THE NAVAJO NATION LEGISLATIVE BRANCH INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0157-22__ SPONSOR: Raymond Smith, Jr.

TITLE An Action Relating to Law and Order, Health Education and Human Services, Resources and Development, Budget and Finance and Naabik'íyáti' Committee and Navajo Nation Council; Amending CAP-35-18, Síhasin Fund Powerline and Chapter Projects Expenditure Plan, to Extend Project Completion Deadlines for an Additional Twenty-Four Months

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LEGISLATIVE SUMMARY SHEET Tracking No. <u>0/57-22</u>

DATE: September 14, 2022

TITLE OF RESOLUTION: AN ACTION RELATING TO LAW AND ORDER, HEALTH EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL; AMENDING CAP-35-18, SÍHASIN FUND POWERLINE AND CHAPTER PROJECTS EXPENDITURE PLAN, TO EXTEND PROJECT COMPLETION DEADLINES FOR AN ADDITIONAL TWENTY-FOUR MONTHS

PURPOSE: This resolution, if approved, will extend CAP-35-18's project completion deadlines to seventy-two (72) months.

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.

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10	AN ACTION	
11	RELATING TO LAW AND ORDER, HEALTH EDUCATION AND HUMAN	
12	SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE	
13	AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL;	
14	AMENDING CAP-35-18, SÍHASIN FUND POWERLINE AND CHAPTER	
15	PROJECTS EXPENDITURE PLAN, TO EXTEND PROJECT COMPLETION	
16	DEADLINES FOR AN ADDITIONAL TWENTY-FOUR MONTHS	
17		
18	BE IT ENACTED:	
19	SECTION ONE. AUTHORITY	
20	A. The Law and Order Committee of the Navajo Nation Council is empowered to	
21	provide legislative oversight on matters involving public safety programs and to	
22	enable the Navajo Nation to more effectively provide efficient public safety services	
23	on the Navajo Nation. 2 N.N.C. § 600 (C) (6).	
24	B. The Health Education and Human Services Committee of the Navajo Nation Council	
25	is empowered to provide legislative oversight on matters involving health, social	
26	services, education, general governmental services and human services. 2 N.N.C.	
27	§400 (C) (1).	
28	C. The Resource Development Committee of the Navajo Nation Council is empowered	
29	to exercise oversight authority on matters involving roads and transportation,	
30	communications and utilities, information technology, chapter activities, economic	
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- and community development, rights-of-way, public utilities and housing. 2 N.N.C. § 500 (C).
- D. The Budget and Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds and to coordinate and review all fiscal, financial and investment activities of the Navajo Nation. 2 N.N.C. §§ 301 (B) (2) and (5).
- E. The Naabik'íyáti' Committee of the Navajo Nation Council is empowered to review all proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C. §164 (A) (9).
- F. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).

SECTION TWO. FINDINGS

- A. In May of 2018, the 23rd Navajo Nation Council enacted Resolution No. CAP-35-18, incorporated herein by reference, establishing the Síhasin Fund Powerline and Chapter Projects Expenditure Plan to fund 229 powerline, waterline and capital projects throughout the Navajo Nation.
- B. The total cost of the 229 projects funded by the 23rd Navajo Nation Council through CAP-35-18 was one hundred million dollars (\$100,000,000); however, the President of the Navajo Nation line-item vetoed four (4) projects totaling eight hundred eighty-nine thousand three hundred fifty dollars (\$889,350). *See* CAP-35-18.
- C. The CAP-35-18 projects, depending on their readiness, were grouped into three (3) funding cycles: (1) Year One projects were to receive funding by the end of Fiscal Year 2018 (NTUA powerline projects) or the end of the third quarter of Fiscal Year 2018 (Non-NTUA powerline projects); (2) Year Two projects were to receive funding by the end of the first quarter of Fiscal Year 2019; and (3) Year Three projects were to receive funding by the end of the first quarter of Fiscal Year 2020. See CAP-35-18.

- D. All CAP-25-18 project funds, regardless of the year funded, were required to be spent or encumbered within twenty-four months of distribution by the Office of the Controller to the Capital Projects Management Department (CPMD), LGA-certified Chapter, or Navajo Tribal Utility Authority (NTUA); any project funds not spent or encumbered within twenty-four months of distribution are to be reverted or reallocated to the Síhasin Fund. See CAP-35-18.
- E. Navajo Nation Council Resolution No. CJA-03-21, attached as **Exhibit A**, amended CAP-35-18 to extend the time frame to spend or encumber project funds from twenty-four (24) to forty-eight (48) months.
- F. The World Health Organization (WHO) declared a Public Health Emergency of International Concern related to the outbreak of coronavirus (COVID-19) on January 30, 2020, the U.S. Department of Health and Human Services declared a Public Health Emergency related to COVID-19 on January 31, 2020 and the WHO declared a global pandemic on March 11, 2020.
- G. The Navajo Nation Commission on Emergency Management, with the concurrence of Navajo Nation President Jonathan Nez, declared a Navajo Nation Public Health State of Emergency on the Navajo Nation on March 11, 2020 due to COVID-19. Resolution No. CEM 20-03-11. The Navajo Nation Department of Health subsequently issued numerous Public Health Emergency Orders. Public Health Orders 2020-001 through 2022-008 are incorporated by reference into this resolution.
- H. The Navajo Nation Public Health State of Emergency is still in effect as of September 15, 2022.
- I. The Public Health Emergency Orders and related Executive Orders closed Navajo Nation government programs and Chapters and non-essential businesses on the Navajo Nation for prolonged periods of time on different occasions; the shutdown of government programs, like CPMD and Chapters, combined with the closure of non-essential businesses created unavoidable, but still substantial, obstacles to the timely implementation and completion of CAP-35-18 projects within the required twenty-four month timeframe.

- J. The COVID-19 pandemic is not expected to completely subside in the near future and the Public Health Emergency Orders are predicted to remain in place for the foreseeable future.
- K. It is highly unlikely that Navajo Nation programs, such as CPMD, and Navajo Nation Chapters, will be able to overcome the COVID-19 created obstacles in time to meet the CAP-35-18, as amended by CJA-03-21, requirement that project funds be spent or encumbered within forty-eight (48) months of distribution.
- L. The Navajo Nation finds it to be in the best interests of its Chapters, as well as the Navajo people, to amend CAP-35-18, as amended by CJA-03-21, to extend the time-frame to spend or encumber CAP-35-18 project funds to seventy-two (72) months.

SECTION THREE. AMENDING CAP-35-18, AS AMENDED BY CJA-03-21

- A. The Navajo Nation hereby extends the project completion deadline and time frames set forth in CAP-35-18, as amended by CJA-03-21, from forty-eight (48) months to seventy-two (72) months.
- B. The Navajo Nation also hereby amends CAP-35-18, Section Two, Paragraph S (4), as amended by CJA-03-21, as follows:
 - 4. All of the proposed projects were vetted by CPMD and NTUA, respectively, for project readiness before being apportioned into the three-year plans base on project readiness status; therefore, if the funding for a project is not spent or encumbered within forty-eight (48) seventy-two (72) months of distribution, the project funds should revert to the Síhasin Fund; and
- C. The Navajo Nation also hereby amends CAP-35-18, Section Four, Paragraph A (2)(d), as amended by CJA-03-21, as follows:
 - d. Any individual Powerline or Waterline project funds that are not spent or encumbered within forty-eight (48) seventy-two (72) months of distribution to NTUA shall be returned to the Síhasin Funds; and

- D. The Navajo Nation hereby also amends CAP-35-18, Section Four, Paragraph A (3)(g), as amended by CJA-03-21, as follows:
 - g. Any individual Chapter or non-NTUA Powerline Project funds that are not spent or encumbered within forty-eight-(48) seventy-two (72) months of distribution to CPMD or transfer to a LGA Certified Chapter shall be returned to the Síhasin Fund;

SECTION FOUR. EFFECTIVE DATE

This Action shall become effective pursuant to 2 N.N.C. § 221 (B) and apply retroactively to all CAP-35-18 projects.

SECTION FIVE. DIRECTIVES

- A. CPMD, Office of the Controller (OOC), Office of Management & Budget (OMB), and LGA Certified Chapters, as well as NTUA, shall take all steps necessary to expeditiously revise, if necessary, applicable Memorandum of Agreements to reflect these amendments to CAP-35-18, as amended by CJA-03-21.
- B. All Navajo Nation programs named in this legislation, as well as NTUA and LGA-certified Chapters, shall be held accountable for the implementation of these amendments to CAP-35-18 and the continued progress of tasks under their responsibility and control and shall participate in work group meetings, if any, necessary to expeditiously implement the Síhasin Fund Powerline and Chapter Projects Expenditure Plan.
- C. CPMD, OOC and OMB shall work with the Department of Justice to develop Rules and Regulations that conform with CAP-35-18 to administratively approve project changes that are currently approved through Committee legislation. Such Rules and Regulations shall be presented to the Resources and Development Committee and Budget and Finance Committee within sixty (60) days after enactment of this legislation.