



UNITED STATES GOVERNMENT
OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

Christopher J. Bavasi
Executive Director

November 19, 2019

Office of Management and Budget
725 17th St NW, Rm 8223
Washington DC 20503

Dear OMB,

The mission of the Office of Navajo and Hopi Indian Relocation is to provide quality services to eligible households and other impacted by the Relocation Act, in such a way that our clients have the opportunity to re-establish their lives in a positive and productive manner.

The Office is organized as a separate agency reporting directly to the President of the United States. This makes the Office part of the Executive Branch, with oversight being provided by both the Office of Management and Budget and various Congressional committees.

Our goal has always been to assure that all relocation activities that are conducted by the Office are consistent with the intent of Congress and the Executive Branch, as expressed in the Navajo-Hopi Settlement Act (PL93-531) and the Navajo and Hopi Indian Relocation Amendments Acts (PL96-305). Our program includes eligibility determination, necessary family counseling assistance, payment of incentive bonuses, acquisition of decent, safe, and sanitary replacement housing, disposal of abandoned property, and various other activities necessarily associated with relocation of the affected families. As of 9/30/19, out of 7,184 applications, the Office has certified 3,841 families for relocation benefits and denied 3,343 others. Of those certified, we have moved 3,704, closed cases on 129 families that for various reasons could not move, and have currently 8 certified families left to move, with 5 of these having houses already under construction. At this time, all appeals have been heard by our Hearing Officer.

Over the years, some of the denied applicants have taken their cases to the US District Court for the District of Arizona after completing the administrative appeal process, and some of these have had their denials reversed. When this has happened, the Office has had to determine if the District Court's decision requires changes in our standards or procedures for evaluating Applications. We have not had to make any such changes in FY2019. There are currently 6 appeals involving denied applicants at the US District Court, 2 appeals at the Court of Appeals for the 9th Circuit, and 3 cases that have been sent back to ONHIR for determination by the Executive Director, who has sent them back to the Hearing Officer for his review.

In FY2019, our agency had both qualitative and quantitative goals:

Qualitative Goals:

a) There will be a constant application of equal opportunity to all staff, and managers or team leaders will be informed of their EEO/AA responsibilities. During FY2019, there was one pre-complaint that was settled with mediation.. The Office has established a Policy on Reasonable Accommodation, to assure full access to equal employment opportunity. All staff members received EEO Anti-Harassment training, No-Fear Training, How to File an EEOC Grievance Training, Computer Security Awareness training, as well as training on Ethics for Federal Employees. In addition, all justifiable requests for employee job training were approved.

b) There will be no violations of the Anti-Deficiency Act. There were no such violations during FY2019.

c) The mission of the agency will be executed using sound business practices, considering the interest of the general public as well as the clients of the agency. Several examples of managerial efficiency during FY2019 are: there were sufficient resources used in FY2019 to continue the relocation program without delays; management was able to reduce some administrative expenses to be able to reach the goal for client moves; the program staff is required to measure client satisfaction by regular and recurring client contact, and there were no formal complaints received from clients or other outsiders during this period.

Quantitative Goals:

The Office will move 5 families. During FY2019, the Office signed 5 relocation contracts, which brings the total to be moved in FY2020 to 3 clients. There were 2 new certifications in FY2019.

In accordance with the Federal Managers' Financial Integrity Act (FMFIA), the Office has established a system of managerial and financial internal controls. The Office can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2019 was operating effectively. The contents of the reports attached, therefore, may be relied upon by staff as well as external viewers. As the need arises, improvements are made in both managerial and financial controls.

Sincerely,



Christopher J. Bavasi
Executive Director

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

ANNUAL PERFORMANCE REPORT

For the Fiscal Year 2019

GOALS:

1. Performance Goals and Indicators - The specific performance goal to be attained in FY2019 by the Office is to move 5 clients that are already certified consistent with PL93-531 and the Navajo and Hopi Indian Relocation Amendments Acts, PL96-305.

2. Resources Needed to Meet Goals - To move 5 clients, the Office will use the Relocation Program staff to counsel clients, to secure homesites on the Navajo reservation, to dispose of abandoned property on the former Joint Use Area, and to acquire replacement housing either through new construction or purchase of resale homes, on or off reservation.

The New Lands staff will provide services, such as fence-building, water-line and windmill maintenance, biological counseling in range and herd management, and other personal services to relocatees in the New Lands area.

The remaining Administrative staff will provide support to these two programs in the areas of Contracting, Information Systems, Policies & Personnel, and Finance.

To accomplish all these various duties, the Office will have an FTE of 27 for FY2019 allocated by OMB. Funds to carry out the required work will come from an appropriation of approximately \$8,750,000, as well as carryover funds from FY2018.

3. Verification and Validation of the Plan - The means used to verify and validate the actual performance of the Office will, first and foremost, be a tally of the actual cases closed during the fiscal year, as well as a scrutiny of the list of clients awaiting relocation.

RESULTS:

For FY2019, the Office received an appropriation of \$8,750,000 from Congress, and had \$14,651,284 in carryover funds from FY2018 available. The Office signed 5 relocation contracts during FY2019, and there were 2 new certifications. The Office has only 3 clients left to move in FY2020.

AREAS FOR IMPROVEMENT:

Clients who are relocating to the Navajo Reservation must have a homesite lease from the Navajo Nation approved by the Bureau of Indian Affairs (BIA) for the area where they plan to move, move into a Navajo Housing Authority subdivision, or move into an available lot in a subdivision built by the Office. Without a current homesite lease, a client could also move off reservation. These restrictions on where someone may move could be a problem for some

clients. Since, however, there are only 3 left to move, the Office may be able to be creative in finding solutions to individual problems.

To speed up our entire housing processes, our housing specialists have been instructed by the Executive Director to help their clients in any way they can in order to facilitate client moves. This may involve anything from helping the clients obtain necessary documentation to transporting them to appointments with various Navajo Nation departments.

MANAGEMENT DISCUSSION AND ANALYSIS

The mission of the Office of Navajo and Hopi Indian Relocation is to provide quality services to eligible households and others impacted by the Relocation Act, in such a way that our clients have the opportunity to re-establish their lives in a positive and productive manner.

The Office is organized as a separate agency reporting directly to the President of the United States. This makes the Office part of the Executive Branch, with oversight being provided by both the Office of Management and Budget and various Congressional committees.

Our goal has always been to assure that all relocation activities that are conducted by the Office are consistent with the intent of Congress and the Executive Branch, as expressed in the Navajo-Hopi Settlement Act, PL93-531, and the Navajo and Hopi Indian Relocation Amendments Acts, PL96-305. Our program includes eligibility determination, necessary family counseling assistance, acquisition of decent, safe, and sanitary replacement housing, disposal of abandoned property, and various other activities necessarily associated with relocation of the affected families. As of 9/30/19, out of 3,841 families certified for relocation benefits, only 3 clients remain to sign contracts.

Over the years, some denied applicants have taken their cases to the U.S. District Court for the District of Arizona after completing the internal administrative appeal process, and some of these have had their denials reversed. When this has happened, the Office has had to determine if the District Court's decision would require changes in our standards or procedures for evaluating Applications. There have been no decisions by the U.S. District Court in FY2019 that would require changes in our business procedures. There are currently 6 cases that are at the US District Court for the District of Arizona, 2 appeals at the Court of Appeals for the 9th Circuit, and 3 cases that have been sent back to ONHIR for determination by the Executive Director, who has sent them back to the Hearing Officer for his review.

During FY2019, our financial statements show that there have been no major changes in types or amounts of assets, liabilities, costs, obligations, and outlays. While the statements have been prepared from the books and records of the Office in accordance with GAAP for Federal entities and formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

CFO Letter

The Office of Navajo and Hopi Indian Relocation has had a financial audit every year starting in FY1995 through FY2017, per requirements of the Federal Managers' Financial Integrity Act. The Office has always received a clean opinion, with no material weaknesses or significant deficiencies. We have not yet had the audit for FY2018 and FY2019.

One special area that OMB has asked all agencies for reassurance on is that appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge card practices. The Office has only 27 employees currently, so examining all travel and purchase card statements closely is a monthly practice performed by the CFO and the Contracting Officer. Any improper purchase is dealt with immediately. The volume of purchases on these cards was about \$116,000 in FY2019, which is well below the \$10 million reporting requirement.

As any other problems arise, the small size of the Office makes it somewhat easy to find solutions that are both efficient and practical, while still maintaining good internal controls.

A handwritten signature in dark ink, reading "Nancy L. Thomas". The signature is written in a cursive style with a large initial "N".

Nancy L. Thomas

11/19/2019

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

BALANCE SHEET
(Unaudited)

As of September 30, 2019 and 2018

USSGL Acct.		<u>FY2019</u>	<u>FY2018</u>
	ASSETS		
	Entity Assets:		
	Intragovernmental		
101000	Fund Balance with Treasury	18,885,930	16,592,317
	Governmental		
	Cash & Other Monetary Assets		
880300	Inventory & Related Property, Net	2,000	2,000
	General Property Plant & Equipment, net (Note 3)	6,298	20,931
	Total Assets	<u>18,894,228</u>	<u>16,615,248</u>
	LIABILITIES		
	Liabilities Covered by Budgetary Resources:		
	Governmental Liabilities:		
	Other Governmental Liabilities (Note 4)	588,652	600,560
	Total Liabilities	<u>588,652</u>	<u>600,560</u>
	NET POSITION		
	Unexpended Appropriations (Note 5)	18,629,518	16,325,111
	Cumulative Results of Operations	-323,942	-310,423
	Total Net Position	<u>18,305,576</u>	<u>16,014,688</u>
	Total Liabilities & Net Position	<u>18,894,228</u>	<u>16,615,248</u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

STATEMENT OF CHANGES IN NET POSITION
(Unaudited)

For The Years Ended September 30, 2019 and 2018

		<u>FY2019</u>	<u>FY2018</u>
	Net position, beginning of period	16,014,688	9,368,445
	Financing sources		
310700	Appropriations used	5,190,261	7,939,163
310200 or 310300	Transfer of Appropriations to DOI	1,000,000	
	Net results of operations	<u>22,204,949</u>	<u>17,307,608</u>
	Change in unexpended appropriations (decrease)	2,609,102	7,560,223
	Total Financing Sources	<u>24,814,051</u>	<u>24,867,831</u>
	Net cost of operations	-6,508,475	-8,853,143
	Net position, end of period	<u><u>18,305,576</u></u>	<u><u>16,014,688</u></u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

STATEMENT OF NET COST
(Unaudited)

For The Years Ended September 30, 2019 and 2018

	<u>FY2019</u>	<u>FY2018</u>
Obligations and Nonbudgetary Resources		
Obligations incurred:		
Personnel compensation	2,415,553	2,520,388
Personnel benefits	706,451	729,650
Travel & transportation/Persons	96,174	112,420
Transportation/Things	1,125	1,500
Rents, utilities, communications	416,110	452,897
Printing & reproduction	282	801
Services & contracts	431,432	501,205
Supplies & materials	38,703	82,371
Equipment	3,987	0
Total Operations	<u>4,109,817</u>	<u>4,401,232</u>
Relocation operations costs	882,471	1,240,825
Bonuses	0	0
Discretionary funds	197,973	2,297,106
Total Obligations	<u>5,190,261</u>	<u>7,939,163</u>
Additional pension & insurance costs not yet obl	<u>349,636</u>	<u>364,217</u>
	<u>5,539,897</u>	<u>8,303,380</u>
 Imputed financing from administrative agency	 -349,636	 -364,217
 Transfer of appropriation to DOI-OIG	 1,000,000	
 Resources That Do Not Fund Net Cost of Operations:		
Change in amount of undelivered orders (increase)	325,816	853,090
 Costs That Do Not Require Resources:		
Loss on Disposal of Assets		
Depreciation	18,621	30,118
 Financing Sources Yet To Be Provided:		
Change in unused annual leave	-26,223	30,772
 Net Cost of Operations	<u><u>6,508,475</u></u>	<u><u>8,853,143</u></u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

STATEMENT OF BUDGETARY RESOURCES
(Unaudited)

For The Years Ended September 30, 2019 and 2018

	<u>FY2019</u>	<u>FY2018</u>
Budgetary Resources:		
Budget authority	8,750,000	15,431,000
Appropriation transfers	-1,000,000	
Fund balance, beginning of year	16,592,317	9,895,978
Rescissions - Regular	0	0
Rescissions - Sequester	0	0
Undelivered orders, beginning of year	-1,673,826	-2,532,436
A/P & other liabilities, beginning of year	-267,206	-272,481
Total Budgetary Resources	<u>22,401,285</u>	<u>22,522,061</u>
4610 Status of Budgetary Resources:		
4800 Unobligated balance, end of year	17,260,386	14,651,284
Undelivered orders, end of year	1,369,133	1,673,827
Undelivered orders, beginning of year	-1,673,826	-2,532,436
A/P & other liabilities, end of year	256,411	267,206
A/P & other liabilities, beginning of year	-267,206	-272,481
Outlays for year	5,456,387	8,734,661
Total Status of Budgetary Resources	<u>22,401,285</u>	<u>22,522,061</u>
Outlays:		
6100 Fund expenditures	5,470,701	8,723,866
Accrued payroll, beginning of year	117,798	128,593
2210 Accrued payroll, end of year	-162,112	-117,798
Total Outlays	<u>5,426,387</u>	<u>8,734,661</u>