

# An Act

## LEGISLATIVE ACT 23-13

### AN ACT AMENDING LEGISLATIVE ACT #37-12 AUTHORIZING THE COMPREHENSIVE OPERATING BUDGET FOR FISCAL YEAR 2013 – Mod. 12b; AND DECLARING AN EMERGENCY

BE IT ENACTED BY THE CHEROKEE NATION:

#### SECTION 1. TITLE AND CODIFICATION

This legislative act shall be titled and codified as “**An Act Amending Legislative Act #37-12 Authorizing the Comprehensive Operating Budget for FY 2013 – Mod. 12b**”.

#### SECTION 2. PURPOSE

The purpose of this amendment is to authorize and approve the use of funds, subject to the availability of such funds, in accordance with Section 4, changing the amounts of certain cost centers approved in the “Comprehensive Budget Act for Fiscal Year 2013” or subsequent amendment. The cumulative total of the budget is increased by **\$2,148,521** for a total budget authority of **\$577,933,109**. The following items are identified as components of such change:

Grants Received & Authorized per LA-37-12 (detail attached)	\$ 883,013
Modification Request #12b (see Section 4 below)	<u>1,265,508</u>
<b>Cumulative change in budget authority</b>	<b><u>\$ 2,148,521</u></b>

#### SECTION 3. LEGISLATIVE HISTORY

The provisions of compliance, policy of accountability, authorities and severability provided in Legislative Act #37-12 are applicable to this amendment.

#### SECTION 4. FUNDING AUTHORIZATIONS

The changes reflect increases to cost centers set forth in the program budget justifications incorporated herein. This modification request changes the total amount of the comprehensive budget authorization by an increase of **\$ 1,265,508** to wit:

- A. An increase in the **General Fund** budget authority of **\$ 606,319**.
- B. An increase in the **Motor Fuel Tax** budget authority of **\$ 611,958**.
- C. An increase in the **Indirect Cost Pool** budget authority of **\$ 24,355**.
- D. An increase in the **DOI – Self Governance** budget authority of **\$ 15,376**.

E. An increase in the **Special Revenue Other** budget authority of \$ 7,500.

**SECTION 5. PROVISIONS AS CUMULATIVE**

The provisions of this Act shall be cumulative to existing law.

**SECTION 6. SEVERABILITY**

The provisions of this Act are severable and if any part or provision hereof shall be held void the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this Act.

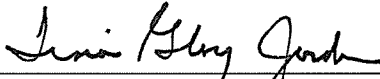
**SECTION 7. EFFECTIVE DATE: EMERGENCY DECLARED**

It being immediately necessary for the welfare of the Cherokee Nation, the Council hereby declares that an emergency exists, by reason whereof this Act shall take effect immediately upon its approval and signatures.


**SECTION 8. SELF-HELP CONTRIBUTIONS**

To the extent that this Act involves programs or services to citizens of the Nation or others, self-help contributions shall be required, unless specifically prohibited by the funding agency, or a waiver is granted due to physical or mental incapacity of the participant to contribute.

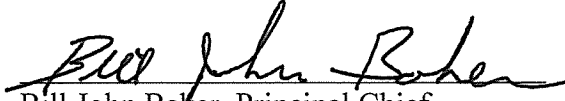
Enacted by the Council of the Cherokee Nation on the 16<sup>th</sup> day of September, 2013

  
\_\_\_\_\_  
Tina Glory Jordan, Speaker  
Council of the Cherokee Nation

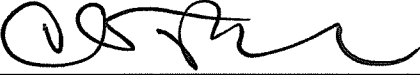
ATTEST:

  
\_\_\_\_\_  
Jodie Fishinghawk, Secretary  
Council of the Cherokee Nation

Approved and signed by the Principal Chief this 23rd day of Sept, 2013

  
Bill John Baker, Principal Chief  
Cherokee Nation

ATTEST:

  
\_\_\_\_\_  
Chuck Hoskin, Jr., Secretary of State  
Cherokee Nation

YEAS AND NAYS AS RECORDED:

Tina Glory-Jordan	<u>Yea</u>	Harley Buzzard	<u>Yea</u>
Joe Byrd	<u>Yea</u>	District 11 - Vacant	<u>n/a</u>
David Walkingstick	<u>Yea</u>	Dick Lay	<u>Yea</u>
Don Garvin	<u>Yea</u>	Cara Cowan Watts	<u>Yea</u>
David W. Thornton, Sr.	<u>Yea</u>	Lee Keener	<u>Yea</u>
Janelle Fullbright	<u>Yea</u>	Janees Taylor	<u>Yea</u>
Frankie Hargis	<u>Yea</u>	Jack Baker	<u>Yea</u>
Jodie Fishinghawk	<u>Yea</u>	Julia Coates	<u>Yea</u>
Curtis Snell	<u>Yea</u>		

CHEROKEE NATION  
 PROPOSED FY 2013 AMENDMENT  
 Sorted by Funding Source

Funding Source	Ref # by FS	Program/Purpose	FY 2013 Prior LA	Data		
				Amend. Change to Sources	Amend. Expenses Total Change	Net Change
40-DHHS-General	1	3401600 AOA Title VI	LA 37-12	56,157	56,157	\$ -
	2	3401700 LIHEAP	LA 37-12	(29,032)	(29,032)	\$ -
	3	3401710 LIHEAP Administration	LA 37-12	(3,226)	(3,226)	\$ -
	4	3402110 Comprehensive Cancer Control	LA 37-12	(22,461)	(22,461)	\$ -
	5	3402610 Diabetes Grant Health Ed	LA 37-12	510,570	510,570	\$ -
	6	3404100 Diabetes Special Grant	LA 37-12	96,806	96,806	\$ -
	7	3406700 Tribal Tobacco Control Program	LA 37-12	22,789	22,789	\$ -
	8	3407600 Comprehensive Cancer Control	LA 37-12	97,879	97,879	\$ -
<b>40-DHHS-General Total</b>				<b>\$ 729,482</b>	<b>\$ 729,482</b>	<b>\$ -</b>
50-US Department of Education	9	3504000 SHS Cultural Enrichment Post	LA 37-12	58,531	58,531	\$ -
<b>50-US Department of Education Total</b>				<b>\$ 58,531</b>	<b>\$ 58,531</b>	<b>\$ -</b>
80-Oklahoma	10	3802300 MPOWER - OSDH	LA 37-12	95,000	95,000	\$ -
<b>80-Oklahoma Total</b>				<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ -</b>
<b>Grand Total</b>				<b>\$ 883,013</b>	<b>\$ 883,013</b>	<b>\$ -</b>

Grant Reporting Only

CHEROKEE NATION  
PROPOSED FY 2013 AMENDMENT  
Sorted by Funding Source

				Data		
Funding Source	Ref # by FS	Program/Purpose	FY 2013 Prior LA	Amend. Change to Sources	Amend. Expenses Total Change	Net Change
01-Cherokee Nation	a	1010110 Litigation	LA 12-13	-	600,000	\$ (600,000)
	b	1010115 Advocacy Initiative	LA 12-13	-	(600,000)	\$ 600,000
	1	1010204 Cherokee Immersion Program	LA 47-12	5,000	5,000	\$ -
	2	1010280 General Fund Operations	LA 13-13	-	350,000	\$ (350,000)
	3	1010425 Community Tourism	LA 37-12	-	119,450	\$ (119,450)
	4	1010700 Tribal Council	LA 12-13	-	-	\$ -
	5	1011010 Tax Commission	LA 37-12	-	325,000	\$ (325,000)
	6	1011070 Cherokee Publications GF	LA 13-13	21,001	21,001	\$ -
	7	1011071 CN Publications Sub Donations	LA 47-12	5,456	5,456	\$ -
	8	1015000 TERO Job Training Program	LA 37-12	(219,588)	(219,588)	\$ -
<b>01-Cherokee Nation Total</b>				<b>\$ (188,131)</b>	<b>\$ 606,319</b>	<b>\$ (794,450)</b>
02-Motor Fuel Tax	9	1021000 Motor Fuels Tax	LA 17-13	92,068	(44,021)	\$ 136,089
	10	1024010 MFT Educaion Reserve	LA 37-12	655,979	655,979	\$ -
<b>02-Motor Fuel Tax Total</b>				<b>\$ 748,047</b>	<b>\$ 611,958</b>	<b>\$ 136,089</b>
04-Indirect Cost Pool	11	2041030 Chrokee Publications IDC	LA 13-13	12,355	12,355	\$ -
	12	2041175 Risk Management	LA 37-12	12,000	12,000	\$ -
<b>04-Indirect Cost Pool Total</b>				<b>\$ 24,355</b>	<b>\$ 24,355</b>	<b>\$ -</b>
13-Leases-Internal	13	2131000 Internal Lease Buildings	LA 12-13	-	(145,624)	\$ 145,624
	14	2132000 Facilities Operations	LA 12-13	-	145,624	\$ (145,624)
<b>13-Leases-Internal Total</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
22-DOI - Self Governance	15	3221070 Agriculture Noxious Weed	LA 37-12	15,376	15,376	\$ -
<b>22-DOI - Self Governance Total</b>				<b>\$ 15,376</b>	<b>\$ 15,376</b>	<b>\$ -</b>
90-Special Revenue-Other	16	3902010 ICW Angels of the Cherokee	LA 11-13	7,500	7,500	\$ -
<b>90-Special Revenue-Other Total</b>				<b>\$ 7,500</b>	<b>\$ 7,500</b>	<b>\$ -</b>
<b>Grand Total</b>				<b>\$ 607,147</b>	<b>\$ 1,265,508</b>	<b>\$ (658,361)</b>

## Operating Mod #12b Request

# COMPREHENSIVE BUDGET FOR FISCAL YEAR 2013

Funding Source	Revenues	Transfers In	Total	Direct Exp.	Indir. Exp.	Transfers Out	Total	NET
Tribally Funded Funding Source	101,530,235	1,838,091	103,368,326	86,740,428	4,631,446	7,853,462	99,225,336	4,142,990
Motor Fuels Tax Funding Srce	10,804,173	13,675,539	24,479,712	14,325,957	147,554	8,408,758	22,882,269	1,597,443
Motor Vehicle Tax Funding Srce	15,988,418	225,000	16,213,418	14,946,895	394,984	871,539	16,213,418	0
Permanent Fund Funding Source	11,749	0	11,749	11,749	0	0	11,749	0
DOI General Funding Source	11,437,479	0	11,437,479	10,579,802	857,677	0	11,437,479	0
DOI Self Gov Funding Source	14,641,189	229,600	14,870,789	13,651,999	1,203,790	15,000	14,870,789	0
DOI Self Gov Roads Funding Src	29,555,077	0	29,555,077	29,319,213	177,056	58,808	29,555,077	0
Dept of Transportation Fnd Src	39,109,995	0	39,109,995	38,895,421	114,731	99,843	39,109,995	0
DOI PL102-477 Funding Source	18,369,926	0	18,369,926	17,691,575	678,351	0	18,369,926	0
IHS Self Gov Health Funding Sr	259,893,078	0	259,893,078	238,127,457	17,569,112	4,196,509	259,893,078	0
IHS Self Gov TEH Funding Src	8,117,173	0	8,117,173	7,708,325	408,848	0	8,117,173	0
IHS Self Gov Offic Funding Src	322,788	0	322,788	287,054	35,734	0	322,788	0
IHS Discretionary Funding Source	800,000	0	800,000	30,000	0	770,000	800,000	0
DHHS General Funding Source	38,677,465	524,159	39,201,624	35,314,733	3,121,265	765,626	39,201,624	0
USDA Funding Source	19,285,864	848,110	20,133,974	19,390,383	743,591	0	20,133,974	0
Dept of Education Funding Source	1,309,762	65,875	1,375,637	1,251,597	124,040	0	1,375,637	0
HUD Funding Source	51,603,434	85,061	51,688,495	49,977,619	1,710,876	0	51,688,495	0
Housing Proceeds Funding Src	1,542,662	0	1,542,662	1,542,662	0	0	1,542,662	0
EPA Funding Source	2,340,183	0	2,340,183	2,120,913	219,270	0	2,340,183	0
Dept of Labor Funding Source	6,866,088	0	6,866,088	6,193,588	672,500	0	6,866,088	0
Federal Other Funding Source	4,041,903	500	4,042,403	3,707,239	139,862	195,302	4,042,403	0
State of Oklahoma Funding Source	1,540,015	0	1,540,015	1,408,576	131,439	0	1,540,015	0
Private Funding Source	688,593	172,575	861,168	802,649	58,519	0	861,168	0
Indirect Cost Pool Funding Src	175,658	900	176,558	35,575,964	(32,404,009)	0	3,171,955	(2,995,397)
Fringe Pool Funding Source	0	0	0	0	0	0	0	0
Internal Lease Pool Funding Sr	89,000	0	89,000	89,000	0	0	89,000	0
Enterprise Funding Source	1,602,453	536,556	2,139,009	1,792,310	0	341,254	2,133,564	5,445
Other Funding Source	257,861	12,000	269,861	251,109	18,752	0	269,861	0
Debt Service Funding Source	0	2,650,000	2,650,000	2,650,000	0	0	2,650,000	0
Capital Projects Funding Source	21,322,050	2,712,135	24,034,185	24,026,918	7,267	0	24,034,185	0
<b>Total</b>	<b>\$ 661,924,271</b>	<b>\$ 23,576,101</b>	<b>\$ 685,500,372</b>	<b>\$ 658,411,135</b>	<b>\$ 762,655</b>	<b>\$ 23,576,101</b>	<b>\$ 682,749,891</b>	<b>\$ 2,750,481</b>

CAPITAL RECONCILIATION	
LA-38-12 CAB	\$ 103,547,975
Mod-2 Capital	2,246,329
Mod-3 Capital	1,339,646
Mod-4b Capital	17,242,062
<b>Total Capital</b>	<b>\$ 124,376,012</b>

Non Grant Requests	
Mod-11a Oper Reg	1,051,660
Mod-12b Oper Req	1,265,508
Mod-4b Capital	17,242,062
<b>Total after pending Mod's</b>	<b>\$ 702,309,121</b>

Operating (LA37-12)	
Operating (LA37-12)	\$ 577,933,109
Capital (LA-38-12)	124,376,012
<b>Grand Total</b>	<b>\$ 702,309,121</b>



# CHEROKEE NATION TRIBAL COUNCIL

Jody S. Reece, CPA, CIA, CMA

Executive Director of Financial Oversight

## Mem o

**To:** Jodie Fishinghawk, Chair, Executive & Finance Committee &  
Chuck Hoskin Jr., Co-Chair, Executive & Finance Committee

**From:** Jody S. Reece

**CC:** Executive & Finance Committee

**Date:** 08/14/2013

**Re:** Review of Operating Budget Modification #12a – **Total \$2,148,521**

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Per your request, I have reviewed the administration's budget modification request for this month's Executive & Finance Committee Meeting. Below is a summary of my review:

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### A. Grants Received (REPORTING ONLY):

<u>Funding Source</u>	<u>Reason</u>	<u>Amount</u>
DHHS General	8 – carryover reconciliations with three new awards	\$ 729,482
US Dept of Educ	1 – carryover reconciliation with new award	58,531
Oklahoma	1 – carryover reconciliation with new award	95,000
<b>TOTAL GRANTS</b>		<b>\$ 883,013</b>

General Fund Cash Match For Grants – Of the \$2,032,267 budgeted, there is \$1,646,280 in Transfers Out year to date and \$385,987 unallocated.

### B. Operating Budgets - Increase in budget authority - \$1,265,508:

1. Cherokee Immersion Program – 1010204 – General Fund: Modification requesting an increase in expenditure authorization of \$5,000 from a CNB donation to match Lowes' grant for AU 3853700 – Charter School Playground. This will be used to purchase and install playground equipment.
2. General Fund Operations – 1010280 – General Fund: Modification requesting an increase in expenditure authorization of \$350,000 to Transfer Out to 1015000 – TERO Job Training Program.
3. Community Tourism – 1010425 – General Fund: Modification requesting an increase in expenditure authorization of \$119,450 for the space cost of the WPA building and the Cort Mall.
4. Tribal Council – 1010700 – General Fund: Modification requesting a reallocation of the budget to allow \$5,000 for a Transfer Out to the ICW Angels of the Cherokee.
5. Tax Commission – 1011010 – General Fund: Modification requesting an increase in expenditure authorization of \$325,000 for Rent Subsidy based on legislation increasing the subsidy from 50% to 75% and also to include owner operators.

6. Cherokee Publications GF – 1011070 – General Fund: Modification requesting an increase in expenditure authorization of \$21,001 based on increases in subscription income, merchandise sales, and donations.
7. CN Publications Sub Donations – 1011071 – General Fund: Modification requesting an increase in expenditure authorization of \$5,456 based on increased donations. This is a transfer out that is split (45%IDC/55%GF) between the two Cherokee Publications budgets.
8. TERO Job Training Program – 1015000 – General Fund: Modification requesting a decrease in expenditure authorization of \$219,588. This decrease includes \$222,088 decreased expenditures and a Transfer out of \$2,500 to the ICW Angels of the Cherokee from golf tournament proceeds. Total Revenues are decreased by \$569,588 and consist of a \$725,668 Other Income decrease, Carryover of prior year's dedicated Fund Balance of \$143,330, and Contributions and Donations received of \$12,750 received for the golf tournament. There is a \$350,000 transfer in from the General Fund to balance everything.
9. Motor Fuels Tax – 1021000 – Motor Fuel Tax: Modification requesting a decrease in expenditure authorization of \$44,021 from a reduction of Cash Out: Motor Fuel Tax transferred to 1024010 – MFT Education Reserve. The Motor Fuel Tax Revenue is increased by \$92,068 based on 2012 actuals.
10. MFT Education Reserve – 1024010 – Motor Fuel Tax: Modification requesting an increase in expenditure authorization of \$655,979 for the appropriation for reserves. This is based on estimated investment revenue of \$700,000 and a decrease of \$44,021 in the current year 25% reserve calculation.
11. Cherokee Publications IDC – 2041030 - Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$12,355 based on increased subscription income and donations transferred in.
12. Risk Management – 2041175 - Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$12,000 based on offsetting reimbursements for Memorandum of Understandings with CN Home Health, CN Waste Management, Housing Authority of CN, and CN Elder Care.
13. Internal Lease – 2131000 – Internal Service Leases: Modification requesting a decrease in expenditure authorization of \$145,624. This adjustment is for decreased utility expenses, increased building maintenance expenses, and additional recovered space cost and expenses for buildings added to the Lease Pool (Markoma Library and Bull Hollow).
14. Facilities Operations – 2132000 – Facilities Operations: Modification requesting an increase in expenditure authorization of \$145,624 for expenses related to the addition of Markoma Library and the Bull Hollow building to the lease pool.
15. Agriculture Noxious Weed – 3221070 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$15,376 for additional one time competitive funds received.
16. ICW Angels of the Cherokee – 3902010 – Special Revenue Other: Modification requesting an increase in expenditure authorization of \$7,500 related to transfers in from the Tribal Council and TERO Job Training Program.

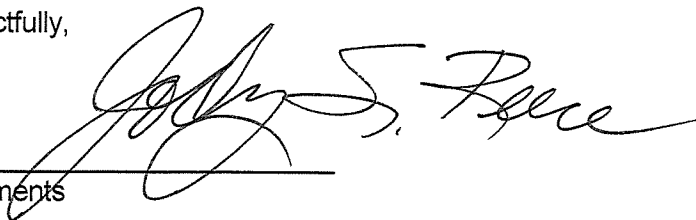
**Summary:**

After reviewing the submission of Mod-12a by administration, I find no technical issues surrounding these requests, nor do I have any concerns related to their respective carryover estimates. Although I find no technical issues with these budgets, I would like to point out that the current budget methodology for the Cherokee Publications does not follow my understanding of what the Tribal Council expected. The current budget requests have revenue increases and offsetting increases in expenditure authorizations. Based on my understanding the expectation is that at least a portion of increased revenue should go to the bottom line; therefore, reducing the funding required by the General Fund and Indirect Cost Pool. In reality, only the actual expenditures are funded; however, for clarity I would recommend that their future budgets reflect the true expectations.



If I can provide any further information, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink, reading "John S. Fleece". The signature is written in a cursive style with a large, looping initial "J".

Attachments



## CHEROKEE NATION TRIBAL COUNCIL

Jody S. Reece, CPA, CIA, CMA

Executive Director of Financial Oversight

# M e m o

**To:** Tribal Council  
**From:** Jody S. Reece  
**Date:** 09/10/2013  
**Re:** Review of Operating Budget Modification #12b

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I have reviewed the administration's requested change to the budget modification going to this month's Tribal Council Meeting. There are no changes in section A for Grants Reporting. Two budgets are requested to be added in section B and have a net \$0 effect on the total and are outlined in items 17 and 18 below:

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### **A. Grants Received (REPORTING ONLY): \$883,013**

**No change from previously reported**

### **B. Operating Budgets - Increase in budget authority - \$1,265,508:**

1. to 16. Remain the same as previously reported.
17. Litigation – 1010110 – General Fund: Modification requesting an increase in expenditure authorization of \$600,000 for additional expenditures related to the Veronica Case.
18. Advocacy Initiative – 1010115 -- General Fund: Modification requesting a decrease in expenditure authorization of \$600,000 to free up funds for the Litigation budget.

#### **Summary:**

After reviewing the submission of Mod-12b by administration, I find no technical issues surrounding these requests.

If I can provide any further information, please do not hesitate to contact me.

Respectfully,

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Attachments