

An Act

LEGISLATIVE ACT 16-17

AN ACT AMENDING LEGISLATIVE ACT #23-16 AUTHORIZING THE COMPREHENSIVE OPERATING BUDGET FOR FISCAL YEAR 2017 – Mod. 7a; 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 #23-16 Authorizing the Comprehensive Operating Budget for FY 2017 – Mod. 7a**”.

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 2017” or subsequent amendment. The cumulative total of the budget is increased by **\$ 24,658,588** for a total budget authority of **\$ 694,591,786**. The following items are identified as components of such change:

Grants Received & Authorized per LA-23-16 (detail attached)	\$ 1,248,907
Modification Request (see Section 4 below)	<u>23,409,681</u>
Cumulative change in budget authority	<u>\$ 24,658,588</u>

SECTION 3. LEGISLATIVE HISTORY

The provisions of compliance, policy of accountability, authorities and severability provided in Legislative Act #23-16 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 **\$ 23,409,681** to wit:

- A. An increase in the **General Fund** budget authority of **\$ 20,728,603**.
- B. An increase in the **Motor Fuel Tax** budget authority of **\$ 150,000**.
- C. An increase in the **Indirect Cost Pool** budget authority of **\$ 810,109**.
- D. An increase in the **DOI – Self Governance** budget authority of **\$ 644,070**.

E. A decrease in the **IHS – Self Governance Health** budget authority of **\$ (23,101)**.

F. An increase in the **IHS – Self Governance TEH** budget authority of **\$ 1,100,000**.

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.

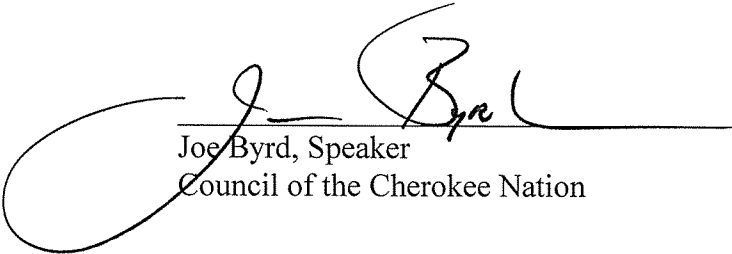
SECTION 7. EFFECTIVE DATE: EMERGENCY DECLARED

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

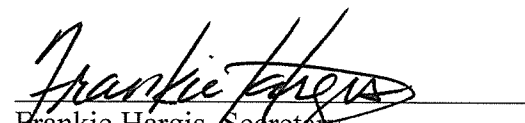
To the extent that this Act involves programs or services to citizens of the Nation or others, self-help contributions shall be required, unless specifically prohibited by the funding agency, or a waiver is granted due to physical or mental incapacity of the participant to contribute.

Enacted by the Council of the Cherokee Nation on the 15th day of May, 2017



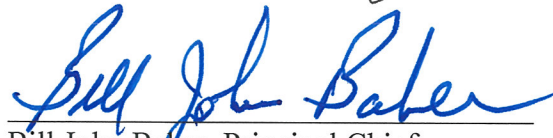
Joe Byrd, Speaker
Council of the Cherokee Nation

ATTEST:



Frankie Hargis, Secretary
Council of the Cherokee Nation

Approved and signed by the Principal Chief this 19th day of May, 2017


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>	Harley Buzzard	<u>Yea</u>
Joe Byrd	<u>Yea</u>	Victoria Vazquez	<u>Yea</u>
David Walkingstick	<u>Yea</u>	Dick Lay	<u>Yea</u>
Don Garvin	<u>Yea</u>	Buel Anglen	<u>Yea</u>
David W. Thornton, Sr.	<u>Yea</u>	Keith Austin	<u>Yea</u>
Bryan Warner	<u>Yea</u>	Janees Taylor	<u>Yea</u>
Frankie Hargis	<u>Yea</u>	Jack Baker	<u>Yea</u>
Shawn Crittenden	<u>Yea</u>	Wanda Hatfield	<u>Yea</u>
Curtis Snell	<u>Yea</u>		

CHEROKEE NATION
 PROPOSED FY 2017 AMENDMENT
 Sorted by Funding Source

				Data		
Funding Source	Ref # by FS	Program/Purpose	FY 2017 Prior LA	Amend. Change to Sources	Amend. Expenses Total Change	Net Change
01-Cherokee Nation	1	1010315 Cash Match for Grants	Feb Grants	-	-	\$ -
01-Cherokee Nation Total				\$ -	\$ -	\$ -
40-DHHS-General	2	3401110 Title IV-E Development	LA 23-16	44,751	44,751	\$ -
	3	3401140 BH Collaborative for Rural AI Comm	Feb Grants	21,479	21,479	\$ -
	4	3401210 Model Tribal System	New	69,671	69,671	\$ -
	5	3402665 Diabetes Grant - Wings	Feb Grants	94,707	94,707	\$ -
40-DHHS-General Total				\$ 230,608	\$ 230,608	\$ -
70-US Department of Labor	6	3701400 TLJC Operations	LA 23-16	1,000,000	1,000,000	\$ -
	7	3701500 TLJC Capital Projects	LA 23-16	18,960	18,960	\$ -
70-US Department of Labor Total				\$ 1,018,960	\$ 1,018,960	\$ -
80-Oklahoma	8	3802700 Hospital Preparedness Program	New	5,455	5,455	\$ -
80-Oklahoma Total				\$ 5,455	\$ 5,455	\$ -
85-Private	9	3854500 March of Dimes	LA 23-16	(6,116)	(6,116)	\$ -
85-Private Total				\$ (6,116)	\$ (6,116)	\$ -
Grand Total				\$ 1,248,907	\$ 1,248,907	\$ -

April Operating Grants - Reporting Only

CHEROKEE NATION
PROPOSED FY 2017 AMENDMENT
Sorted by Funding Source

Funding Source	Ref # by FS	Program/Purpose	FY 2017 Prior LA	Data		
				Amend. Change to Sources	Amend. Expenses Total Change	Net Change
01-Cherokee Nation	1	1010025 Cherokee Sports Team	LA 23-16	-	10,000	\$ (10,000)
	2	1010042 Charitable Contributions	LA 02-17	-	58,750	\$ (58,750)
	3	1010147 ICW Child Protection	LA 23-16	-	30,500	\$ (30,500)
	4	1010177 Concurrrent Enrollment	LA 23-16	-	87,000	\$ (87,000)
	5	1010200 Miss Cherokee Activities	LA 23-16	3,016	3,016	\$ -
	6	1010230 Tribal Youth Council	LA 23-16	17,654	17,654	\$ -
	7	1010274 Secretary of Natural Resources	LA 24-16	-	150,000	\$ (150,000)
	8	1010296 Unappropriated Reserves	New	20,641,449	19,686,644	\$ 954,805
	9	1010370 Burial Assistance	LA 23-16	-	40,000	\$ (40,000)
	10	1010431 Individual Water & Sewer	LA 23-16	-	33,555	\$ (33,555)
	11	1010440 Housing Accessibility Program	LA 23-16	-	325,000	\$ (325,000)
	12	1010450 Senior Nutrition Sites	LA 23-16	-	50,000	\$ (50,000)
	13	1010700 Tribal Council	LA 23-16	-	170,000	\$ (170,000)
	14	1012350 Land Development	LA 23-16	63,468	63,468	\$ -
	15	1013002 Jr Miss Cherokee Activities	LA 23-16	3,016	3,016	\$ -
01-Cherokee Nation Total				\$ 20,728,603	\$ 20,728,603	\$ -
02-Motor Fuel Tax	16	1023030 Minor Emergency Repair	LA 23-16	150,000	150,000	\$ -
02-Motor Fuel Tax Total				\$ 150,000	\$ 150,000	\$ -
04-Indirect Cost Pool	17	2040000 Indirect Cost Pool Recovery	LA 08-17	668,597	-	\$ 668,597
	18	2041070 Human Resources	LA 23-16	-	66,585	\$ (66,585)
	19	2041095 Accounting	LA 23-16	-	203,907	\$ (203,907)
	20	2041110 Information Technology-IDC	LA 23-16	141,512	194,663	\$ (53,151)
	21	2041160 Office Services Reimbursement	LA 23-16	-	344,954	\$ (344,954)
04-Indirect Cost Pool Total				\$ 810,109	\$ 810,109	\$ -
22-DOI - Self Governance	22	3221900 Competitive Projects	Mar.Mod 6	18,925	18,925	\$ -
	23	3222220 SG General Assistance	LA 23-16	600,000	600,000	\$ -
	24	3222470 SG HIP	LA 23-16	25,145	25,145	\$ -
22-DOI - Self Governance Total				\$ 644,070	\$ 644,070	\$ -
32-IHS - Self Governance Health	25	3329015 Health Art Purchases	LA 23-16	(23,101)	(23,101)	\$ -
32-IHS - Self Governance Health Total				\$ (23,101)	\$ (23,101)	\$ -
33-IHS-Self Governance-T E H	26	3332000 EHS Projects	LA 24-16	1,100,000	1,100,000	\$ -
33-IHS-Self Governance-T E H Total				\$ 1,100,000	\$ 1,100,000	\$ -
Grand Total				\$ 23,409,681	\$ 23,409,681	\$ -

Operating Mod #7a Request

**COMPREHENSIVE BUDGET
FOR FISCAL YEAR 2017**

Funding Source	Revenues	Transfers In	Total	Direct Exp.	Indir. Exp.	Transfers Out	Total	NET
Tribally Funded Funding Source	92,247,962	1,491,430	93,739,392	77,256,749	4,278,559	12,204,084	93,739,392	0
Motor Fuels Tax Funding Srce	9,094,252	17,299,025	26,393,277	18,360,434	91,332	7,941,511	26,393,277	0
Motor Vehicle Tax Funding Srce	27,731,218	1,126,604	28,857,822	26,368,075	453,570	2,036,177	28,857,822	0
Permanent Fund Funding Source	10,100	0	10,100	10,100	0	0	10,100	0
DOI General Funding Source	10,521,301	0	10,521,301	9,634,778	886,523	0	10,521,301	0
DOI Self Gov Funding Source	14,891,466	79,600	14,971,066	13,792,204	1,128,421	50,441	14,971,066	0
DOI Self Gov Roads Funding Src	9,386,614	0	9,386,614	9,253,572	112,841	20,201	9,386,614	0
Dept of Transportation Fnd Src	72,048,214	0	72,048,214	71,750,077	198,294	99,843	72,048,214	0
DOI PL102-477 Funding Source	25,723,581	0	25,723,581	24,937,482	786,099	0	25,723,581	0
IHS Self Gov Health Funding Sr	283,695,939	1,300,439	284,996,378	266,409,066	18,494,088	93,224	284,996,378	0
IHS Self Gov TEH Funding Src	7,699,960	0	7,699,960	7,435,264	264,696	0	7,699,960	0
IHS Self Gov Office Funding Src	322,788	0	322,788	291,326	31,462	0	322,788	0
IHS Discretionary Funding Source	40,000	0	40,000	35,000	0	5,000	40,000	0
DHHS General Funding Source	41,210,494	564,771	41,775,265	37,515,701	2,996,090	1,263,474	41,775,265	0
USDA Funding Source	19,604,269	818,085	20,422,354	19,729,019	693,335	0	20,422,354	0
Dept of Education Funding Srce	1,142,834	63,957	1,206,791	1,151,454	55,337	0	1,206,791	0
HUD Funding Source	41,573,581	1,199,190	42,772,771	40,956,630	716,402	1,099,739	42,772,771	0
Housing Proceeds Funding Src	0	0	0	0	0	0	0	0
EPA Funding Source	2,006,824	0	2,006,824	1,820,177	186,647	0	2,006,824	0
Dept of Labor Funding Source	11,460,571	0	11,460,571	10,552,820	907,751	0	11,460,571	0
Federal Other Funding Source	4,216,236	82,670	4,298,906	3,830,686	218,220	250,000	4,298,906	0
State of Oklahoma Funding Srce	1,281,020	0	1,281,020	1,186,598	94,422	0	1,281,020	0
Private Funding Source	387,991	159,738	547,729	497,374	50,355	0	547,729	0
Indirect Cost Pool Funding Src	46,750,899	27,900	46,778,799	46,778,799	0	0	46,778,799	0
Fringe Pool Funding Source	0	0	0	0	0	0	0	0
Internal Lease Pool Funding Sr	4,945,222	0	4,945,222	4,945,222	0	0	4,945,222	0
Enterprise Funding Source	3,222,404	934,739	4,157,143	3,995,606	161,537	0	4,157,143	0
Other Funding Source	276,590	17,000	293,590	277,000	16,590	0	293,590	0
Debt Service Funding Source	186,456	12,253,224	12,439,680	12,439,680	0	0	12,439,680	0
Capital Projects Funding Sourc	179,740,643	483,035	180,223,678	167,381,485	4,480	12,837,713	180,223,678	0
Total	\$ 911,419,429	\$ 37,901,407	\$ 949,320,836	\$ 878,592,378	\$ 32,827,051	\$ 37,901,407	\$ 949,320,836	\$ -

CAPITAL RECONCILIATION	
LA-22-16	\$ 277,754,636
Mod # 1	76,837
Mod # 2	1,819,222
Mod # 3	(102,733)
Mod # 4	375,000
Mod # 5	(857,848)
Total Capital	\$ 279,065,114

Non Grant Requests	
Cap Mod #5 Req	(857,848) 05/15 E&F
Oper Mod #7a Req	23,409,681 05/15 Council
Cap Mod #4 Req	375,000 04/10 Council
Oper Mod #6 Req	1,409,231 04/10 Council
Total after pending Mod's	\$ 973,656,900

Operating (LA23-16)	694,591,786	Cumulative Oper
Capital (LA-22-16)	279,065,114	Cumulative Cap
Grand Total	\$ 973,656,900	



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: 05/12/2017
Re: Review of Operating Budget Modification #7a – Total \$ 24,658,588

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	\$ 230,608
75 – US Dept of Labor	2 – Carryover reconciliations and revised awards	1,018,960
80 – Oklahoma	1 – New award	5,455
85 – Private	1 – Carryover reconciliation and new award	(6,116)
TOTAL GRANTS		\$ 1,248,907

General Fund Cash Match for Grants (1010315) – The original budget of \$2,686,072 included \$2,033,774 in Cash Out: Grant Required and \$652,298 in Appropriated for Cash Match (future grants).

Original Appropriated for Cash Match (future grants)	\$ 652,298	
Used: 3753300 – Federal Transit Program	(35,729)	February reporting
3401210 – Model Tribal System	(6,967)	April reporting
Balance Available For Future Grant Matching	<u>\$ 609,602</u>	

B. MOD #7a Request - (26 budgets) Increase in budget authority - \$ 23,409,681

Substitute mod changes in green.

1. Cherokee Sports Teams – 1010025 – General Fund: Modification requesting an increase in expenditure authorization of \$10,000 funded by general fund carryover to fund increased applications. This same request was funded last year and only \$2,000 was used; however, applications appear to be coming in at an increased rate this year. See the narrative for the growth in this program. The new expenditure total is \$80,000.
2. Charitable Contributions – 1010042 – General Fund: Modification requesting an increase in expenditure authorization of \$58,750 funded by general fund carryover. \$30,000 is for the CNF At-Large scholarships related to the Housing Accessibility Program and the balance is for carryover in special projects. The new expenditure total is \$1,628,700.

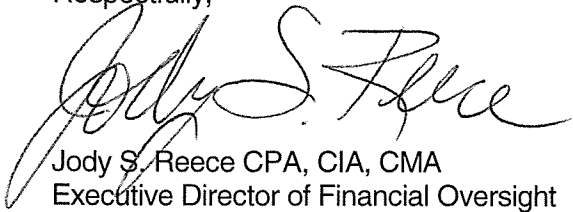
3. ICW Child Protection – 1010147 – General Fund: Modification requesting an increase in expenditure authorization of \$30,500 funded by general fund carryover to purchase equipment upgrades and licensing. The new expenditure total is \$2,330,550.
4. Concurrent Enrollment – 1010177 – General Fund: Modification requesting an increase in expenditure authorization of \$87,000 based on estimated spring 2017 semester enrollment. This is funded by general fund carryover from item 8. The new expenditure total is \$287,000.
5. Miss Cherokee – 1010200 – General Fund: Modification requesting an increase in expenditure authorization of \$3,016 funded by a CNB donation for attendance to the 2017 UNITY Conference. The new expenditure total is \$52,726.
6. Tribal Youth Council – 1010230 – General Fund: Modification requesting an increase in expenditure authorization of \$17,654 funded by a CNB donation for attendance to the 2017 UNITY Conference. The new expenditure total is \$32,776.
7. Secretary of Natural Resources – 1010274 – General Fund: Modification requesting an increase in expenditure authorization of \$150,000 funded by general fund carryover to hire experts related to the Sequoyah Fuels case. The new expenditure total is \$480,136.
8. Unappropriated Reserves – 1010296 – General Fund: No budget requesting an increase in expenditure authorization of \$19,686,644. This includes the \$15,482,329 in reserved by appropriation, a Transfer Out of \$150,000 to Minor Emergency Repair in item 16, and \$4,141,315 for a Transfer Out to the Tribal Complex Construction accounted for in the Capital Mod. There is \$20,641,449 carryover revenue brought into this budget and after you take out the \$19,686,644 expenditure authorization, there is \$954,805 excess revenues used to fund the various budgets in this modification for items 1, 2, 3, 4, 7, 9, 10, 11, 12, and 13.
9. Burial Assistance – 1010370 – General Fund: Modification requesting an increase in expenditure authorization of \$40,000 funded by general fund carryover for additional service needs. The new expenditure total is \$218,000.
10. Individual Water & Service – 1010431 – General Fund: Modification requesting an increase in expenditure authorization of \$33,555 funded by general fund carryover to provide aerobic system service repairs to an additional 161 clients within the tribal jurisdictional area. The new expenditure total is \$633,555.
11. Housing Accessibility Program – 1010440 – General Fund: Modification requesting an increase in expenditure authorization of \$325,000 funded by general fund carryover per the original new budget agreement. The new expenditure total is \$650,000.
12. Senior Nutrition Services – 1010450 – General Fund: Modification requesting an increase in expenditure authorization of \$50,000 funded by general fund carryover for increased food costs. The new expenditure total is \$399,211.
13. Tribal Council – 1010700 – General Fund: Modification requesting an increase in expenditure authorization of \$170,000 funded by general fund carryover for and additional \$10,000 Community Assistance for each Council Member. The new expenditure total is \$2,254,130.
14. Land Development – 1012350 – General Fund: Modification requesting an increase in expenditure authorization of \$63,468 funded by hay and buffalo sales for additional supplies and updated salary for a previous vacant position. The new expenditure total is \$1,160,770 with the net expenditure total remaining at \$497,302.

15. Jr. Miss Cherokee – 1013002 – General Fund: Modification requesting an increase in expenditure authorization of \$3,016 funded by a CNB donation for attendance to the 2017 UNITY Conference. The new expenditure total is \$14,221.
16. Minor Emergency Repair – 1023030 – Motor Fuel Tax: Modification requesting an increase in expenditure authorization of \$150,000 funded by a Transfer In from the general fund carryover. The \$150,000 will be sub-granted to the Housing Authority. The new expenditure total is \$537,735.
17. Indirect Cost Pool Recovery – 2040000 – Indirect Cost Pool: Modification requesting an increase in the IDC recovery revenue of \$668,597 to balance out the increased expenditures in items 17-20. The new IDC Recovery total is \$31,532,873 with the IDC Revenue Carryover remaining at \$8,593,996.
18. Human Resources – 2041070 – Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$66,585 for additional contract services related to maintenance agreement for a new HR software program. The new expenditure total is \$3,168,249.
19. Accounting – 2041095 – Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$203,907 for additional contract services. The SAS internal controls audit was previously done by the CNB audit team but we now have to go to an outside firm at an increased cost. The new expenditure total is \$5,295,176.
20. Information Technology – 2041110 – Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$194,663 for an Executive Chief Information Officer position with related salary, fringe and operational expenditures. The increase is partially offset by Other Income of \$141,512 from CNB reimbursements; therefore, the net expenditure increase is \$53,151. The new expenditure total is \$3,967,095.
21. Office Services Reimbursement – 2041160 – Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$344,954 for increased phone costs. The new expenditure total is \$2,959,954.
22. Competitive Projects – 3221900 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$18,925 for one time funds received related to Tar Creek. The new expenditure total is \$201,171.
23. SG General Assistance – 3222220 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$600,000 to provide assistance for the remainder of the fiscal year. Funding is provided by DOI Self Governance carryover. The new expenditure total is \$1,578,431.
24. SG HIP – 3222470 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$25,145 additional one time funds received. The new expenditure total is \$162,502.
25. Health Art Purchases – 3329015 – IHS Self Governance Health: Modification requesting a decrease in expenditure authorization of \$23,101 from a decrease of \$2,928 in the transfer in from the Jack Brown Center Construction funds and a \$20,173 decrease of carryover funds. The new expenditure total is \$62,114.
26. EHS Projects – 3332000 – IHS Self Governance TEH: Modification requesting an increase in expenditure authorization of \$1,100,000 from additional funds for project OK 17-E78. The new expenditure total is \$6,327,339.

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 black ink, appearing to read "Jody S. Reece". The signature is fluid and cursive, with the first name "Jody" being particularly prominent and stylized.

Jody S. Reece CPA, CIA, CMA
Executive Director of Financial Oversight
Office: 918-453-5573
Cell: 918-525-2017
Email: jody-reece@cherokee.org