

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0234-22_

SPONSOR: Vince R. James

TITLE: An Act Relating to the Budget and Finance and Naabik'iyáti' Committees, and to the Navajo Nation Council; Approving \$244,749 from the Unreserved, Undesignated Fund Balance ("UUFb") for the Legislative District Assistants Program and Waiving 12 N.N.C. § 820(E), § 820(F), § 820(J), and § 820(L)

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0234-22

Date: November 22, 2022

Re: AN ACT RELATING TO THE BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING \$244,749 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFb") FOR THE LEGISLATIVE DISTRICT ASSISTANTS PROGRAM AND WAIVING 12 N.N.C. §820(E), §820(F), §820(J), AND §820(L)

Purpose of this Legislation:

to approve \$244,749 from the UUFb to fund the LDA Program's operating expenses for the remainder of FY2023; waiving 12 N.N.C. §820(E), §820(F), §820(J), and §820(L) to allow use of UUFb funds for recurring Program expenses.

OLC No. 22-407-1

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 11-07-22
Eligible for Action: 11-08-22

Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:


(Prime Sponsor)

Tracking No. 0234-22

AN ACT

RELATING TO THE BUDGET AND FINANCE AND NAABIK'ÍYÁTI'
COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING
\$244,749 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE
("UUF") FOR THE LEGISLATIVE DISTRICT ASSISTANTS PROGRAM
AND WAIVING 12 N.N.C. §820(E), §820(F), §820(J), AND §820(L)

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Navajo Nation established the Budget and Finance Committee as a Navajo Nation Council standing committee with the authority to review and recommend to the Navajo Nation Council the management of all funds, including the Navajo Nation's Unreserved, Undesignated Fund Balance ("UUF"). 2 N.N.C. §164(A)(9); 2 N.N.C. §300(A); 2 N.N.C. §301(B)(2).

B. The Navajo Nation established the Naabik'iyáti' Committee as a Navajo Nation Council standing committee, and all proposed legislation that requires final action by the Navajo Nation Council is assigned to the Naabik'iyáti' Committee for its review and consideration. 2 N.N.C. §164(A)(9); 2 N.N.C. §700(A).

C. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A). As such, the Council may approve supplemental appropriations during the fiscal year.

1 “Supplemental appropriations of General Funds within the current fiscal year are permitted,
2 if and when additional sources of revenues above and beyond the initial or current revenue
3 projections are projected and which are also in excess of the reserve amount set forth at
4 §820(J).” 12 N.N.C. §820(L). Generally, supplemental funding is appropriated from the
5 UUFB.

6 D. The Title 12 restrictions on supplemental appropriations from the UUFB, include:

- 7 1. Payment of recurring government operating expenses shall be from recurring revenues,
8 and payment of nonrecurring expenses shall be from nonrecurring revenues such as UUFB
9 funds. 12 N.N.C. §820(E); 12 N.N.C. §820(F).
- 10 2. Specifically, the UUFB shall not be used for recurring government expenditures or
11 operations. 12 N.N.C. §820(J); 12 N.N.C. §820(L).
- 12 3. Nonrecurring revenues such as UUFB funds may be used only after the Controller
13 determines whether or not such revenues are subsidizing an imbalance between the
14 Navajo Nation’s recurring revenues and expenditures, and government expenditures shall
15 only be authorized if a long-term (3-year to 5-year year) forecast shows that the operating
16 deficit will not continue; otherwise, nonrecurring revenues will be added to the
17 Unreserved, Undesignated Fund Balance. 12 N.N.C. §820(F).
- 18 4. The above provisions in Title 12 may be amended or waived by a two-thirds vote of the
19 full membership of the Navajo Nation Council. 12 N.N.C. §820(F); 12 N.N.C. §880.
- 20 5. Pursuant to 12 N.N.C. §820(F) all UUFB funding requests must be reviewed by the
21 Controller. Such review is also required because the Controller determines which
22 revenues and expenses are recurring and which are non-recurring. 12 N.N.C. §820(L).
- 23 6. Pursuant to 12 N.N.C. §820(M) all UUFB funding requests must be submitted to the
24 Office of Management and Budget (“OMB”) for a budget impact analysis.

25 26 **SECTION TWO. FINDINGS**

27 A. In the Navajo Nation Council’s deliberation and approval of the FY2023 Comprehensive
28 Budget, the Legislative District Assistant’s (“LDA”) Program had unmet needs due to a
29 funding shortage; however, the LDA Program was not included in the Budget discussions.
30 Thus the LDA Program’s unmet needs were not funded in the FY2023 Comprehensive

1 Budget Resolution No. CS-49-21.

2 B. The LDA Program is now requesting \$244,749 from the UUFB to fund the LDA Program's
3 unmet needs and continue its daily operations for the remainder of FY 2023. This request
4 includes changes to LDA's fringe benefits and insurance policy rates for each position. The
5 LDA Program's request is attached as **EXHIBIT A**.

6 C. The LDA Program's required budget forms are attached as **EXHIBIT B**. The LDA
7 Program's required Appendix K "Supplemental Funding Proposal Summary" is attached as
8 **EXHIBIT C**.

9 D. The Office of the Controller issued a memorandum dated November 9, 2022, to satisfy the
10 requirements in 12 N.N.C. §820(L). **EXHIBIT D**. The Controller has identified the LDA
11 Program's expenditures as *recurring* and therefore a waiver of 12 N.N.C. §820(E), §820(F),
12 and §820(J) is required.

13 E. The Office of Management and Budget has provided its budget impact analysis pursuant to
14 12 N.N.C. §820(M). **EXHIBIT E**.

15
16 **SECTION THREE. APPROVING \$244,749 FROM THE UUFB FOR THE**
17 **LEGISLATIVE DISTRICT ASSISTANTS PROGRAM AND**
18 **WAIVING 12 N.N.C. §820(E), §820(F), §820(J), AND §820(L)**

19 A. The Navajo Nation Council hereby approves a supplemental appropriation of \$244,749 from
20 the UUFB for the LDA Program, as explained in the attached **EXHIBITS A-C**.

21 B. This supplemental appropriation shall be from those funds that exceed the minimum fund
22 reserve balance in the UUFB required by 12 N.N.C. §820(J), as determined by the Controller.

23 C. This supplemental appropriation shall not lapse at the end of the fiscal year, as would
24 otherwise occur pursuant to 12 N.N.C. §820(N). However, any UUFB funds not spent or
25 encumbered within 12 months of the date the funds are provided to the LDA Program shall
26 revert to the UUFB, unless otherwise approved prior to such reversion by both the Budget
27 and Finance Committee and the Naabik'íyáti' Committee of the Navajo Nation Council.

28 D. The Navajo Nation Council hereby waives 12 N.N.C. §820(E), §820(F), §820(J), and
29 §820(L) to allow use of the UUFB for the LDA Program as described in **EXHIBITS A-C**.
30 These waivers are necessary because the proposed expenditures are considered recurring.

1 **SECTION FIVE. EFFECTIVE DATE**

2 This Act shall become effective as provided in 2 N.N.C. §221(B) and 2 N.N.C. §164(A)(17).

3
4 **SECTION SIX. SAVING CLAUSE**

5 If any portion of this Act is determined in valid by the Navajo Nation Supreme Court, or by a
6 District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the
7 remainder of this Act shall be the law of the Navajo Nation.