

An Act

LEGISLATIVE ACT 11-16

AN ACT AMENDING LEGISLATIVE ACT #17-15 AUTHORIZING THE COMPREHENSIVE OPERATING BUDGET FOR FISCAL YEAR 2016 – Mod. 6; 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 #17-15 Authorizing the Comprehensive Operating Budget for FY 2016 – Mod. 6**”.

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 2016” or subsequent amendment. The cumulative total of the budget is increased by **\$ 5,440,583** for a total budget authority of **\$ 663,072,472**. The following items are identified as components of such change:

| | |
|---|----------------------------|
| Grants Received & Authorized per LA-17-15 (detail attached) | \$ 280,828 |
| Modification Request (see Section 4 below) | <u>5,159,755</u> |
| Cumulative change in budget authority | <u>\$ 5,440,583</u> |

SECTION 3. LEGISLATIVE HISTORY

The provisions of compliance, policy of accountability, authorities and severability provided in Legislative Act #17-15 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 a decrease of **\$ 5,159,755** to wit:

- A. An increase in the **General Fund** budget authority of **\$ 4,211,330**.
- B. An increase in the **Motor Fuel Tax** budget authority of **\$ 914,000**.
- C. An increase in the **DOI – Self Governance** budget authority of **\$ 237,105**.

D. A decrease in the IHS – Self Governance budget authority of \$ (202,680).

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.

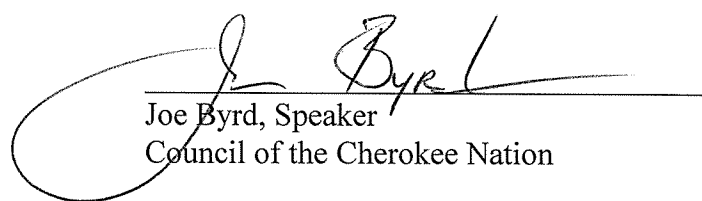
SECTION 7. EFFECTIVE DATE: EMERGENCY DECLARED

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

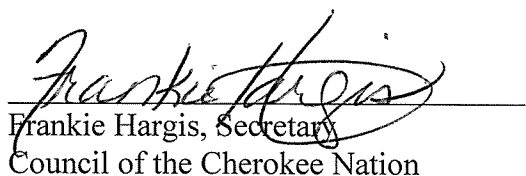
To the extent that this Act involves programs or services to citizens of the Nation or others, self-help contributions shall be required, unless specifically prohibited by the funding agency, or a waiver is granted due to physical or mental incapacity of the participant to contribute.

Enacted by the Council of the Cherokee Nation on the 11th day of April, 2016




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 15 day of April, 2016


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 2016 AMENDMENT
 Sorted by Funding Source

| | | | | | Data | |
|-------------------------------|-------------|--------------------------------|------------------|----------------|--------------------------|------------------------------|
| Funding Source | Ref # by FS | Program/Purpose | FY 2016 Prior LA | Ref # by Dept. | Amend. Change to Sources | Amend. Expenses Total Change |
| 20-DOI - General | 1 | 3205110 FWS Pollinator Project | NEW | 1 | 15,000 | 15,000 |
| 20-DOI - General Total | | | | | \$ 15,000 | \$ 15,000 |
| 75-Federal Other | 2 | 3756600 SMART FY 2015 | NEW | 3 | 250,828 | 250,828 |
| 75-Federal Other Total | | | | | \$ 250,828 | \$ 250,828 |
| 85-Private | 3 | 3855100 RTR Bike Ride Lodging | NEW | 2 | 15,000 | 15,000 |
| 85-Private Total | | | | | \$ 15,000 | \$ 15,000 |
| Grand Total | | | | | \$ 280,828 | \$ 280,828 |

Operating Grants - Reporting Only

CHEROKEE NATION
PROPOSED FY 2016 AMENDMENT
Sorted by Funding Source

| Funding Source | Ref # by FS | Program/Purpose | FY 2016 Prior LA | Data | | |
|--|-------------|--|------------------|--------------------------|------------------------------|--------------|
| | | | | Amend. Change to Sources | Amend. Expenses Total Change | Net Change |
| 01-Cherokee Nation | 1 | 1010039 Roads Transit Program | LA 17-15 | - | 35,000 | \$ (35,000) |
| | 2 | 1010145 Meth Initiative | LA 17-15 | - | 96,497 | \$ (96,497) |
| | 3 | 1010177 Concurrent Enrollment | LA 17-15 | - | 150,000 | \$ (150,000) |
| | 4 | 1010248 Community Youth Grant Program | LA 17-15 | - | 125,000 | \$ (125,000) |
| | 5 | 1010280 General Fund Operations | LA 17-15 | - | 300,000 | \$ (300,000) |
| | 6 | 1010296 Unappropriated Reserves | NEW | 4,211,330 | 3,000,996 | \$ 1,210,334 |
| | 7 | 1010380 Office of Veterans Affairs | LA 17-15 | - | 42,338 | \$ (42,338) |
| | 8 | 1010429 CN Cemeteries Preservation | LA 17-15 | - | - | \$ - |
| | 9 | 1010430 Self Help Emergency Assist Prg | LA 17-15 | - | - | \$ - |
| | 10 | 1010432 Community Water & Sewer | LA 17-15 | - | 242,383 | \$ (242,383) |
| | 11 | 1010439 Community Adult Assistance | LA 17-15 | - | 30,000 | \$ (30,000) |
| | 12 | 1010461 Human Services Emergency Asst. | LA 17-15 | - | 45,000 | \$ (45,000) |
| | 13 | 1010579 Jurisdictional Outreach | LA 17-15 | - | 50,715 | \$ (50,715) |
| | 14 | 1010809 Remediating Juvenile Truancy | NEW | - | 29,339 | \$ (29,339) |
| | 15 | 1013000 Cherokee National Holiday | LA 17-15 | - | 64,062 | \$ (64,062) |
| 01-Cherokee Nation Total | | | | \$ 4,211,330 | \$ 4,211,330 | \$ - |
| 02-Motor Fuel Tax | 16 | 1024001 MFT Higher Ed Scholarships | LA 17-15 | 914,000 | 914,000 | \$ - |
| 02-Motor Fuel Tax Total | | | | \$ 914,000 | \$ 914,000 | \$ - |
| 22-DOI - Self Governance | 17 | 3221105 BIA Preparedness | LA 17-5 | 12,351 | 12,351 | \$ - |
| | 18 | 3222480 SG Indian Child Welfare | LA 17-15 | 239,754 | 239,754 | \$ - |
| | 19 | 3225100 FWS Pollinator Project | LA 17-5 | (15,000) | (15,000) | \$ - |
| 22-DOI - Self Governance Total | | | | \$ 237,105 | \$ 237,105 | \$ - |
| 32-IHS - Self Governance Hea | 20 | 3324040 Meth and Suicide Prevention | LA 17-5 | (202,680) | (202,680) | \$ - |
| 32-IHS - Self Governance Health Total | | | | \$ (202,680) | \$ (202,680) | \$ - |
| Grand Total | | | | \$ 5,159,755 | \$ 5,159,755 | \$ - |

Operating Mod #6 Request

COMPREHENSIVE BUDGET FOR FISCAL YEAR 2016

| Funding Source | Revenues | Transfers In | Total | Direct Exp. | Indir. Exp. | Transfers Out | Total | NET |
|----------------------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------|
| Tribally Funded Funding Source | 99,100,989 | 1,859,378 | 100,960,367 | 78,120,434 | 4,761,996 | 18,074,163 | 100,956,593 | 3,774 |
| Motor Fuels Tax Funding Srce | 8,905,998 | 17,299,025 | 26,205,023 | 18,143,971 | 119,541 | 7,941,511 | 26,205,023 | 0 |
| Motor Vehicle Tax Funding Srce | 24,502,408 | 975,182 | 25,477,590 | 23,042,304 | 550,531 | 1,884,755 | 25,477,590 | 0 |
| Permanent Fund Funding Source | 10,300 | 0 | 10,300 | 10,300 | 0 | 0 | 10,300 | 0 |
| DOI General Funding Source | 12,360,225 | 850,000 | 13,210,225 | 12,488,086 | 722,139 | 0 | 13,210,225 | 0 |
| DOI Self Gov Funding Source | 14,575,104 | 79,600 | 14,654,704 | 13,336,376 | 1,276,739 | 41,589 | 14,654,704 | 0 |
| DOI Self Gov Roads Funding Srce | 10,259,512 | 0 | 10,259,512 | 10,107,519 | 131,792 | 20,201 | 10,259,512 | 0 |
| Dept of Transportation Fnd Srce | 65,259,966 | 0 | 65,259,966 | 64,952,094 | 208,029 | 99,843 | 65,259,966 | 0 |
| DOI PL102-477 Funding Source | 19,313,281 | 0 | 19,313,281 | 18,493,424 | 819,857 | 0 | 19,313,281 | 0 |
| IHS Self Gov Health Funding Sr | 299,027,159 | 0 | 299,027,159 | 274,583,534 | 21,793,625 | 2,650,000 | 299,027,159 | 0 |
| IHS Self Gov TEH Funding Srce | 4,515,860 | 0 | 4,515,860 | 4,217,433 | 298,427 | 0 | 4,515,860 | 0 |
| IHS Self Gov Office Funding Srce | 322,788 | 0 | 322,788 | 285,490 | 37,298 | 0 | 322,788 | 0 |
| IHS Discretionary Funding Srce | 40,000 | 0 | 40,000 | 35,000 | 0 | 5,000 | 40,000 | 0 |
| DHHS General Funding Source | 37,043,826 | 510,739 | 37,554,565 | 34,413,954 | 3,140,611 | 0 | 37,554,565 | 0 |
| USDA Funding Source | 18,892,682 | 781,824 | 19,674,506 | 18,897,076 | 777,430 | 0 | 19,674,506 | 0 |
| Dept of Education Funding Srce | 1,046,036 | 63,957 | 1,109,993 | 1,018,785 | 91,208 | 0 | 1,109,993 | 0 |
| HUD Funding Source | 42,173,370 | 962,757 | 43,136,127 | 40,810,580 | 1,149,393 | 1,176,154 | 43,136,127 | 0 |
| Housing Proceeds Funding Srce | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EPA Funding Source | 2,044,823 | 0 | 2,044,823 | 1,812,856 | 231,967 | 0 | 2,044,823 | 0 |
| Dept of Labor Funding Source | 12,522,959 | 0 | 12,522,959 | 11,593,294 | 929,665 | 0 | 12,522,959 | 0 |
| Federal Other Funding Source | 5,379,592 | 38,089 | 5,417,681 | 3,628,637 | 155,732 | 1,633,312 | 5,417,681 | 0 |
| State of Oklahoma Funding Srce | 1,309,932 | 0 | 1,309,932 | 1,201,088 | 108,844 | 0 | 1,309,932 | 0 |
| Private Funding Source | 604,845 | 206,111 | 810,956 | 749,981 | 60,975 | 0 | 810,956 | 0 |
| Indirect Cost Pool Funding Srce | 46,061,784 | 338,400 | 46,400,184 | 46,400,184 | 0 | 0 | 46,400,184 | 0 |
| Fringe Pool Funding Source | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal Lease Pool Funding Sr | 4,552,390 | 0 | 4,552,390 | 4,552,390 | 0 | 0 | 4,552,390 | 0 |
| Enterprise Funding Source | 1,280,086 | 2,044,466 | 3,324,552 | 3,288,716 | 35,836 | 0 | 3,324,552 | 0 |
| Other Funding Source | 276,592 | 17,000 | 293,592 | 274,101 | 19,491 | 0 | 293,592 | 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 | 10,751,536 | 8,742,062 | 19,493,598 | 15,601,536 | 0 | 3,892,062 | 19,493,598 | 0 |
| Total | \$ 742,134,043 | \$ 37,418,590 | \$ 779,552,633 | \$ 704,709,143 | \$ 37,421,126 | \$ 37,418,590 | \$ 779,548,859 | \$ 3,774 |

Non Grant Requests

| | | |
|------------------------|------------------|----------------------|
| Oper Mod #5 Req | 56,200.00 | 03/14 Council |
| Cap Mod #1 Req | 170,000,000 | 03/31 E&F |
| Oper Mod #5 Req | 5,159,755 | 03/31 E&F |

Total after pending Mod's **\$ 954,764,814**

CAPITAL RECONCILIATION

| | | |
|----------------|----------------|---------------|
| LA-16-15 | \$ 119,446,919 | |
| Capital Mod #1 | 2,245,423.00 | 02/16 Council |
| Capital Mod #2 | 170,000,000 | 03/31 E&F |

Total Capital **\$ 291,692,342**

| | | |
|---------------------|-----------------------|-----------------|
| Operating (LA17-15) | \$ 663,072,472 | Cumulative Oper |
| Capital (LA-16-15) | 291,692,342 | Cumulative Cap |
| Grand Total | \$ 954,764,814 | |



CHEROKEE NATION TRIBAL COUNCIL

Jody S. Reece, CPA, CIA, CMA

Executive Director of Financial Oversight

M e m o

To: Janees Taylor, Chairman, Executive & Finance Committee
From: Jody S. Reece
CC: Executive & Finance Committee
Date: 03/18/2016
Re: Review of Operating Budget Modification #6 – **Total \$ 5,440,583**

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> |
|-----------------------|------------------------------|--------------------------|
| 20 - DOI General | 1 – New award | \$ 15,000 |
| 75 – Federal Other | 1 – New Award | 250,828 |
| 85 – Private | 2 – New award | 15,000 |
| TOTAL GRANTS | | <u>\$ 280,828</u> |

General Fund Cash Match for Grants (1010315) – The original budget of \$2,686,072 included \$1,760,388 in Cash Out: Grant Required and \$925,684 in Appropriated for Cash Match (future grants).

| | |
|--|--------------------------|
| Original Appropriated for Cash Match (future grants) | \$ 925,684 |
| Used: None to date | 0 |
| Balance Available | <u>\$ 925,684</u> |

B. MOD #6 Request - (20 budgets) Increase in budget authority - \$ 5,159,755

1. Roads Transit Program – 1010039 – General Fund: Modification requesting an increase in expenditure authorization of \$35,000 to help with the purchase of a transit bus. The new budget expenditure total is \$110,000.
2. Meth Initiative – 1010145 – General Fund: Modification requesting an increase in expenditure authorization of \$96,497. Though not specifically related to the Meth Initiative the one-time costs associated with relocation of the Marshal Service offices and equipment are included in this General Fund budget. The new budget expenditure total is \$256,960.
3. Concurrent Enrollment – 1010177 – General Fund: Modification requesting an increase in expenditure authorization of \$150,000 to cover the Fall 2016 Semester. The new budget expenditure total is \$350,000. As a comparison, the actual expenditure total for fiscal year 2015 was \$335,547.

4. Community Youth Grant Program – 1010248 – General Fund: Modification requesting an increase in expenditure authorization of \$125,000. The new budget expenditure total is \$475,000. As a comparison, the actual expenditure total for fiscal year 2015 was \$699,702; however, the qualifying age was increased this year, so the total expenditure should be reduced.
5. General Fund Operations – 1010280 – General Fund: Modification requesting an increase in expenditure authorization of \$300,000 for a subgrant to Cherokee Nation Waste Management. The new subgrant total is \$1,552,000.
6. Unappropriated Reserves – 1010296 – General Fund: New budget requesting expenditure authorization of \$3,000,996, of which \$914,000 is transferred to AU 1024001, MFT Higher Ed Scholarships and \$2,086,996 reserved by appropriation.
7. Office of Veterans Affairs – 1010380 – General Fund: Modification requesting an increase in expenditure authorization of \$42,338 for the 3rd Annual Cherokee Warrior Flight. The new budget expenditure total is \$358,175.
8. CN Cemeteries Preservation – 1010429 – General Fund: Modification requesting authority to use the Contribution and Donations account instead of the Client Services account. This is a zero dollar change.
9. Self Help Emergency Assistance Program – 1010430 – General Fund: Modification requesting a change in expenditure authorization – reducing direct expenditures and adding a \$170,000 subgrant to the HACN. This subgrant will allow them to operate the program for the balance of the fiscal year. The budget expenditure total remains at \$315,000.
10. Community Water & Sewer – 1010432 – General Fund: Modification requesting an increase in expenditure authorization of \$242,383 to carry out the construction of water and sewer facilities for communities. The new budget expenditure total is \$1,558,836.
11. Community Adult Education – 1010439 – General Fund: Modification requesting an increase in expenditure authorization of \$30,000 due to an increase in applications. The budget is currently 60% expended and we are less than 50% through the fiscal year. The new budget expenditure total is \$130,000.
12. Human Service Emergency Asst – 1010461 – General Fund: Modification requesting an increase in expenditure authorization of \$45,000. The new budget expenditure total is \$175,750. As a comparison, the budget for fiscal year 2015 was \$255,750 with \$254,925 actual expenditures.
13. Jurisdictional Outreach – 1010579 – General Fund: Modification requesting an increase in expenditure authorization of \$50,715 mainly for mailing and printing costs. The new budget expenditure total is \$163,215.
14. Remediating Juvenile Truancy – 1010809 – General Fund: New Budget requesting expenditure authorization of \$29,339 for startup costs in anticipation of expected grant funding. See the narrative attached behind the budget for detailed information.
15. Cherokee National Holiday – 1013000 – General Fund: Modification requesting an increase in expenditure authorization of \$64,062 to increase participation in traditional community games. The new budget expenditure total is \$275,934.
16. MFT Higher Ed Scholarships – 1024001 – Motor Fuel Tax: Modification requesting an increase in expenditure authorization of \$914,000 being transferred from the Unappropriated Reserve Fund in item 6. There is anticipated growth of 360 students over the fall 2015 semester count of 3,805. The new budget expenditure total is \$13,858,000. As the title of the accounting unit alludes to, these scholarships were originally funded from Motor Fuel Tax revenues. However, as you can see in the chart below the General

Fund is currently required to fund the majority of the higher education scholarships and continues to grow at a high rate. Increased dividend revenue is always talked about and people wonder where it is going – look to this budget and you will see where a good chunk of it is going. This is a wonderful program but I would be remiss in my fiscal duties if I don't continue to point out the funding problems that the continued growth of this program could cause.

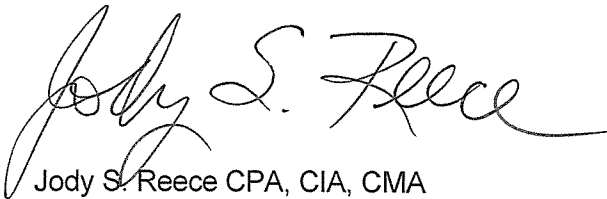
| <u>Year</u> | <u>MFT</u> | <u>Gen Fund</u> | <u>Total</u> |
|-------------|------------|-----------------|--------------|
| 2010 Actual | \$ 3.5M | \$ 3.2M | \$ 6.7M |
| 2011 Actual | \$ 4.7M | \$ 3.8M | \$ 8.5M |
| 2012 Actual | \$ 2.4M | \$ 6.4M | \$ 8.8M |
| 2013 Actual | \$ 3.6M | \$ 6.3M | \$ 9.9M |
| 2014 Actual | \$ 5.1M | \$ 5.9M | \$ 11.0M |
| 2015 Actual | \$ 3.6M | \$ 9.3M | \$ 12.9M |
| 2016 Budget | \$ 3.6M | \$ 10.3M | \$ 13.9M |

17. BIA Preparedness – 3221105 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$12,351 from additional one time funding. The new budget expenditure total is \$87,048.
18. SG Indian Child Welfare – 3222480 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$239,754 from additional funding, some of which is one time funding. The new budget expenditure total is \$1,199,011.
19. FWS Pollinator Project – 3225100 – DOI Self Governance: Modification requesting the cancellation of this \$15,000 budget as it needed to be set up as non Self Governance grant funding in the DOI – General funding source (3205110).
20. Meth and Suicide Prevention – 3324040 – IHS Self Governance Health: Modification requesting a decrease in expenditure authorization of \$202,680 due to no carryover available as previously budgeted. The new budget expenditure total is \$0 and the minor expenditures charged to this AU will need to be reallocated.

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 further information, please do not hesitate to contact me.

Respectfully,



Jody S. Reece CPA, CIA, CMA
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