

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

FISCAL YEAR 2013

APPROPRIATION SUMMARY STATEMENT

The Office budget request for fiscal year 2013 is \$8,400,000. The funds requested will support the Operation of the Office, Relocation Payments (Housing Acquisition and Construction), Incentive Bonus Payments, and Discretionary Funding to facilitate and expedite resettlement activities.

Component elements of the Budget Proposal include: (thousands)

• Operation of the Office	\$5,131
○ Executive Direction	
○ Administration	
• Relocation Payments (Housing)	2,920
• Incentive Bonus Payments	20
• Discretionary Funds (Infrastructure & Grants)	<u>329</u>
 Total Budget Request	 <u>\$8,400</u>

Consistent with the provisions of PL 93-531 and its associated Amendments Act of 1980, PL 96-305, 1988, PL 100-666, and 1991, PL 102-180, the Office will continue its efforts as provided in these statutes towards implementing the towards the final settlement of the long standing dispute between the Navajo Nation and the Hopi Tribe.

Operation of the Office

Summary of Progress in Achieving Objectives: An assessment of the Office's progress in achieving its objectives is clearly quantifiable. There is a total relocation population of 3,769 families who have been certified as eligible for Relocation Benefits as of December 31, 2011. Of this amount, 3,547 families have been moved, 122 cases have been administratively closed due to inaction on the part of the relocatee or because of the death of a relocatee having no heirs. Of the current balance of 100 families, 14 have already signed relocation contracts. We plan to relocate the remaining 86 families who have already been certified as eligible for benefits during FY2012

and FY2013, up to the amount of funding made available by Congress.

- A total of 3,521 Navajo families have relocated from the Hopi Partitioned Lands, 2,335 to on-reservation homesites and 1,186 to off-reservation. 100 Navajo families currently remain to be relocated, 8 residing on the HPL and 92 residing elsewhere. 121 Navajo cases have been closed.
- A total of 26 Hopi families have relocated from the Navajo Partitioned Lands, 23 to on-reservation homesites and 3 off-reservation. One Hopi case has been closed, and there are no Hopi families remaining to be relocated.

The following illustrates the status of the families who have been certified eligible for benefits as of December 31, 2011:

Certified Eligible	3,769	
Closed, not Relocated	-122	These are applicants who have not met the Office's action requirements or who died with no heirs prior to receiving benefits.
Relocated	<u>-3,547</u>	
Relocation in Progress	<u>100</u>	
Homes Being Built	14	Includes no full-time residents of the HPL
Seeking Homes	16	Includes 1 full-time resident of the HPL
Remaining	<u>70</u>	Includes 7 full-time residents of the HPL
Total to be relocated	<u>100</u>	

As of the end of December 2011, there are 151 pending appeals of the current total of 2,205 denied cases. If any of these denials are reversed by administrative appeal or District Court, the certified total will be increased from its current level of 3,769.

In FY2008, the US District Court for the District of Arizona decided a case in which a Navajo, who grew up on lands partitioned to the Hopi Tribe and who was denied relocation benefits by the Office, was awarded such benefits by the District Court. This Navajo was a minor child when first identified by the Office, but when the family was certified in 1981, he was 18 years of age and living with his parents, though attending college off the Hopi Partitioned Lands. The Court determined that the Office should have known that the Navajo was a person "subject to relocation" and thus had an obligation to contact him prior to July 7, 1986, and inform him of this fact as well as the possible benefits he would receive if he applied for and was determined eligible for relocation benefits.

After reviewing this decision, the Office, in conjunction with the Department of Justice, determined that it had an obligation to review its eligibility files and contact all persons named in these files who it had reason to believe met the Office's eligibility criteria in effect through July 7, 1986, and who had not applied for relocation benefits, and provide such persons an opportunity to apply for these benefits. The application deadline was August 31, 2010. The Office received applications for benefits submitted by 3,137 families. 2,361 of these submittals have been reviewed, with 76 families being certified for benefits. Currently, the Office has contract lawyers helping us review the remaining 776 files. Any of these that are certified will also increase the currently certified level.

To recap the above, the Office plans to have currently certified families sign relocation contracts at a rate of 15 signings by 9/30/12, another 20 by 9/30/13, and the balance as funding is available in future years. The current allowable FTE of 40 should be able to handle these moves adequately.

The use of the New Lands area is critical to the successful completion of the program. Current planning indicates that the New Lands can accommodate a total of 975 families in a combination of both clustered grazing and rural community housing. The Office is relying on the New Lands range units to provide the necessary locations to move families who are culturally and economically dependent on livestock. Those families that are not grazers could be relocated to the expanded Rural Community Subdivision on the New Lands.

The Coalmine Canyon subdivision has over 50 lots remaining for relocatees. This area is just across the HPL borderline on the Navajo reservation, and may be desirable to many of these remaining clients. There are also subdivisions in Tuba City, Kayenta, and St Michaels, that have been built either by the Office or Navajo Housing Authority, and which may be chosen as acceptable sites for new homes by relocatees. Moving to other on-reservation areas for currently certified clients may not be possible in FY2013 unless the client has previously obtained a homesite lease for that area, since the homesite lease process takes at least a year to complete.

There will also be moves off-reservation for those who can afford the cost of living. These individuals will have to prove to the Office through prior year tax returns and current salary levels that they are able to cope with the added expenses of living off reservation.

## Justification

Title of Activity: *Operation of the Office* (Decrease of \$282 from Base).

Authorization: P.L. 93-531; 88 Stat. 1712 Sec. 12; 25 U.S.C. 640d.

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(dollar amounts in thousands)

<u>Program Element</u>	<u>FY2012 Appropri.</u>	<u>FY2011 Carryover</u>	<u>FY2012 Base</u>	<u>FY2013 Request</u>	<u>Change To Base</u>
Operation of the Office	\$5,413	\$ -0-	\$ 5,413	\$5,131	-\$ 282
FTE	(40)		(40)	(40)	(0)

Base Program: The operations of the Office of Navajo and Hopi Indian Relocation can be broken down into the following program areas:

A. OFFICE OF THE EXECUTIVE DIRECTOR

This office is responsible for setting Office policy as well as the development and implementation of program initiatives.

B. LEGAL

This area coordinates all legal services, such as certification, appeals, client conservatorship cases, and interpretation of regulations.

C. HUMAN RESOURCES

This area is responsible for all personnel matters.

D. NEW LANDS

This area is responsible for the management and coordination of the New Lands reservation and provides the technical analysis attendant to the planning and development of lands for relocation purposes and assesses the development necessary for facilities and services. Such analyses include negotiations with current permit or lease holders, engineering analysis, grazing capability analysis, and review of the sites by potential relocatee occupants. Utilization of existing

federal and state agency surveys and studies in the area of soil composition, water development, and mineral composition is stressed to avoid duplication of effort.

#### E. RELOCATIONS OPERATIONS

This area oversees the actual relocation of clients as well as all administrative support services. The relocation operations department provides ongoing consultation with the relocatee family from the beginning to the end of the process. These services include pre-move counseling to inform the families of various options available in the selection of a home, evaluation of economic history of the relocatees, coordination of other federal and state agency assistance activities for relocatee families, post-move counseling, and referral assistance to existing service providers upon completion of the relocation process. This department also provides for a full range of real estate acquisition activities including new construction contracting, acquisition of new and resale dwellings, inspection of new and resale dwellings, and monitoring of any necessary warranty or housing repair programs. The primary mission of this unit is to insure that relocatee dwellings meet all applicable decent, safe, and sanitary standards, and that building sites offer families the best possible structural alternatives.

#### F. ADMINISTRATION

All necessary administrative and financial management services are provided to the agency within this area. This includes the preparation and presentation of the Office's budget proposals, all internal financial management programs and reports, all supply and equipment maintenance systems, vehicle fleet management, data and word processing, and all procurement of goods and services, grant management, and managing agreements with other agencies. For the past sixteen years, the Office has been audited by an independent CPA firm who has performed their audits in accordance with federal audit standards. There have been no significant findings, and an unqualified opinion has been issued to ONHIR each year. In addition, no matters relating to personnel, programs, and operations have been referred to prosecuting authorities. Internal reviews of management controls indicate no weaknesses and no material non-conforming areas in our financial systems. Improvements in management and financial controls, however, are made as the need arises. The Office, therefore, has reasonable assurance that the agency as a whole complies with both the Federal Managers' Fiscal Integrity Act of 1982 and the Inspector General Act of 1988, as amended.

Total Operations Request	<u>\$5,131,000</u>
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Title of Activity: *Relocation Operations* (Increase of \$ 481 from Base)

Authorization: P.L. 93-531, 88 Stat. 1712, Sec. 27; 25 U.S.C. 640d

(dollar amounts in thousands)

<u>Program Element</u>	<u>FY2012 Appropri.</u>	<u>FY2011 Carryover</u>	<u>FY2012 Base</u>	<u>FY2013 Request</u>	<u>Change To Base</u>
Relocation Operations	\$2,001	\$438	\$2,439	\$2,920	\$ 481
FTE	(0)		(0)	(0)	(0)

Base Program: Relocation Operations encompasses several components: relocation payments for housing, range management, homesite leases, archaeology, and other reservation programs. In FY2013, the requested funds would underwrite the cost of relocating a maximum of 20 families.

Housing:

The relocation payments for housing include: disposal of acquired property on the HPL/NPL, costs of obtaining homesite leases and other permits from the Navajo Nation and Hopi Tribe, the acquisition of housing for relocatee families through resale dwelling purchases in existing communities or the construction of new homes on or off reservation, and payments associated with the relocation process including moving expenses. It also includes certain engineering costs necessary to developing sites, both on the existing reservation and the New Lands.

Our request for this activity is for 20 moves at an average of \$130,000 each, totaling \$2,600,000. These funds will support (1) the acquisition of replacement housing, (2) payments due families for reasonable search and moving expenses to new locations, (3) necessary payments for miscellaneous expenses such as title and escrow fees and homesite acquisition costs, and (4) costs directly associated with engineering and planning for housing construction.

Housing and related costs	\$2,600,000
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Range Management:

Under Range Management, \$220,000 is requested by the Office for range improvements. These activities include fence and corral maintenance, as well as the drilling, installation, and maintenance of wells on the New Lands.

The second area of Range Management deals with the Padres Mesa Ranch Demonstration project.

This is a working ranch setup by ONHIR on the New Lands in FY2009, with the main emphasis being the education of relocatees in proper and profitable ranching and cattle raising techniques. The amount requested for these activities in FY2013 is \$50,000.

Range improvements	\$220,000
Padres Mesa Ranch demonstration	<u>50,000</u>
Range Management	\$270,000

Archaeology:

The Office is responsible for all required archaeological activities. On the New Lands, there will be some sites that need to be archaeologically cleared, as well as some sites that need to be examined for indirect impacts. We estimate needing \$30,000 for these various projects in FY2013.

Small archaeological contracts	\$30,000
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Miscellaneous:

In addition to these items listed above, there are several smaller tasks that fall within the housing category portion of the budget. These projects include the property management of New Lands buildings and assorted small projects on the Hopi and Navajo reservations. For these various items, the Office requests \$20,000 in FY2013.

Miscellaneous	\$20,000
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The following is a summary of Housing Funds requested for FY2013:

Estimated costs:	
Housing & Related Costs	\$ 2,600,000
Range Management	270,000
Archaeology	30,000
Miscellaneous	<u>20,000</u>
Total Housing Request	<u>\$2,920,000</u>

Title of Activity: *Assistance Payments* (No change from Base)

Authorization: P.L. 93-531,88 Stat. 1712, Sec. 27; 25 U.S.C. 640d

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(dollar amounts in thousands)

<u>Program Element</u>	<u>FY2012 Appropri.</u>	<u>FY2011 Carryover</u>	<u>FY2012 Base</u>	<u>FY2013 Request</u>	<u>Change To Base</u>
Assistance Payments	\$20	\$ -0-	\$20	\$20	-0-
FTE	(0)		(0)	(0)	(0)

Base Program: The Assistance Payment (Bonus) component provides for the payment of an incentive bonus for clients who volunteered for relocation. This payment amount was set at \$5,000 per client for those who applied for relocation prior to July 7, 1982. A sliding scale dropped this payment by \$1,000 per year for applications after July 7, 1982, until it reached \$2,000 for applications received by July 7, 1985. After that date, no bonuses were allowed. In FY2013, bonus payments for families who applied within the timeframes above should amount to \$20,000.

Total Bonus Request \$20,000

Title of Activity: *Discretionary Funds Management* (Increase of \$25 from Base.)

Authorization: P.L. 93-531, 88 Stat. 1712, Sec. 27; 25 U.S.C. 640d.

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(dollar amounts in thousands)

<u>Program Element</u>	<u>FY2012 Appropri</u>	<u>FY2011 Carryover</u>	<u>FY2012 Base</u>	<u>FY2013 Request</u>	<u>Change To Base</u>
Discretionary Funds	\$304	\$ -0-	\$304	\$329	\$25
FTE	(0)		(0)	(0)	(0)

Base Program: Public Law 96-305 authorized a Discretionary Fund. The purpose of this fund, as defined by Congress, is "...to facilitate and expedite the relocation efforts of the Office..." The Office anticipates utilizing these funds to underwrite the cost of a broad range of activities

designed to support land development, group moves, economic development, water development, utility extensions, and other activities which will facilitate and expedite the program.

As in previous years, the Office will coordinate specific infrastructure development projects with the Navajo Nation, the Navajo Tribal Utility Authority, the Indian Health Service, and other organizations to "cost share" a variety of construction efforts. In all cases, the projects are directly related to the provision of services and community facilities for relocatee families at their resettlement sites. Efforts to provide basic services to existing communities during this process assist the host chapters in absorbing the pressures of an increased population (relocatee families) on already limited or under-developed resources and service capabilities.

Housing Infrastructure Cost:

The expenses of providing individual infrastructure, in addition to the individual housing benefit, for 20 relocations would approximate \$320,000. This is based on a projected average cost per house of about \$16,000 to outside contractors.

Housing infrastructure	\$320,000
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Miscellaneous Projects:

When the authorization for the Discretionary Fund was originally passed, it was clearly anticipated that the Office would spend a set amount of money that would not be line item budgeted, that would allow the Office the discretion to make decisions on a case by case basis of applications for worthwhile projects that reduce the adverse impacts of relocation. If the Office were required to justify all of its discretionary funding on a line item basis, no projects which were not anticipated by the applying party could be considered unless they had approximately two years advance time to get into the budget process with the Office. This request will allow the Office the latitude to respond to current requests of \$9,000 for small worthwhile projects.

Miscellaneous projects	\$9,000
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The summary of Discretionary Funds requested for FY2013 is as follows:

Housing Infrastructure	\$320,000
Miscellaneous Projects	<u>9,000</u>
Total Discretionary Request	<u>\$329,000</u>

Unlike previous years, the Office does not estimate having any carryover left for FY2013, so this budget request does not show any offset to estimated needs that would be handled by carryover.

***RECAP OF BUDGET REQUEST FOR FY2013***

Operation of the Office	\$5,131,000
Housing	2,920,000
Bonus	20,000
Discretionary Funds	<u>329,000</u>
Total Budget Request for FY2013	<u>\$8,400,000</u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

RESOURCE REQUIREMENTS (Dollars in Thousands)

	<u>FY2011</u> <u>Actual</u>	<u>FY2012</u> <u>Approp</u>	<u>FY2011</u> <u>Carryover</u>	<u>FY2012</u> <u>Base</u>	<u>FY2013</u> <u>Estimate</u>	<u>Change</u> <u>To Base</u>
Operation of the Office	6,177	5,413	0	5,413	5,131	-282
Relocation Operations (housing, roads, & archaeology)	4,742	2,001	438	2,439	2,920	481
Incentive Bonuses	5	20	0	20	20	0
Discretionary Funds	1,219	304	0	304	329	25
TOTAL	<u>12,143</u>	<u>7,738</u>	<u>438</u>	<u>8,176</u>	<u>8,400</u>	<u>224</u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amount in thousands)

Appropriation: Salaries and Expenses	FY2012 Appr	FY2011 Carryover	FY2012 Base	FY2013 Request	Change To Base
11.1 Full-time permanent positions	3,019	0	3,019	2,875	-144
11.3 Other than full-time permanent					
11.8 Special personnel services payments					
11.9 Total personnel compensation	3,019	0	3,019	2,875	-144
12.1 Personnel benefits: Civilian	755	0	755	719	-36
21.0 Travel and transportation of persons	168	0	168	117	-51
22.0 Travel and transportation of things	1	0	1	1	0
23.0 Rental payments to other, communications utilities, and miscellaneous charges	608	0	608	583	-25
24.0 Printing and reproduction	13	0	13	13	0
25.0 Other services	630	0	630	674	44
26.0 Supplies and materials	174	0	174	74	-100
31.0 Equipment	45	0	45	75	30
32.0 Lands and structures	2,001	438	2,439	2,920	481
41.0 Bonuses	20	0	20	20	0
42.0 Grants	304	0	304	329	25
<b>TOTAL REQUIREMENTS</b>	<b>7,738</b>	<b>438</b>	<b>8,176</b>	<b>8,400</b>	<b>224</b>

## OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

### SALARIES AND EXPENSES

#### Program and Performance

The Office of Navajo and Hopi Indian Relocation was established by Public Law 93-531 to plan and conduct relocation activities associated with the settlement of a land dispute between the Navajo Nation and the Hopi Tribe. The three-member Commission which was appointed in July 1975 submitted a plan for such relocation to the Congress. The Office is continuing to conduct relocation activities under a single Commissioner.

Amending legislation, P.L. 96-305, authorized the Office to grant Life Estates to eligible applicants, conduct a program of Discretionary Funding, and engage in land evaluation/analysis for possible acquisition as relocation sites, and provide for its own administrative, fiscal and housekeeping services.

Amending legislation, P.L. 100-666, reorganized the Commission to replace the Board of three Commissioners, appointed by the Secretary of Interior, with a single Commissioner appointed by the President of the United States with the advice and consent of the United States Senate. Additionally, P.L. 100-666 addressed several other policy concepts regarding the allowability of some improvement to properties in the 1934 Dispute Area, clarified the authority of the Commissioner for final planning authority on the New Lands, addressed certain legal expenditures for tribal expenses related to the relocation dispute, and other miscellaneous housekeeping issues. P.L. 100-666 also increased the Office's annual housing authority from \$15,000,000 to \$30,000,000, increased the total amount of money available for incentive payments to \$13,500,000, and provided an additional authority for the expenditure of Discretionary Funds which requires no match from outside sources when such expenditures are directly in the interest of the relocatees and in support of provision of infrastructure and related facilities to relocatees.

Amending legislation, P.L. 102-180, extended the authorization of housing appropriations through FY1995, and clarified the status of the employees, most of whom were reclassified to Competitive Service.

Amending legislation, P.L. 104-15, extended the authorization of housing appropriations through FY1997.

Amending legislation, P.L. 104-301, extended the authorization of housing appropriations through FY2000.

Amending legislation, P.L. 108-204, extended the authorization of housing appropriations through FY2008.

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

FEDERAL FUNDS

General and Special Funds:

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531. (\$7,737,600) \$8,400,000 for operating expenses of the Office. (Department of the Interior, Environment, and Related Agencies Appropriations Act, PL 112-74)

Program and Financing  
(in thousands of dollars)

Identification Code 435-00-1100-0	FY2011 Actual	FY2012 Estimate	FY2013 Estimate
<u>Obligation by Program Activity:</u>			
Operation of the office	6,177	5,413	5,131
Relocation payments (housing)	4,742	2,439	2,920
Incentive bonus payments	5	20	20
Discretionary fund payments	1,219	304	329
	<u>12,143</u>	<u>8,176</u>	<u>8,400</u>
<u>Financing:</u>			
New budget authority, net	7,986	7,738	8,400
Recovery of prior year obligations	357	300	100
Unobligated balance, start of year	4,238	438	300
Unobligated balance, end of year	-438	-300	-400
	<u>12,143</u>	<u>8,176</u>	<u>8,400</u>
Appropriation, net	7,986	7,738	8,400
Transfer from other accounts			
Appropriation (adjusted)	<u>7,986</u>	<u>7,738</u>	<u>8,400</u>
<u>Relation of obligations to outlays:</u>			
Obligations incurred, net	12,143	8,176	8,400
Obligated balance, start of year	2,622	3,043	3,000
Obligated balance, end of year	-3,043	-3,000	-2,748
Recoveries of prior year obligations	-357	-300	-100
Accounts payable, start of year	343	355	98
Accounts payable, end of year	-355	-98	-250
Outlays	<u>11,353</u>	<u>8,176</u>	<u>8,400</u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

Identification Code 435-00-1100-0	FY2011 Actual	FY2012 Est.	FY2013 Est.
11.0 Personnel Compensation:			
11.1 Full-time permanent	3,113	3,019	2,875
11.3 Other than full-time permanent			
11.8 Special personal service payments			
11.9 Total personnel compensation	3,113	3,019	2,875
12.1 Personnel benefits: Civilian	827	755	719
21.0 Travel and transportation	202	168	117
22.0 Transportation of things	1	1	1
23.0 Rental payments to others, communications, utilities, and miscellaneous charges	532	608	583
24.0 Printing and reproduction	11	13	13
25.0 Other services	1,046	630	674
26.0 Supplies and materials	154	174	74
31.0 Equipment	291	45	75
32.0 Lands and structures	4,742	2,439	2,920
41.0 Bonuses	5	20	20
42.0 Grants	1,219	304	329
99.9 Total Obligations	<u>12,143</u>	<u>8,176</u>	<u>8,400</u>

Personnel Summary:

Total number of full-time permanent positions	41	40	40
Total compensable workyears: Full-time equivalent employment	41	40	40

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION  
EMPLOYMENT AS OF 09/30/2011 BY GRADE LEVEL

ES	1
GM15	1
GM14	1
GS15	2
GS14	3
GS13	3
GS12	3
GS11	2
GS10	1
GS9	6
GS8	1
GS7	5
GS6	1
GS5	2
GS2	1
WS	1
WG	<u>6</u>
Total	<u><u>40</u></u>
Projection-FY2012	<u><u>40</u></u>
Projection-FY2013	<u><u>40</u></u>