



Election Date: October 24, 2017

All of the information in this packet is available at <http://www.navajodot.org/stimulus-referendum.aspx>

In the summer of 2015, Navajo Nation Council Delegates Walter Phelps and Dwight Witherspoon approached the Division of Transportation asking for help in crafting a stimulus package for transportation infrastructure improvement on the Navajo Nation. From the outset, the delegates were interested in using the principal from the Permanent Trust Fund, which requires two things: passage out of the full council and passage of a referendum of all eligible Navajo voters, both of which require a two-thirds affirmative majority vote.

Initially, the Division's Transportation Planning Department responded with a data-driven, performance-based approach to a proposed \$300 million package. At the start, the Division crafted a package that addressed the paved road system, dirt road improvement, airports maintenance and improvement, and gravel pit development, all while focusing on school bus routes. During conversations in early fall 2015, the delegates and the Division tried to develop a package that was responsive to the needs of local communities as identified by both the delegates and the Nation's road inventory data.

Meanwhile, the Division was without a permanent director. Once Mr. Garret Silversmith was installed as division director in January 2016 the delegates renewed their conversations with the Division about crafting a stimulus package. By the summer of 2016, the consensus was dirt-road improvement only, with the potential of a set aside for gravel pit development and/or airport maintenance. Furthermore, the total amount to be used from the Permanent Trust Fund Principal was reduced to \$180 million.

By the fall of 2016, Navajo DOT had submitted several options for consideration to the sponsors of the legislation, Delegates Phelps and Witherspoon. During a special session of the Navajo Nation Council on October 27, 2016, the council voted 19-4 to approve a version of the stimulus plan as directed by the sponsor and other delegates' feedback. In the passed version, the referendum ballot question asks voters:

Should the fund principal of the Navajo Nation Permanent Trust Fund in the amount of \$216,000,000 over six years at \$36,000,000 per year be used to support the Navajo Nation Transportation Stimulus Plan?

Furthermore, at the request of the sponsor and primary shepherd of the legislation, the Division crafted a proposal to address 20 miles of dirt road improvement per delegate region. Section Four of the referring legislation calls for “20 miles of non-paved road improvement in each of the 24 regions and bridge and gravel development in areas approved by Navajo Division of Transportation.”

The Navajo DOT Stimulus Plan is attached to the legislation as “Exhibit A.” Exhibit A contains a cost breakdown for 20 miles of dirt road improvement across all 24 delegate regions. According to the Division’s estimates, which are based on scaling up Navajo DOT’s capabilities to perform all the work in-house, the total cost for the proposed dirt road improvement is approximately \$212.5 million. When Navajo DOT submitted the mileage cost estimates, the delegates had already resolved on withdrawing \$216 million from the Permanent Trust Fund. At the delegates’ request, the Division added a “Gravel Development + Bridge Planning & Design” line item of \$3.5 million in order to make up the difference between \$216 million and \$212.5 million.

It should be noted that Exhibit A contains estimates, and throughout the process, the Division continued to operate under the direction that most, if not all, work would be performed in-house. Though, nothing in the legislation mandates how the improvements must be performed.

The Division believes, due to its involvement throughout the whole legislative process, that several issues should be communicated to the Navajo people regarding the Division’s understanding of the referendum’s intent and purpose.

1. The Navajo Nation Transportation Stimulus Plan, included in the legislation as “Exhibit A.,” is a referential document designed to help explain the cost of proposed road improvements. ***We understand it neither to be a budget, nor a commitment of jobs, culverts, or other resources.*** The matrices are estimates based off of the Division’s experience bidding out and performing such work in-house.
2. ***The primary intent of the legislation and referendum has been, and currently is, dirt route improvement.*** During the planning process, dirt route improvement was always the primary concern of the delegates and was routinely advocated for in Council meetings. The Council asked for twenty miles for each delegate region, and, according to our estimates, Navajo DOT projected it could provide that mileage amount for approximately \$212.5 million dollars. In order to provide a buffer and authorize potential surplus funds to be used for other deserving initiatives, such as gravel pit development and bridge safety, Navajo DOT included the “Gravel Development + Bridge Planning & Design” line-item to complete the sum to \$216 million.
3. ***The Division will work within the local communities of each delegate region to develop a Stimulus Improvement Plan for dirt-routes.*** Navajo DOT will rely on elected leadership and official chapter legislation to craft a plan that it is responsive to the needs of the region while following a data-driven, performance-based approach. All actions Navajo DOT undertakes must align with the Navajo Nation Long Range Transportation Plan and

any and all stimulus efforts will follow accordingly. As per Section Four of the stimulus legislation, Navajo DOT will approve the routes to be improved.

Section Four. Complete Text of Legislation Referred by Referendum Measure to use Fund Principal of Permanent Trust Fund (page 4 of 6) says:

The Fund Principal of the Navajo Nation Permanent Trust Fund in the amount of \$216,000,000, over six years at \$36,000,000 per year, shall be used to provide 20 miles of non-paved road improvement in each of the 24 regions and bridge and gravel development in the areas **approved by Navajo Division of Transportation** [emphasis added]. To the extent possible, the Transportation Stimulus Plan fund shall be leveraged with other funds.