [the] Navajo Nation Council financial support and/or financing
25 plan(s) for the purposes set out in 12 N.N.C. § 2502 (the Navajo Nation Sihasin Fund). 2
26 N.N.C. §164(A)(9) and NABIJY-38-19.
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1 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §
2 102 (A).

3 E. The Navajo Nation Code at 12 N.N.C. § 2502, as amended by CJA-03-18, provides
4 the purpose of the Navajo Nation Síhasin Fund ("Síhasin Fund") as follows:

5
6 **§2502. Purpose**

7 A. The purposes of this fund are to provide financial support and/or financing for:

8 1. The planning and development of economic development and regional
9 infrastructure supporting economic development and community development,
10 including such infrastructure as, but not limited to, housing, commercial and
11 government buildings, waterline, solid waste management development, power
12 line projects, and transportation and communication systems, within the Navajo
13 Nation; and

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

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

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

20
21 F. The Síhasin Fund provides that Fund Principal shall consist of all deposits made to
22 the Síhasin Fund and that Fund Income shall consist of all earnings (interest, dividends,
23 *etc.*) generated and realized by the Fund Principal, and that Fund Income shall be
24 deposited in and added to Fund Principal until such time as a Fund Expenditure Plan is
25 duly adopted, 12 N.N.C. §§ 2504 and 2505 (C).

26
27 **SECTION TWO. FINDINGS**

28 A. As set forth in Exhibit A, Diné College and Navajo Technical University are
29 requesting in the total amount of sixty million dollars (\$60,000,000.00) to the Síhasin
30

1 Sustainable Higher Education Initiative Fund with thirty million dollars (\$30,000,000.00)
2 each in seed money to start up their respective institutional foundations.

3 B. Each year ninety-five percent (95%) of the Fund income attributable to the Sihasin
4 funds as deposited in the Sihasin Sustainable Higher Education Initiative Fund shall be
5 used to supplement Navajo Nation Government and non-Navajo Government funds to
6 support the higher education efforts of Diné College and Navajo Technical University.

7 C. The interest attributable to the Sihasin Funds deposited in the Sihasin Sustainable
8 Higher Education Initiative Fund shall be leveraged by way of match funding, direct
9 funding in part and/or weighted or supplemental uses and shall be used as direct funding
10 in whole or part for any project.

11 **SECTION THREE. APPROVAL AND ADOPTION OF EXPENDITURE PLAN**

12 A. The Navajo Nation hereby approves and adopts the Sihasin Sustainable Higher
13 Education Initiative Fund, attached and incorporated herein as outlined in Exhibit A.

14 B. The Navajo Nation hereby approves funding to establish a Sihasin Sustainable Higher
15 Education Initiative Fund in the amount of sixty million dollars (\$60,000,000) with thirty
16 million dollars (\$30,000,000) to be assigned each to Diné College and Navajo Technical
17 University respectively.

18 C. The Sihasin Funds allocated to establish the Sihasin Sustainable Higher Education
19 Initiative Fund Expenditure Plan may be further leveraged by bond or loan financing
20 pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 *et seq.*, as
21 amended, using Sihasin Fund Earnings with thirty million dollars (\$30,000,000) to be
22 assigned each to Diné College and Navajo Technical University upon the
23 recommendation of the Budget and Finance Committee and approval by a two-thirds
24 (2/3) vote of all members of the Navajo Nation Council.

25 **SECTION FOUR. APPROVAL AND ADOPTION OF EXPENDITURE PLAN**
26 **ADMINISTRATION**

27 The Navajo Nation hereby approves administration of the Sihasin Sustainable Higher
28 Education Initiative Fund Expenditure Plan as follows:
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1 A. The Navajo Nation Controller shall recommend whether the source of the of sixty
2 million dollars (\$60,000,000) will be Sihasin Fund Principal or Income or a combination
3 of both;

4 B. The Sihasin Funds transferred to the Sihasin Sustainable Higher Education Initiative
5 Fund shall be invested and managed consistent with Sihasin Sustainable Higher
6 Education Initiative Fund Expenditure Plan but the interest earnings or income from
7 Sihasin Funds may be expended only on projects that meet all the requirements of 12
8 N.N.C. § 2502.

9 C. The principal of the Sihasin Sustainable Higher Education Initiative Fund shall be
10 invested primarily in the Alternatives Asset Class in a manner consistent with the Navajo
11 Nation Master Investment Policy, as amended, with the objective of preserving the
12 principal while generating steady annual dividend income.

13 D. The interest earnings or income from Sihasin Funds in the Sihasin Sustainable Higher
14 Education Initiative Fund shall be expended only pursuant to an annual plan developed
15 and recommended by Diné College and Navajo Technical University as approved and
16 adopted by the Health, Education and Human Services Committee of the Navajo Nation
17 Council.

18 E. Diné College and Navajo Technical University shall account for and be held
19 responsible for the expenditure of interest and earnings attributable to the Sihasin
20 Sustainable Higher Education Initiative Fund with such expenditures audited on an
21 annual basis by either an independent auditor or the Office of Auditor General, with such
22 audit report to be submitted to the Health, Education and Human Services Committee, the
23 Naabik'iyati' Committee, Office of Controller and Office of the President and Vice-
24 President.

25 F. Diné College and Navajo Technical University shall report the status of all projects
26 funded by the interest earnings and income attributable to the Sihasin Funds to the
27 Naabik'iyati' Committee and the Office of President and Vice-President on a quarterly
28 basis.

29 G. The funds allocated for Sihasin Sustainable Higher Education Initiative Fund shall
30 not lapse on an annual basis pursuant to 12 N.N.C. §820 (N).

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Section Five. Effective Date

The Sihasin Sustainable Higher Education Initiative Fund Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. § 2505.