



Presentation to the Indian Affairs Committee

**Presented by: Seth Damon, Council Delegate,
Chairman Budget & Finance Committee
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Overview of the Navajo Nation

The Navajo Nation includes 27,425 square-miles of land that extends into New Mexico, Arizona, and Utah, and borders Colorado, which makes the Navajo Nation the largest geographic land base American Indian reservation in the United States.

According to the data from the 2010 U.S. Census, the Navajo population exceeds 332,000, 47-percent of which live on the reservation with the remaining living elsewhere.

Government Structure

Currently, the Navajo Nation operates under a three-branch government consisting of an Executive Branch, Legislative Branch, and a Judicial Branch.

Executive Branch

The role of the Navajo Nation President and Vice President has evolved over the years. The executive branch in its current form represents the Navajo Nation and implements the policies and laws enacted by the Legislative Branch. Many of the Navajo Nation divisions, departments, offices and programs established by law are operated under the executive branch.

Legislative Branch

The legislative branch is the Governing Body of the Navajo Nation that is responsible for enacting legislations to determine the future of the Navajo People. The legislative body is comprised of 24 council delegates who represent 110 chapters within five agencies (Northern, Eastern, Western, Central, and Ft. Defiance). The Navajo Nation Code serves as the foundation of the Navajo Nation government, which encompasses laws that were established to provide Navajo leaders with guiding principles in the administration of policies, and plans and self-governance.

Judicial Branch

The judicial branch serves a vital role in upholding the values and principles of Navajo laws. Responsibilities of the branch include peacemaking, obedience, discipline, punishment, interpreting laws, and rendering decisions and judgments. Throughout the Nation, there are seven judicial districts. Tribal courts assume responsibility for criminal and civil matters within the Navajo Nation territorial jurisdiction.

Navajo Nation's Fiscal Year 2018 Budget

The Navajo Nation's current fiscal year concludes at the end of September 2017. The Navajo Nation Council is scheduled to begin oversight budget hearings in August and will consider the Comprehensive Budget for fiscal year 2018 in September. Initial reports indicated that revenue projections for next year might decrease. However, in recent weeks those projections have improved, but we still anticipate a shortfall at this point. The shortfall is due largely to the price of oil and gas, which provides a significant portion of the Navajo Nation's annual revenues.

In addition, the Trump administration's initial proposed budget also indicates that the Navajo Nation would receive less federal funding, however, Congress will heavily influence the budget process as well. With that in mind, we are communicating and working with officials within the U.S. Department of the Interior, Bureau of Indian Affairs, and Congressional offices to minimize the impact to the Navajo Nation's federal funding.

Navajo Generating Station

The owners of Navajo Generating Station voted in February to end their ownership of the power plant after 2019, citing the economic impacts of the price of coal versus the lower price of natural gas. However, their willingness to remain as owners through 2019 was contingent upon a lease between the Navajo Nation and the owners to agree upon by July 1, 2017.

The Navajo Nation Council approved a lease agreement between the Navajo Nation and the owners of the Navajo Generating Station that was finalized on July 1, to allow the operations of the power plant to continue until December 2019. As a result, the Navajo Nation is now looking beyond 2019 to secure a new owner and operator of NGS.

The agreement secures over 800 jobs for Navajo workers at NGS and Kayenta Mine and secures significant revenue for the Nation through 2019. In addition, it allows time to continue pursuing other energy development, including renewable energy and other economic opportunities.

New Mexico Real ID Act

Over a year ago, Governor Susanna Martinez signed House Bill 299 also referred to as the Real ID Act. The Act requires all New Mexico residents, including Navajo tribal members residing in the State of New Mexico to renew driver licenses and identification cards to comply with new federal regulations. As of November 14, 2016, the New Mexico Motor Vehicle Division (MVD) began issuing driver licenses and identification cards for their New Mexico Citizens.

Prior to implementing the new regulation, the New Mexico Taxation and Revenue Department did not foresee any issues that may affect Tribal members. Since the bill has been authorized, the Office of the Speaker has received numerous concerns from Navajo Nation Chapters and citizens within New Mexico.

The new requirements include: 1.) Birth Certificate; 2.) Social Security Card; and 3.) Two-forms of proof of residency (with a street addresses). The first and third requirements have specifically affected tribal members who do not have a birth certificate and/or street address. Many Native American elders were born at home and the paperwork to establish a birth certificate was not filled out. Residency is also

an issue for many of our constituents due to the lack of physical addresses. The process of obtaining these documents has been challenging.

To address these issues New Mexico Lobbyist Firm, MJS Consulting met with NM Tax and Revenue Department Cabinet Secretary Designee John Monforte and Deputy Secretary Alicia C. Ortiz to identify possible solutions to prevent further delay in obtaining a State ID or Driver's License. Sec. Designee Monforte is currently working on a report that identifies possible solutions.

Sec. Monforte has suggested alternative forms of acceptable documentation to resolve proof of residency issue, such as an electrical bill or propane bill that identifies the location of service. Sec. Designee Monforte has also considered setting up a substation, and a mobile fingerprint machine in Shiprock, NM to alleviate the burden of traveling to neighboring towns/cities. Sec. Designee Monforte would also like to get input from Nation on alternative forms of proof of residency that will still conform to the law.

Meanwhile, the NM Tax and Revenue Department is collaborating with New Mexico Vital Statistic Office, Navajo Nation Vital Statistic Office, and New Mexico Indian Affairs Department to cross reference birth information and find solutions to similar problems they may be encountering.

New Mexico Capital Outlay

Local New Mexico Legislators have generously funded projects for Navajo Chapters throughout the years. While there were no capital outlay funds available in the 2017 Legislative sessions, we are still working on completing projects funded in previous sessions.

The process through which the Nation authorizes capital projects can be cumbersome and funds have been reverted due to delays and not meeting deadlines, however we have been working on changing that. The completion of these projects and expenditure of these funds is a priority to us. This is the top priority for the Navajo Nation Capital Projects Management Department (CPMD) and all CPMD Project Managers are tasked with updating all projects on the New Mexico project reporting system.

\$180 million investment in water infrastructure projects

In January 2016, the Navajo Nation Council approved a historic legislation that funded \$180 million for bulk water projects and water sanitation projects – marking the largest water infrastructure investment by the Navajo Nation. We continue to seek ways of leveraging the funds through funding from federal, state, or private entities through match funding, joint funding, contribution funding, cost-share funding, bond financing, or other agreements to subsidize the cost of the water and sanitation system projects.

\$150 million investment in economic, community, and agricultural development

In April 2016, the Navajo Nation Council approved the “Permanent Fund Income Five-Year Expenditure Plan” which provides \$150 million to increase economic, community, and agricultural development throughout the Navajo Nation. The funding for the expenditure plan is derived from the accrued income, or interest, earned from the Navajo Nation's Permanent Trust Fund's principal balance. Once again, with this initiative we seek to maximize the usage of outside funding to supplement to cost of developing the project listings over the five-year period.

Navajo Indian Irrigation Project

In 1962, Public Law 87-483 created the Navajo Indian Irrigation Project (NIIP) to promote economic development through agricultural production on the Navajo Nation. To date, the Navajo Nation continues to seek additional funding to complete the project in order to maximize the economic benefits. Members of the Navajo Nation Council have met on several occasions with federal officials discuss possible ways of securing funding to complete the final three 10,000-acre blocks of the NIIP. The completion of the NIIP would allow NAPI to farm additional acreage and provide economic development through increased revenues and additional jobs.

On April 13, 2017, a NIIP Negotiation Subcommittee consisting of five (05) members was established. The NIIP Subcommittee has been tasked to develop a Memorandum of Agreement regarding the funding and completion of the NIIP, advocate for funding for the O&M program, initiate advocacy for funding for the NIIP under the Water Infrastructure Improvements for the Nation (WIIN) Act, and consider lobbying strategies in the best interest of the project.

Law Enforcement Officers – Salary Increases, Amber Alert, 911 System

Through the coordination of the Navajo, state, and federal officials, we continue to seek additional funding to increase the number of police officers to serve the entire 27,000 square-miles of the Navajo Nation. In order to draw more officers to the Navajo Nation, there is a need to increase salaries for police officers. The Law and Order Committee has indicated that salaries for Navajo officers are far less than those at the county and state levels.

In addition, the Law and Order Committee and the Sexual Assault Prevention Subcommittee have taken on the challenging task of coordinating with state officials and law enforcement to implement an Amber Alert system that will cover the entire Navajo Nation as well as a 9-1-1 emergency response system – both of which are not provided in many part of the Navajo Nation, particularly in remote areas.