

**Utah Department of Workforce Services  
Housing and Community Development Division**



**NAVAJO REVITALIZATION FUND**

**LEGISLATIVE REPORT  
FISCAL YEAR 2012**

**Navajo Revitalization Fund Board  
140 E. 300 South, #424  
Salt Lake City, Utah, 84111  
(801) 526-9461**

## **NAVAJO REVITALIZATION FUND**

### **Overview**

The Navajo Revitalization Fund was created to maximize the long term benefit of oil and gas severance taxes derived from lands held in trust by the Federal Government for the Navajo Nation and its members living in Utah. It was construed to promote cooperation and coordination between the state, its political subdivisions and the tribe.

### **Statutory Authority**

The Navajo Revitalization Fund (NRF) is a program of the State of Utah authorized in Section 9-11-101, et seq. The goal of the NRF is to maximize the long-term benefits of state severance taxes paid on oil and natural gas production by providing grants and/or loans to agencies of county or tribal government in San Juan County which are impacted by the development of oil and gas interests in Utah held in trust for the Navajo Nation and its members.

### **Board Membership**

The NRF is controlled by a five-member board composed of a governor's designee, two members of the San Juan County Commission whose districts include portions of the Navajo Reservation, the chair of the Navajo Utah Commission or his designee, and a president of one of the seven chapters located in Utah or his designee.

The Housing and Community Development Division (HCD) within the Utah Department of Workforce Services (DWS) provides administrative and operational support to the NRF.

### **Eligible Applicants**

The NRF may authorize grants and/or loans to the Navajo Nation and its departments or divisions; any Utah Navajo Chapter, as defined in Section 63-88-101; the Navajo Utah Commission; Utah state agencies or subdivisions; the Navajo Trust Fund; or nonprofit corporations that are or may be socially or economically impacted, directly or indirectly, by mineral resource development.

### **Priority Projects**

- Capital projects and infrastructure, including electrical power, water, and other one-time need projects.
- Housing projects including purchase of new housing, construction of new housing or significant remodeling of existing housing.
- Matching educational endowments that promote economic development; promote Navajo culture, history and language; support postsecondary educational opportunities for Navajo students.

### **Prohibited Activities**

- Start-up or operational costs of private business ventures.
- General operating budgets of the eligible entities.
- Projects or programs operating or located outside the Reservation in San Juan County.

## **Funding Process**

- The NRF reviews applications and authorizes funding assistance on a periodic basis. Meetings are generally held every other month. With the high cost of travel several of these meetings are conducted via teleconference. At least one meeting a year is held at one of the seven Utah Chapter Houses. The remaining meetings are held in Blanding, generally at the Navajo Royalties Holding Fund offices. Applications are submitted to HCD who prepares the board agenda, including financial statements and minutes.

## **Funding Allocations**

For the 2012 funding cycle \$1,890,950 was received in revenue from oil and gas severance taxes. The allocation of the funds is listed below. It should be noted that annual allocations exceed revenue due to re-allocations and unallocated funds from prior years. Also the volume of projects was extremely high in 2009 due to the sun-setting of the Navajo Trust Fund. Since then the number of projects is returning to "normal" levels, although the NRF continues to fill the funding gap of housing projects left by the Trust Fund.

## **Funding Guidelines**

- Matching of NRF funds is no longer required; however, priority is given to applicants that include matching monies or in-kind services.
- Each year, at the August meeting, the NRF board allocates its annual revenue between Non-Chapter Projects and a separate set-aside for each of the seven Utah Navajo Chapters.

## **Annual Overview**

2012 continued a period of uncertainty due to the limbo status of the former Navajo Trust Fund, now called the Navajo Royalties Holding Fund (NRHF). Historically the Navajo Trust Fund and the Navajo Revitalization Fund matched funding particularly for housing related projects. Now that the Trust Fund has been replaced by the Navajo Royalties Holding Fund there is no longer a matching funding source and housing projects in particular struggle for full funding. The NRF Board has been working towards solutions to fully and equably fund housing requests from the chapters, with the limited funding available.

## **Looking Ahead**

Regardless of what happens with the former Navajo Trust Fund it will have a significant impact on the Revitalization Fund. The NRF relied heavily on the Trust Fund as a sister state agency and the NRHF staff continues to be a valuable locally based asset. Until Congress decides who will administer the NRHF the future functions of the NRF remain somewhat uncertain.

**Table 1**  
**Approved Projects FY10-12**

Project Type	2010		2011		2012	
	#	\$ Amount	#	\$ Amount	#	\$ Amount
Buildings	4	824,608	0		5	440,000
Housing	55	1,770,686	51	1,715,355	44	1,068,165
Planning	2	40,000	2	50,000	1	15,000
Public Safety	0		2	29,453	0	0
Transportation	0		2	77,913	3	464,500
Utilities	8	331,987	13	1,239,344	13	278,382
<b>Totals</b>	<b>69</b>	<b>\$3,011,203</b>	<b>70</b>	<b>\$3,112,065</b>	<b>66</b>	<b>2,266,047</b>

\* Annual allocation exceeds annual revenue due to unallocated and re-allocated funds

**Table 2**  
**NRF Board Members**  
(As of 11/1/12)

<u>Member</u>	<u>Representing</u>
John Harja, Chairman	Governor's Office
Bruce Adams	San Juan County Commission
Herman Farley	Navajo Utah Commission
James Adakai	Chapter Vice President – Oljato
Kenneth Maryboy	San Juan County Commission

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