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The Navajo Local Governance Act (LGA): A Help or Hindrance to Grassroots Self-Government?

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In 1998, the Navajo Nation Council enacted the Navajo Local Governance Act (LGA), 26 Navajo Nation Code Section 1. Known as the "Local Empowerment" initiative, the LGA devolves a set of powers and authorities from central to local Navajo government. "Chapters" are political subunits of the three-branch government and main administrative body of the nation that operates out of Window Rock. Local government on the Navajo Nation thus consists of 110 chapter communities that spread across seventeen million acres of Navajo land and span three states and eleven counties.

Notions of local empowerment and decentralized authority resonate at Navajo because Navajo government is a large and intricate bureaucratic system. The executive, legislative, and judicial branches work in tandem with twelve divisions, five offices, and five Bureau of Indian Affairs (BIA) agencies. The Navajo Nation Council comprises twenty-four delegates who represent the 110 chapters. In 2011, the nation enrolled 300,048 citizens.[1] The United States Census Bureau counted 332,129 Navajo people (alone or in combination) in 2010.[2] The Navajo administrative system is extensive and the number of Navajo citizens reliant on government services is substantial. Effective and efficient government holds broad appeal.

The LGA resulted from a call for reform in government from the Navajo people. Navajo people insisted on improved performance from their government and more from their leaders. The goal is to increase effectiveness and efficiency through improved access, transparency, and fairness; foster a culturally appropriate political culture; and

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to streamline the governing structure, a move with potential to improve service delivery and speed up process on local levels. Decentralized authority presents local leaders in the 110 chapters an opportunity—if they so choose—to assert greater control over local matters, and to define for themselves the breadth and depth of their own self-governance and sovereignty. Local leaders live among their relations and are of the community; they know and have a connection to the area, its history and culture, and are invested in growth and decision-making that are appropriate to the people who live there. LGA certification is one option for expanded local control.

This paper examines the viability of this new approach to locally governed communities on the Navajo Nation—one that undoubtedly expands local control and thus broadens a grassroots community's capacity to be self-governing, but also presents myriad challenges. This paper analyzes those obstacles experienced by aspirant LGA communities as they wrestle to meet Navajo Nation-established standards in financial management and administration to attain certification. The article begins with an account of how the LGA was established, why it mattered to the Navajo people to facilitate local empowerment, and how local empowerment impacts community development. As the LGA arrives at a twenty-year benchmark, I account for progress made in stringent standards set by the LGA, particularly in land-use planning and community development. The essay closes with an argument for continued education, support, and training for local governments and communities on the Navajo Nation to equip citizens at the grassroots level to exercise practical and strategic self-governance, be that LGA-style or not. The effort to build capacity in local people and their government is an investment in the future of the nation.

Background: LGA as Local Control and Why Local Matters

A compelling aspect of the LGA is the desire to honor and restore a sense of traditional governance, employing the Navajo doctrines of *hózhó* (harmony, balance, and peace) and *K'é* (kinship) to maintain checks and balances.[3] The expectation is that the LGA will impart in modern Navajo government and politics a critical cultural element that has long been missing from the westernized bureaucratic system that now exists on the Navajo Nation. A culturally appropriate system of government may provide leverage and relevancy to facilitate empowered planning and decision-making, and a new opportunity for local people to have a greater role and interest in community leadership.

Before European intrusion, leadership was local. Navajo people occupied vast territory but settled in small, localized, and often clan-based autonomous communities.[4] Decision-making was local. It reflected knowledge of a specific home environment and its members, along with their kinship obligations. A clan *naat'lanii* and a regional *naat'lanii* represented local areas when decision-makers met to address joint concerns about livestock, agriculture, warfare, and the harvesting of crops. These leaders organized all collective efforts for their communities.[5] Two members of each clan group served as lifetime spokespersons. One was chosen as *hozhooji naat'lanii* (peace leader), the individual Diné who called and presided over family- and clan-based meetings

and participated in regional discussions. The other was selected as *hashkeeji' nahata* (war leader), who oversaw war and raiding parties. A gathering called *Naachid* was performed for the two chiefs in order.[6] According to David Wilkins, before 1900 the *Naachid* was the only assembly of all Navajo people that came close to an all-inclusive gathering. Though there was no tribe-wide representative government, the *Naachid* provided opportunity for Navajo from a wide geographical area to meet, discuss, and identify leaders.

> Based largely on oral accounts there is strong evidence to support the existence of a periodic tribal assembly. This regional gathering of War Leaders was called a *Naachid*, literally meaning "to gesture with the hand." The most detailed written account of a *Naachid* (the last one was reportedly held in the 1850s or 1860s) comes from the writings of Richard Van Valkenburgh. He noted that the assembly was called "at two and four year intervals, and, should a tribal emergency arise, could be called in an odd year."[7]

Precolonial styles and systems of leadership changed after Navajo internment at Bosque Redondo in the 1860s, the installment of the 1868 treaty, and the establishment of the Navajo chapter system in the 1920s.

The LGA attempts to honor that pre-treaty style of governance by centering the power locally. It also acknowledges that chapter-style governance was imposed by federal officials—an act of colonial control—with the intent to put in place a process for government agents to oversee their Navajo charges and to administer education and agriculture. Philosophically, the LGA reminds the Diné that their people once "did for themselves." It honors the notion of local *naat'lanii* that once had prominence and power to organize, coordinate, and plan. For those frustrated with Window Rock politics it provides a chance to end dependency on central government, cut "red tape," and streamline processes for improved decision making, policy implementation, and service delivery.[8]

To paraphrase former Navajo Nation President Albert Hale, the LGA emboldens local chapters to take action rather than point out a problem and wait for Window Rock to fix it. In 1994, Navajo presidential candidate Albert Hale championed the notion of local empowerment and challenged Diné chapters with this message:

> LGA is about empowering Navajo communities and giving decision-making back to the people. All of your authorities have been given to the central government and Window Rock. When did this happen and how? Chapters identify problems in the local community and all they can do is point it out to central government authority and say, "There is a problem over there. Can you fix it?" Fixing problems at the local level is what local empowerment is about. Navajo people today are too dependent, the complete antithesis of Navajo thriving before the Long Walk. LGA is nothing more than doing for yourself.[9]

Hale advocated the LGA as a source of power and a call to action for grassroots citizens. He reminded the Navajo people of the power of local control and the

responsibility and opportunity of self-governance—on all levels of Diné administration, from local chapters to the three branches: "The power comes from the people, not from Window Rock and not from Washington, DC."[10] That reversal of the top-down style of governance was the thrust for reform. By 1998, Navajo communities pushed for expanded local control. A Navajo Government Development commission was tasked to formulate a plan to actualize local empowerment.

In the Stephen Cornell and Joseph Kalt model of nation-building, fundamental components are practical sovereignty, effective governing institutions, cultural match, strategic orientation, and nation-building leadership.[11] As this article contends, the LGA answers the call for nation-building because it:

- Facilitates practical sovereignty for local chapters. The LGA is premised on the idea that local people know their needs best. Without the involvement and investment of the people it serves, Indian government is limited in scope and consequence.
- Enables Navajo government—on all levels—to function more effectively. Expanded self-governance on local levels and local government's ability to establish policy; manage programs, grants and contracts; plan and budget, actually expedite decision-making and action. Central government is freed to focus on Navajo national initiatives.
- Invites local chapters to create government that matches local culture. Each of the 110 chapters on the Navajo Nation is distinct. Each has a unique identity based on motivation, opportunity, resources and politics. With the LGA, the cultural match is focused on the local areas and not Window Rock—the nucleus of the nation. For most, the "nation" at Navajo is the three branches of government, the symbolic capitol in Window Rock and the whole of the reservation community. Local empowerment initiatives broaden that notion and emphasize the role and importance of local governments and local people to the success of the whole of Diné government.
- Empowers local people to be in control of their own strategic orientation and not wait for decision-makers or administrators in Window Rock to call the shots. This resonates with the idea of local empowerment Albert Hale espoused in 1994. Whether accomplished through the LGA, or other means, it presents both challenge and opportunity to Navajo chapters to assert ownership of government, bureaucratic process and leadership.

Given the size of the Navajo Nation, a nation-building effort may in fact be twofold: a focused effort to build and strengthen governance at the three-branch core, but also a chance to build up and expand capacity among the 110 bodies of local government. The framework of Diné governance is already set up to include local authority; the LGA is one method to facilitate maximization of that local governing opportunity and the nation-building principles are applicable in that effort. Perhaps, for Navajo, the LGA is a means toward community-building. The LGA and other local empowerment initiatives like it are profound exercises in building community from within, and from the ground up.

Opportunities: Powers and Authorities of LGA-Certified Chapters

In order to act upon expanded powers and authorities of the Local Governance Act, a chapter must first meet minimum standards established by the Navajo Nation auditor general and be duly certified in areas of fiscal, personnel, procurement, records, and property management. An LGA chapter must adopt and operate under the auditor general's Five Management system and adhere to policies and procedures that are consistent with Navajo Nation law.[12] The purpose of this system is to ensure accountability and fiscal responsibility. Importantly, the system scrutinizes both central and local governments and challenges both levels to firm up their safeguards.[13]

LGA certification expands chapter authority in these areas:

- Economic development: certified chapters have greater authority to chart their own development path; they can assess local need directly to determine numbers and types of jobs needed, appropriate means of revenue generation, fiscal goals and tolerance for different types of development.
- Revenue generation: certified chapters can devise their own plans to bring funding and other resources into the community. The role of central government in this process can be diminished.
- Land-use planning and zoning: chapters may acquire property by eminent domain; and amend the land use plan to meet the needs of the community. Those needs are assessed and prioritized by the community and not central government.
- Bonds: certified chapters can use bond financing to generate revenue for infrastructure development projects. Improved infrastructure provides better access for business and community development.[14]
- Infrastructure development: chapters may acquire, sell or lease chapter property; acquire and administer capital improvement project funds; and issue home and business site leases or permits, much of which was previously handled by central government.
- Taxation: certified chapters may adopt and collect a range of taxes, if done in coordination with the Office of the Navajo Tax Commission, which oversees taxes imposed by the Navajo Nation; and may receive 100% of the tax collected from retail establishments within their jurisdiction.[15]
- Contracts: certified chapters can enter into agreements for the provision of goods and services; enter into contracts or sub-contracts with the Navajo Nation for federal, state, county and other funds; and enter into contracts or sub-contracts for Navajo Nation general funds.
- Public safety: The Navajo Division of Public Safety manages criminal investigations, corrections, emergency management, emergency medical services, fire and rescue, Navajo Police and internal affairs. Certified chapters may coordinate with Navajo Public Safety or assume an expanded role in these services.
- Recreation: through the land use planning process, certified chapters can identify recreational areas for parks, trails, or recreation facilities. With the prevalence of

diabetes and other health challenges, increased opportunities to promote health and wellness could have positive impact on communities.

- Development of local ordinances: chapters can develop zoning and regulatory ordinances if they adopt and implement a community land use plan.[16]

Additionally, certified chapters may also retain legal counsel, appropriate funds, reallocate funds, establish a peacemaking system or dispute resolution procedure, and devise alternative forms of chapter governance.[17] The latter is an opportunity to break from the 1920s model to tailor institutions and practice to the local people served.[18] By 2012, five Navajo chapters (Shonto, Na'ha'ta Dziil, To'Nanees'Dizi, Steamboat, and Sheep Springs) instituted alternative forms of local government.[19] Among the expanded authorities are actions and decisions that, prior to the LGA, were controlled by central government or constituted local decisions that required a formal resolution and final approval by central government.

Prior to decentralization, the standard practice for chapters to spend money or enact decisions was a chapter resolution.[20] These resolutions identify projects and priorities; facilitate benefits and assistance for individual community members; approve funding and request check issuance; and ask for services and resources from central government. Requests for office supplies, equipment, and payment for vendor contracts and consultant fees are subject to a lengthy review and payment process. Vendor payments and related accounting and recordkeeping are handled by the Division of Community Development. With regular requests from 110 chapters possibly in the queue, the process can be drawn out and frustrating if the request is time-sensitive. By many accounts, it is the resolution process that is responsible for the red tape since a chapter-approved resolution must be processed and approved by central authority before action is taken, a time-consuming process. In an LGA scenario, chapter officials—trained to handle contracts, payments, and accounting in-house—speed up process and cut red tape. LGA devolved authority has potential to fast-track bureaucratic procedures and streamline decision-making.

LGA Certification Expands Local Community Control of Development

The range of expanded powers afforded LGA certified chapters is a game-changer for localized decision-making and action, and nowhere is that impact greater than in the area of community development. Navajo Nation has a Division of Community Development that handles the large-scale housing and infrastructure projects for the Navajo reservation. It manages federal funding and intergovernmental agreements for capital improvement projects and is responsible for managing growth of the whole of the Navajo Nation. With multiple comprehensive projects in process at any given time, it is easy for requests from one of the 110 chapters to be delayed. The LGA gives a certified chapter the chance to spearhead community development projects, rather than wait for central government to evaluate, plan, fund, and build or repair. The Navajo Nation may still have a pivotal role in subcontracting federal, state, tribal, or county funds, or working with the chapter on eminent domain or land-use issues;

however, the momentum on the timeframe, priority list, and action items may originate from the chapter. Two certified authorities—land-use planning and taxation—garner interest among Navajo chapters for active and localized community development.

Expanded Control Through Land-Use Planning

A land-use plan provides a baseline inventory of community land and resources, conveys how local people see and interact with their environment, and presents a community vision for the future. As a planning tool, it is widely used by all governments to help decision-makers and community members make well-informed decisions about how they will use land and resources and protect what is important to them. For some Indigenous people, the best "use" of land is non-use, to effectively keep exploitation and extraction at bay. For others, it is wrong to consider land, plants, and animals as "resources," since Indigenous land, people, and place were bestowed by the Creator. The advantage of a community-driven land use planning process done by Native people is it gives the people a chance to define for themselves the language, concepts, process, speed, and policy of planning and development.

At Navajo, a land-use planning process is useful for community discussion about local history, cultural resources, and connection to place. Since each chapter community across the vast expanse of the Navajo Nation is geographically and culturally unique, this planning process gives local communities the chance to tailor land uses, designations, and protections in ways that make sense to the people who live there. That work no longer has to be driven by central government; it can be done by local citizens at the grassroots. The LGA has motivated new interest in land-use planning, partly because it is mandated for LGA certification, but in addition, communities have also begun to acknowledge the value and practical applications of a land-use plan. This grassroots-driven approach to resource management is an act of empowerment that reclaims the work from both federal and tribal government and gives LGA communities the choice to say no to development practices that fail to resonate with the attitudes, needs, and expectations of the local people. Of course, chapter government is still a subset of Navajo Nation government, but the LGA imparts access to local people and gives them greater voice in their community governance.

From a practical standpoint, land-use planning is a tool that empowers communities to: (1) identify ideal locations for housing, parks, schools, and other amenities; (2) organize land allocated for grazing, home sites, and other chapter-specific uses; (3) designate areas that could be opened up for new development; and (4) devise a plan to set aside land for future generations. Although Navajo departments or divisions that did such work may previously have consulted chapters, the LGA provides impetus for local communities to bear greater responsibility and play a more prominent role in building the community that their people desire.

For example, Na'ha'ta Dziil (or Newlands), Arizona was LGA-certified in 2002 and is using its expanded powers to push development projects forward and control the discussion about local development.[21] It used LGA powers to reorganize chapter government by replacing the old system with a Na'ha'ta Dziil Governance

Commission. In 2018, the commission coordinated with the Office of Navajo-Hopi Indian Relocation and Council Delegate Raymond Smith, Jr. to press the Navajo Nation Law and Order Committee for increased resources for police protection and to staff a police substation that was built in the 1980s but never used.[22] Local leaders collaborated with the Navajo Nation to construct a new shopping center and clinic. The clinic is a branch of the Fort Defiance Indian Hospital, a Public Law 93-638 facility of the Navajo Nation.[23] In 2013, commission leaders noted that the Navajo Nation sells $5,000–$6,000 permits for trophy elk and other animals, wildlife that is plentiful at Na'ha'ta Dziil. Yet as the *Navajo Times* reported,

> Not a penny [of the permit fee] goes back to the chapter where the animal is taken. As a certified chapter, "We need to see if there's some way we can make them go through us instead of the tribe" said (then Commission President) Darryl Ahasteen. The hunting guide business is also very lucrative, and Ahasteen knows some excellent Navajo trackers who would make great outfitters with a little business training.[24]

These are examples of how certification removes a layer of oversight and empowers local leaders to assert an agenda and do for themselves in an expedient manner.

Taxation as a Development Tool

Taxation is a second expanded authority with potential to alter local community development. Governments widely employ tax as a revenue generator to fund capital improvement projects, social services, education, and public safety. Since the Navajo Nation levies tax for business activity, hotel occupancy, possessory interest, oil and gas severance, fuel excise, tobacco, alcohol, junk food, and retail sales, any LGA-certified chapter that adopts a tax is required to coordinate with the Navajo Tax Commission.[25] It remains to be seen how many LGA-certified chapters will adopt taxation as a revenue generation strategy, the types of taxes considered, and economic impact on the local area.

Kayenta was the first Navajo community to collect a sales tax approved by the Navajo Nation and in compliance with the Navajo Nation tax code. Kayenta achieved that through its township status, an alternative strategy for local empowerment that is separate from LGA certification.

> On June 15, 1997—the Kayenta Township Commission implemented the Sales Tax Project at a tax rate of 2.5%. The initial ordinance was geared towards taxation on tourism activities such as grocery sales and sales to Navajo Nation entities that were exempted in the ordinance.
>
> On August 18, 2002—To increase the Township's sales tax revenue and to make the sales tax ordinance more uniform with the Navajo Nation sales tax ordinance, the Kayenta Township Commission held public hearings and amended its sales tax ordinance. This amendment increased the sales tax rate to 5% and allowed for taxation on items that were previously exempted in the original ordinance (i.e., utilities, rent on commercial leases, and construction activity).[26]

The Kayenta Township utilizes tax revenues for "infrastructure development and maintenance, an expansion of the governmental capacity of the Township to meet the needs of its citizens, and to support capital improvement projects."[27] Funded projects include the Kayenta Community Center, Parks and Recreation Department, Animal Care Center, and transfer station.

Though achieved outside of the LGA, the Kayenta Township tax demonstrates several useful lessons for communities interested in taxation: the utility of tax revenues to improve public works, ways that a local tax can supplement resources received from central government, necessary coordination with the Navajo Tax Commission, and the importance of public education. Generating and managing revenues locally and separate from development decisions made in Window Rock, though still part of the Navajo Nation, are acts of fiscal independence and an assertion of local sovereignty and self-governance. They are acts of self-reliance that resonate with the way precolonial clan *naat'lanii* took care of their people.

Tax education is useful for chapter leaders, business owners, and community members as all parties involved should know the rules and limits. Local leaders should adopt a local tax that works strategically with an overall long-term development plan, does not overtax business and investors, and is coordinated with the Navajo Nation. It should be a fair tax that does not overburden citizens, but is enough to provide a funding pool to help build community. Most reservations have historically been tax-free, aside from taxes that target visitors (such as a lodging tax) or are imposed on energy corporations. As a result, reservation citizens are typically wary of tax; many households have limited income and worry about the burden of an additional expense, despite the positives of capital improvement and expanded services. The Navajo Tax Commission regularly trains chapters on Navajo tax and consults with chapters as they develop a local tax code and determine types, rates, and use of revenues.[28]

Chapters Face Hurdles with LGA Certification

By 2015, forty-five of 110 chapters were certified LGA communities.[29] Chapters that were interested but had not formally pursued certification witnessed the challenges encountered by early candidates. In 2004, six years into LGA implementation, Navajo Nation staff identified hurdles that encumbered successful implementation and large-scale adoption of the reform measure. Among them were chapter difficulties with budgets and finance, a financial policy and a process uniform to central and local government, land-use planning, turnover in chapter leadership, and education and training for chapter staff.[30] There was additional concern that an overtaxed review board at the Auditor General's office could further delay certification for chapters, thereby impeding the success of this local empowerment initiative and perhaps discouraging would-be certified chapters. What follows is a discussion of those challenges and an argument that continued efforts to build capacity on the grassroots through education and training may be the key to successful LGA certification for chapters that desire it, and an overall expansion of practical authority for Navajo local government. Two of those challenges, which shall be discussed first, involve central government.

An Overtaxed Review Board May Delay Certification

On the level of the Navajo Nation, staff noted that the Auditor General's office was overburdened.

> Title 26 Navajo Nation Code §102 mandated the Office of the Auditor General to review the chapter's five management system policies and procedures. This review includes obtaining an understanding of the internal control policies and procedures established by the chapter's five management system, evaluating the design effectiveness of the internal control procedures and determining whether such procedures have been placed in operation.[31]

The LGA Five Management System mandates that certified chapters adopt a fair, transparent, and standardized process to ensure accountability in five areas: budgets and spending, personnel, procurement, property, and records management. The Auditor General's office conducts a thorough assessment to ensure Five Management System compliance and adherence to Navajo Nation law before conferring LGA certification. Without adequate staff support to review and process Five Management requests for chapters, the certification could be delayed.

A Universal Accounting System for Central and Local Navajo Government

The utility of a standardized accounting system is structure. Clear and organized records cultivate transparency and accountability; they provide decision-makers with information they need to plan, invest, and grow; and they remain consistent whenever there is a turnover in leadership so the new set of decision-makers has relevant information to move forward immediately. A fair and transparent system supported by the community members and upheld by their leaders may curtail the influence of politics or bias on financial decisions. A certified community can decide what constitutes "fair"; doing so is an act of self-governance. Constituents can act on their rights of public access to government records and financial information. Such access may keep leadership honest and accountable.

A rigorous and standardized accounting system is unprecedented for some chapters and certainly a chapter cannot be LGA-certified without it. Ronnie Ben, Navajo Community Development, was emphatic that this effort must go further than forcing reform on the local level. Ben called for an overhaul of the existing accounting system used by the Navajo Nation and the creation of a new system that connects chapters and the central government for maximum efficiency in auditing, budgeting, and record sharing.[32] James Adekai, Navajo Community Development, explained further complications that arise when the Navajo government conducts financial business with the Bureau of Indian Affairs (BIA): "Each of the five [BIA] agencies have [*sic*] their own standards.[33] There is confusion."[34] Should an LGA-certified chapter pursue direct funding from the BIA, a coordinated and all-inclusive Navajo accounting system could prove helpful and save the time of synchronizing or deciphering varying accounting systems.

By 2004, that goal of a uniform accounting system failed to be realized. Auditor General Claw said preliminary work was done to create a uniform system for Navajo

accounting and establish standards for chapter-level accounting based on a 2003 guide to accounting standards, *The Yellow Book*, but that was only an initial step.[35] The nation had yet to develop a comprehensive system that was tested, understood, and ready to be used by both chapter government and central administration. In 2018, the Navajo Nation Auditor General's office employed both the *Yellow Book* and the *Red Book* standards when conducting audits, but a comprehensive accounting system has yet to be achieved.[36]

A universal accounting system for Navajo will require careful coordination between all offices, divisions, and branches of Navajo government and the 110 chapters that represent local communities; it is no small task. The administrative network that constitutes the Navajo Nation is extensive, so communication is a practical first step. Although reforms intended to speed up the Five Management System review or to coordinate universal accounting may compel collaboration between central and local entities, changes must occur on the local level in order to address the LGA hurdles previously identified and to improve the likelihood of certification. That discussion follows. Depending on existing conditions within any of the 110 chapters, this overhaul may be somewhat daunting, but a possible building-block for a new way of operating as grassroots government.

Operating Standards Can Curb Costly Mismanagement

The Five Management System is intended to make sure a certified chapter has policy and protocols in place to safeguard local government from mismanagement and fraud. These internal controls are meant to improve the quality and scope of financial accountability and keep the chapter in compliance with applicable laws and regulations. As certified chapters are afforded the opportunity to assume a greater role and independence with contracts, intergovernmental agreements, and revenue generation, compliance within the law and coordination with the nation proper are important. In 2004, Lorena Zah-Bahe with the Commission on Navajo Government Development pushed for accounting as foundational to responsible fiscal management. She warned that "given the amount of funds chapters work with in the existing system, the need for an accounting system could not be more important, especially with [LGA] opportunity to assume even greater control over local finances."[37] The auditor general's assessment ensures that an operational framework is in place and that chapter officials are prepared to take on new responsibilities. After certification, it is up to the chapter to use and maintain those internal controls over the long term.

In 2004, staff from Navajo Community Development and Arbin Mitchell, Navajo Nation Office of the President, admitted that chapters' hardships with the LGA certification process revealed the absence of useful operational frameworks in most bodies of chapter government. Many chapters had vague, incomplete, or inconsistently used internal controls and needed structure to foster accountability.[38] The Five Management System provides that structure. In 2016, the Associated Press reported,

> An audit of 23 of the Navajo Nation's 110 chapters has found that mismanagement cost the tribe $10.8 million in lost revenue related to internal controls and

> compliance with Navajo, state and federal laws. The audit presented by the Navajo Nation Office of the Auditor General reported the bulk of that lost revenue came from deficiencies in internal controls. Auditors found the chapters had incomplete property inventories, unreported assets in financial reports, uninsured property and other issues.[39]

The article fails to mention the LGA status of the chapters at fault; however, the headline is a reminder of the importance of internal controls for all chapters and the auditor general's obligation to the nation to help chapters be proficient when handling chapter finances and audits. The importance of clean audits and financial statements, for any government, cannot be overstated.

Accounting Education

The Commission on Navajo Government Development, Community Development staff, the auditor general, and others identified a critical deficiency in their agreement that Navajo needs a uniform accounting system as a vital internal control. The challenging solution to this breakthrough is to train all involved individuals to use the system. Without trained accountants on staff at the chapters, local officials often resort to widely available software to help with accounting. In the 2000s, the LGA required all chapters to use Peachtree accounting software.[40] It was a failed and early attempt to standardize accounting practices across the Navajo government. Council Delegate Roy Dempsey said, "You have to be an accountant to do Peachtree. They argued and said we can't use FoxPro; we proved we could do QuickBook at Oak Springs."[41] If chapter staff cannot quickly learn and become proficient in the mandated software, it is likely they will resort to a program or process they know well simply to get the work done. Rather than issue a top-down mandate on accounting software, especially if the nation cannot provide in-house accounting personnel for chapters or training and tech support on new software, it is incumbent upon the Navajo Nation to work with chapters to create a mutually agreed-upon solution to meet the gap in accounting expertise.

Part of the educational process with accounting is familiarizing people with the language, timeframes, and demands of financial audits. Chapter staff for whom audits are new may find the auditor general's questions probing, intrusive, or perhaps an infringement on local sovereignty. Chapters unaccustomed to the meticulous inspection of their records and finances may be taken aback by the questions, paperwork, and investigative approach to the process. Auditor General Claw described the nature of reviews made by his office:

> When a chapter receives cash (for example, when someone rents the chapter house, they pay a fee), we ask where and how it gets deposited. Do they spend [the money] as cash? Do they use checks to make purchases?[42]

Audits are required to be rigorous. The review is stringent to protect the integrity of Navajo government, its democratic process, sovereignty, the people and their resources, and the leaders who serve.

Budgets and Finance

"Chapters are not ready to do budgets. They don't understand them. They're not ready because, despite the LGA, there is no expertise or financial background."[43] That assessment was from Priscilla Thomas, a contract analyst in Navajo Community Development who worked directly with the 110 chapters, council delegates, and the community service coordinators on contracts and the use of general funds in 2004.[44] Thomas's comments were most likely not intended to affront chapter staff or their aptitudes, but rather to underscore the opportunity for education and training. Willing candidates can learn pertinent skills; a lack of expertise can be solved. What staff need are opportunities and support to get there.

Of course, chapters handled some budgeting and finance before the LGA. There has always been a measure of accountability for federal, state, and tribal funds and the expectation that chapters document income and expenses. For chapters that struggle with budgeting and finance—or for those that prefer the ease and security of allowing an entity of the Navajo Nation to bear the responsibility—Navajo Community Development fills that role. Community Development staff adeptly manage audits, accounting, check disbursement, and record keeping. Continuing that mode of operation may be appealing for some chapters. And for chapters that forgo LGA certification, Community Development will continue to serve in this capacity. For others that desire expanded fiscal independence and control, the responsibility will require education and training. The Five Management standards, though rigorous, may be welcomed as a chance to firm up chapter financials for the purpose of long-term strategic planning, investment, and economic development.

Keeping Track of Money Starts with Education and Training

Most of the identified hurdles with LGA certification can be addressed with education and training. That process will require an investment of time and resources but trained staff in Window Rock and across the 110 chapters will comprise a work force equipped to design, use, and maintain practical and relevant protocols and controls encouraged by the LGA. A revamped Navajo Nation accounting system, for instance, may help the nation be a better manager of its existing federal grants.

Accurately keeping track of money has been a challenge for most chapters. Aside from being a baseline requirement for LGA certification, keeping track is simply good practice and ethical for any chapter, LGA or not. Lorena Zah-Bahe with the Commission on Navajo Government Development said:

> Some chapters had zero accounting yet they get lots of money from central government. They can get Navajo Nation revenues, have six to seven accounts, and award their own scholarships. Chapters clearly work with budgets and funds; however, a clear and standardized accounting system was often lacking and few chapters had trained accountants on staff. Elected officials do what they can with the skills they possess.[45]

Navajo staff suggest that a high school education is increasingly insufficient, especially when taking on the work of LGA or raising the administrative and fiscal standards for chapter government. Ronnie Ben, a graduate of the University of California, Berkeley, observed that "The high school diploma is most common for many chapter officials, chapter coordinators and even council delegates" and stressed the importance of postsecondary education for all Navajo leaders. "Chapter folks must be competent. Many have simply learned along the way. As for department managers, most of them have bachelor's degrees and one has a master's."[46] Limited know-how is indeed a challenge and those who do the best they can with the knowledge and tools they have should receive due credit. However, the LGA presents the nation with an outstanding opportunity to train those willing to learn and raise the bar. Ben encouraged continuing education, personal development and skills workshops, or short courses for all who serve the nation.[47]

Proper Use of Funds

When chapters employ nonstandardized or inconsistent accounting practices, chapter funds can easily be undercounted, miscounted, misappropriated, and misused. The mishandling of chapter funds has been an unremitting issue. When Claw was asked if the Auditor General review exposed instances of mishandling or wrongdoing, he stated emphatically, "Yes! Perhaps some don't see it as wrong. When we see differences in deposits, for example, if $30,000 comes in but only $20,000 gets deposited, there is money unaccounted for. This gets reported to Ethics. Some may not see this as 'stealing' money."[48] It is possible that funds unaccounted for were spent on valid expenses or that the chapter allocated money to people or circumstances for which there was no line item. Newspaper headlines, unfortunately, point out that chapter-level mismanagement and corruption involving money have been commonplace. Such infractions can go unreported or undetected. The impetus for a reform measure like the LGA included a call for tighter fiscal accountability, transparency and penalties for improper accounting.

A unique challenge of the proper use of community funds is how a community defines "proper," particularly in the context of kinship or family-based decision-making. As Diné, the community takes care of its own. An obligation to help family and clan relations means it is common, accepted, and often expected that chapters will allocate cash and chapter resources in a manner that honors relations. People with little cash and without jobs may ask to borrow money, trade food or livestock for services, or request assistance in emergency situations (death in the family, job loss, hospitalization). As accounting systems, recordkeeping, and lending policies are standardized, chapters decide how to help families in need while also maintaining standards of spending and bookkeeping that are fair and honest.

The Five Management System advises chapters to provide financial assistance in four categories: student scholarships, severe hardship and burial, housing materials, and emergencies. It establishes guidelines for eligibility, payment, and documentation and outlines an approval process that emphasizes transparency. Section VII, O

reminds chapter officials and staff of their fiduciary responsibility to report any misuse of funds or assets to the Navajo Nation Office of Ethics and Rules.[49] As a locally governed community, the people have a chance to tailor the protocol, but also employ the structure of the Five Management System. A structured protocol may help cultivate fairness, facilitate decision-making, and alleviate family or political pressure from community members who make requests outside of the established criteria. That choice to define "proper" and set up a system that works for a specific community is a powerful expression of localized self-governance.

Turnover in Leadership

A final hurdle is turnover in leadership. "When there is an election, the chapter officials are not concentrating on certification. They are out campaigning."[50] When new leaders take the reins, there is no guarantee that the work of LGA certification continues at the same pace, with the same goal, or even at all. Priscilla Thomas confirmed, "The next person could have a whole new plan."[51] It is common that incumbents spend the year or more before the next election in campaign mode. Depending on the community attitude about the LGA, certification may or may not be a principal goal for a candidate's platform. Regardless, concentrated work on land-use plans and fiscal policy may be replaced by reelection priorities. Turnover has significant impact on land-use plans because LGA requires that they be revised and resubmitted every five years. If chapter leadership is in transition, focused on a new election, or trying to organize and educate leaders after an election, it is possible that the land-use plan does not get revised on time.

Turnover in Navajo administration is also a natural progression as people move on to other positions or retire. Since LGA certification can take up to ten years or more, it is possible that the community will work with several groups of chapter officials and numerous administrative staff in Window Rock before certification is done. Turnover in leadership is inevitable in that timeframe and it occurs on both central and local levels. What results is a stop-and-go process that can thwart or even derail certification entirely for any given chapter.

Where is the LGA at the Twenty-Year Mark?

Twenty years after the LGA was enacted, less than half of the eligible 110 chapters are certified. Certified chapters contend with turnover in leadership, fluctuating levels of interest from community members, the five-year updates to land-use plans, and regular follow-up from the auditor general. The work of local empowerment begins with certification.

Adversity aside, important progress has been made with community land-use plans. Council-supported amendments to the legislation modify restrictive requirements to make them realistically attainable for chapters (one example from accounting standards will be discussed). Additionally, the Navajo Nation approved a $160,000 incentive. When a chapter obtains certification, it is granted the money "to be utilized for enhancement and implementation of [the] Local Governance Act."[52] The funds

provide extraordinary start-up capital or seed funds to launch community-based projects. Education and training continue to be a critical requirement to keep momentum going.

Measurable Progress on the Land-Use Planning Front

In 2018, the Navajo Division of Community Development lists: eight completed land-use plans in the Chinle Agency (Black Mesa, Blue Gap-Tachee, Chinle, Hard Rock, Low Mountain, Lukachukai, Many Farms, and Tselani Cottonwood); seven in Eastern Agency (Churchrock, Counselor, Iyanbito, Thoreau, Torreon, White Rock, and Ramah); ten in Fort Defiance Agency (Na'ha'ta Dzill, Crystal, Dilkon, Jeddito, Kinlichee, Red Lake, Sawmill, Tohatchi, Twin Lakes, and White Cone); fifteen in Northern Agency (Beclabito, San Juan, Aneth, Cove, Mexican Water, Nenahnezad, Newcomb, Upper Fruitland, Tsé Daa K'aan (Hogback), Shiprock, Sheep Springs, Sanostee, Red Mesa, Red Valley, Gadii' ahi/Tokoi, and Toadlena/Two Grey Hills); and six in Western Agency (Chilchinbeto, Coalmine, Tolani Lake, Cameron, Leupp, and Tuba City). Twenty-four chapters have land-use plans in progress: Baca, Huerfano, Littlewater, Manuelito, Mariano Lake, Pinedale, Pueblo Pintado, Ramah, Tsélichii' (Red Rock), Standing Rock, Cornfields, Coyote Canyon, Fort Defiance, Ganado, Indian Wells, Klagetoh, Tsé Si'áni (Lupton), Mexican Springs, Naschitti, Rocksprings, St. Michaels, Steamboat, Teesto, Tsé Lichii', and Burnham.[53]

In 2004, Priscilla Thomas said fewer than half of the expected community land-use plans were received, six months after the deadline. Thomas cited the "lack of communication, leadership, and the fact that local people don't have education."[54] Inherent challenges are twofold: a chapter needs a land-use plan to get certification and a certified chapter must submit an updated land-use plan every five years to maintain certification. The land-use planning process is ongoing, hence the need for education and training. With increased expertise chapter staff can more efficiently do the work of planning, get community input, and maximize the tools and information provided by consultants who do mapping, GIS, strategic planning, and development projections. Twenty years after the LGA was enacted, that roughly fifty chapters have land-use plans recorded with the Navajo Nation and that an additional twenty-four have land-use planning in process shows measurable progress. There is still much ground to cover before all 110 chapters have a viable land-use plan, but the momentum is positive and in Navajo's favor.

Modified Bookkeeping Standards Provide Useful Flexibility

LGA amendments made since the early 2000s allow chapters to employ a cash-basis method of bookkeeping, a significant deviation from the Generally Accepted Accounting Principles, but a move toward flexibility that gives chapters choice and makes accounting practice accessible and functional for chapters still developing capacity within the workforce in accounting. Language per the act states, "The Chapter shall maintain an accounting system that is capable of maintaining accurate records by

identifying the source and applicable funds," and "The Chapter shall maintain a system of uniform controls to ensure that all funds are used and accounted for appropriately."[55]

Gone is the attempt to mandate a specific software and to disallow deviation from an otherwise uniform accounting system created by central government and shared with local ones. The focus is, instead, on accuracy and any system that enables appropriate use of funds. This is a practical first step, and one that can perhaps be revisited once accounting proficiency has improved across the chapters.

The Navajo Nation audit can be distressing for chapters still grasping a stable accounting practice or currently training staff, as well as a deterrent for chapters that fear that the learning curve will bar the community from LGA certification. The benefit of an audit is the identification of errors and irregularities. Even if the auditor general issues an unfavorable recommendation—a non-endorsement for certification—as it did for Black Mesa in 2015, that decision does not terminate a chapter's quest for LGA certification; rather, it is an opportunity to identify specific problems and fix them. In the case of Black Mesa, the auditor general's review found deficient internal controls; the chapter failed to show the examining certified public accountants that their accounting system could assure fiscal responsibility and proper accountability. Chapter officials received recommendations from the examiners to resolve the deficiencies and improve operations.[56] The Five Step Management review and audits are not intended to be punitive. For a chapter willing to make the adjustments, there remain opportunities to try again.

Education and Training Matter More Than Ever

The members of the Commission on Navajo Government (part of the Office of Navajo Government Development), the Navajo Nation Council, and Community Development and LGA advocates are aware of the obstacles described herein. Education and training can alleviate most of the identified challenges, but require time and resources. Staff suggested that the learning curve should have been acknowledged and adequate funds provided from the start. As James Adekai puts it, "When the LGA was adopted there were no resources available for the Act. There was no technical staff at the chapter level. That should've been provided by the nation. There should be funds available to hire additional staff to build capacity with the existing staff."[57]

Council Delegate Roy Dempsey agreed that the expectations on local leaders are immense, the learning curve is steep, and the Navajo Nation should do more to help build capacity among Navajo personnel. Dempsey said training is regularly offered to staff in the office of the president and the same should be offered to chapters. "The LGA was a campaign promise made by [Albert] Hale, but it was an unfunded mandate."[58] A skilled workforce is an asset to all local and state governments across the United States and the Navajo Nation is no exception. Priscilla Thomas said the capacity issue is indicative of the "brain drain" phenomenon on the Navajo Nation: the community has difficulty attracting educated professionals—especially those who are Navajo citizens—to the reservation. Navajo "brain drain" is partly attributed to

the lack of well-paying jobs, opportunities for advancement, and housing. Thomas believes that

> Education is the only way we can efficiently and effectively [gain the knowledge and experience] to operate. . . . We tell people to come back but there is no pay scale. We need to give them a reason to come back. Tuba City [a mid-size community] has highly educated people; Hard Rock [an isolated community] does not. We need to educate those [in all chapters, not only those near bustling communities] with [a] desire to meet community needs.[59]

The LGA has created need for planners, accountants, and people with GIS and other surveying and mapping expertise for land use and resource management. Thomas added that the caliber of the workforce on the reservation, and in local communities, will improve only when the Navajo people place greater value on education.[60]

The scope of expanded authority that devolves onto an LGA chapter and the large increase in new responsibility mean that proper training and education are at a premium for chapter staff who are asked to perform at new levels and meet new standards. In the new model, the work of budgeting, management, accounting, planning, personnel, and investment are highly structured, a change that may net the positive outcomes of streamlined bureaucracy, improved transparency, and efficiency. This reform, however, raises the bar for professionalism and expertise; it is no longer enough to have good ideas, tireless dedication, and the charisma to draw people to community meetings. The LGA is merely a mechanism for decentralized authority: for it to hold traction as a strategy for government reform, the community must invest to keep the effort alive. The outcome, impact, and longevity of that devolved authority are up to the individual chapters that pursue certification.

LGA certification remains an arduous process. Maintaining interest within the community and finding individuals who are persistent and dedicated to seeing the task through are imperative. Often, one or several individuals spearhead LGA certification. At the onset, optimism and energy are in abundance. The test is the perseverance over the years as the community works to build capacity, train staff, become familiar with new methods of operations, and put books and policies in order. Each chapter will assert and express its newfound empowerment differently. For LGA communities with certification, the work has only begun.

Strengthening the Navajo Nation by Building the Local: A Sustained Push for Local Empowerment Matters

Policy experts see the limitations of the LGA. In 2016, the Diné Policy Institute issued a report that stated, "LGA certification is a cumbersome process that inevitably leads to bottleneck, delay, and frustration."[61] The report affirmed that "chapter houses suffer from discrepancy in human capital," based on surveys among chapter employees in certified and uncertified communities. "Development should be about building the capacity of individuals within the economy."[62] The authors of this report did not issue a resounding endorsement of the LGA, concluding that the LGA does little to

improve opportunities for entrepreneurship on the chapter level and that minimal change or improvement in local economies fail to diversify or strengthen the overall economy of the Navajo Nation.[63]

Originators of the LGA set up a system that required education and training but likely underestimated both the degree to which people would need help and the length of time that chapters would need ongoing instruction. Twenty years after its passage, to sustain the LGA still requires large-scale personnel skills development and investment in the local labor force. Amendments to the Five Management System standards (cash-based bookkeeping, for example) demonstrate flexibility, compromise, and an attempt to find alternative solutions, but the Navajo Nation is far from achieving certification by all its chapters.

The Diné Policy Institute's findings are a fair assessment of the capacity-building challenges pertaining to workforce. Even though the number and impact of successful Navajo entrepreneurs demonstrate a strong interest in business ownership, much more could be done to support these innovators. Indeed, the need for land-use experts, mapmakers, facilitators, and GIS technicians represents a business opportunity for people who can create a company or organization to provide those services to chapters that may be working on certification, or may simply want a practical land-use plan. If such businesses are Navajo-owned—and especially if the staff bring to the work a first-person knowledge of culture, history, and language—they fill an important, unique niche. As certified chapters move to create and improve infrastructure, Navajo-owned contractors can help build homes, parks, and schools. These small companies may not provide the number of jobs needed to solve the unemployment issue for reservation communities, and such businesses are sometimes based off-reservation so they are not addressing chapter-level entrepreneurship per se, but nonetheless they can make an important difference and serve as models for people interested in starting similar enterprises within Navajo chapters.

When the community desires reform and brainstorms solutions, those solutions can have unforeseen or limited results when applied in real-world situations and implemented by people on the ground. In other words, reform efforts that originate as good ideas and solutions must be flexible when road-tested. The LGA also demonstrates the importance of input from individuals who shoulder the burden of change: in this case, the grassroots leaders and community. Perhaps the way to build a nation effectively is to build capacity and strength from the ground up: community-building. The LGA, a top-down initiative driven by central government in the 1990s, could survive and be successful today if further amendments to the law and related training are driven by local communities. At Navajo, local areas are politically and culturally distinctive, yet all are Diné. A bottom-up, community-centered approach to government reform honors the identity of those localities, a vital approach for the Navajo Nation with its large land base and population, large central government, and more than one hundred local government bodies.

If the LGA manages large-scale and long-term success, it could dramatically reshape the way the Navajo Nation governs. The strength of Navajo institutions could derive from the local centers of government. The role of central government could be

adapted to acknowledge expanded self-governance in local areas and shift the focus in Window Rock to other work of the nation. With expanded autonomy and local governments willing and able to "do for themselves," the Navajo Nation Council and executive leadership could have a changed role in local matters. A shift in the central-local relationship emboldens the Navajo nation to consider new ideas of nationhood for the Diné people. Such change is testimony to the strength and willingness of the people to grow and change, to be better and to do better for future generations of Diné.

Conclusion

Certified in 2007, Sheep Springs is not waiting for central authority to fix its problems. This chapter's story of locally empowered action illustrates the opportunity the LGA affords.[64] On the Navajo reservation, flea markets are a cornerstone of economic activity and important for families who rely on food and jewelry sales to provide for their families or supplement limited income. Sheep Springs is located along a major highway in New Mexico; tourists, truck drivers, and locals provide a steady customer base for the market. As reported in the *Navajo Times*, "The chapter's bustling flea market crammed both sides of the frontage road along U.S. Highway 491, causing Chapter President Brian Yazzie to hold his breath every Sunday as he watched children dart back and forth across the road while drivers triple-parked or cruised the kiosks from their cars with their heads hanging out the window."[65]

Nearby, the Navajo Nation Department of Tourism had recognized the opportunity and built a vendor village and information center, but it was locked and surrounded by a chain link fence.[66] It took local pressure for the Navajo Nation to transfer the property to the chapter so it could make use adequate of the facility. Working with the Shiprock Rural Business Development Office, the chapter president and Community Land Use Planning Committee chairman were able to take over the village. They developed policies to ensure a safe environment, established a vendor fee system that would provide funds for reinvestment in the marketplace, and are now working to get water, power, and bathroom facilities. The result is a flea market area with improved space for food and jewelry vendors that is safer for pedestrians and more inviting to tourists and truck drivers.

Sheep Springs is not a town or destination, but its location along a busy byway provides opportunity for locals interested in selling flea market items. These individuals make frybread and snow cones or sell Avon products and old clothes and are typically not interested in being formal entrepreneurs or going through the licensing process to set up a brick-and-mortar store. The entrepreneurs at Sheep Springs illustrate the spectrum of business owners represented in the nation. Participants in an informal economy require a different type of support to be successful. In the case of the Sheep Springs market, entrepreneurs benefit from improved infrastructure (an established vendor area with facilities for patrons) and safety. One of many communities across the Navajo reservation with comparable market opportunities, Sheep Springs is an example of the local economy for which the Diné Policy Institute would like to see more done.

Setbacks aside, there is ongoing interest among Navajo chapters in LGA certification, although not all are convinced this is the practical means toward expanded local control or local empowerment. Full certification across all 110 chapters is unrealistic and not expected. What remains is a vacuum of sorts as the Diné people continue to explore, consider, and innovate other ways to "do for themselves" in local government.

The Navajo Nation persists in its commitment to the LGA. In 2004, Lorena Zah-Bahe said the Commission on Navajo Government Development was aware of the obstacles and that surveys among chapter officials were used to gain greater understanding.[67] The Navajo Nation Division of Community Development continues to provide technical and administrative support to chapters to gain LGA certification.[68] In 2004, Community Development and the Navajo Nation Council collaborated on regular chapter summits to instruct and share information among chapter officials and get feedback from those officials on the LGA process. Ben said the information sharing was important because "Every chapter is different. They need different resources. Most local people want LGA certification but we cannot know the needs in every local community."[69] Summit meetings were also a chance for would-be LGA communities to learn strategy and expertise on best practices and administrative housekeeping. Delegate Roy Dempsey agreed that the summit was beneficial to administrators, the council, and chapter officials alike.[70] Today, all government divisions with a stake in LGA certification make information available online, a step that enables expedient accessibility to useful training modules, policies, handbooks, maps, and systematic guides.

The LGA may or may not be the change agent that enables local empowerment or achieves the scale of reforms sought by the Navajo people. However, it shows the Navajo people's willingness to try something different. The 2007 Navajo Nation Chapter Five Management System Manuals Act shows that the Council is willing to amend the LGA to clarify expectations and to provide practical support to help chapters to achieve certification. These amendments do not lower the standards for internal controls or compromise the integrity of the established criteria. They do, however, address concerns voiced by James Adekai in 2004: "They need to simplify and clarify. Make it adaptable to real situations in structure and function."[71] Clear understanding of the rules and roles help chapters build internal capacity and train staff. These amendments, along with the ongoing presence of units within Navajo government that assist with the LGA, demonstrate that the nation continues to invest in the LGA as a means toward decentralized authority. The LGA option remains for chapters interested in this type of local empowerment.

Notes

1. Bill Donovan, "Census: Navajo Enrollment Tops 300,000," *Navajo Times* (Window Rock, AZ), July 7, 2011: A1.

2. United States Census Bureau, *The American Indian and Alaska Native Population: 2010*, 17.

3. *K'e* is the traditional concept of balance and harmony. It dictates proper relationships between the Diné and their relations, The People and the land.

4. Clyde Kluckhohn and Dorothea Leighton, *The Navajo*, rev. ed., ed. Lucy Wales Kluckhohn and Richard Kluckhohn (Boston: Harvard University Press,1992).

5. Navajo Government Development, *Navajo Nation Government*, 4th ed. (Window Rock, AZ, 1999).

6. David E. Wilkins, *Diné Bibeehaz'aanii: A Handbook of Navajo Government* (Tsaile, AZ: Navajo Community College Press, 1987).

7. Ibid.

8. "Red tape" connotes instances where community members encounter paperwork, fees, time frames, or multi-step processes for services, licenses, and approvals that delay action, implementation, or the receipt of goods and services, often with negative results for the community. For an account of how a lengthy BIA permit review process holds up energy development, see "Navajo Nation President Calls for Elimination of 'Red Tape' that Prohibits Development," *Arizona Daily Independent*, 2017; for how delayed funds earmarked for Bennett Freeze families holds up the construction of 36 new homes and renovation of 45 others, see "Navajo Allocate $3 Million to Former Bennett Freeze Housing," *Arizona Public Media*, 2017; and for Navajo elected leaders and entrepreneurs discussing procurement and financing hurdles and policy change, see "B2B Procurement Summit Promotes 'Buy Navajo,'" *The Navajo Nation*, 2016.

9. Albert Hale, *Navajo Nation TV*, http://youtube.com; "Chapter Summit Empowers Navajo Chapters, Provides New Ideas," Navajo Nation Division of Community Development press release.

10. Ibid.

11. Stephen Cornell and Joseph P. Kalt, "Two Approaches to Economic Development on American Indian Reservations: One Works, the Other Doesn't" (Harvard Project on American Indian Economic Development and the Native Nations Institute, 2006), 12.

12. Navajo Nation Auditor General, "Five Management System Policies and Procedures Checklist," http://www.navajoauditor.org/lgaprocess_01.html.

13. Ibid.

14. The Navajo Nation Economic Development, "Infrastructure," http://navajobusiness.com/infrastructure/index.htm.

15. Resolution of the Budget and Finance Committee of the Navajo Nation Council, "Approving the Navajo Nation Sales Tax Trust Fund Plan of Operation for Distributing Funds," December 17, 2002.

16. Navajo Nation Local Governance Act, 26 Navajo Nation Code Section 1 (1998).

17. Ibid.

18. Ibid.

19. Navajo Division of Community Development, "Local Governance Act (LGA) Certified Chapters: Accomplishments," February 27, 2012.

20. Walter Hudson, "Writing and Understanding a Local Chapter Resolution," presented at Chapter Officials Training, Gallup, NM, March 26, 2009.

21. Navajo Nation Division of Community Development, "Local Governance Certified Chapters," http://www.nndcd.org/local-governance-act.aspx. Newlands or Na'ha'ta' Dziil chapter was created in 1985 and designated as a new home for Navajo people displaced by the 1974 Navajo-Hopi Land Settlement Act. The Navajo Nation purchased 352,000 acres of ranch land near Sanders, Arizona, put the land into trust, and used federal relocation funds to build homes, schools and a clinic. Cindy Yurth, "The Latest Chapter: There Are Pros and Cons to Being the New Lands," *Navajo Times* (Window Rock, AZ), September 26, 2013. See also Shelley Smithson and Northern Arizona University School of Communications, "Dislocated: Stories from the Navajo New Lands," http://navajonewlands.com/.

22. Navajo Nation Council Office of the Speaker, "Law and Order Committee Requests Police Substation for Na'ha'ta' Dziil Community," May 23, 2018.

23. Fort Defiance Indian Hospital Board, "Nahata'Dziil," http://www.fdihb.org/nahatadziil.

24. Yurth, "The Latest Chapter: There are Pros and Cons."

25. Office of the Navajo Tax Commission, "Navajo Taxes," http://www.navajotax.org/.

26. Ibid. The Kayenta Township was established in 1986 as the Navajo Nation's first and only municipal form of government and, with its jurisdiction being the town of Kayenta, exists within the boundaries of the Kayenta chapter, which is a separate decision-making body. The Navajo Nation Council granted the Kayenta Township permanent status as a Home Rule municipality in 2003. See http://www.kayentatownship-nsn.gov/Home/PDF/Newspapers/06/8_06.pdf.

27. Kayenta Township, "Kayenta Township Business Sales Tax Ordinance," *Kayenta Today*, July/August 2006.

28. Navajo Nation Local Governance Act, 26 Navajo Nation Code Section 103, D8 (1998).

29. Navajo Nation Division of Community Development, http://www.nndcd.org/local-governance-act.aspx.

30. Arbin Mitchell, personal interview, July 26, 2004.

31. Navajo Nation Office of the Auditor General, "Navajo Nation Local Governance Act Certification Process," http://www.navajoauditor.org/lgaprocess_01.html.

32. Ronnie Ben, personal interview, June 28, 2004.

33. The US Department of the Interior, Bureau of Indian Affairs, Navajo Region includes 5 Agency Offices at Chinle, Eastern Navajo, Fort Defiance, Shiprock, and Western Navajo. Although the federal system is distinct and separate from Navajo government, coordination in an area such as accounting may streamline funds allocation and service delivery.

34. James Adekai, personal interview, June 30, 2004.

35. Ryan Claw, personal interview, September 27, 2004. The United States Government Accountability Office lists the *Yellow Book* as "The Generally Accepted Government Auditing Standards, a framework for conducting high quality audits with competence, integrity, objectivity, and independence."; see https://www.gao.gov/assets/700/693136.pdf.

36. The *Red Book*, also known as *Principles of Federal Appropriations Law*, concerns federal fiscal law. Navajo Nation Office of the Auditor General, "About Us: Authority, Services and Processes," http://www.navajoauditor.org/aboutus_01.html.

37. Lorena Zah-Bahe, personal interview, September 14, 2004.

38. Arbin Mitchell, personal interview, July 26, 2004.

39. Associated Press, "Audit of Navajo Tribe Shows Mismanagement Cost $10.8 Million," *Gallup Independent*, January 26, 2016.

40. Peachtree Accounting became Sage 50 Accounting in 2012.

41. *QuickBooks* is accounting software geared toward small- to medium-size businesses. *Foxpro* comprises core accounting and operational solutions. Roy Dempsey, personal interview, July 26, 2004.

42. Ryan Claw, personal interview, September 27, 2004.

43. Priscilla Thomas, personal interview, June 28, 2004.

44. CSC staff is essential to chapter administration because the elected officials work part-time without pay, whereas the CSC staff member is a full-time paid employee of the chapter. The work of chapter officials is primarily meeting facilitation and agenda setting; they give directives and the CSC staff member carries them out. The service coordinator has the most direct, day-to-day contact with chapter members; they address constituent concerns, and oversee program implementation and daily operations at the chapter house.

45. Lorena Zah-Bahe, personal interview, September 14, 2004.

46. Ronnie Ben, personal interview, June 28, 2004.

47. Ibid.

48. Ibid.

49. Navajo Nation Council Resolution CO-40-07, Section VII, L and O.

50. Ronnie Ben, personal interview, June 28, 2004.

51. Priscilla Thomas, personal interview, June 28, 2004.

52. Raymond Tsosie, Navajo Division of Community Development, "Local Governance Act (LGA) Certified Chapters," February 27, 2012.

53. Navajo Division of Community Development, "Community Land Use Plans," http://navajochapters.org/About.aspx.

54. Priscilla Thomas, personal interview, June 28, 2004.

55. Navajo Nation Department of Justice Fiscal Policies Manual, "Tsaile/Wheatfields Chapter: Accounting Systems Requirements."

56. Office of the Navajo Nation Auditor General, Audit Report No. 15-14, March 31, 2015.

57. James Adekai, personal interview, June 30, 2004.

58. Roy Dempsey, personal interview, July 26, 2004.

59. Priscilla Thomas, personal interview, June 28, 2004.

60. Ibid.

61. Andrew Curley, Michael Parrish, Majerle Lister, and Kempton Jackson, "Local Governance and Reform: Considering 20 Years of the Local Governance Act" (Diné Policy Institute, 2016), 8.

62. Ibid.

63. Ibid.

64. Navajo Nation Division of Community Development, "Local Governance Certified Chapters," http://www.nndcd.org/local-governance-act.aspx.

65. Cindy Yurth, "Not-so-sheepish To Haltsooí Commandeers Vendor Village for Flea Market," *Navajo Times* (Window Rock, AZ), May 28, 2018.

66. The project was overbid three times and was 18 months behind schedule in 2009. In a report by the Navajo Division of Economic Development, the option of turning the facility over to the LGA certified chapter at Sheep Springs was mentioned. Navajo Division of Economic Development, "2009-2010 Comprehensive Economic Development Strategy for the Navajo Nation."

67. Lorena Zah-Bahe, personal interview, September 14, 2004.

68. Navajo Nation Division of Community Development, "What Does the Division of Community Development Do?", http://www.nndcd.org/frequently-asked-questions.aspx.

69. Ronnie Ben, personal interview, June 28, 2004.

70. Roy Dempsey, personal interview, July 26, 2004.

71. James Adekai, personal interview, June 30, 2004.