

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

FISCAL YEAR 2025

CONGRESSIONAL BUDGET JUSTIFICATION

Background

The Office of Navajo and Hopi Indian Relocation (ONHIR, Office), an independent entity within the Executive Branch, was created as a result of the passage of the Navajo-Hopi Settlement Act of 1974 (Act), PL 93-531. This Act authorized the partition of disputed lands between the Navajo and Hopi tribes originally set aside by the federal government for a reservation in 1882. Members of one tribe, who were living on land designated to the other tribe, were to be relocated and provided new homes.

ONHIR is responsible for the implementation of the Act and carries out the relocation of Navajo and Hopi Indians off land portioned to the other tribe. Over the years, Congress authorized ONHIR to carry out additional responsibilities, including managing about 400,000 acres of lands taken into trust for the Navajo Nation, conducting maintenance on fences and wells, and issuing leases and grazing permits. ONHIR's relocation efforts were initially scheduled to end by 1986, but activities continue today for various reasons, including legal actions. Planning for the orderly closeout of the Office, however, has begun in coordination with the Department of the Interior (DOI) and other stakeholders, including the Navajo Nation and Hopi Tribe.

Fiscal Year (FY) 2025 Request

The FY2025 budget request for ONHIR is \$3,500,000. The funds requested will support the Operation of the Office, Relocation Operations, and Discretionary Funding to facilitate and expedite resettlement activities, and bring about the closure of the Office, 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. In addition to this request, ONHIR will be using some of its existing carryover funds to cover some of the costs of the Operation of the Office.

Component elements of the Budget Proposal include: (thousands)

• Operation of the Office	\$4,128
• Relocation Operations	900
• Discretionary Funds	<u>200</u>
Expected total 2025 Resource Requirements	5,228
Less: Carryover Funds to be Used	<u>(1,728)</u>

Total Budget Request

\$3,500

Performance and Closure

Summary of Progress in Achieving Objectives: An assessment of ONHIR's progress in achieving its relocation objectives is clearly quantifiable. There is a total relocation population of 3,844 families who have been certified as eligible for Relocation Benefits as of January 31, 2024. Of this amount, 3,710 families have been moved, and 127 cases have been administratively closed due to the inaction on the part of the relocatee or because of the death of a relocatee having no family to relocate. Of the remaining 7 cases, two cases are already under contract. We plan to sign housing contracts with the remaining 5 families during FY 2024-FY2025.

For FY2025, the Office is requesting \$3.5 million, which would allow moving 4 additional families that might be certified during FY2024-2025, depending on the outcome of various appeals, as well as completing other necessary projects. Based on the fact that there have only been 14 families certified since FY2014, the Office feels safe estimating this low number of possible certifications over the next 18 months. Of course, if there is a “game-changing” Federal Court Administrative Procedure Act decision that adds significantly to this number, then there will need to be a re-evaluation of the timetable for the completion of our work.

All Administrative appeals have been heard. There are currently 8 pending Administrative Procedure Act (APA) appeals to the Federal District Court brought by the Navajo Nation. Eight cases have been remanded by the Federal District Court back to ONHIR, and the Executive Director has delegated these to the Hearing Officer for his review and decision. Ten APA appeals are now pending in the Court of Appeals for the Ninth Circuit. About 40 denied cases are within the 6-year federal statute of limitations. If any such appeals are filed after the Office is closed, the appropriate successor agency could replace the ONHIR counsel in working with the Department of Justice to handle these cases.

In addition to these court cases, there is one case brought by the Navajo Nation against the U.S. Government in the Court of Federal Claims, with a \$40,000,000 claim still pending. The Declaratory and Injunctive Relief Case in the District Court of Arizona brought by the Navajo Nation v. ONHIR and DOI had all claims against DOI dismissed and three of the four claims against ONHIR dismissed through an order on September 29, 2022. The remaining claim is still pending in the Court system.

Efforts Toward Closeout of the Office: ONHIR will continue with our tribal consultation policy of carrying on meaningful dialogues with the Navajo Nation and the Hopi Tribe as a regular part of our daily business. We are always available to consult with them on policy and programs. We have formed meaningful relationships with them, DOI, and other stakeholders. Our discussions also involve the closeout of the Office, since the Office has largely completed its mission. The current FTE level is 18, enough to complete the tasks before closeout.

In April 2018, the U.S. Government Accountability Office (GAO) released its report titled *Office of Navajo and Hopi Indian Relocation: Executive Branch and Legislative Action Needed for Closure and Transfer Activities* (GAO-18-266). The report highlighted the need to identify the appropriate successor agency (or agencies) to transition ONHIR's functions to, as part of the closure planning process. ONHIR functions that will likely need to transition to a successor agency once the Office completes all eligible relocations include homeowner maintenance training, processing of appeals cases, management of trust lands, including the Padres Mesa Demonstration Ranch, and processing leases and rights of way applications for trust lands. DOI in Denver has already been performing our accounting functions since 10/1/2022. This is working well and will ease the transition of the Office.

Activity: Operation of the Office

The Operation of the Office of ONHIR includes all personnel costs, as well as other administrative expenses, and 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, document preparation and review, interface with Tribal and other federal attorneys, and interpretation of regulations.

C. HUMAN RESOURCES

This area is responsible for all personnel matters, including the human resources aspect of preparing for Office closure. The Office is aware of offering equal opportunities to all persons, even though we have not had any new hires since 2009 and do not foresee any such activity in the future.

D. PADRES MESA DEMONSTRATION RANCH

This demonstration ranch serves as an educational resource to ranchers and relocatees. It will continue under the control of ONHIR until a successor agency or joint venture can be determined.

E. NEW LANDS

This branch acts as the Federal Land Manager for the lands acquired pursuant to the Navajo-Hopi Settlement Act, as amended, and is responsible for the management and coordination of the New Lands reservation while providing the technical analysis attendant to the usage of these lands. The New Lands Branch supports the

range management programs, provides technical assistance to relocatees with New Lands Grazing Permits, and aids in formulating and enforcing the range unit management plans.

F. RELOCATIONS OPERATIONS

This area oversees the actual relocation of clients as well as all client support services, such as homeowner maintenance training. The relocation operations department provides ongoing consultation with the relocatee family from the beginning to the end of the 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 issues. The primary mission of this unit is to ensure that relocatee dwellings meet all applicable decent, safe, and sanitary standards, and that building sites offer families the best possible structural alternatives.

G. ADMINISTRATION

All necessary administrative and financial management services are provided to the agency within this area. This includes budget formulation and execution, all internal financial management programs and reports, all supply and equipment maintenance systems, vehicle fleet management, data and word processing, all procurement of goods and services, grant management, and management of agreements with other agencies.

Per Federal Information Security Management Act (FISMA) requirements, the Office has invested in additional software and contract help to reduce cybersecurity risks. During FY2024-2025, the Office is dedicating more resources for cybersecurity to adopt zero trust policies and meet the requirements of the SECURE Technology Act of 12/21/18, as well as OMB Policies M-21-30, M-21-31, M-22-01, M-22-16, and Executive Order 14028 “Improving the Nation’s Cybersecurity”.

From FY1996-FY2017, the Office has undergone annual financial audits by an independent CPA firm in accordance with federal audit standards. There have been no significant findings, and an unqualified opinion was issued to ONHIR each of those years.

The Office has also been audited in FY2014 and FY2016 by the Office of the Inspector General of the Department of the Interior, and in FY2017-18 by GAO. These reports have been published by DOI and GAO.

Pursuant to the Consolidated Appropriations Act, 2019 (P.L. 116-6), ONHIR transferred \$1million in FY2019 to DOI’s Office of the Inspector General to conduct a programmatic and financial audit of ONHIR to aid in the closure planning process. The programmatic audit has concluded, and the DOI report has been issued as of the end of February 2023. The financial audit was stopped in 2020

when the auditors selected did not feel they could audit the financial statements of ONHIR as they were prepared using the old format approved by Treasury. The Department of Interior, Interior Business Center, was then put under contract by ONHIR to take over the accounting records and bring the new statements in line with the current Treasury recommendations.

The total cost of Operations of the Office will be \$4.128 million for FY2025. ONHIR will use the \$3.5 million included in the budget request, along with \$1.728 million of carryover to cover these Operations costs. All payroll and employee benefits, as well as administrative costs, are included in the Operations request. The total funding for 2025 will cover increasing costs for cybersecurity contracts to keep ONHIR current with FISMA and the new Executive Order requirements; additional legal help required to handle the various court cases; additional accounting costs to DOI to prepare financial records; and about a 5% increase in salaries, consistent with the Executive Branch pay plan, starting in 2024.

Total FY2025 Operation of the Office Resources \$4,128,000

Activity: Relocation Operations

Relocation Operations encompasses several components: relocation payments for housing, range management, and management of trust properties. The following sub-activities provide additional information:

- A. HOUSING: To process any clients ready to start their home acquisition during FY2025, the Office requests \$700,000, which would cover the cost of 4 houses at \$175,000 each.

Housing and related costs	\$700,000
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- B. RANGE MANAGEMENT: The Office requests \$200,000 to be used for range improvement and maintenance projects on the New Lands

No funds should be needed for the Padres Mesa Demonstration Ranch project. This working ranch setup by ONHIR on the New Lands should have nearly all costs covered by the sale of yearlings. Because of the fluctuation of beef prices, the salary of the Ranch manager is included in the Operations of the Office payroll.

Range Management	\$200,000
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- C. MANAGEMENT OF TRUST PROPERTIES: No new funding needs are anticipated for 2025 for management of trust properties. As the Office comes to a close, if there are any additional costs for maintenance of buildings that will be turned over to BIA, the

funding will be covered by available carryover funds.

Management of Trust Properties	0
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The following is a summary of Relocation Operations funds anticipated for FY2025, for which ONHIR will use available carryover:

Estimated costs:	
Housing & Related Costs	\$ 700,000
Padres Mesa Demonstration Ranch	0
Range Improvements	200,000
Management of Trust Properties	<u>0</u>

Total FY2025 Relocation Operations Resources	<u>\$900,000</u>
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Activity: Discretionary Funds

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."

A. HOUSING INFRASTRUCTURE COST: The expenses of providing individual infrastructure, in addition to the individual housing benefit for 4 relocations, would approximate \$200,000. This figure is based on the total average cost of \$50,000 per house. These costs are paid to outside contractors building our relocation houses.

Housing infrastructure	\$200,000
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B. CLOSE-OUT OF AGENCY AND FINAL PROJECTS: It is anticipated that with the close-out of the Office, there will be requests from the various tribes involved to fund final projects. These requests will be scrutinized by the Office for appropriateness, and then funded out of carryover funds.

Close-Out Projects	0
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The summary of Discretionary Funds anticipated for FY 2025 is as follows, for which ONHIR will use available carryover:

Housing Infrastructure	\$200,000
Close-Out Projects	<u>0</u>

Total FY 2025 Discretionary Resources	<u>\$200,000</u>
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RECAP OF BUDGET REQUEST FOR FY 2025:

Operation of the Office	\$4,128,000
Relocation Operations	900,000
Discretionary Funds	<u>200,000</u>
Total Needs for FY2025	5,228,000
Less: Carryover Funds to be Used	<u>(1,728,000)</u>
Total Budget Request for FY 2025	<u>\$3,500,000</u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

RESOURCE REQUIREMENTS (Dollars in Thousands)

	FY2023 Actual	FY2023 Carryover	FY2024 Request	FY2024 Anticipated Available Carryover	FY2025 Estimate	Change To Base
Operation of the Office	4,978	1,853	3,894	5,747	4,128	-1,619
Relocation Operations (housing, roads, & archaeology)	525	400	930	1,330	900	-430
Discretionary Funds	0	7,122	200	7,322	200	-7,122
	5,503	9,375	5,024	14,399	5,228	
Less: Carryover Used					<u>-1,728</u>	
TOTAL	5,503	9,375	5,024	14,399	3,500	-9,171

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amount in thousands)

Appropriation: Salaries and Expenses	FY2023 Carryover	FY2024 Request	FY2024 Available	FY2025 Request	Change To Base
11.1 Full-time permanent positions	800	1,790	2,590	1,872	-718
11.3 Other than full-time permanent					
11.8 Special personnel services payments					
11.9 Total personnel compensation	800	1,790	2,590	1,872	-718
12.1 Personnel benefits: Civilian	200	447	647	468	-179
21.0 Travel and transportation of persons	50	117	167	106	-61
22.0 Travel and transportation of things	1	2	3	2	-1
23.0 Rental payments to other, communications utilities, and miscellaneous charges	250	534	784	506	-278
24.0 Printing and reproduction	2	4	6	4	-2
25.0 Other services	400	896	1,296	920	-376
26.0 Supplies and materials	150	104	254	250	-4
31.0 Equipment	0	0	0		0
32.0 Lands and structures	400	930	1,330	900	-430
42.0 Discretionary funding & grants	7,122	200	7,322	200	-7,122
	<u>9,375</u>	<u>5,024</u>	<u>14,399</u>	<u>5,228</u>	<u>-9,171</u>
Less: Carryover Used				<u>-1,728</u>	
TOTAL REQUIREMENTS	<u>9,375</u>	<u>5,024</u>	<u>14,399</u>	<u>3,500</u>	

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

(dollars in thousands)

Identification Code 435-1100-000	FY2023 Actual	FY2024 Request	FY2025 Request
11.0 Personnel Compensation:			
11.1 Full-time permanent	1,846	1,790	1,872
11.3 Other than full-time permanent			
11.8 Special personal service payments			
11.9 Total personnel compensation	1,846	1,790	1,872
12.1 Personnel benefits: Civilian	462	447	468
21.0 Travel and transportation	92	117	106
22.0 Transportation of things	1	2	2
23.0 Rental payments to others, communications, utilities, and miscellaneous charges	389	534	506
24.0 Printing and reproduction	1	4	4
25.0 Other services	1,722	896	920
26.0 Supplies and materials	441	104	250
31.0 Equipment	0	0	0
32.0 Lands and structures	229	930	900
42.0 Grants	51	200	200
	<u>5,234</u>	<u>5,024</u>	<u>5,228</u>
Less: Carryover to be Used			-1,728
99.9 Total Obligations	<u>5,234</u>	<u>5,024</u>	<u>3,500</u>

Personnel Summary:

Total number of full-time permanent positions allowed	18	18	18
Total compensable workyears: Full-time equivalent employment	18	18	18

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. (\$5,024,000) \$3,500,000 for operating expenses of the Office.

Program and Financing
(in thousands of dollars)

Identification Code 435-1100-000	FY2023 Actual	FY2024 Estimate	FY2025 Estimate
Obligation by Program Activity:			
Operation of the office	4,954	3,894	2,400
Relocation payments (housing)	229	930	900
Discretionary fund payments	51	200	200
Total obligations	5,234	5,024	3,500
Financing:			
New budget authority, net	0	5,024	3,500
Recovery of prior year obligations	127	100	100
Unobligated balance, start of year	15,499	9,375	9,475
Unobligated balance, end of year	-9,375	-9,475	-9,575
	6,251	5,024	3,500
Appropriation, net	0	5,024	3,500
Transfer from other accounts			
Appropriation (adjusted)	0	5,024	3,500
Relation of obligations to outlays:			
Obligations incurred, net	6,251	5,024	3,500
Obligated balance, start of year	368	685	438
Obligated balance, end of year	-685	-585	-338
Recoveries of prior year obligations	-108	-100	-100
Accounts payable, start of year	636	655	655
Accounts payable, end of year	-655	-655	-655
Outlays	5,807	5,024	3,500

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

EMPLOYMENT AS OF 09/30/2024 BY GRADE LEVEL

ES	1
GS15	1
GS14	4
GS13	1
GS12	2
GS9	4
GS8	1
GS7	2
WG	<u>2</u>
Total	<u>18</u>
Projection-FY2024	<u>18</u>
Projection-FY2025	<u>18</u>