

An Act

LEGISLATIVE ACT 04-18

AN ACT AMENDING LEGISLATIVE ACT #26-17 AUTHORIZING THE COMPREHENSIVE OPERATING BUDGET FOR FISCAL YEAR 2018 – Mod. 5; 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 #26-17 Authorizing the Comprehensive Operating Budget for FY 2018 – Mod. 5**”.

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 2018” or subsequent amendment. The cumulative total of the budget is decreased by **\$ (325,910)** for a total budget authority of **\$ 661,338,100**. The following items are identified as components of such change:

Grants Received & Authorized per LA-26-17 (detail attached)	\$ (1,560,984)
Modification Request (see Section 4 below)	<u>1,235,074</u>
Cumulative change in budget authority	<u>\$ (325,253)</u>

SECTION 3. LEGISLATIVE HISTORY

The provisions of compliance, policy of accountability, authorities and severability provided in Legislative Act #26-17 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 **\$ 1,235,074** to wit:

- A. An increase in the **General Fund** budget authority of **\$ 245,375**.
- B. An increase in the **Indirect Cost Pool** budget authority of **\$ 3,600**.
- C. An increase in the **Motor Vehicle Tax** budget authority of **\$ 777,824**.
- D. An increase in the **Internal Lease** budget authority of **\$ 127,131**.

E. An increase in the **DOI Self Governance** budget authority of **\$ 36,054.**

F. An increase in the **Federal Other** budget authority of **\$ 45,090.**

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.

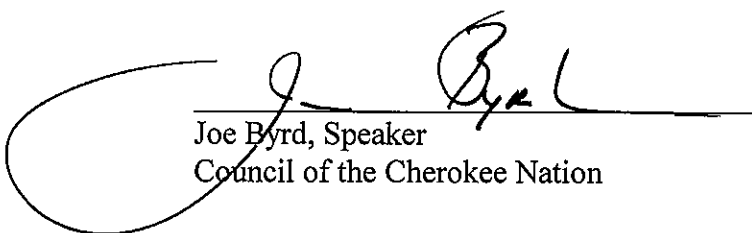
SECTION 7. EFFECTIVE DATE: EMERGENCY DECLARED

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

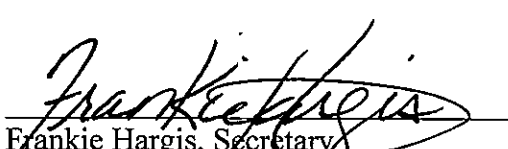
To the extent that this Act involves programs or services to citizens of the Nation or others, self-help contributions shall be required, unless specifically prohibited by the funding agency, or a waiver is granted due to physical or mental incapacity of the participant to contribute.

Enacted by the Council of the Cherokee Nation on the 12th day of February, 2018




Joe Byrd, Speaker
Council of the Cherokee Nation

ATTEST:



Frankie Hargis, Secretary
Council of the Cherokee Nation

Approved and signed by the Principal Chief this 16th day of February, 2018


Bill John Baker, Principal Chief
Cherokee Nation

ATTEST:



Chuck Hoskin, Jr., Secretary of State
Cherokee Nation

YEAS AND NAYS AS RECORDED:

Rex Jordan	<u>YEA</u>	Janees Taylor	<u>YEA</u>
David Walkingstick	<u>YEA</u>	Dick Lay	<u>YEA</u>
Joe Byrd	<u>YEA</u>	Keith Austin	<u>YEA</u>
Shawn Crittenden	<u>YEA</u>	Harley Buzzard	<u>YEA</u>
Bryan Warner	<u>YEA</u>	Frankie Hargis	<u>YEA</u>
E.O. "Junior" Smith	<u>YEA</u>	Victoria Vazquez	<u>YEA</u>
Mike Dobbins	<u>YEA</u>	Wanda Hatfield	<u>YEA</u>
Buel Anglen	<u>YEA</u>	Mary Baker Shaw	<u>ABSENT</u>
Mike Shambaugh	<u>YEA</u>		

CHEROKEE NATION
PROPOSED FY 2018 AMENDMENT
Sorted by Funding Source

				Data		
Funding Source	Ref # by FS	Program/Purpose	FY 2018 Prior LA	Amend. Change to Sources	Amend. Expenses Total Change	Net Change
40-DHHS-General	1	3401230 NARCH9 Program Director	LA 26-17	152	152	\$ -
	2	3401232 NARCH9 Policy and Protocols	LA 26-17	975	975	\$ -
	3	3401233 NARCH9 Breast Cancer Project	LA 26-17	(1,126)	(1,126)	\$ -
	4	3408900 UCS Trauma Screening Project	New	12,521	12,521	\$ -
40-DHHS-General Total				\$ 12,522	\$ 12,522	\$ -
45-USDA	5	3455200 Rural Community Development Initiative (RCDI)	New	176,120	176,120	\$ -
45-USDA Total				\$ 176,120	\$ 176,120	\$ -
62-EPA	6	3622435 Lead Based Paint Program	Nov Grants	14,478	14,478	\$ -
	7	3622455 2016 UST	LA 26-17	82,088	82,088	\$ -
62-EPA Total				\$ 96,566	\$ 96,566	\$ -
70-US Department of Labor	8	3709100 Sector Partnerships NDWG	LA 26-17	(2,327,049)	(2,327,049)	\$ -
70-US Department of Labor Total				\$ (2,327,049)	\$ (2,327,049)	\$ -
75-Federal Other	9	3754400 Violence Against Women	Oct Grants	299,366	299,366	\$ -
	10	3755500 TRGP COPS Equipment	New	48,325	48,325	\$ -
	11	3756600 SMART 2015	New	133,166	133,166	\$ -
75-Federal Other Total				\$ 480,857	\$ 480,857	\$ -
Grand Total				\$ (1,560,984)	\$ (1,560,984)	\$ -

January Operating Grants - Reporting Only

CHEROKEE NATION
PROPOSED FY 2018 AMENDMENT
Sorted by Funding Source

				Data		
Funding Source	Ref # by FS	Program/Purpose	FY 2018 Prior LA	Amend. Change to Sources	Amend. Expenses Total Change	Net Change
01-Cherokee Nation	1	1010575 Community Technical Assistance	LA 26-17	49,075	49,075	\$ -
	2	1010582 14th Generation Master Apprentice Program	New	180,000	180,000	\$ -
	3	1011070 Cherokee Publications GF	LA 26-17	8,300	8,300	\$ -
	4	1011071 CN Publications Sub Donations	LA 26-17	8,000	8,000	\$ -
01-Cherokee Nation Total				\$ 245,375	\$ 245,375	\$ -
04-Indirect Cost Pool	5	2041030 Cherokee Publications IDC	LA 26-17	3,600	3,600	\$ -
04-Indirect Cost Pool Total				\$ 3,600	\$ 3,600	\$ -
05-Vehicle Tax	6	1051000 MVT Public Schools	LA 26-17	393,224	393,224	\$ -
	7	1051010 MVT SHS	LA 26-17	(1,797)	(1,797)	\$ -
	8	1051011 MVT Head Start	LA 26-17	4,713	4,713	\$ -
	9	1051012 MVT Immersion	LA 26-17	15,380	15,380	\$ -
	10	1051020 MVT Public School Coop	LA 26-17	289,804	289,804	\$ -
	11	1052010 MVT Highways Admin	LA 26-17	81,998	81,998	\$ -
	12	1054100 MVT Local Law Enforcement	LA 26-17	(5,498)	(5,498)	\$ -
05-Vehicle Tax Total				\$ 777,824	\$ 777,824	\$ -
13-Leases-Internal	13	2131000 Internal Lease Buildings	LA 26-17	127,131	72,932	\$ 54,199
	14	2132000 Facilities Operation	LA 26-17	-	54,199	\$ (54,199)
13-Leases-Internal Total				\$ 127,131	\$ 127,131	\$ -
22-DOI - Self Governance	15	3221075 DOI Endangered Species Act	New	36,054	36,054	\$ -
22-DOI - Self Governance Total				\$ 36,054	\$ 36,054	\$ -
75-Federal Other	16	3756500 COPS 2015	LA 26-17	45,090	45,090	\$ -
75-Federal Other Total				\$ 45,090	\$ 45,090	\$ -
Grand Total				\$ 1,235,074	\$ 1,235,074	\$ -

Operating Mod #5 Request

COMPREHENSIVE BUDGET FOR FISCAL YEAR 2018

Funding Source	Revenues	Transfers In	Total	Direct Exp.	Indir. Exp.	Transfers Out	Total	NET
Tribally Funded Funding Source	96,905,913	661,398	97,567,311	80,236,387	4,905,625	12,425,299	97,567,311	0
Motor Fuels Tax Funding Srce	9,288,770	17,324,706	26,613,476	18,538,315	104,469	7,970,692	26,613,476	0
Motor Vehicle Tax Funding Srce	25,351,689	1,126,604	26,478,293	24,673,484	514,451	1,290,358	26,478,293	0
Permanent Fund Funding Source	10,100	0	10,100	10,100	0	0	10,100	0
DOI General Funding Source	11,490,357	0	11,490,357	9,917,546	1,572,811	0	11,490,357	0
DOI Self Gov Funding Source	13,379,515	79,600	13,459,115	12,283,686	1,129,515	45,914	13,459,115	0
DOI Self Gov Roads Funding Srce	8,312,217	0	8,312,217	8,162,149	129,867	20,201	8,312,217	0
Dept of Transportation End Srce	72,048,214	0	72,048,214	71,786,009	162,362	99,843	72,048,214	0
DOI PL102-477 Funding Source	26,756,697	0	26,756,697	25,711,458	1,045,239	0	26,756,697	0
IHS Self Gov Health Funding Sr	289,658,411	206,647	289,865,058	269,097,540	20,767,518	0	289,865,058	0
IHS Self Gov TEH Funding Srce	8,972,850	0	8,972,850	8,677,485	295,365	0	8,972,850	0
IHS Self Gov Offic Funding Srce	322,788	0	322,788	288,476	34,312	0	322,788	0
IHS Discretionary Funding Srce	75,000	0	75,000	35,000	0	40,000	75,000	0
DHHS General Funding Source	38,404,967	557,804	38,962,771	35,804,478	3,158,293	0	38,962,771	0
USDA Funding Source	19,756,874	867,521	20,624,395	19,858,099	766,296	0	20,624,395	0
Dept of Education Funding Srce	1,130,919	67,222	1,198,141	1,140,593	57,548	0	1,198,141	0
HUD Funding Source	33,145,349	579,089	33,724,438	32,913,977	507,794	302,667	33,724,438	0
Housing Proceeds Funding Srce	0	0	0	0	0	0	0	0
EPA Funding Source	1,855,173	0	1,855,173	1,655,572	199,601	0	1,855,173	0
Dept of Labor Funding Source	10,342,953	0	10,342,953	9,383,554	959,399	0	10,342,953	0
Federal Other Funding Source	8,099,251	74,143	8,173,394	5,683,714	289,680	2,200,000	8,173,394	0
State of Oklahoma Funding Srce	1,491,843	0	1,491,843	1,374,089	117,754	0	1,491,843	0
Private Funding Source	303,285	152,987	456,272	410,951	45,321	0	456,272	0
Indirect Cost Pool Funding Srce	47,229,321	900	47,230,221	47,230,221	0	0	47,230,221	0
Fringe Pool Funding Source	0	0	0	0	0	0	0	0
Internal Lease Pool Funding Sr	5,427,293	0	5,427,293	5,427,293	0	0	5,427,293	0
Enterprise Funding Source	3,376,189	886,000	4,262,189	4,060,725	201,464	0	4,262,189	0
Other Funding Source	225,000	17,000	242,000	234,124	7,876	0	242,000	0
Debt Service Funding Source	0	0	0	0	0	0	0	0
Capital Projects Funding Source	149,627,298	2,000,000	151,627,298	151,420,651	0	206,647	151,627,298	0
Total	\$ 882,988,236	\$ 24,601,621	\$ 907,589,857	\$ 846,015,676	\$ 36,972,560	\$ 24,601,621	\$ 907,589,857	\$ -

Non Grant Requests

Cap Mod #2 Req	2,359,828	01/17 E&F
Oper Mod #5 Req	1,235,074	01/17 E&F
Oper Mod #4 Req	1,226,266	01/16 E&F

Total after pending Mod's **\$ 912,411,025**

CAPITAL RECONCILIATION

LA 25-17	\$ 246,713,097
Cap Mod #1	2,000,000
Cap Mod #2	2,359,828

Total Capital **\$ 251,072,925**

Operating (LA 26-17)	661,338,100	Cumulative Oper
Capital (LA 25-17)	251,072,925	Cumulative Cap
Grand Total	\$ 912,411,025	



CHEROKEE NATION TRIBAL COUNCIL

Jody S. Reece, CPA, CIA, CMA

Executive Director of Financial Oversight

Mem o

To: Janees Taylor, Chairman, Executive & Finance Committee
From: Jody S. Reece
CC: Executive & Finance Committee
Date: 01/04/2018
Re: Review of Operating Budget Modification #5 – Total \$ (325,910)

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:

A. Grant Reporting:

<u>Funding Source</u>	<u># of Budgets - Reason</u>	<u>Amount</u>
40 – DHHS General	4 – Carryover reconciliations and new awards	\$ 12,522
45 – U.S.D.A.	1 – New award	176,120
62 – EPA	2 – Carryover reconciliations	96,566
70 – US Dept of Labor	1 – Carryover reconciliation (Sector Partnership NDWG)	(2,327,049)
75 – Federal Other	3 – Carryover reconciliations and new award	480,857
TOTAL GRANTS		<u>\$ (1,560,984)</u>

General Fund Cash Match for Grants (1010315)

Cash Out: Grant Required	\$ 1,977,583
Appropriated for Cash Match (future grants)	708,489
Original Total Budget	<u>\$ 2,686,072</u>

Original Appropriated for Cash Match (future grants)	\$ 708,489	
Used: 3453458 – Nutrition Education Grant	(16,102)	November reporting
3552600 – ICDBG Retail Incubator	(50,984)	December mod

Balance Available For Future Grant Matching	<u>\$ 641,403</u>
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B. MOD #5 Request - (16 budgets) Increase in budget authority - \$ 1,235,074

- Community Technical Assistance – 1010575 – General Fund: Modification requesting an increase in expenditure authorization of \$49,075 added to contract services for building renovations/reconstruction. The funding is provided by a transfer in for insurance recovery proceeds. The new expenditure total is \$1,286,448.
- 14th Generation Master Apprentice Program – 1010582 – General Fund: New budget requesting expenditure authorization of \$180,000. There is a lengthy budget narrative attached behind the budget explaining this new program. The funding is provided by a MOU with Cherokee Nation Businesses.

3. Cherokee Publications GF – 1011070 – General Fund: Modification requesting an increase in expenditure authorization of \$8,300. Funding is provided from \$3,900 increased merchandise sales and \$4,400 transfer in from the CN Publications Sub Donations budget in item 4. The new expenditure total is \$568,352.
4. CN Publications Sub Donations – 1011071 – General Fund: Modification requesting expenditure authorization of \$8,000 for transfers out to the Cherokee Publications GF (55%) and IDC (45%) budgets. Funding is provided by a \$10,000 donation from CNB when only \$2,000 was previously budgeted.

Motor Vehicle Tax Allocation Formulas:

- a. 38% of gross Motor Vehicle Tax Revenue is allocated to eligible public schools. 95% of this total goes to items 6, 7, and 8 for Cherokee Nation school allocations and all other public schools are in budget item 5. 5% of the total goes to the coop program (A-Z) in item 9. An additional matching amount equal to the 5% goes to the coop program (A-Z) from general net revenues.
 - b. 20% of gross Motor Vehicle Tax Revenue is allocated to Roads of which 90% is for construction and 10% is for administration. See the Capital Modification Act for construction and for administration see item 10. The construction money is allocated equally to the fifteen in-jurisdiction Council Members to allocate.
 - c. 20% of net Motor Vehicle Tax Revenue is allocated to Law Enforcement and is distributed equally to the fifteen in-jurisdiction Council Members to allocate (item 11).
 - d. The fiscal year 2017 residual transfer to the General Fund is \$1,727,172. \$450,000 was previously budgeted this year for the Get Out The Vote budget and \$676,604 for the Hunting & Fishing budget. This leaves a net residual for the General Fund of \$600,568 and will be part of the General Fund carryover to fiscal year 2018 once the audit is complete.
5. MVT Public Schools – 1051000 – Vehicle Tax: Modification requesting an increase in expenditure authorization of \$393,224 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$4,844,051 was an estimate based on the prior year and the new budget total is \$5,237,275.

The total MVT allocation to public schools continues to increase and for comparative purpose the total last year was \$4,844,051 and the year before was \$4,497,380. The current calculated per student allocation increased \$10.70 from \$166.48 last year to \$177.18 this year. Expanded jurisdiction tag sales in fiscal year 2017 were \$3,558,556 and at-large net tag sales were \$603,169. The calculated amount going to public schools in this budget from at-large and expanded sales is \$1,284,638. Expanded jurisdiction schools will receive \$713,672 from this budget; therefore, original in-jurisdiction schools will receive \$570,966 from at-large and expanded jurisdiction sales.

6. MVT Sequoyah High School – 1051010 – Vehicle Tax: Modification requesting a decrease in expenditure authorization of \$1,797 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$156,803 was an estimate and the new budget total is \$155,006. The new budget total includes \$13,367 carryover, \$127,490 current allocation, and \$4,150 adjustment (STEM) from the COOP budget. The current allocation is an increase of \$2,964 over last year's allocation. The STEM adjustment is new this year.
7. MVT Head Start – 1051011 – Vehicle Tax: Modification requesting an increase in expenditure authorization of \$4,713 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$25,305 was an estimate and the new budget total is \$30,018. The new budget total includes less than one dollar carryover, \$25,868 current allocation, and \$4,150 adjustment (STEM) from the COOP budget. The current allocation is an increase of \$563 from last year's allocation. The STEM adjustment is new this year.
8. MVT Immersion – 1051012 – Vehicle Tax: Modification requesting an increase in expenditure authorization of \$15,380 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$38,559 was an estimate and the new budget total is \$53,939. The new budget total includes \$3,723 carryover, \$46,066 current allocation, and \$4,150 adjustment (STEM) from the COOP budget. The current allocation is an increase of \$12,7437 from last year's allocation. The STEM adjustment is new this year.

9. MVT Public School Coop – 1051020 – Vehicle Tax: Modification requesting an increase in expenditure authorization of \$289,804 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$476,944 was an estimate and the new budget total is \$766,748. The new budget total includes \$206,373 carryover, \$572,825 current allocation, and a \$12,450 reduction (STEM) for adjustment to the three Cherokee school budgets. The current allocation is an increase of \$44,125 over last year's allocation. The STEM adjustment is new this year.

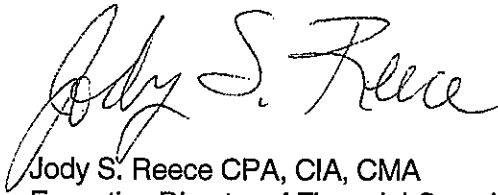
In prior years I expressed my concern with the large carryover in this budget. However, it appears the education department has taken steps to spend the money as the carryover into last year was \$435,820 and it is down to \$206,373 this year.

10. MVT Highways Admin – 1052010 – Vehicle Tax: Modification requesting an increase in expenditure authorization of \$81,998 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$313,859 was an estimate and the new budget total is \$395,857. The new budget total includes \$94,371 carryover and \$301,487 current allocation. The current allocation is an increase of \$23,224 over last year's allocation. The highway construction budget is in the capital modification this month.
11. MVT Local Law Enforcement – 1054100 – Vehicle Tax: Modification requesting a decrease in expenditure authorization of \$5,498 for the allocation of the 2017 Motor Vehicle Taxes. The original budget of \$600,000 was an estimate and the new budget total is \$594,502. The new budget total includes \$101,791 carryover and \$492,711 current allocation. The current allocation is an increase of \$15,766 over last year's allocation.
12. Cherokee Publications IDC – 2041030 – Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$3,600. Funding is provided from increased transfer in from the CN Publications Sub Donations budget in item 4. The new expenditure total is \$395,593.
13. Internal Lease Buildings – 2131000 – Internal Lease: Modification requesting an increase in expenditure authorization of \$72,932 to increase space recovery and expenses to reconcile with 2018 space allocation worksheets and current space billing. Space recovery increased \$127,131 due to the partial occupancy of the new second floor of the admin building and adding space previously occupied by and outside lease at the motel offices plus custodian closets added to billable space. Expenditures increased \$72,932 based on historical data and to add the line item for direct billed space cost for facilities' internal space and janitor closets. The increase in net revenue of \$54,199 is offset by the increased expenditures in Facilities Operations in item 14.
14. Facilities Operations – 2132000 – Internal Lease: Modification requesting an increase in expenditure authorization of \$54,199 based on historical data and space recovery updates. Funding is provided from increased recoveries in Internal Lease Buildings in item 13.
15. DOI Endangered Species Act – 3221075 – DOI Self Governance: New budget requesting expenditure authorization of \$36,054. Funding is provided by one-time distribution from the BIA. May the American Burying Beetle survive!
16. COPS 2015 – 3756500 – Federal Other: Modification requesting an increase in expenditure authorization of \$45,090. Funding is provided from increased transfer in of \$55,345 for insurance recoveries and reduced grant carryover of \$10,255. The new expenditure total is \$91,198.

Summary:

After reviewing the submission of the operating modification by administration, I find no technical issues surrounding these requests, nor do I have any unmentioned concerns related to their respective carryover estimates. If I can provide any additional information, please do not hesitate to contact me.

Respectfully,

A handwritten signature in cursive script that reads "Jody S. Reece". The signature is written in black ink and is positioned above the typed contact information.

Jody S. Reece CPA, CIA, CMA
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