

**STATEMENT OF CHRISTOPHER J. BAVASI
EXECUTIVE DIRECTOR, OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION (“ONHIR”)
BEFORE THE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES,
UNITED STATES HOUSE OF REPRESENTATIVES
CONCERNING THE FY 2017 BUDGET REQUEST OF ONHIR (2-25-2016)**

Chairman Calvert, Ranking Member McCollum, Members of the Subcommittee and Subcommittee staff:

I am pleased to have the opportunity to appear before the Subcommittee today and discuss ONHIR’s FY 2017 budget request with you and answer any questions you may have.

I would like to introduce my colleagues who are here with me today. Nancy Thomas is a Certified Public Accountant and our long-time Chief Financial Officer and Larry Ruzow is our in-house Attorney.

Before discussing our FY 2017 budget request, I would like to express our gratitude to Chairman Calvert and the Subcommittee for increasing our FY 2016 appropriation so that we could begin to eliminate the backlog in Navajo households who have been certified as eligible for Relocation Benefits but were awaiting appropriated funds so that the promise of a new home could become a reality. I also express the gratitude of some sixty Navajo households and families who will have signed contracts this year for a new home--about forty-four of whom would otherwise have been required to wait several more years before they could sign the contract for their new home.

As set forth in the President’s Budget, most of the money we are seeking for FY 2017 is to provide housing and housing infrastructure for Navajos who have been certified as eligible for relocation homes. This amounts to \$8,200,00 for the basic housing benefit and \$1,900,000 for housing infrastructure. (A note here—I refer to Navajos, because we have no Hopis who have been certified as eligible for Relocation Benefits and who are awaiting a Relocation Home—all Hopis have already been relocated.)

With respect to the basic housing benefit, we provide \$127,000 for households of three or less and \$133,000 for households of four or more. As provided in the Navajo—Hopi Settlement Act (“the Act”) we have an annual consultation with HUD concerning these amounts. We will have another such consultation in April of this year. While it is an ongoing struggle to do so, we have been able to pay for Relocation Homes that meet the Act’s requirement that such homes be “safe, decent and sanitary” with this housing benefit—and our infrastructure contribution. The average total cost for a new home is \$155,000. (As you know, the Navajo Nation does not charge for the value of the land for on-Reservation moves.) There are also smaller sums sought for such areas as contract services which support our housing program, our appeals process and our administrative work.

We are also seeking \$200,000 for range improvements in the 352,000 acre “New Lands” area which constitutes the Navajo Nation’s Nahata Dziil Commission Governance (Chapter) -- an area that the Act provides that we administer.

We are seeking \$4,900,000 for operation of ONHIR—a figure that covers salaries and benefits for our 34 employees—a number that is not expected to increase and, in fact, will decrease as we complete our work. This amount covers my office, legal, human resources, our New Lands staff, and our Relocation Operations Branch which is responsible for assisting certified applicants in the counseling and home acquisition process and the ONHIR Administration.

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Here is a more detailed breakdown of our FY 2017 Budget Request:

Relocation Operations – The budget request of \$8,476,000 includes a decrease of \$179,000 from the FY2016 enacted level plus the carryover. This amount will allow us to carry out the following projects:

- a) Pay for the acquisition of replacement housing for 60 clients, including actual home construction or purchase of a home with all the costs of going through a title company, as well as reasonable searching and moving expenses. \$8,220,000.
- b) Provide range improvements on the New Lands, which would include maintenance activities for fences, corrals, wells, and windmills. \$200,000.
- c) Complete archaeological activities for sites that need to be cleared or examined for indirect impacts. \$20,000.
- d) Manage property on the New Lands, such as repairs for buildings acquired or constructed on the New Lands, and also pay for landfill usage fees. \$36,000.

Assistance Payments (Bonus) – The budget request of \$25,000 will allow ONHIR to complete all payments to clients who applied for benefits prior to July 7, 1985. The payments are made upon completion of the home building process or after the completion of an off-reservation home purchase.

Discretionary Funds – The budget request of \$2,010,000 includes an increase of \$270,000 from the FY2016 enacted level. This amount will allow us to proceed with the following items:

- a) Pay for the infrastructure costs on 60 homes. \$1,500,000.
- b) Provide deposits to both the Navajo Tribal Utility Authority and Indian Health Service to allow for electrical and water utility connections for new homes on the Navajo Reservation. \$470,000.
- c) Accept requests for small worthwhile projects. Examples would be requests by the Nahata Dził Chapter for specific chapter activities; requests from non-chapter groups that would like help with a small project; and title and escrow costs for the land selection process that should be completed in FY2017. \$40,000.

Operation of the Office – The budget request of \$4,920,000 includes an increase of \$155,000 over the FY2016 enacted level. About \$3,400,000 of this amount is for salaries and benefits for the 34 FTE that ONHIR currently maintains. The increase in FY2017 is to allow for additional legal costs to complete the appeals/certification process, as well as additional contracting costs for residential inspectors to help with the inspection of 60 homes.

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As we have discussed with your staff for several years and as we discussed last year when four members of the Subcommittee toured the Hopi Reservation and Navajo Nation and when me met with the Subcommittee last July, our Agency’s focus is completing our work so the Agency can close by the end of FY 2018. We have had initial contacts with federal and Navajo entities to discuss our closing and transition activities. These contacts have included my appearance before the Navajo Nation Council’s Naabik’iyati’ Committee, (Committee of the Whole); meeting with the Nahata Dziil Commission Governance (the New Lands Chapter) and a discussion with Bureau of Indian Affairs Navajo Regional Director Sharon Pinto. In 2016, we will initiate detailed discussions and begin to develop formal transitions plans.

While most of our work will simply be completed by the end of FY 2018, we recognize—as we discussed with you last July—that some of our activities will need to be taken over by other entities—federal or Navajo for a limited period of time, while others, such as our New Lands range program may need to continue without an end date.

We are working to complete as many relocations as possible before our Agency closes. Since most Navajos want to relocate within the Navajo Nation, this means most families will need a homesite lease issued by the Navajo Nation—and, at least for now, a homesite lease approved and recorded by the BIA. When I met with the BIA Regional Director I reminded her of the importance of having homesite leases approved and recorded in a timely manner. Our Relocation Operations Branch staff regularly works with the Navajo Nation Land Department in an effort to have the Navajo homesite lease review and approval process expedited and recently attended and participated in a work session with the Navajo Nation Council’s Resources and Development Committee (which has oversight responsibility for the Homesite Lease process) and the Navajo Nation Land Department.

While we try to honor the requests of certified applicants with respect to where they would like their relocation home constructed, if homesite leases cannot be processed on a timely basis, we may need to insist that certified applicants select locations where ONHIR has legal authority to control of the leasing process so that we complete as much of our work in this area as is possible. (This would include the New Lands and the Coalmine Mesa subdivision.)

We provide a two year warranty for new homes located in the Navajo Nation and when our Agency closes we will need to make arrangements to have an entity in place that will assist with warranty claims.

Our Administrative Appeal process is proceeding well and in the absence of any “game-changing” federal court decision, all pending Administrative Appeals should be heard and determined by the end of calendar 2017. Because of the six year federal statute of limitations (28 U.S.C. § 2415 (a)) for seeking federal district court review of Agency eligibility decisions, we will need a federal agency to assume

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responsibility for working with the Arizona United States Attorney’s Office on Administrative Procedure Act cases not resolved or which are filed after ONHIR closes.

With respect to the New Lands, there will be a need for both a Navajo and a federal presence after ONHIR closes since such lands are held in trust by the United States for the Navajo Nation. The New Lands Range Program is a unique one that preserves and improves range conditions and productivity and enhances the income received by Navajo ranchers by maintaining high quality livestock, whose herd health is excellent and where detailed herd records are maintained—all of which mean that cattle from the New Lands command premium prices in the marketplace.

How to continue this fine program when we are gone will present challenges for us, for the Navajo Nation, for the local community—NDCG-- and for the BIA, but I am confident that if we work collaboratively we can come up with a solution.

We are working to keep the Padres Mesa Demonstration Ranch—which has become self-supporting—operating after ONHIR closes. We believe that the Ranch can expand its role in the Navajo Nation as a program which teaches responsible and profitable range management techniques which will benefit the whole Navajo Nation. At a recent meeting with Nahata Dziil Commission Governance, the Navajo Nation Council Delegate who represents Nahata Dziil and adjacent chapters expressed strong support for the continuation of the Padres Mesa Demonstration Ranch after ONHIR closes its doors.

We are also working cooperatively with the Navajo Nation on completing the land selection/land into trust program authorized by the Act.

Completing our work is an exciting opportunity, but with the continuing support from you, we are confident that it can be accomplished in a way that brings credit to the United States, the Congress, ONHIR and the people we all serve.

We are happy to answer any question the Subcommittee may have.

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