

RESOLUTION OF THE
NAVAJO NATION COUNCIL

22nd NAVAJO NATION COUNCIL - Third Year 2013

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE AND THE NABIK'ÍYÁTI'
COMMITTEE; APPROVING THE NAVAJO NATION FISCAL YEAR 2014
COMPREHENSIVE BUDGET; WAIVING 12 N.N.C. §820(I);
AND WAIVING CF-07-11

BE IT ENACTED:

1. The Navajo Nation Council hereby adopts the Navajo Nation Fiscal Year 2014 Comprehensive Budget.

2. The Navajo Nation Council approves the appropriation of 12% in the amount of \$28,189,000 to the Navajo Nation Permanent Fund of Fiscal Year 2014; 4% of Fiscal Year 2014 revenue in the amount of \$9,396,000 to the Navajo Veterans Trust Fund; 2% of Fiscal Year 2014 revenue in the amount of \$4,698,000 to the Navajo Nation Land Acquisition Trust Fund; \$2,000,000 of Fiscal Year 2014 revenue to the Capital Outlay Match Funding Special Revenue Fund; \$2,000,000 of Fiscal Year 2014 revenue to the Water Rights Claim Fund; \$1,500,000 of Fiscal Year 2014 revenue to the Historical Trust Asset Mismanagement Litigation Trust Fund; and \$11,200,000 of Fiscal Year 2014 revenue to the Dine Higher Education Grant Fund.

3. The Navajo Nation Council hereby approves \$14,315,962 from the Fiscal Year 2013 General Fund Personnel Savings pursuant to the Classification and Pay Plan Resolution CF-07-11; and \$7,959,165 from the Undesignated, Unreserved Fund Balance.

4. The Navajo Nation Council hereby approves the Appropriation of \$587,432,942 as the Navajo Nation Fiscal Year 2014 Operating Budget, as set forth in the attached Exhibit A, which is constituted of \$190,095,817 General Fund Revenue; \$10,000,000 Indirect Cost Credit; \$11,200,000 in Higher Education set aside funds; \$57,460,684 Proprietary Fund; \$43,951,688 Fiduciary Funds; \$27,787,247 Special Revenue Internal Funds; and \$246,937,506 Special Revenue External Funds, summarized as follows:

- a. Legislative Branch - \$15,737,102 as the Navajo Nation Fiscal Year 2014 Operating Budget, as set forth in the attached Exhibit B, which is constituted of \$14,849,242 General Fund Revenue; \$877,860 Indirect Cost Credit;

\$10,000 Proprietary Funds; \$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. The Legislative Branch appropriation includes \$180,499 from the Personnel Savings Fund.

- b. Judicial Branch - \$15,226,343 as the Navajo Nation Fiscal Year 2014 Operating Budget, as set forth in the attached Exhibit C, which is constituted of \$13,856,276 General Fund Revenue; \$77,536 Indirect Cost Credit; \$0 Proprietary Funds; \$0 Fiduciary Funds; \$0 Special Revenue Internal Funds and \$1,292,531 Special Revenue External Funds, for the Navajo Nation Supreme Court, district courts, family courts, various offices, programs and activities within the Judicial Branch. The Judicial Branch includes \$231,000 from the Personnel Savings Fund and \$44,415 from UUFB.
- c. Executive Branch - \$527,194,371 as the Navajo Nation Fiscal Year 2014 Operating Budget, as set forth in the attached Exhibit D, which is constituted of \$133,802,435 General Fund Revenue; \$7,357,342 Indirect Cost Credit; \$11,200,000 Higher Education Set Aside Funds; \$57,450,684 Proprietary Funds; \$43,951,688 Fiduciary Funds; \$27,787,247 Special Revenue Internal Funds; and, \$245,644,975 Special Revenue External Funds; for the various divisions, departments, programs and offices within the Executive Branch. The Executive Branch appropriation includes \$5,997,153 from Personnel Savings Fund and \$7,414,750 from UUFB.
- d. Fixed Costs - \$25,275,126 constituted of \$23,587,864 General Fund Revenue, \$1,687,262 Indirect Cost Credit, as set forth in the attached Exhibit E.
- e. Capital Improvement Funds constituted of \$4,000,000 General Fund Revenue, to be used at chapter discretion (exception: not be used for recurring expenses), as set forth in the attached Exhibit F.
- f. Chapter Non-Administrative Costs; \$12,500,000 for non-administrative costs include, but are not limited to, chapter officials stipends, permanent personnel costs, and travel expenses of chapter officials and chapter staff.

g. \$3,000,000 for the Decentralization Project and \$1,700,000 for Administration Building 1 (One) and 2 (Two) rehabilitation project. BFJY-27-13.

5. The Navajo Nation Council hereby authorizes Fiscal Year 2014 Recurring Projected Revenues in the amount of \$3 million, in a new Business Unit to be administered by the Division of Community Development, for a Decentralization Project as described in Exhibit I; and

6. The Navajo Nation Council hereby authorizes funding of up to \$5,000,000 from the Fiscal Year 2013 Personnel Savings Fund for funding the shortfall in Defined Benefit Plan, Retirement Plan, Business Unit Number 118018; and

7. The Navajo Nation Council hereby authorizes funding of up to \$2,994,618 from the Fiscal Year 2013 Personnel Savings Fund for funding the Navajo Area Agency on Aging, Business Unit Numbers 113010 through 113015, for senior centers; and

8. The Navajo Nation Council hereby authorizes the use of the set aside for the Permanent Fund as provided for in 12 N.N.C. §901 into a new Business Unit to fund debt service for Capital Improvements and Infrastructure Development including buildings with a cumulative value of at least \$10,000,000; and

9. The Navajo Nation Council hereby authorizes funding from the Undesignated, Unreserved Fund Balance for the following projects:

- a. \$150,000 as a grant to Northern Arizona University; and
- b. funding of up to \$3,000,000 for infrastructure (waterlines and power lines) and housing within the Former Bennett Freeze Area and Navajo Partitioned lands to Business Unit 108004; and
- c. funding of \$32,750 for Diné Land Senior Rodeo Association; and
- d. funding of up to \$500,000 to assist with mileage and fuel costs for the Senior Citizen Centers, Police Vehicles, CHR, Emergency Management Services ambulance vehicles, Fire and Rescue vehicles. There shall be no mileage limit for direct-services and emergency vehicles. The Office of the President/Vice President will determine the allocations and if the allocation

exceeds \$50,000 to a particular Business Unit then approval will be by the Oversight Committee; and

- e. funding of \$44,415 to complete the remediation process of the Kayenta District Court Building shall be placed into the Business Unit 102010; and
- f. funding of \$3,000,000 to fund Public Employment Funds for the 110 Chapters of the Navajo Nation, Business Units 108014-108123; and
- g. funding of \$1,232,000 to:
 - i.) Chichiltah Chapter in the amount of \$600,000 for renovation of the chapter house; and
 - ii.) \$300,000 for Chilchinbeto Chapter for design for the Chapter; and
 - iii.) \$100,000 for Teec Nos Pos Chapter House roof repair as described in the budget documents attached as an Exhibit; and
 - iv.) \$90,000 for Lupton Chapter for roof repairs
 - v.) \$142,000 for Oljato Chapter renovation; and

10. The Navajo Nation Council hereby authorizes funding from the Personnel Savings Fund as follows:

- a. funding of up to \$2,907,310 for a 3% General Wage Adjustment (GWA) for all Navajo Nation Employees and hereby directs the Office of Management and Budget and the Department of Personnel Management to effectuate the intent of this directive; and
- b. funding of up to \$154,732 for funding for the Division of Economic Development, in the amount of \$100,000 for Business Unit 110001, Administration, and \$7,819, for Business Unit Nos. 110005-110010; \$7,818 for Business Unit 110011 for Regional Business Development; and
- c. funding of up to a total amount of \$918,000 for funding for the Division of Natural Resources in the amount of \$468,000 for Grazing Officials for Navajo Nation Chapters Business Unit Nos. 108XXX; \$258,000 for Farm Boards for Navajo Nation Chapters Business Unit Nos. 108XXX; \$192,000 for Eastern Navajo Land Board for Business Unit Nos. 108028-108058 for meeting expenses; and

- d. \$274,608 for the Unmet Needs of Veterinary and Livestock Program Business Unit 115034; and
- e. funding of up to \$46,721 (salary of \$32,219 to object code 2110 plus fringe benefits of \$14,502 to Object Code 2900) to restore a Central Records Supervisor position (Position No. 150092) for the Records Management Department Business Unit No. 112010; and
- f. funding of up to \$83,100 for the Gallup Dine Health Advisory Board to advocate for the new proposed replacement health facility construction of the Gallup Indian Medical Center including the assignment of a new Business Unit Number to be assigned under the Division of Health (Administration) Business Unit 113001 to oversee the development of a plan of operation and provide technical assistance; and
- g. funding of \$357,895.00 for Land Department Business Unit 115021 for unmet needs; and
- h. funding of up to \$230,000 for the Office of Dine School Improvement Business Unit No. 109009 for consulting and participant training; and
- i. funding in the amount of \$150,000 for the demolition of the current Boys and Girls Club building to build a new District Judicial Complex serving 19 chapters in the Northern Agency; and
- j. funding of up to \$3,278 for the Black Mesa Review Board Business Unit No. 101023 for quarterly meeting expenses for five (5) representatives; and
- k. funding of up to \$468,479 with \$81,000 for the Dzil Yjiin Court Business Unit No. 102015 and \$387,479 for the NPD-Chinle Police District Business Unit No. 116002 ; and
- l. funding of \$93,721 from the Fiscal Year 2013 Personnel Savings Fund for Ethics and Rules Office Business Unit 101020 for unmet needs; and
- m. funding of \$80,000; \$10,000 for each of the following fairs: Southwest Fair, Ramah Fair, Aneth Fair, Shiprock Fair, Western Fair, Central Fair, Eastern Fair and Kayenta Fair; and

- n. funding of up to \$3,500 for Speed of Trust Training for Dzil Yjiin Regional Chapter Officials and Staff through the Navajo Nation Staff Development and Training Department Business Unit 114006; and
- o. funding of up to \$550,000 for all 110 chapters General Activity Fund Business Units 108014-108123; and

11. The Navajo Nation Council hereby approves the Conditions of Appropriations for Navajo Nation Fiscal Year 2014, as set forth in the attached Exhibit G; and

12. The Navajo Nation Council hereby approves the Legislative Concerns for Navajo Nation Fiscal Year 2014, as set forth in the attached Exhibit H; and

13. The Navajo Nation Council determined that if and when additional Indirect Cost (IDC) Recovery funds become available during Fiscal Year 2014, the distribution of the additional funds is authorized as follows:

- a. To those IDC programs that did not receive additional General Funds to replace the reduction of IDC recovery funds;
- b. To Executive Branch Divisions/Departments/Offices that contributed to the replacement of the IDC recovery allocations in the Navajo Nation Executive Branch budget;
- c. After the preceding allocations are made, any remaining amount will be allocated to the regular IDC recovery programs.

14. The Navajo Nation Council hereby approves the carryover of unexpended Indirect Cost Credit, if any, from Navajo Nation Fiscal Year 2013 into Fiscal Year 2014; and

15. The Navajo Nation Council hereby acknowledges that all federal, state, and local government funds addressed in the Navajo Nation Fiscal Year 2014 Comprehensive Budget are provided primarily for information purposes, as directed in the Budget Instructions and Policies 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); and

16. The Navajo Nation Council hereby approves the carryover of unexpended Capital Improvement Project Funds from Navajo Nation Fiscal Year 2013 into Fiscal Year 2014; and

17. The Navajo Nation Council hereby approves the carryover of unexpended balances from Navajo Nation Fiscal Year 2013 into Fiscal Year 2014 as follows:

- a. \$420,000, or the remaining balance, of the Navajo Nation Council supplemental appropriation resolution CJY-41-13 to the Employee Housing Program, Business Unit 112013, for renovation of housing units; and
- b. \$3,000,000, or the remaining balance, of the Navajo Nation Council supplement appropriation resolution CJY-44-13 to the Water Resources Department/Technical & Construction Branch/Operation & Maintenance Branch, Business Unit 115013, to address drought conditions; and
- c. \$202,761, or the remaining balance, of the Navajo Nation Council supplemental appropriation resolution CJY-44-13 to Resource Enforcement, Business Unit 115027, to address the feral horse roundup; and
- d. \$1,397,239, or the remaining balance, of the Navajo Nation Council supplement appropriation resolution CJY-44-13 to the Department of Agriculture, Business Unit 115018, to address feral horse roundup; and
- e. \$405,317, or the remaining balance, of the Navajo Nation Council supplemental appropriation resolution CO-51-12 to the Division of Natural Resources, Navajo Veterinary and Livestock Program, Business Unit 115034; to address the spread of Rocky Mountain Spotted Fever; and
- f. \$220,109, or the remaining balance, of the Navajo Nation Council supplemental appropriation resolution CO-51-12 to the Animal Control Program, Business Unit 115026, to address the spread of Rocky Mountain Spotted Fever; and
- g. \$354,297, or the remaining balance, of the Navajo Nation Council supplement appropriation resolution CJY-36-13 to the Division of Economic Development Real Estate Department, Business Unit Number 110015, to acquire access to the Navajo Land Title Data System; and

- h. \$416,552 and \$281,476, or the remaining balance of the Navajo Nation Council supplemental appropriation Resolution CJA-10-13, to the Navajo Nation Election Administration, Business Unit Number 101021; and
- i. \$8,629,580, or the remaining balance of the Navajo Nation Council supplemental appropriation Resolution No. CAP-14-13, to the Water Management Branch Business Unit Number 115009 for implementation of various community water plans; and
- j. All unexpended balances within the Navajo Gaming Regulatory Office, Business Unit Numbers 507007 and 507009; and
- k. All unexpended balances within the Ethics and Rules Office Business Unit 101020 including 101020-10.0615 relating to the "2013 Governance Conference" held in Albuquerque, New Mexico from August 5, 2013 to August 7, 2013; and
- l. All unexpended balances for the Navajo Nation Council Standing Committees including Business Unit No. 101003 Budget and Finance Committee; Business Unit 101030 Health, Education and Human Services committee; Business Unit No. 101031 Resources and Development Committee; Business Unit No. 101032 Law and Order Committee and Business Unit No. 101033 Naabik'iyáti' Committee; and
- m. All unexpended balances for the Office of Legislative Services Business Unit No. 101019; and
- n. All unexpended balances for Navajo-Hopi Land Commission Business Unit 101025; and
- o. All unexpended balances for the Eastern Navajo Land Commission Business Unit No. 101027; and

19. The Office of Auditor General, in consultation with other relevant departments, shall cause a full audit of the Tribal Parks Program, including Monument Valley Tribal Park; and, the Office of Auditor General shall present a Plan of Action to the Resources and Development Committee and Budget and Finance Committee within 60 days of the enactment of this legislation; and, the final audit report be presented to the Naabik'iyáti' Committee; and

20. The appropriation for Legislative District Assistants may be used for consulting purposes at the discretion of the Council

Delegate. The Speaker of the Navajo Nation Council shall develop rules to administer this appropriation within 30 days of the enactment of this legislation; and

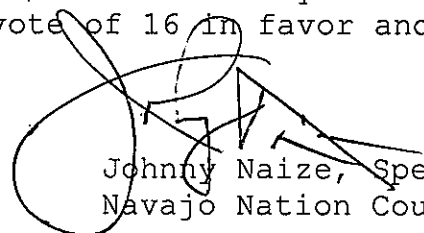
21. The Navajo Nation Council hereby directs the Branch Chiefs of the Executive, Legislative, and Judicial Branches to prioritize decentralization initiative unmet needs and to prepare appropriate budgets for such prioritized needs for potential consideration of supplemental appropriations in Fiscal Year 2014, in accordance with 12 N.N.C. §820 (L); and

22. The Navajo Nation Council hereby waives 12 N.N.C. §820(I) requiring the development and adoption of a Capital Improvement Plan; and

23. The Navajo Nation Council hereby waives CF-07-11 requiring a moratorium on allocations from the General Funds Personnel until the ceiling for the Personnel Lapse account in the amount projected for the annual General Wage Adjustment, Step Increase and other salary adjustments pursuant to the Pay Plan is reached.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the 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 16 in favor and 1 opposed, this 9th day of September 2013.



Johnny Naize, Speaker
Navajo Nation Council

Date

Motion: Honorable Mel R. Begay
Second: Honorable David L. Tom

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 _____ 2013.

Ben Shelly, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2013 for the reason(s) expressed in the attached letter to the Speaker.

Ben Shelly, President
Navajo Nation

3. I hereby line-item veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C) (11) and 2 N.N.C. § 164 (A) (17), on this ___ day of _____, 2013. The justification of my line-item veto is set forth by memorandum.

Ben Shelly, President
Navajo Nation

**The Navajo Nation
Fiscal Year 2014 Budget Summary**

EXHIBIT A

A	B	C	D	E	F	G	H	I	J	
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Higher Education Setaside	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total	
1	100xxx	Executive Branch	133,802,435	7,357,342	11,200,000	57,450,684	43,951,688	27,787,247	245,644,975	527,194,371
2	101xxx	Legislative Branch	14,849,242	877,860		10,000				15,737,102
3	102xxx	Judicial Branch	13,856,276	77,536				1,292,531		15,226,343
4	118xxx	Fixed Costs	23,587,864	1,687,262						25,275,126
5	108xxx	Capital Projects	4,000,000							4,000,000
6		Total:	190,095,817	10,000,000	11,200,000	57,460,684	43,951,688	27,787,247	246,937,506	587,432,942

- NOTE: (1) The Executive Branch appropriation includes \$5,997,153 from the Personnel Savings Fund and \$7,414,750 from UUFB.
(2) The Legislative Branch appropriation includes \$180,499 from the Personnel Savings Fund.
(3) The Judicial Branch appropriation includes \$231,000 from the Personnel Savings Fund and \$44,415 from UUFB.
(4) The Fixed Cost appropriation includes \$5,000,000 from the Personnel Saving Fund.

EXHIBIT B

**The Navajo Nation
Fiscal Year 2014 Legislative Branch Budget Summary**

A	B	C	D	E	F	G	H	I
Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	101001 Navajo Nation Council	1,946,081	413,549					2,359,630
2	101003 Budget & Finance Committee	91,650	10,419					102,069
3	101014 Navajo Nation Labor Commission	292,712	22,218					314,930
4	101015 Ofc of the Speaker	2,182,212	88,386					2,270,598
5	101016 Ofc of Government Development	603,959	20,776					624,735
6	101017 Ofc of Legislative Counsel	1,106,120	64,875					1,170,995
7	101018 Navajo Utah Commission	258,091						258,091
8	101019 Ofc of Legislative Services	3,120,008	122,322					3,242,330
9	101020 Ethics & Rules Office	488,609	21,033					509,642
10	101021 Ofc of Election Administration	1,191,547	16,044					1,207,591
11	101022 Board of Elections Supervisors	53,175						53,175
12	101023 Black Mesa Review Board	3,278						3,278
13	101024 Ofc of the Auditor General	1,506,992	22,532					1,529,524
14	101025 Navajo-Hopi Land Commission	181,520						181,520
15	101026 Commission on Emergency Mgmt	13,157						13,157
16	101027 Eastern Agency Land Commission	110,685						110,685
17	101028 Office of Eastern Navajo Land Commission	299,234						299,234
18	101029 Human Rights Commission	639,030						639,030
19	101030 Health, Education and Human Services Com	121,940	25,622					147,562
20	101031 Resources and Development Committee	126,331	21,437					147,768
21	101032 Law and Order Committee	95,810	15,671					111,481
22	101033 Nabik'iyatii Committee	333,601	12,976					346,577
23	901001 Navajo Nation Code Enterprise			10,000				10,000
24	101XXX-1 Navajo Nation Fairs	80,000						80,000
25	101XXX-2 Dzil Yijin Regional Chapter	3,500						3,500
26	Total:	14,849,242	877,860	10,000				15,737,102

NOTE: The Legislative Branch appropriation includes \$180,499 from the Personnel Savings Fund.

The Navajo Nation
Fiscal Year 2014 Judicial Branch Budget Summary

EXHIBIT C

A	B	C	D	E	F	G	H	I
Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	102001	Administrative Office of the Courts	77,536				70,610	1,621,341
2	102002	Chinle Judicial District					88,538	1,046,604
3	102003	Crownpoint Judicial District					88,160	883,923
4	102004	Window Rock Judicial District					88,550	1,063,915
5	102005	Shiprock Judicial District					131,051	1,251,402
6	102006	Tuba City Judicial District					131,229	894,915
7	102007	Ramah Judicial District					45,070	608,037
8	102008	Supreme Court					3,500	893,415
9	102009	Peacemaker Division						1,043,313
10	102010	Kayenta Judicial District					88,538	972,517
11	102011	Dilkon Judicial District					88,538	794,263
12	102012	Utah Judicial District					45,057	620,307
13	102013	Tohajilee Judicial District					45,057	603,157
14	102014	Alamo Judicial District					990	148,361
15	102015	Pinon Judicial District					44,481	511,411
16	102017	Pueblo Pintato Circuit Court					84,404	412,438
17	102018	Probation Services					248,758	1,857,024
18		Total:	77,536				1,292,531	15,226,343

NOTE: The Judicial Branch appropriation includes \$231,000 from the Personnel Savings Fund and \$44,415 from UUFBB.

EXHIBIT D

**The Navajo Nation
Fiscal Year 2014 Executive Branch Budget Summary**

A	B	C	D	E	F	G	H	I	J
Business Unit	Program	Navajo Nation General Fund	Indirect Cost Fund	Higher Education Setaside	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	103xxx	Executive Offices	565,783						7,132,191
2	104xxx	Department of Justice	682,039						6,115,613
3	105xxx	Office of Management and Budget	487,531						2,032,312
4	106xxx	Office of Navajo Tax Commission							1,526,719
5	107xxx	Office of the Controller	1,540,079		1,160,000	14,207,698	7,681,603		28,859,722
6	108xxx	Division of Community Development	459,000				436,621	6,699,092	15,161,114
7	108xxx	Navajo Nation Chapters	32,448,706				1,931,629		34,380,335
8	109xxx	Department of Dine' Education	189,244	3,500,000	45,000	696,981	4,623,269	41,327,136	58,722,409
9	110xxx	Division of Economic Development	129,737				1,205,400		6,176,757
10	111xxx	Navajo Environmental Protection Agency	69,937				1,860,000	5,659,798	9,373,923
11	112xxx	Division of General Services	1,514,010		49,236,234			2,157,647	59,348,918
12	113xxx	Division of Health	98,647			258,485			50,052,638
13	114xxx	Division of Human Resources	5,463,134					34,843,031	48,840,791
14	115xxx	Division of Natural Resources	18,207,365		52,450	28,771,712		13,658,263	41,552,041
15	116xxx	Division of Public Safety	9,681,082		6,585,000		2,750,000	13,843,534	49,401,426
16	117xxx	Division of Social Services	3,437,223		140,000			39,518,452	80,504,862
17	119xxx	Navajo Nation Grants	282,750	7,700,000		16,812	148,325		8,147,887
18	120xxx	Office of Gaming Regulatory			200,000				200,000
19	121XXX	Navajo Division of Transportation			32,000		7,150,400		19,664,713
20		Total:	7,357,342	11,200,000	57,450,684	43,951,688	27,787,247	245,644,975	527,194,371

NOTE: The Executive Branch appropriation includes \$5,997,153 from the Personnel Savings Fund and \$7,414,750 from UUFB.

EXHIBIT E

**The Navajo Nation
Fiscal Year 2014 Fixed Costs Budget Summary**

A	B	C	D	E	F	G	H	I
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
1	118001 Annual Audit - OOC	1,695,807	20,673					1,716,480
2	118004 Insurance Premiums - DGS	2,813,214						2,813,214
3	118005 Utilities - DGS	2,811,111	891,178					3,702,289
4	118007 Telecommunications - DGS	1,165,255	428,688					1,593,943
5	118008 Radio Communications - DGS	213,378	316,406					529,784
6	118009 Equip./Furniture/Bldg. Maint. - OOC		30,317					30,317
7	118010 FMIS Debt Service - OOC	872,187						872,187
8	118013 Hopi Partitioned Land Rental - NHLCO	85,500						85,500
9	118017 Indirect Cost Plan - OMB	50,000						50,000
10	118018 Retirement Plan Account - DHR	7,500,000						7,500,000
11	118019 NN Integrated Justice Info. Sharing - Judicial	500,000						500,000
12	118020 Fixed Cost Investment Fees - OOC	150,000						150,000
13	NEW FMIS Maintenance Services - OOC	1,518,412						1,518,412
14	N01000 Fixed Cost Litigation - DOJ	4,213,000						4,213,000
15	Total:	23,587,864	1,687,262					25,275,126

NOTE: The Fixed Cost appropriation includes \$5,000,000 from the Personnel Saving Funds for BU# 118018 Retirement Plan Account.

**The Navajo Nation
Fiscal Year 2014 Capital Budget Summary**

EXHIBIT F

A	B	C	D	E	F	G	H	I
Business Unit	Description	Navajo Nation General Fund	Indirect Cost Fund	Proprietary Fund	Fiduciary Fund	Special Revenue Fund - Internal	Special Revenue Fund - External	Total
108xxx	Capital Projects	4,000,000						4,000,000
	Total:	4,000,000						4,000,000

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FY 2014 Conditions of Appropriation (CS-47-13)

1. The Office of the Auditor General (BU# 101024) shall conduct an audit of the Department of Navajo Veteran Affairs Fort Defiance Agency (BU# 114015). If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
2. The Department of Navajo Veterans Affairs (DNVA) Administration Office (BU#114012) shall ensure that all Veterans Organization Trust Fund budgets are accessible in the FMIS by establishing individual Business Units. Distribution of Trust Funds will continue to be administered by the DNVA Administration Office. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund
3. The Division of Health Administration Office (BU# 113001) and the Navajo Area Agency on Aging Administration Office (BU# 113010) shall complete the Corrective Action Plan for the Navajo Area Agency on Aging. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
4. The Office of Broadcast Services (BU# 114003) and the Parks & Recreation Department (BU# 115016) shall update their current Plans of Operation to specify which department will administer the Film Permitting process and funds for the Navajo Nation. If the Condition of Appropriation is not fully met by the end of the 1st quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
5. The Facilities Maintenance Department (BU# 112008) shall develop a plan for office space rentals. If the plan for office space rentals is projected to generate \$50,000 or more a year, a fund management plan shall be developed. The FMD Director shall present the plan to the Health, Education & Human Services and Budget & Finance Committees. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.

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6. The Navajo Division of Transportation, NDOT, (BU# 121001) will get technical assistance from the Office of the Navajo Tax Commission, ONTC, (BU# 106001) and the Department of Justice to develop a plan to receive all the Fuel Excise Taxes collected without Navajo Nation set-asides. Further, NDOT and ONTC to meet with Arizona Department of Transportation to revisit the Intergovernmental Agreement (IGA) that results in approximately \$4 million paid to the State of Arizona. This will be done within the 1st Quarter. If the Condition of Appropriation is not met, the Division Director of the Division of Transportation shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
7. The Navajo Division of Transportation (BU# 121001) will select and assign two Civil Engineers for an Intergovernmental Personnel Act (IPA) assignment with the Bureau of Indian Affairs (BIA) Roads Department for Navajo Nation capacity building to assume certain responsibilities for the BIA roads. The assignments will not exceed two years. If the Condition of Appropriation is not fully met by the end of the 1st quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
8. The Department of Fish & Wildlife (BU# 115025) will update the official Navajo Endangered Species List to be consistent with the Federal Endangered Species List. Species taken off the Federal Endangered List and not taken off the Navajo Endangered Species List is stopping project development on the Navajo Nation. If the Condition of Appropriation is not fully met by the end of the 1st quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
9. The Department of Agriculture (BU# 115018) will define and present to the Resources Development Committee the responsibilities of the elected Grazing Officials to resolve problems with overlapping of duties with other tribal programs. If the Condition of Appropriation is not fully met by the end of the 1st quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
10. The Department of Agriculture (BU# 115018) shall develop Grazing Regulations and present to the Resources Development Committee. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
11. The Department of Parks & Recreation (BU# 115016) shall work with the Navajo Division of Transportation (BU# 121001) to complete improvements of roadways within Navajo Tribal Parks. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the

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Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.

12. The Division of Community Development (BU# 108001) shall develop a decentralization plan to phase out the Local Governance Support Centers and amend the Division of Community Development Plan of Operation. DCD shall present the decentralization plan and amended plan of operation to the Resources Development Committee. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
13. The Division of Community Development (BU# 108001), Office of Management & Budget (BU# 105001), Office of the Controller (BU# 107022), Office of the President & Vice-President (BU# 103001) and Department of Justice (BU# 104001) shall develop and submit a Decentralization Project plan to the Budget & Finance Committee to transition the Local Governance Support Centers to Administrative Services Areas. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
14. The Division of Community Development (BU# 108001) shall complete and submit a Corrective Action Plan for the Capital Improvement Office (BU# 108006) to the Office of the Auditor General (BU# 101024). If the Condition of Appropriation is not fully met by the end of the 1st quarter, the Director(s) for the above mentioned Office(s) and/or Department(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
15. The Office of the Navajo Nation Prosecutor (BU# 104005); Division of Public Safety (BU# 116018); and the Administrative Office of the Courts (BU# 102001), Judicial Branch: The Attorney General (BU# 104001) of the Navajo Nation, with the assistance of the Navajo Nation Prosecutor (BU# 104005), the Division Director of the Navajo Division of Public Safety (BU# 116018), and the Administrative Office of the Courts (BU#102001), Judicial Branch shall, jointly, no later than the end of the 1st Quarter, provide a detailed written plan on how the problem of the declining number of criminal cases being prosecuted by the Navajo Nation prosecutors will be addressed. The plan shall first be presented to the Law and Order Committee and then to the Navajo Nation Council for acceptance. This detailed plan shall identify the purpose or purposes on why the number of cases prosecuted are declining, the number of arrests during the period of FY 2013, the number of complaints filed with the courts in each of these arrests, the number of prosecutorial declination of complaints (including reasons for declinations), and the number of prosecutors in each Judicial District. This detailed written report shall also include the number of dismissed criminal complaints

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prior to trial and cases dismissed upon hearing on the merits (and reasons therefore), and conviction rates. Further, the detailed written report shall include the sentences of those convicted (along with the offense for which sentencing was rendered). If cases were appealed, the report shall disclose the final disposition of such appeals. In the event the written detailed plan is not provided as specified by this Condition of Appropriation, all personnel travel requests submitted by personnel of the three entities identified herein shall be denied. Further, the Controller, in the event this condition is not met, shall deny all travel requests and claims for reimbursement by personnel of the three entities identified herein until the report is filed and accepted by the Law and Order Committee and the Navajo Nation Council.

16. The Navajo Nation invested approximately \$2,000,000 in a new case management system called CODY in 2004. To fulfill the Nation's investment into the data system, the Division Director of the Division of Public Safety (BU# 116018) will present to the Law and Order Committee a detailed written plan for sustaining and re-deployment of the CODY system and all of the purchased modules. Funds budgeted for purposes of technology for Fiscal Year 2014 will be applied to sustaining and continuance of CODY or any future upgrades or purchases of new systems to support CODY, CODY training and maintenance. The plan will incorporate the CODY and the Judicial Branch's Navajo Nation Integrated Justice Information Sharing Project (BU# 118019) to fulfill the mandates as directed by the Navajo Nation Council and its standing Committee. The Navajo Division of Public Safety shall not seek the acquisition of other data gathering/data sharing systems at the expense of the Navajo Nation. The plans shall be presented to the Law and Order Committee by the end of the 1st Quarter of Fiscal Year 2014. If the Condition of Appropriation is not met, the Director of the Division of Public Safety shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
17. By the end of the 1st Quarter of Fiscal Year 2014, the Chief Justice (BU# 102001) shall issue through an Administrative Order the authority of each business unit administrator to approve all business unit financial transactions and employment decisions except for contracts and agreements with external contractors and funding sources with which require the approval and signature of the Chief Justice pursuant to 2 N.N.C. §222. The Policy shall provide for internal controls and compliance monitoring by the Administrative Office of the Courts. If the Condition of Appropriation is not met, the Chief Justice shall have 5% of their salary withheld, and if the condition is not meet within 30 days, the 5% salary withheld shall be returned to the General Fund.
18. The Division of Economic Development (BU# 11001) will obtain legislative approval from the Resources and Development Committee of the Navajo Nation Council by end of 1st Quarter FY 2014, amendments to the Plan of Operation that will provide more technical and financial resources to regionalized offices while maintaining essential regulatory and administrative offices as central offices. Failure to obtain approval for a revised Plan of Operation will result in the Division Director, Department Managers and division staff having

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5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.

19. The Budget & Finance Committee (BU# 101003) shall provide, for consideration of the Navajo Nation Council, an amendment to 12 N.N.C. §901 to allow for the use of the Permanent Fund set aside to be utilized for debt service for capital improvements and infrastructure development. If the Condition of Appropriation is not fully met by the end of the 2nd quarter, the Budget & Finance Committee shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
20. The Office of the Speaker (BU# 101015) and the Office of Legislative Counsel (BU# 101017) shall identify funds within the Legislative Branch to update the 2009 Navajo Nation Code. If the Condition of Appropriation is not fully met by the end of the 1st quarter, the Office of the Speaker and the Office of Legislative Counsel shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.
21. The Office of Controller and Controller will provide support to Navajo Head Start by completing the following during the first month of the fiscal year:
 - a. Head Start will be given one Navajo Nation Operational P-Card with a \$50,000 expenditure limit per month to be used for purchases to immediately address the needs of the Program. The P-Card will greatly assist the program in providing services to the children located throughout the 96 Navajo Head Start Centers. NHS management is aware of the procurement requirements and will continue to adhere to them in the use of the operational P-Card.
 - b. Bi-weekly meetings with currently assigned OOC accountant and NHS accounting staff.
 - c. Collaborative review with Navajo Head Start of filing of monthly fiscal reports for FY 2012 and timely filing of quarterly SF-425 fiscal reports for FY 2013, and review of general ledger detail. OOC will provide NHS management and NHS finance department supporting documentation of OOC's calculations to determine the grant monthly fiscal reports and quarterly SF-425 fiscal reports.
 - d. Timely drawdown of forward funded cash for FY 2013 into correct external fund account.
 - e. "Read Only" full access to the Head Start related employees and expenditures for the FMIS and HRIS components of the JD Edwards system.

If the condition of appropriation is not fully met as established herein, the Controller and Office of the Controller management staff responsible for condition of appropriation, shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.

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22. The Office of the President (BU #103001) shall establish a budget and plan to fund Requests for Proposals for institutions of higher education to conduct research and recommendations for Navajo Nation Division during the 2015 budget year. This total quality management initiative supports an initiative to partner with universities and colleges to assist the Navajo Nation Division with issues they need researched to improve the effectiveness and efficiency of each Navajo Nation Division by the end of the third Quarter of the 2014 fiscal year.
23. The Navajo Department of Dine' Education (BU #109001) shall develop a plan to establish offering mini-grants by the end of the 2nd Quarter of FY 2014 in preparation for 2015 budget plans. The Navajo Department of Dine' Education plans will be established to offer 25 mini-grants to schools (awarding five per agency) to foster creativity, development, and the establishment of partnerships to support Dine' Language Programs and Opportunities. The need has arrived for the Navajo Nation to begin to support schools directly and this COA starts such by creating plans to offer grants to foster growth in areas of special interests or areas of public concern.
24. The Navajo Division of Social Services (BU #117001) shall develop a plan to establish mini-grants by the end of the 1st Quarter of FY 2014 in preparation for 2015 budget plans. The Navajo Division of Social Services plans will be established to administer 25 mini-grants (five per agency) whereby the establishment of faith based councils formed within a certain region may apply for such grants to address the social needs of their communities and use the funds to get their council incorporated and obtain 501© 3 status. The formation of these faith based councils by region and assisting them in getting incorporated will empower such councils to write for grants and bring in additional federal, state, foundations, organization, and individual contributors' money to address social services needs within many regions of the Navajo Nation.
25. Vehicles that are donated to Chapters and Programs/Departments shall not be charged additional lease or rental fees by the Navajo Nation Fleet Management.
26. Chapter employees, community services coordinators, or chapter managers shall not be compensated for attendance to Chapter planning and regular meetings.
27. Division of Natural Resources shall return Water Code Administration to its proper place as a Regulatory Program, directly under Division of Natural Resources Executive Director and for Division of Natural Resources Executive Director to serve as the immediate supervisor.
28. The Navajo Nation Fleet Management Department will develop a transition plan to determine the feasibility of purchasing fuel for usage in our Navajo Nation fleet from the Navajo Nation Oil & Gas Company rather than competitors to this Navajo Nation entity. If the Conditions of Appropriation is not fully met by the end of the 2nd Quarter, the Director for the above mentioned office(s) shall have 5% of their salary withheld, and if the condition is not met within 30 days, the 5% salary withheld shall be returned to the General Fund.

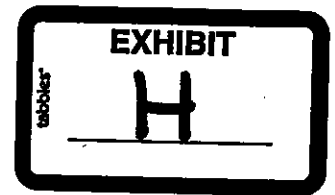
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29. The Chairman of the Investment Committee shall provide a quarterly report on the investment of the Navajo trust funds to the Naabik'iyati' committee.

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FY 2014 Legislative Concerns (CS-47-13)

1. The President (BU# 103001) of the Navajo Nation is urged to appoint individuals to the vacant positions in the Commission of Navajo Women (BU# 114005).
2. The President (BU# 103001) of the Navajo Nation is urged to appoint the Executive Director of the Division of Natural Resources (BU# 115001) for confirmation by the Navajo Nation Council.
3. The Division of Natural Resources (BU# 115001) shall make a report to the Resources and Development Committee on a plan to reduce the bureaucracy related to the purchasing of private land outside the Navajo Nation.
4. The Division of Natural Resources (BU# 115001) should complete the Woodlands Development Plan and give a report on the plan to the Resources and Development Committee.
5. The Division of Natural Resources (BU# 115001) will assign all appropriate departments to identify potential gravel pit sites within the Navajo Nation and map by grade. A report will be provided to the Resources and Development Committee by the 1st Quarter.
6. The Navajo Land Department (BU# 115021) and the Department of Agriculture (BU# 115018)-Tribal Ranches (BU# 915003) will conduct a study to review land purchases, evaluate benefits to the Navajo Nation and determine whether the revenues/benefits offset the payment of taxes by the 1st Quarter. The negative impact is tribal programs are reallocating operating funds to pay taxes.
7. The Navajo Land Department (BU# 115021) will conduct a study to evaluate the right-of-way fees set by the Navajo Tribal Utility Authority for equitability. The study will be conducted in the 1st Quarter. The Department will report on the matter to the Resources and Development Committee.
8. The Water Resources Management (BU# 115009) will conduct a work session in the 1st Quarter on all water management activities to update its oversight committee on progress, projects and issues.
9. The Division of Social Services (BU# 117001) will contract to conduct an assessment of the Division's organizational restructuring by the 3rd Quarter, provided the assessment is funded.

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EXHIBIT

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**DIVISION OF COMMUNITY
DEVELOPMENT**



DECENTRALIZATION

PREPARED FOR:

**BUDGET & FINANCE COMMITTEE
OF THE
22ND NAVAJO NATION COUNCIL**

AUGUST 2013

**Division of Community Development
Proposed Work Plan Template**

Purpose: To establish (24) Administrative Services Area throughout the Navajo Nation

Goal: To transition the Local Governance Support Centers into the Administrative Services Area (Decentralization)

Results/Accomplishments: Reorganization of Division of Community Development and Improve Service Delivery

Action Steps <i>What Will Be Done?</i>	Responsibilities <i>Who Will Do It?</i>	Timeline <i>By When? (Day/Month)</i>
Step 1: Develop strategic plan; to determine goals and develop organization structure	DCD Work Group	September 13, 2013
Step 2: Draft DCD Master Plan of Operation and initiate the 164 process	DCD Work Group & DOJ	October 01, 2013
Step 3: Present the DCD Master Plan of Operation to the Oversight Committees	DCD Work Group	October 31, 2013
Step 4: Classification of job positions	DCD Work Group, OMB & NNDPM	November 15, 2013
Step 5: Conduct recruitment and selection of personnel	DCD Work Group & NNDPM	December 30, 2013
Step 6: Obtain office space	DCD Work Group	December 31, 2013
Step 7: Start the transition of LGSC personnel positions	DCD Work Group & NNDPM	January – March 31, 2014
Step 8: Full implementation of plan	DCD Work Group	June 30, 2014