



**DEPARTMENT OF DINÉ EDUCATION  
THE NAVAJO NATION**

P.O. Box 670 · Window Rock, Arizona 86515  
PHONE (928) 871 – 7475 · FAX (928) 871 – 7474



Jonathan Nez  
President

Myron Lizer  
Vice-President

**NNBEJY-737-2021**

**RESOLUTION OF THE  
NAVAJO NATION BOARD OF EDUCATION**

**Relating to Education; Approving the Reauthorization of the Lukachukai Community School, Inc. for the Operation of Education, Education-Related, and Residential Programs, Pursuant to Public Law 100-297, for the Period of One (1) Year, Beginning July 1, 2021 and Ending on June 30, 2022.**

**WHEREAS:**

1. The Department of Diné Education (hereinafter the “Department”) is the administrative agency within the Navajo Nation with responsibility and authority for implementing and enforcing the educational laws of the Navajo Nation. 2 N.N.C. § 1801 (B); 10 N.N.C. § 107 (A). The Department is under the immediate direction of the Board. 10 N.N.C. § 107 (B).
2. The Navajo Nation Board of Education (hereinafter the “Board”) is the education agent in the Executive Branch for the purposes of overseeing the operation of all schools serving the Navajo Nation. 10 N.N.C. § 106 (A). The Board carries out its duties and responsibilities through the Department of Diné Education. 10 N.N.C. §106 (G)(3). In addition, “the Board [has the] general power to monitor the activities of all Bureau of Indian Affairs funded schools and local community school boards serving the Navajo Nation...” 10 N.N.C. § 106 (G)(1).
3. On May 16, 2012, the Health, Education and Human Services Committee of the Navajo Nation Council enacted **HEHSCMY-012-12** and the “Administrative Rules and Regulations,” that delegated the Navajo Nation Board of Education with the authority to approve P.L. 100-297 and P.L. 93-638 contract reauthorizations. **HEHSCMY-012-12** sets forth the parameters and conditions for reauthorization of schools.
4. In accord with **HEHSCMY-012-12**, the Board reviews and recommends the reauthorization of Public Law 93-638 Indian Self-Determination and Education Assistance Act contract and Public Law 100-297 grant schools and residential programs under the Tribally Controlled Schools Act for the operation of education and education-related programs and/or residential programs in accord with the contract application for a certain number of years and bases and formulates its recommendations upon the testimony, reports, and supporting information provided by the **Lukachukai Community School, Inc.**, and the monitoring reports and recommendations provided by the Department of Diné

**NAVAJO NATION BOARD OF EDUCATION**

*Priscilla B. Manuelito, President · Spencer W. Willie, Vice President · Dr. Victoria Yazzie, Secretary  
Member: Sharon A. Toadecheenie · Marlene Burbank · Dr. Henry Fowler · Andrea K. Thomas  
Freda Nells · Joan A. Gray · Emerson John · Dr. Pauletta White  
Patricia Gonnig, Acting Superintendent of Schools*

Education. The Navajo Nation Board of Education also conditions its sanction, approval and authorization upon the standard conditions (Attached hereto as “**EXHIBIT B**”) which the Navajo Nation places upon Navajo Nation tribal organizations which are authorized to operate BIE-funded education and education-related programs, and/or residential programs.

5. The Board finds that the **Lukachukai Community School, Inc.** has submitted complete reauthorization application that complies with the requirements of the Grant/Contract Conversion/Maintenance Handbook (**ECF-12-01**) and **HEHSCMY-012-12**. **Lukachukai Community School, Inc.**’s application is attached hereto as “**EXHIBIT A.**”
6. According to audit reports and testimony provided by the Office of Diné Accountability & Compliance (“ODAC”) attached hereto as “**EXHIBIT A-1,**” the Board finds that the **Lukachukai Community School, Inc.** is non-compliant with the financial and audit requirements contained in **HEHSCMY-012-12**. In particular, the school’s 2020 audit was “Unmodified” and contained material weaknesses in the financial statements section. The school’s 2019 audit was “Qualified” and contained material weaknesses in the financial statements and federal awards sections. *Additional documentation from the school and Bureau of Indian Education were submitted on August 26, 2020 and are attached.*
7. The **Lukachukai Community School, Inc.**’s academic progress report is attached hereto as “**EXHIBIT A-2,**” in addition to other documents provided by the Office of Education Research & Statistics (“OERS”) and Office of Diné School Improvement (“ODSI”).
8. The Board finds that the **Lukachukai Community School, Inc.** has complied with the Navajo language and culture instructional requirements, incorporation of the Diné Content Standards, and addressed other findings as reported by the Office of Standards, Curriculum, and Assessment Development (“OSCAD”), attached hereto as “**EXHIBIT A-3.**”
9. According to reports provided by COGNIA, the **Lukachukai Community School, Inc.**’s was rated as “Accredited,” attached hereto as “**EXHIBIT A-4.**”

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Navajo Nation Board of Education approves the reauthorization of the grant of the **Lukachukai Community School, Inc.** to operate education, education-related, and residential programs for one (1) year, beginning July 1, 2021 and ending on June 30, 2022.
2. The **Lukachukai Community School, Inc.** shall continue to enhance the learning of Diné Language and Culture, develop and implement a strong Diné Language/Culture program for the students, including updating the school’s Diné language and culture curriculum and incorporation of the

Navajo Nation's Five (5) Content Standards (Diné Language, Culture, Government, History, and Character), and provide Diné language assessment data to the Department.

3. The Navajo Nation Board of Education hereby conditions its sanctions, approval, and reauthorization upon the standard conditions, attached hereto as “**EXHIBIT B,**” which the Navajo Nation places upon Navajo Nation tribal organizations which are authorized to operate BIA-funded education and education-related programs.
4. To the extent permitted by Navajo Nation law, the Navajo Nation further conditions approval of this reauthorization application based on the school's compliance with addition conditions, attached hereto as **EXHIBIT C.**
5. The Navajo Nation Board of Education hereby recommends and empowers the Superintendent of Schools to take any actions deemed necessary and proper to carry out the purposes of this resolution and directive.

### C E R T I F I C A T I O N

I hereby certify that the foregoing resolution was duly considered by the Board of Education of the Navajo Nation at a duly called meeting at Window Rock, Arizona (Navajo Nation) at which a quorum was present, motioned Dr. Pauletta White and seconded by Emerson John and that the same was passed by a vote of 9 in favor; 0 opposed; 0 abstained, this 30th day of July 2021.



Priscilla B. Manuelito, President  
Navajo Nation Board of Education



### 3. Application Content

#### A. Name, address and phone number of the school board submitting the application.

Lukachukai Community School, Inc.  
Navajo Route 13  
P.O. Box 230  
Lukachukai, Arizona 867507

Telephone Number: (928) 787-4400      Fax: (928) 787-2311

Contact persons: Priscilla Chee, President  
Vincent Vicenti, Vice President  
Lucinda Campbell, Secretary  
Samuel Yazzie, Member  
VACENT, Member

The approved 2016-2020 Navajo Nation Local School Board Apportionment Plan (HEHSCMA-21-16) states that school consists of a five (5) member board: 4 – Lukachukai Chapter; and 1 – At-Large with Round Rock / Tsaile/Wheatfields Chapter.

*Note: The school consists of a five (5) member board; however, currently has a vacant position.*

#### B. Resolutions from the local school board and the chapter(s) within the school's authorized boundaries supporting the school board application.

The application package includes:

Resolution of the Lukachukai Community Board of Education, Inc.; passed at a duly called meeting on February 16, 2021, Requesting Approval for the Reauthorization of the Lukachukai Community Board of Education, Inc. to Continue Operation of all Education and Education Related Programs, School Construction, Facility Improvement and Repair, and Minor Improvement and Repair Projects Pursuant to the Provisions of Public Law 100-297.

Supporting Resolutions are from:

1. Lukachukai Chapter; passed on April 11, 2020
2. Round Rock Chapter; passed on March 10, 2021
3. Tsaile/Wheatfields Chapter; passed on March 23, 2021

#### C. Narrative explanation of the school board's prior experience and knowledge in operating the school.

The application includes all four (4) board member's narratives outlining their experiences and educational backgrounds. On an ongoing basis, the board members attend conferences, workshops and training to remain abreast of current

school operation and board knowledge to meet the needs of the school and personal interest.

**D. Information on the geographic and demographic factors in the affected areas.**

The application package includes the geographic and demographic factors, as they comply with Navajo Nation Policies and Procedures for Waiver of School Attendance Boundaries for Navajo Nation Bureau of Indian Affairs-Funded Schools Commencing in School Year 2000 (Resolution # ECN-112-00).

**E. A narrative description identifying each of the programs to be offered by the school board and a description of an implementation plan for each program.**

Included in the packet, Lukachukai Community Board of Education, Inc.'s Educational Program Summaries that include:

- ISEP Program
- Title I
- Reading and Mathematics
- Enrichment (RTE)
- Parent Engagement
- Title II
- Title VI which supplement the Navajo Studies
- Exceptional Student Services
- Gifted and Talented
- Facility Department
- Residential Program
- Transportation Program
- Cafeteria
- New School Construction
- Bus route maps which includes WIFI and food delivery

**F. If not adopted, an affirmative statement that the Navajo Nation North Central Association (NN/NCA) Academic Standards will be adopted, and that NN/NCA Certification will be acquired within one year.**

The application package includes a copy of their certificate, certifying that Lukachukai School (dba: Lukachukai Community Board of Education, Inc.) having met the requirements established by the AdvancED Accreditation Commission and Board of Trustees is hereby accredited by the North Central Association Commission on Accreditation and School Improvement; valid through June 30, 2023.

**G. Statement certified by the school board if applicable, that the Residential Standards will be in conformance with 25 CFR Part 36 Subpart H. School boards shall report to OIEP with respect to instances of non-compliance with space and privacy requirements due to inadequate facilities.**

The application package includes required signed certification from all four (4) school board members, as they will be in compliance.

**H. A specific point by point description of how the school board will handle the Requirements of:**

**1) Accounting and Management of equipment of the school and future equipment acquisitions.**

The accounting and management of equipment of the school and future equipment acquisitions are addressed in the Lukachukai Community Board of Education, Inc. Procurement Policy, approved on March 2, 2021 and the Lukachukai Community Board of Education, Inc. Property Policy, approved on March 2, 2021.

**2) A bookkeeping and accounting procedure system**

The bookkeeping and accounting procedure system are addressed in the Lukachukai Community Board of Education, Inc. Financial Policy; approved on March 2, 2021.

**3) Recruitment and retention of adequately trained personnel**

The recruitment and retention of adequately trained personnel are addressed in the Lukachukai Community Board of Education, Inc. Personnel Policies Manual; approved on March 2, 2021; and provided a brief statement on what they offer for employment.

**4) Personnel policies and procedures**

Included in the application package is the Lukachukai Community Board of Education, Inc. Personnel Policies Manual; approved on March 2, 2021.

**5) Financial policies and procedures**

Included in the application package is the Lukachukai Community Board of Education, Inc. Financial Policy; approved on March 2, 2021; Procurement Policy; approved on March 2, 2021; Travel Policy; approved on March 2, 2021 and Property Policy; approved on March 2, 2021.

**6) Risk management programs (Insurance, including but not limited to, general liabilities, property protection, fire, vehicles, etc.)**

The application includes the Lukachukai Community Board of Education, Inc. contracts with ZURICH.

**7) Consolidated school reform plans**

In lieu of the Consolidated school reform plans, the school's SY 2020-2021 BIE Schoolwide Program Plan, the SY 2019-2020 BIE Needs Assessment and SMART Goals, and the SY 2021-2022 Professional Development Plan; the SY 2020-2021 Comprehensive Support and Improvement (CSI) Continuing Program Plan; and the SY 2020-2021 Schoolwide Budget are included in the application.

*Note: Due to the nationwide pandemic of COVID-19 causing school closures, the Bureau of Indian Education has extended the school's submission of its action plans to September 30, 2020; therefore, the plans for School Year 2019-2020 are being accepted pending submission of ALL School Year 2020-2021 plans upon completion/approval no later than October 31, 2021.*

**8) Reporting Requirements (Single Agency Audit Act of 1984 as amended.)**

The reporting requirements (Single Agency Audit Act of 1984 as amended) is addressed in the Lukachukai Community Board of Education, Inc. Financial Policy; approved on March 2, 2021.

**9) Implementation and enforcement of the Navajo Nation Ethics in Government Law (2 N.N.C. 6).**

The implementation and enforcement of the Navajo Nation Ethics in Government Law (2 N.N.C. 6) is addressed in the Lukachukai Community Board of Education, Inc. Board of Trustees – Board Operating Policies and By Laws; approved on March 12, 2021.

**I. Documentation of Incorporation with the Navajo Nation Corporation Commission.**

The application package includes a Certificate of Good Standing dated March 12, 2021 and March 13, 2020; Lukachukai Community Board of Education, Inc. (File #: 100343) was issued a Certificate of Incorporation and authorized to transact business within the Navajo Nation on February 20, 1997.

*Note: The Navajo Nation Business Regulatory Department reported the school is current with its annual reporting requirements – for 2020 and 2019. The school is to submit its 2021 Annual Report to the Navajo Nation Business Regulatory Department no later than September 30, 2021 to continue to be in good standing.*

**J. A Scope of Work that addresses program implementation and compliance to be utilized as a foundation by an independent auditing firm that will be retained to conduct an annual audit which meets the requirements of the Single Agency Audit Act of 1984 as amended in 1996.**

The application package includes a scope of work for the years ended June 30, 2021 with WIPFLI; June 30, 2019 and June 30, 2018 with HeinfeldMeech; and the Audited Financial Statements years ended June 30, 2020; June 30, 2019; and June 30, 2018.

- K. Assurances that all employees will receive a background investigation and that the employees will meet the minimum standards for character and suitability required in 25 CFR Part 63.11. School board members, in compliance with Navajo Law (including Navajo Election Law) and Federal laws, will also receive criminal background investigations. The criminal background check will include federal, state, and tribal convictions or *Nolo Contendere* pleas on child related convictions. No individuals convicted of any child related crimes may serve on the school board.**

The application package includes required signed certification from all four (4) school board members, as they will be in compliance.

- L. A Certification from each school board member that they have read and understand 25 USC 450d-Criminal Activities Involving Grants, Contracts, etc.; Penalties.**

The application package includes required signed certification from all four (4) school board members, as they will be in compliance.

- M. Certification from each school board member that they understand that all funds received must be deposited in accounts that are insured by an agency or instrumentality of the United States.**

The application package includes required signed certification from all four (4) school board members, as they will be in compliance.

- N. Certification from each school board member, the school chief administrative officer, and the fiscal & personnel manager that they have read and understand the Provisions of OMB Circular, A-87 particularly those sections that pertain to allowable and unallowable cost.**

The application package includes required signed certification from all four (4) school board members; the Acting Principal, the Human Resource Manager, and the Acting Business Manager, as they will be in compliance.

- O. Certification from each school board member that they have read and understand the “*Indian Child Protection and Family Violence Prevention Act of 1990*” requiring child abuse reporting procedures plan and background investigation requirement procedures.**

The application package includes required signed certification from all four (4) school board members, as they will be in compliance.

**P. A signed copy of a School Board Code of Ethics from each school board member.**

The application package includes required signed certification from all four (4) school board members, as they will comply.

**Q. Certification from each school board member that they have received training in the contents of these requirements.**

The application package includes required signed certification from all four (4) school board members.

Reviewed by:



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Lavidia B. Maestas, Sr. Education Specialist  
Office of Diné Accountability and Compliance  
Department of Diné Education

CONCURRENCE:



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Darrick Franklin, Education Program Manager  
Office of Diné Accountability and Compliance  
Department of Diné Education



DEPARTMENT OF DINÉ EDUCATION  
The Navajo Nation

P.O. Box 670 - Window Rock, Arizona 86515  
Phone (928) 871-7466 - Fax (928) 871-6101



Jonathan Nez  
PRESIDENT

Myron Lizer  
VICE PRESIDENT

**MEMORANDUM**

**TO:** Navajo Nation Board of Education Members

**FROM:**   
Darrick Franklin, Education Program Manager  
Office of Diné Accountability & Compliance

**DATE:** April 30, 2021

**RE:** Reauthorization Audit Report – **Lukachukai Community School Inc.**

The **Lukachukai Community School Inc.** is non-compliant with the financial and audit requirements contained in HEHSCMY-012-12, warranting “**one**-year(s) reauthorization.” The **Lukachukai Community School Inc.** Audit Ending 2020 was “Unmodified” in both their Financial Statements and Federal Awards sections. Material Weakness(es) were identified within their Financial Statements section. Significant Deficiencies were also identified in their Federal Awards section. One (1) were identified as repeated findings (**in red**).

**Lukachukai Community School Inc.** Audit Ending 2019 was “Unmodified” in their Financial Statements and “Qualified” in their Federal Awards sections. Material Weakness(es) were identified in both their Financial Statements and Federal Awards sections. Significant Deficiency(ies) were also identified in their Federal Awards section.

**Lukachukai Community School Inc.** Audit Ending 2018 was “Unmodified” in both their Financial Statements and Federal Awards sections. NO Significant Deficiency(ies) or Material Weakness(es) were identified.

A copy of the school’s “Summary of Auditor’s Results” for Audit Ending 2020 is attached.

If you have any questions or concerns please do not hesitate to contact me at (928) 871-7466 or [darrickfranklin@nndode.org](mailto:darrickfranklin@nndode.org). Thank you.

# Lukachukai Community School

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

#### Identification of major programs

CFDA Number(s)	Federal Program or Cluster
15.042	Indian School Equalization
15.062	Replacement and Repair of Indian Schools
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

# Lukachukai Community School

## Schedule of Findings and Questioned Costs (Continued)

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1. Audit Findings in Relation to Financial Statements

2020-001 Account Reconciliations

**Criteria or Specific Requirement:** An accounting system should provide timely and accurate information for management. The reconciliation of account balances is an integral internal control activity to determine that stated account balances are accurate and fairly reported. School management and accounting personnel should reconcile general ledger accounts to subsidiary ledgers and other supporting documents in a timely and effective manner.

**Condition:** Improperly designed internal controls resulted in School management not recording any of the fixed assets, compensated absences, accounts payable, accrued liabilities, the Internal Service Fund, grant receivable, and advances from grantors balances in their accounting system. The School has solely kept their accounting records on only a cash basis. Reconciliations of fixed assets, compensated absences, accounts payable, the Internal Service Fund, and accrued liabilities were provided by a third-party fee accountant. Additionally, the School failed to properly include two invoices in its accounts payable and construction in progress listings that totaled \$997,911.

**Context:** In planning and performing our audit procedures, we obtained an understanding of the design and implementation of internal controls for significant audit risk. Additionally, we performed substantive audit procedures to obtain audit evidence verifying the completeness, validity, and accuracy of the financial records.

**Effect:** Without performing adequate account reconciliations, information provided to management is inaccurate. Also, the probability that fraud or material errors will occur and go undetected generally increases.

**Cause:** The School did not perform adequate reconciliations of the previously mentioned accounts to verify the completeness, validity, and accuracy of their financial records. Variances between the subsidiary ledger and the general ledger were left unexplained throughout the year and some accounts were not recorded on the School's books during the period under audit.

**Repeat:** No

**Auditor's Recommendations:** School management should implement policies and procedures requiring accountability to monitor the accuracy of periodic reconciliations. This would allow the School to ensure completeness and accuracy, enhancing the control system in the accounting department. Management personnel involved in the reconciliation process should sign supporting documentation to attest that not only the process was complete, but it also had been reviewed.

**View of Responsible Officials:** The School agrees with this finding and has a plan in place to correct this.

# Lukachukai Community School

## Schedule of Findings and Questioned Costs (Continued)

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### 2. Audit Findings and Questioned Costs in Relation to Federal Awards

#### 2020-002 Controls over Allowable Cost/Allowable Activities - Performance Payroll

##### *Federal Program Information:*

Funding agency: Department of the Interior and Department of Education  
Title: Indian School Equalization Program and Title I Grants to Local Education Agencies  
CFDA number: 15.042 and 84.010  
Award year and number: 2019-2020 A18AV00696

**Criteria or Specific Requirement:** The School is responsible for the efficient and effective administration of Federal awards through the application of sound management practices. (2 CFR 200.400) Stipends will be paid to an employee with the advance written approval by the employee's Immediate Supervisor and Executive Director. Stipends are to be used only in the event an employee is performing additional job duties outside regular duty hours which are not covered by his/her regular job duties as outlined in the position description. (Lukachukai Personnel Policy Manual 400.17)

**Condition:** The School does not require Board approval for employee stipend payments. This created a weak control environment surrounding the authorization and issuance of stipend payments. Additionally, the School's administration violated policies governing stipends.

**Context:** We examined 40 payroll transactions totaling \$66,630. From the 40 payroll transactions, three were for performance pays that lacked adequate supporting documentation. Two were part of the Indian School Equalization Program for \$4,000 and one was part of the Title I Grants to Local Education Agencies for \$1,000. The size of the performance pays for the year ended June 30, 2020 for CFDA 15.042 was \$31,000 and for CFDA 84.010 was \$18,000.

**Questioned Costs:** n/a

**Effect:** The School could be susceptible to unreasonable costs which may result in disallowed costs related to federal awards.

**Cause:** The School's management is solely responsible for determining when stipends are warranted and the amount at which they should be paid. Vacant positions at the School have caused a need for existing employees to perform additional duties not covered by his/her regular job duties and thus an increase in the amount of stipends issued.

**Repeat:** Yes - Years as Repeat Finding: One

**Auditor's Recommendation:** The School should adhere to the Board adopted Personnel Policy Manual and federal regulations and be vigilant regarding its employee staffing practices and usage of employee stipend payments.

**View of Responsible Officials:** The Interim Business Manager, Human Resource Manager and Principal have collaborated to develop and implement a Stipend Policy that will ensure all authorized signers are included, in addition to ensuring that School Board approval is included. All Policies and Procedures will be consistently updated and revised with consideration of updates and through collaboration with school staff and school board members; at this time, all has been approved by the school board and are on file.

**LUKACHUKAI COMMUNITY SCHOOL  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2020**

Summary Schedule of Prior Audit Findings

**Finding 2019-001 Employee Stipends – Partially implemented**

The Interim Business Manager, Human Resource Manager and Principal have collaborated to develop and implement a Stipend Policy that will ensure all authorized signers are included, in addition to ensuring that School Board approval is included. All Policies and Procedures will be consistently updated and revised with consideration of updates and through collaboration with school staff and school board members; at this time, all has been approved by the school board and are on file.

**Finding 2019-002 Background Checks – Special Tests and Provisions – Implemented**

The Human Resource Manager collaborated with a consultant to ensure that repeat investigations were started and will be completed in batches; investigations consisted of Background Questionnaire, 3 Reference Checks along w/supervisors, FBI Fingerprint Checks, National Sex Offenders Check, State (AZ/NM) Repository Checks, and Local Law Enforcement. Each staff received a favorable determination letter, another placed in their background folder and in their employee file. For consultants, those were placed in their background folder, one in their vendor file and another provided to them. A Confidential Background Summary Sheet and a Ranking Sheet will be provided in the background folder to reference all of these checks. A running spreadsheet has been created to document these updates. Documentation will accompany this process and are now stored in the Human Resource Office in secured files.



**Lukachukai Community Board of Education, Inc.**  
***"Commitment to Children, Commitment to Progress"***  
Navajo Route 13  
P. O. Box 230  
Lukachukai, Arizona 86507  
Phone: (928) 787-4405/4406 Fax: (928) 787-4419

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April 8, 2021

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The names of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cheryl Yazzie".

Cheryl Yazzie  
Interim Business Manager

**LUKACHUKAI COMMUNITY SCHOOL  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2020**

**Findings Related to Financial Statements Reported in Accordance with *Government***

***Auditing Standards***

**Finding Number:** 2020-001

**Contact Persons:** Cheryl Yazzie, Interim Business Manager; Carmen L. Jodie, Acting Principal

**Anticipated Completion Date:** August 31, 2021

**Planned Corrective Action:** The Interim Business Manager and Principal have improved and are continuing to improve internal controls by updating policies and procedures for processing revenues, construction project expenditures and other purchase orders. Fixed asset information is tracked and maintained and reconciled in the financial accounting software. The Interim Business Manager will continue to work on creating a more detailed coding system to allow for better tracking of major construction projects to ensure this information is accurately tracked and reconciled timely to the accounting records. Additionally, further training will be obtained to ensure all accrual type information that is currently tracked in subsidiary or other ledgers is properly and fully recorded and reconciled to the accounting system records. This includes ensuring financial accounting staff continue to receive further training to be better equipped to prepare the school's financial statements, although they may continue to outsource the financial statement preparation after a cost-benefit analysis.

**Findings Related to Federal Awards**

**Finding Number:** 2020-002

**Contact Persons:** Cheryl Yazzie, Interim Business Manager; Carmen L. Jodie, Acting Principal

**Anticipated Completion Date:** June 30, 2021

**Planned Corrective Action:** The Interim Business Manager, Human Resource Manager and Principal have collaborated to develop and implement a Stipend Policy that will ensure all authorized signers are included, in addition to ensuring that School Board approval is included. All Policies and Procedures will be consistently updated and revised with consideration of updates and through collaboration with school staff and school board members; at this time, all has been approved by the school board and are on file.



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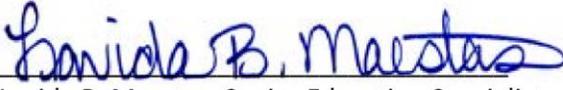


Jonathan Nez  
President

Myron Lizer  
Vice-President

MEMORANDUM

TO: Members, Navajo Nation Board of Education

FROM:   
Lavidia B. Maestas, Senior Education Specialist  
Office of Diné Accountability & Compliance

THRU   
Darrick Franklin, Education Program Manager  
Office of Diné Accountability & Compliance

DATE: August 27, 2020

RE: **Reauthorization Report and Recommendation – Lukachukai Community School, Inc.**

This memorandum serves as a report and recommendation(s) pertaining the consideration of Lukachukai, Inc.’s reauthorization; per the Navajo Nation Board of Education’s direction during the July 10<sup>th</sup> reauthorization meeting, the school was instructed to provide a Corrective Action Plan and responded to the findings. Since then, the school followed through with such.

Through a memorandum dated July 8<sup>th</sup>, it was reported that school Application Content is in compliance - therefore, our office recommends the school to be authorized beginning July 1, 2020 through June 30, 2021 (one year) and that the school select a different certified auditing firm to conduct the school’s Single Audit Reporting for the upcoming school year; per the requirements of the Single Agency Audit Act of 1984 as amended and a review by the auditor of Program Implementation and Compliance as approved within the Grant/Contract Conversion/Maintenance Handbook (ECF-12-01).

Per the direction of the Education Program Manager and the Superintendent of Schools, the following supporting resolutions were accepted:

1. Lukachikai Chapter; passed on December 21, 2017
2. Round Rock Chapter; passed on December 19, 2017
3. Tsaille/Wheatfields Chapter; passed on February 16, 2016

*“Supporting the Re-Authorization of the (Chapter Name) to Continue of all education and Education-Related Programs, School Construction, Facilities Improvement and Repairs, and Minor Repairs Projects Pursuant to the Provisions of the Public Law 100-297”*

NAVAJO NATION BOARD OF EDUCATION

Priscilla B. Manuelito, **President** · Spencer W. Willie, **Vice President** · Dr. Victoria Yazzie, **Secretary**  
**Member:** Sharon A. Toadecheenie · Marlene Burbank · Dr. Henry Fowler · Andrea K. Thomas  
Freda Nells · Joan A. Gray · Emerson John · Dr. Pauletta White  
Patricia Gonnig, Acting Superintendent of Schools

The Lukachukai Community School, Inc. is **non-compliant** with the financial and audit requirements contained in HEHSCMY-012-12, warranting “one (1) year or less reauthorization.” The annual audit is reported as:

- Annual Financial Statements for year ending June 30, 2019 is reported as Unmodified with material weakness(es) identified; and the Federal Awards issued as Qualified with material weakness(es) and significant deficiencies identified. Audit findings disclosed includes two (2) Financial Statement and Federal Award Findings and Questioned Costs which are:
  1. 2019-001 – Financial Statements – Employee Stipends – (Material Weakness - Non-Compliant)
  2. 2019-001 – Federal Awards – Allowable Costs/Cost Principles – (Material Weakness - Non-Compliant)
- Annual Financial Statements for year ending June 30, 2018 is reported as Unmodified with no material weakness(es) and significant deficiencies identified; and the Federal Awards issued as Unmodified with no material weakness(es) and significant deficiencies identified. No audit findings disclosed; and
- Annual Financial Statements for year ending June 30, 2017 is reported as Unmodified with no material weakness(es) and significant deficiencies identified; and the Federal Awards issued as Unmodified with no material weakness(es) and significant deficiencies identified. No audit findings disclosed; and
- Annual Financial Statements for year ending June 30, 2016 is reported as Unmodified with no material weakness(es) and significant deficiencies identified; and the Federal Awards issued as Unmodified with no material weakness(es) and significant deficiencies identified. No audit findings disclosed; and
- HeinfeldMeech provided auditing services for the five (5) years identified. Since the school has retained their services over the three (3) consecutive years, the school is schedule to solicit for another auditor for year ending June 30, 2020 per the *Grant/Contract Conversion/Maintenance Handbook (Feb. 2000)*.

If you have any questions or concerns, please do not hesitate to contact me at (928) 871-7466 or [lavidamaestas@nndode.org](mailto:lavidamaestas@nndode.org). Thank you.

**LUKACHUKAI COMMUNITY SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**Summary of Auditor's Results:**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: Yes

Noncompliance material to financial statements noted: Yes

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: Yes

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: Yes

Identification of major programs:

CFDA Number  
15.042

Name of Federal Program or Cluster  
Indian School Equalization Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

**Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes**

**Findings and Questioned Costs Related to Federal Awards: Yes**

**Summary Schedule of Prior Audit Findings required to be reported: No**

**LUKACHUKAI COMMUNITY SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Finding Number:** FS-2019-001

**Repeat Finding:** No

**Type of Finding:** Noncompliance, Material Weakness

**Description:** Employee Stipends

CRITERIA

The School is responsible for the efficient and effective administration of Federal awards through the application of sound management practices. (2 CFR 200.400) Stipends will be paid to an employee with the advance written approval by the employee's Immediate Supervisor and Executive Director. Stipends are to be used only in the event an employee is performing additional job duties outside regular duty hours which are not covered by his/her regular job duties as outlined in the position description. (Lukachukai Personnel Policy Manual 400.17)

CONDITION

The School does not require Board approval for employee stipend payments. This created a weak control environment surrounding the authorization and issuance of stipend payments. Additionally, the School's administration violated policies governing stipends.

CAUSE

The School's management is solely responsible for determining when stipends are warranted and the amount at which they should be paid. Vacant positions at the School have caused a need for existing employees to perform additional duties not covered by his/her regular job duties and thus an increase in the amount of stipends issued.

EFFECT

The School could be susceptible to unreasonable costs which may result in disallowed costs related to federal awards.

CONTEXT

We reviewed a sample of 25 stipends paid during the fiscal year. The sample was not intended to be, and was not, a statistically valid sample. During our review we noted the following:

- For all 25 stipend payments reviewed, the stipend was authorized after work had been completed.
- The cumulative amount of stipends paid during the year was considered unreasonable. In several cases, the total amount of stipends paid was equal to or in excess of the employee's base salary amounts. This does not support a conclusion that the stipends paid were entirely related to extra duties for the current fiscal year.
- One employee's stipends were approved by their subordinate.

**LUKACHUKAI COMMUNITY SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Finding Number:** FS-2019-001

RECOMMENDATION

The School should update the Personnel Policy Manual to require Board approval for all payments to employees. Additionally, the School should consider developing a Board approved stipend schedule for common stipends such as participation on Board-approved committees. Lastly, the School's administration should adhere to the Board adopted Personnel Policy Manual and federal regulations.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LUKACHUKAI COMMUNITY SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2019-001

**Repeat Finding:** No

**Program Name/CFDA Title:** Indian School Equalization Program

**CFDA Number:** 15.042

**Federal Agency:** U.S. Department of Interior

**Federal Award Number:** A18AV00696

**Pass-Through Agency:** Bureau of Indian Affairs

**Questioned Costs:** Undeterminable

**Type of Finding:** Noncompliance, Material Weakness

**Compliance Requirements:** Allowable Costs/Cost Principles

Finding FS-2019-001, which is discussed in detail in Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*, was considered to be applicable to Findings and Questioned Costs Related to Federal Awards.

**LUKACHUKAI COMMUNITY SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2019-002

**Repeat Finding:** No

**Program Name/CFDA Title:** Indian School Equalization Program

**CFDA Number:** 15.042

**Federal Agency:** U.S. Department of Interior

**Federal Award Number:** A18AV00696

**Pass-Through Agency:** Bureau of Indian Affairs

**Questioned Costs:** N/A

**Type of Finding:** Noncompliance, Significant Deficiency

**Compliance Requirement:** Special Tests and Provisions

CRITERIA

In accordance with the Indian Child Protection and Family Violence Protection Act, which requires that the School must conduct a character investigation of each individual who is employed or is being considered for employment in a position that involves regular contact with, or control over, Indian children. The Act further states that the School may employ individuals in those positions only if the individuals meet standards of character, no less stringent than those prescribed under subpart B – Minimum Standards of Character and Suitability for Employment (25 CFR part 63).

CONDITION

The background checks performed were not fully completed before employment.

CAUSE

At times, various considerations such as urgency and business expediency could play a role in the making of hiring decisions before all formalities are completed. Lack of adequate planning can be another reason behind this condition. In addition, management was not aware that the Human Resources manager could act as the adjudicating officer, which caused a delay in some instances while they waited for another School official to sign off on the adjudication.

EFFECT

Hiring was done before formalities connected to character investigation were fully in place which resulted in non-compliance with applicable requirements.

CONTEXT

For 21 employees reviewed, the employee was hired prior to the adjudication date certifying the completion of the School's background investigation. Additionally, for three employee background investigation files reviewed, state, local, or sex offender investigations performed by the School were completed subsequent to the adjudication date.

RECOMMENDATION

We recommend the School plan and implement steps that would achieve full compliance with all formalities connected to the character investigations of potential employees.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**LUKACHUKAI COMMUNITY SCHOOL  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2019**

**Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards***

Finding Number: FS-2019-001

Contact Person: Principal

Anticipated Completion Date: April 6, 2020

Planned Corrective Action: Stipend policy has been developed with attorney guidance. All stipends will be approved by the Board to take affect by April 6, 2020. School's administration will be orientated and will adhere to the new policy.

**Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2019-001

Program Name/CFDA Title: Indian School Equalization Program

CFDA Number: 15.042

Contact Person: Principal

Anticipated Completion Date: April 6, 2020

Planned Corrective Action: Stipend policy has been developed with attorney guidance. All stipends will be approved by the Board to take effect immediately in April 2020. School's administration will adhere to the new policy.

Finding Number: 2019-002

Program Name/CFDA Title: Indian School Equalization Program

CFDA Number: 15.042

Contact Person: Human Resource Manager

Anticipated Completion Date: March 2, 2020

Planned Corrective Action: Current human resource personnel attended adjudication training and received certification on February 7, 2020. Current human resource personnel received the latest requirements by BIE personnel. BIE also conducted an audit along with two days of guidance and staff development. The School has already begun improvement in all areas of background checks including local, state, FBI, and sex offender checks. All new hires will come aboard after the adjudication dates.



**Lukachukai Community Board of Education, Inc.**

Post Office Box 230, Navajo Route 13

Lukachukai, Arizona 86507

Phone: (928) 212-4400 Fax: (928) 787-2311

March 25, 2020

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The names of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Sincerely,

Cordelia Begay  
Business Manager

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**Lukachukai Community Board of Education**  
***“Commitment to Children, Commitment to Excellence”***  
Navajo Route 13  
P. O. Box 230  
Lukachukai, Arizona 86507  
Phone: (928) 787-4405/4406 Fax: (928) 787-4419

**Additional Documents  
Submitted: August 26, 2020**



May 21, 2020

Ms. Quishana Thompson, Grants Management Specialist  
United States Department of the Interior  
Bureau of Indian Education  
Navajo North ERC-School Operations  
P.O. Box 3239-3239  
Shiprock, New Mexico 87420

Re: Single Audit Report on the Lukachukai Community School for the Fiscal Year  
Ended June 30, 2019 (Report No. ARTT 2019-6965)

Dear Ms. Thompson,

We are pleased to provide you and the BIE with this response to your 4/23/20 Letter. Enclosed is Lukachukai Community School's ("LCS") corrective action plans and policies as requested. We understand your oversight obligations and want to participate fully and openly in this process. We realize we are all on the same team to best serve the educational needs of the children in our community.

Lukachukai Community School ("LCS") has a stellar history of positive audits and efficient performance. There were many positives about our most recent audit; most importantly we were classified as a "low risk grantee". It is extremely difficult to achieve this status and we have done it during one of our most difficult years of operation.

Our operation in 2019 was difficult in that we were pursuing, receiving and attempting to complete, the process for a new school. This is a Sixty-Two Million (\$62,000,000) Dollar to Seventy-Two Million (\$72,000,000) Dollar project to include fire station, residential facilities for staff and students, infrastructure and, finally, a new school. We did this while conducting our normal school operation. This experience caused us to make additional and extraordinary demands on our staff. These demands and the need to accomplish all of the foregoing was exacerbated by our remote geographical location which makes staffing LCS more difficult than for schools in less remote locations. Although we attempted to fully staff LCS in compliance with the Navajo Preference in Employment Act, it was very difficult to fill certain positions including the following:

- Administrative Assistant for New School Construction
- New School Construction, LCS Manager
- Principal
- Business Office Manager
- Human Resources Manager
- Teachers

Due to this fact we put extraordinary demands on our existing staff; asking them to perform additional duties or do two jobs instead of one. In an effort to be fair to our Navajo employees and not take advantage of their loyalty to LCS, we attempted to compensate them fairly for the additional services they provided to LCS. A



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policy was put in place to facilitate stipends to compensate those employees doing additional work and allowing the administration, who was involved on the front lines, to make those determinations. Unfortunately, this situation created questions (no findings of wrongdoing) for our auditors which they felt obligated to note. The purpose of an audit is to note questions in order that grantees can responsibly respond, take corrective action where necessary, and responsibly accept the consequences. LCS did not seek to hide anything from the auditors. LCS met with our auditors, fully discussed the stipends, the above factors and our actions. As I will more fully explain later, we have asked them to assist us in further reviewing this issue. We come to you in that same spirit. We are not trying to hide anything nor are we trying to make excuses for anything. We are trying to explain the reality of our situation, inform you of our efforts to objectively review the stipend issue, make corrections that may satisfy oversight entities, ensure compliant operations in the future and move forward with the least amount of unnecessary consequences which would serve only to harm the children we serve.

In that regard, we have retained Heinfeld Meech & Company to assist us in the review of our 2019 stipends to fully identify stipends that were provided and to more closely review the basis for said stipends. Again, we are not seeking to cover up or excuse any noncompliant actions but merely establish a factual basis that will allow us to take proper, corrective action, if needed, instead of a knee jerk reaction that may harm good, loyal, Navajo staff members who attempted to serve LCS to their own detriment and the Board and administration that were trying to accomplish all of the foregoing with the resources at hand. We feel this full explanation will be enlightening and provide an objective basis, which will justify the stipends paid in 2019 and actions taken to accomplish all of the foregoing.

To do this 2019 Stipend Review, we have retained Karin Smith, MBA, SFO, CFE, a partner in Heinfeld Meech to conduct an objective, unbiased review and provide us with a factual basis upon which we can base our actions. Ms. Smith is extremely qualified in grant school matters, is a Certified Fraud Examiner, and her integrity is beyond reproach. We look forward to her findings and incorporating her recommendations in order that we can clarify this issue, ensure future compliance, and still meet the challenges presented by our complex operation, the extraordinary challenges of the current building project and always ensuring the best interest of our students. In the interim, we have modified our stipend policy to require Board approval for all stipends prior to any extra work being performed and prior to any payment for extra work. We invite you to participate in this process with us in that the problems we faced last year are common to many Navajo Nation grant schools and your participation in this open review may assist you in understanding and carrying out your functions. Again, we understand that the BIE and LCS are on the same team and we must work together to ensure that we provide high quality, efficient education opportunities to our children and that we do not become involved in adversarial processes that serve only to harm our children and our collective mission.

It was further identified that we have not fully complied with the Indian Child Welfare and Family Violence Prevention Act in securing timely background checks for all of our employees. Again, not to excuse any possible deficiency but to explain our reality, it is extremely difficult to fully staff our schools with qualified personnel and timely background checks further complicate that issue. The difficulty in obtaining background clearances prior to contracting with available qualified, certified personnel is universal on the Navajo Nation as well as other Native American Nations. Notwithstanding that, we believe in timely background checks, understand the need for them and are committed to fully complying with this requirement immediately and in the future.



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We have also reviewed this matter and can report that 75% percent of our staff did have background checks during 2019. However, we have not stopped there. We have retained Mark Little, Human Resources Consultant, to review all of our personnel files, to ensure full compliance with the Indian Child Welfare and Family Violence Prevention Act regarding background checks and are prepared to take any and all actions necessary to achieve such compliance prior to the beginning of the next school year. Mr. Little is a highly qualified, Navajo H.R. specialist who is fully informed of the requirements of the Indian Child Welfare and Family Violence Prevention Act and is under contract with LCS to perform the review and background checks and adjudications noted above. Further, we will insert a contingency in all employment contracts that includes the following:

“This contact is contingent upon Employee passing all required background and certification requirements including those set forth in the Indian Child Welfare and Family Violence Prevention Act and related laws. Should employee fail to achieve and continue to possess the above clearances and certifications, this contract shall be immediately void and said employee terminated pursuant to the adjudication procedures in those laws, Navajo law and LCS policies.”

We hope that you can see and appreciate LCS’s positive audit history, its continuing status as a “low risk auditee” and its commitment to compliance and high performance and that you will work with us in a positive process where our deficient resources continue to be devoted to our children and their best interests. We look forward to working together with you regarding these matters.

Sincerely,

  
Carmen Jodie  
Interim Principal



**United States Department of the Interior**  
**Bureau of Indian Education**  
**Shiprock ERC – Grants Management**  
**P.O. Box 3239**  
**Shiprock, New Mexico 87420**  
**PH: (505) 368-3400**

June 25, 2020

## Memorandum

To: Director, Division of Internal Evaluation and Assessment

From: Dr. Rena M. Yazzie, Education Program Administrator – School Operations  
*Marilyn Holiday, Grants Officer for*

Subject: Single Audit Report on the Lukachukai Community School, Inc. for the Fiscal Year Ended June 30, 2019 (Report No. ARTT 2019-6965).

The subject audit report issued on April 9, 2020 identified two findings with no questioned costs for the Bureau of Indian Education to resolve.

I have reviewed the subject audit report and Lukachukai Community School, Inc.'s written response, corrective action plans, and supporting documents included in the report. I have also reviewed the contract/grant files and discussed the findings with Lukachukai Community School, Inc. Based on the School's corrective action plans and supporting documents provided, I have determined that Lukachukai Community School, Inc.'s corrective actions completed and/or planned for finding numbers FS-2019-001 and FS-2019-002 have fully addressed these issues. I have determined findings FS-2019-001 and FS-2019-002 resolved.

It is my recommendation that the subject audit be closed.

cc: Carmen Jodie, Principal (Acting)  
Lukachukai Community School, Inc. – School Board President  
Division of Internal Evaluation and Assessment  
Derek Boyer, Administrative Analyst  
Marilyn Holiday, Grants Management Specialist/Grants Officer  
Quishana Thompson, Grants Management Specialist

**Community School – Audit Report No. ARTT 2018-6344**  
**Corrective Action Plans**

Finding No. 2018-001 – Pages 46 : Internal Controls over Financial Records

Corrective Action Plan:

Completion Date:

Contact /Responsible Person(s):

1. 2019-001 (Page 58) Allowable Costs – Payroll

a. The policy will be developed by an independent, 3rd Party Consultant, Mark Little. The Policy is expected to be presented to the Lukachukai Community School (LCS) Board for approval, at it's June 2020 Meeting. Another independent 3rd Party Consultant, Heinfield Meech PC, is assisting the School Board in a review of 2019 stipends as part of the Policy development. The policy is expected to be in place and effective June 2020. The School's administration will be orientated and will adhere to the new policy.

a. June 30, 2020

a. Principal

Completion Date:

Contact /Responsible Person(s):

2. 2019-002 (Page 59) Special Tests and Provisions – Background Investigation

a. LCS will revise the following the areas to include a thorough background investigation to include: Navajo Nation Background Check, Az State Fingerprint Clearance, & FBI Fingerprint. Previous human resources personnel attended adjudication training and received certification on February 7, 2020. Previous and current human resource personnel received the latest requirements by BIE personnel. BIE also conducted an audit along with two days of guidance and staff development. The School has already begun improvement in all areas of background checks including local, state, FBI, and sex offender checks. All new hires will come aboard after the adjudication dates.

a. June 30, 2020

a. Human Resources Manager



Carmen L. Jodie, Acting Principal

Date

- E. No person shall participate in the consideration of any application for employment or promotion, which involves the possible selection of a relative (as the term is defined herein) of such person.
- F. For the purpose of this policy, the term "relatives" means spouse, son, daughter, brother, sister, grandparents, father, mother, grandchildren, aunts, uncles, in-laws, nephews, nieces and step-children.

#### 200.7 Conflict of Interest

- A. Employees have an obligation to conduct business within the guidelines that prohibit actual or potential conflict of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or a relative of that employee. For the purpose of this policy, a relative is a person who is defined as a relative under the LCBE, Inc. Anti-Nepotism policy.
- B. No Governing Board member shall participate in any decisions involving a relative, as defined in the foregoing section. Any Board member participating in a meeting where a decision comes before the Governing Board involving that Governing Board member's relative shall recuse him/herself.
- C. School business dealings with outside firms should not result in personal financial gains for an employee or his/her relatives. An employee who has, or whose relatives has, a substantial personal interest in any decision of LCBE, Inc., shall refrain from participating in, or influencing, LCBE, Inc.'s position on any matter as an employee in such a decision. Personal gain may result not only in cases where an employee or relative has significant ownership of a firm with which LCBE, Inc. does business. But, also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or dealings involving LCBE, Inc. All transactions that can be interpreted to involve personal financial gain shall require specific Governing Board approval.
- D. Additionally, no employee of LCBE, Inc. shall accept gifts from any person, group, or entity doing business, or desiring to do business with LCBE, Inc. The acceptance of any business related gratuity is specifically prohibited, except for widely distributed advertising items of nominal value.

#### 200.8 Filling Vacancies

- A. The prime responsibility for assessing personnel needs rests with the Governing Board and the **Executive Director**. No person shall be employed for any position by the Governing Board without the recommendation of the **Executive Director**.

- B. Position descriptions listing the minimum requirements, duties and responsibilities necessary for the position including, but not limited to, education, experience, physical requirements, and other requirements shall be completed and approved by the Governing Board prior to opening a position. A position description shall be supplied to each applicant as required by 15 N.N.C. § 604(D).
- C. Advertisement. The **Executive Director** or his/her designee shall provide a written request for advertising an opening to the Human Resources Manager. Human Resources Manager or his/her designee shall be responsible for announcing and advertising the job vacancies. Advertising of vacancies shall be run for a reasonable period deemed necessary to attract qualified applicants, but for not less than five (5) working days. Advertising shall be accomplished in accordance with the NPEA and specifically 15 N.N.C. § 604(B)(5) and (6). The Human Resources Manager, or his/her designee, shall ensure that the job announcement is published in a newspaper of general circulation within the Navajo Nation and on a radio station serving the Navajo Nation.
- D. Applications.
1. Job application forms will be available at the Personnel Office to any interested individual. These forms may be requested and obtained by letter, by telephone, by fax, on-line LCBE, Inc. website, or by appearing in person. The completed application form and placement credentials or other supporting material submitted by the candidates shall be evaluated by the Human Resources Manager in terms of quality and type of preparation, amount and type of previous experience, reactions from references listed by the applicant when appropriate, by recommendations included in the credentials, as well as additional information procured.
  2. All applicants shall complete LCBE, Inc.'s application form in its entirety. Only the LCBE, Inc. application form will be acceptable. An applicant shall not be interviewed without an original completed or signed application. An incomplete or unsigned application shall not be given consideration for employment. A resume may accompany the application, but shall not be a substitute for the application.
  3. An individual who, within two years prior to the date of the application, has been involuntarily terminated from the position being filled or who had been employed in the position being filled and not offered a renewal contract will not be eligible to apply for the open position. The individual may apply for a different position at LCBE, Inc.
  4. Applicants must submit all of the following in support of their application for employment as applicable:

- a. Current (within 3 (three) months) Navajo Nation Background Check dating to age 18;
  - b. High school diploma, GED certificate or Other reliable evidence of HS completion;
  - c. Valid driver license;
  - d. Teaching/Administrative certificate (if applicable);
  - e. College/University transcript (official upon hire); and
  - f. Three recommendation letters.
4. Applications shall only be accepted for current open positions. A resume may be accepted initially, but an application must be completed before an interview will be held.
  5. Any misrepresentation, falsifications or material omission provided by an applicant or employee in any of this information or data may result in exclusion of the individual from further consideration of employment. If such misrepresentation, falsification, or material omission in the application is discovered after employment, the employee may be disciplined, up to and including termination.
  6. Applications shall be kept active for one year, during which time they will be considered for open positions for which they qualify. When open positions exist, qualified applicants will be considered, upon request of the applicant, from the active file for interview with the Interview Committee.
  7. Candidates shall comply with background and fingerprint check procedures. All candidates shall provide proof of current First Aid and CPR certifications, or shall secure such certification no later than 90 calendar days after they are employed.
  8. The LCBE, Inc. shall comply with all applicable federal and Navajo laws and regulations regarding qualifications, certification, licensure and any other requirements as may be required for any position at LCBE, Inc. including, but not limited to, requirements under the Every Student Succeeds Act and home-living staff requirements pursuant to 25 C.F.R. 36.70 et seq. LCBE, Inc. shall only hire teachers and paraprofessionals that meet the appropriate qualification status as defined by P.L. 114-95, the Every Student Succeeds Act.
  9. School bus driver applicants are required to have a current CDL Arizona driver's license, demonstrate that they have passed the School Bus Driver

Physical Performance Test given by the Arizona Department of Transportation, and must have both passenger and school bus endorsements.

**E. Background and Fingerprint Check**

1. Background and fingerprint checks shall be required for all employees and Board members. Fingerprint checks will also be required for all volunteers and contractors whose positions involve regular contact with, or control over, students.
2. The purpose of the fingerprint check is to ensure that none of the individuals appointed to such positions have been guilty of, or entered a plea of *nolo contendere* or guilty, to any offense under federal, state, or tribal law involving felony crimes, crimes of violence, sexual assault, molestation, exploitation, contact or prostitution, or crimes against children, nor any alcohol or controlled substance offense under federal, state or tribal law.
3. The purpose of the background check is to verify the education, experience, earnings, references, and related information (motor vehicle checks) provided by applicants who are receiving serious consideration for employment. Reference checks shall be recorded on the appropriate forms.
4. Background and/or fingerprint checks shall be made on the selected candidate before a firm offer of employment is made. Background and/or fingerprint checks are made by the Human Resources Manager, or their designee. The Human Resources Manager or Executive Director will be the designee to certify background check according to requirements by P.L. 101-630 and P.L. 101-647 and shall be the adjudicating official for the LCBE, Inc.

✓  
25 CFR 63.11  
allow flex or qualif. designee

Individuals selected for positions must complete and have notarized the following forms and affidavits:

- a. A list of former employers for the past five years, including name, title, address and phone numbers of person(s) with the former employer to contact, and dates of employment for each job listed.
- b. Authorization to release information to LCBE, Inc.
- c. LCBE, Inc.'s sworn statement; and
- d. Navajo Nation criminal history check form.

6. A fingerprint check shall be made with local, tribal, state and federal agencies, and the Bureau of Indian Affairs. All selected applicants will be fingerprinted by the Human Resources Manager. Applicant fingerprint cards shall be processed and investigations conducted by the appropriate government, tribal agencies or private entities.
7. An applicant may only be provisionally selected until all background and/or fingerprint checks have been completed, the selectee has passed these investigations, and all relevant documents have been received by LCBE, Inc.
8. Prospective employees shall certify in a sworn statement that they are not awaiting trial on, and have never been convicted of, nor admitted in open court, nor plead guilty of, committing any of the criminal offenses enumerated below.
  - a. Sexual Abuse of a Minor;
  - b. Incest;
  - c. First or Second Degree Murder;
  - d. Kidnapping;
  - e. Arson;
  - f. Sexual Assault;
  - g. Sexual Exploitation of a Minor;
  - h. Felony Offenses Involving Contribution to the delinquency of a Minor;
  - i. Commercial Sexual Exploitation of a Minor;
  - j. Felony Offenses involving sale, distribution or transportation of, offer to sell, transport, or distribute or conspiracy to sell, transport or distribute marijuana or dangerous or narcotic drugs or controlled substances or alcohol, beverages containing alcohol and/or alcohol related products;
  - k. Felony offenses involving the possession or use of marijuana, dangerous drugs or narcotic drugs or other controlled substances;
  - l. Misdemeanor offenses involving the possession or use of marijuana or dangerous drugs or other controlled substances;

- m. Burglary in the first degree;
  - n. Burglary in the second or third degree;
  - o. Aggravated or armed robbery; or
  - p. Robbery.
9. LCBE, Inc. employees who do not pass their background investigation and are found unsuitable based on the requirements of P.L. 101-630 and P.L. 101-647 are automatically disqualified from employment. All LCBE, Inc. positions are subject to a reinvestigation every five (5) years.
10. It shall be a minimum qualification for every position at LCBE, Inc. for applicants to successfully pass their background investigation by demonstrating a successful work history for at least the past five (5) years. A successful work history includes positive evaluations, positive conclusion to the employment relationship and successful multi-term employment in which goals were achieved.
11. Further, a minimum qualification for employment with LCBE, Inc. is that applicant/employee successfully pass the federal, state, tribal and any local fingerprint check regarding criminal history and have no criminal history precluded by the mandatory sections of P.L. 101-630, the discretionary standards found in P.L. 101-630 and related C.F.R.'s and are not precluded by the investigation of Personnel Security Consultants (PSC) or any other private entity. Applicants/employees not able to comply with and produce the foregoing record do not meet the minimum qualifications for employment at LCBE, Inc. and cannot be employed by LCBE, Inc.

F. Interviewing.

For all new hires, interviews shall be conducted by an Interview Committee. At least one member of the Interview Committee shall be appointed by the Immediate Supervisor for the division into which the new hire will be placed. The Immediate Supervisor shall appoint committee members possessing knowledge, experience and familiarity with the position under consideration. The Committee shall be composed of no fewer than three (3) and not more than five (5) employees and shall include the **Executive Director** and the Human Resources Manager, as well as the Immediate Supervisor for the position. Unless a conflict of interest requires otherwise, the committee shall include the Human Resources Manager or designee, and the Immediate Supervisor of the position under consideration.

1. The Human Resources Manager or designee shall rate and review the list of qualified applicants and their application materials and submit the

Prerequisites to Beginning Work and Accruing Salary

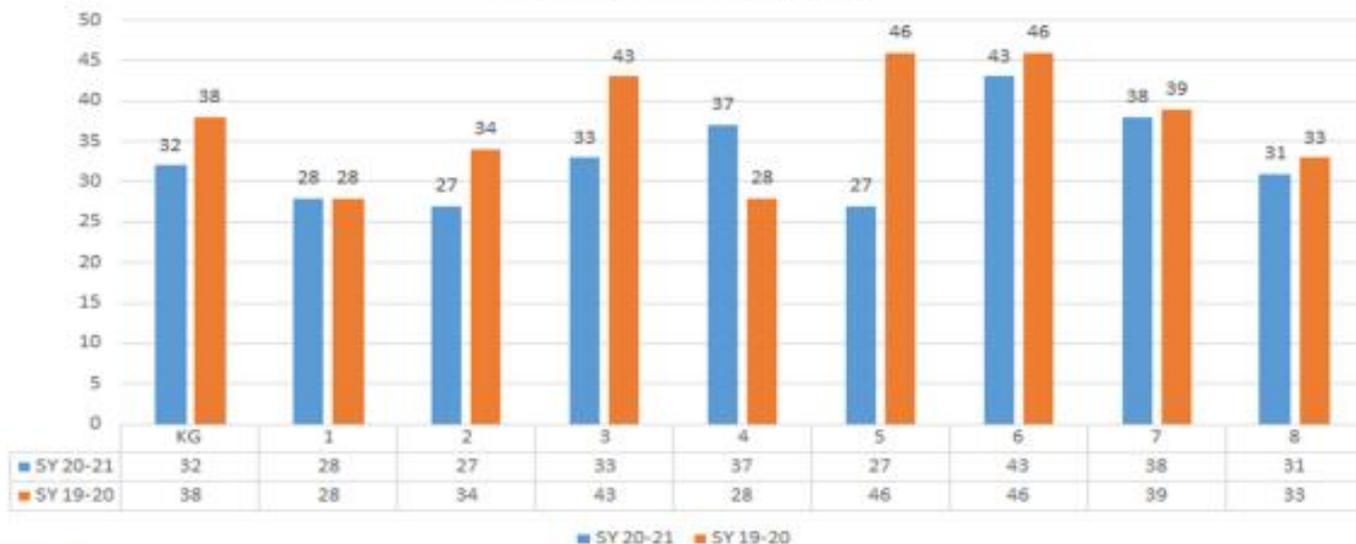
No person who has been hired by the Governing Board shall begin his/her duties and receive salary unless or until the Immediate Supervisor and the employee have accomplished the following:

- A. The employee has submitted to the requisite fingerprinting and background check. Permanent employment is expressly contingent upon successful completion of the fingerprinting and background check.
- B. The employee has been checked through the Human Resources Manager Office, has completed all applicable federal and state tax declarations and has executed all applicable salary payment and deductions agreement.
  1. The Personnel Office has enrolled the employee in all proper employee benefit plans and has prepared and obtained all required signatures on a fully completed contract containing the term of the contract and the salary to be paid to the employee. The employee shall present proof of all required certification to the Personnel Office at or before this time.
  2. The Facilities Department and the employee have completed a housing rental agreement, where applicable, for the employee.
  3. The employee has been given a copy of the Manual, and has signed the Personnel Policies Manual Statement of Acknowledgement to that effect.
  4. The original copy of the United State Immigration and Naturalization Form (I-9), as required by law has been properly reviewed and signed by the employee.



# ENROLLMENT

Lukachukai Community School Enrollment  
SY 2019-2020 & 2020-2021



# Lukachukai Community School Staff

9 variables: Teacher Count

### Academic Teachers

KG - 2nd Grade

- Kg - 2 teachers
- 1st Grade - 2 teachers
- 2nd Grade - 2 teachers
- 3rd Grade - 2 teachers
- 4th Grade - 2 teachers
- 6th Grade - 2 teachers
- 8th Grade - 2 teachers
- 7th & 8th Grade Math - 1 teacher
- 7th & 8th Grade ELA - 1 teacher
- 7th & 8th Grade Science - 1 teacher
- 7th & 8th Grade Soc. Studies - 1 teacher

Total of 18 Classroom Teachers

### Navajo Language & Culture

- Kg-4th Grade teacher
- 5th - 8th Grade teacher

Total of 2 Teachers

### ESS Department

- 3 SPED Teachers
- 1 - GT Teacher

Total of 4 Teachers

### Specialty Teachers

- Computer Teacher
- Art Teacher
- Music Teacher
- Librarian Teacher
- P. E Teacher

Total of 5 teachers

# Total of 29 Teaching Staff

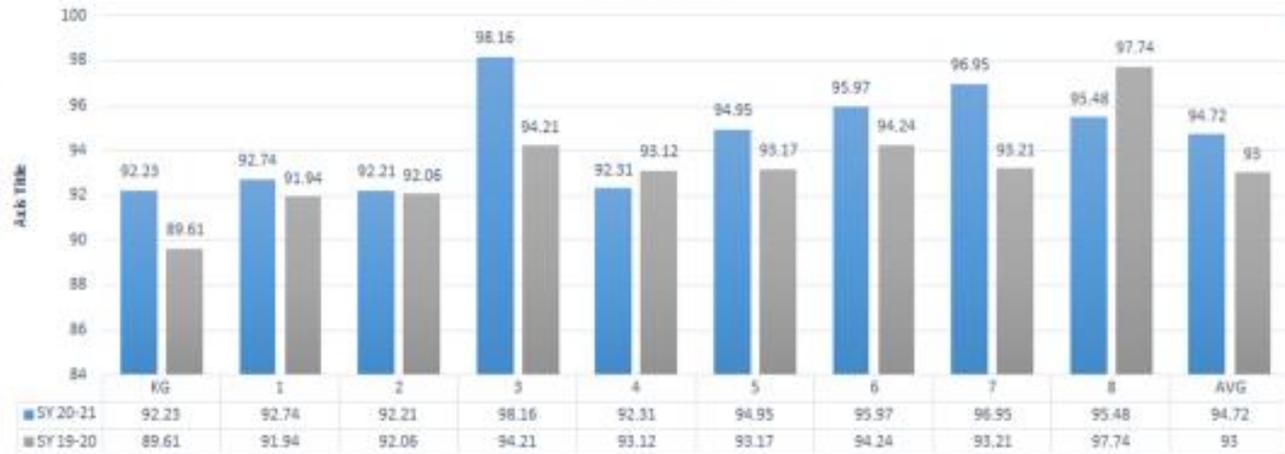


# ATTENDANCE

## LUKACHUKAI COMMUNITY SCHOOL

SY 2019-2020 (1st to 3rd Qtr. only) - 4th qtr. exempt due to Pandemic

SY 2020-2021 (Graph with data encoded but due to the Pandemic -attendance is hard to track)



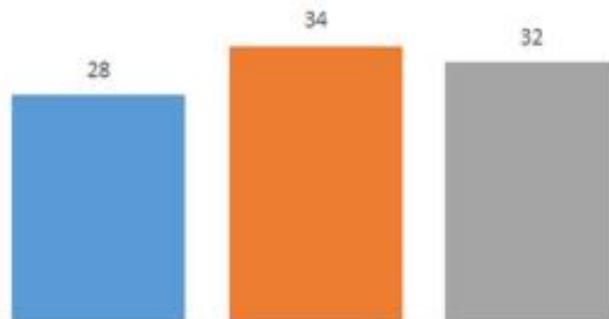
School Data- Office of Educational Research and Statistics



## Lukachukai Community Promotion Rate



■ 20-21 ■ 19-20 ■ 18-19



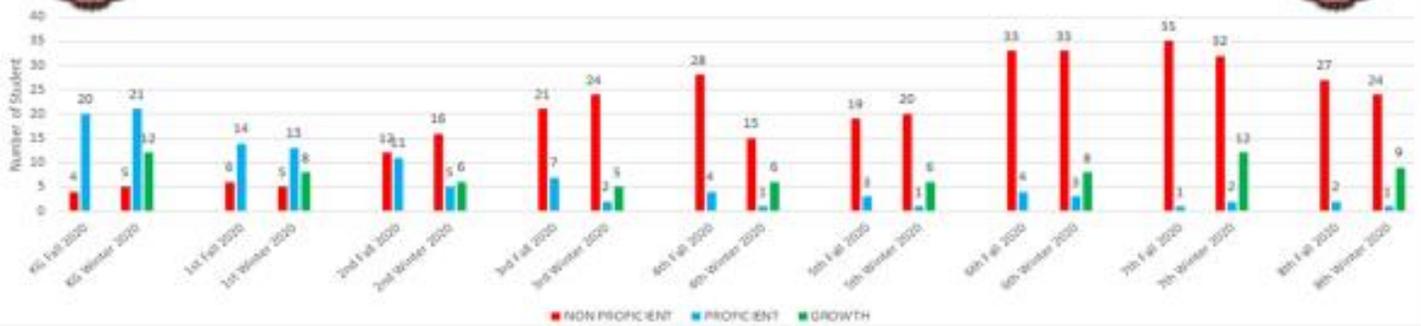
SY 2020-2021 promotion rate pending at this time.



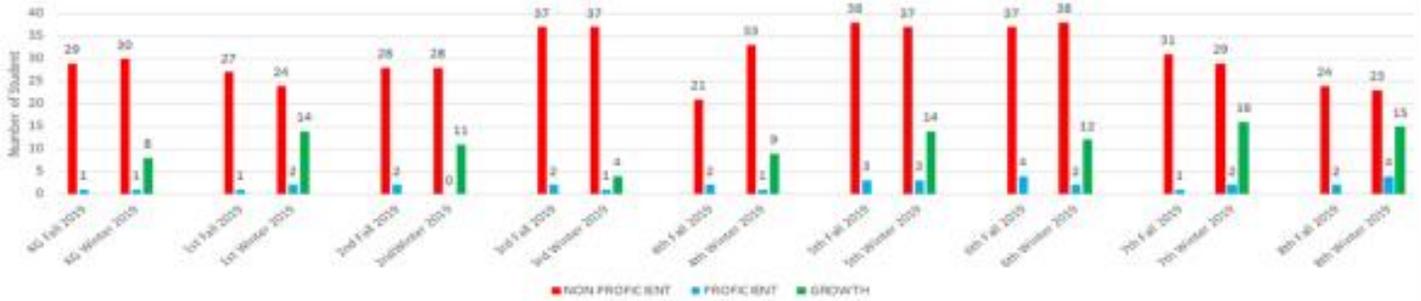
### School Data- Office of Educational Research and Statistics



#### NWEA Reading Comparison Data SY 2020-2021



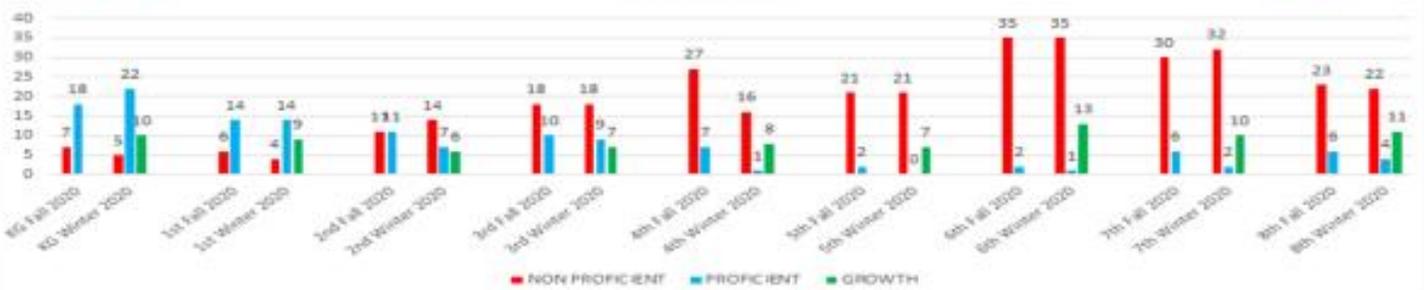
#### NWEA Comparison Reading Data SY 2019-2020



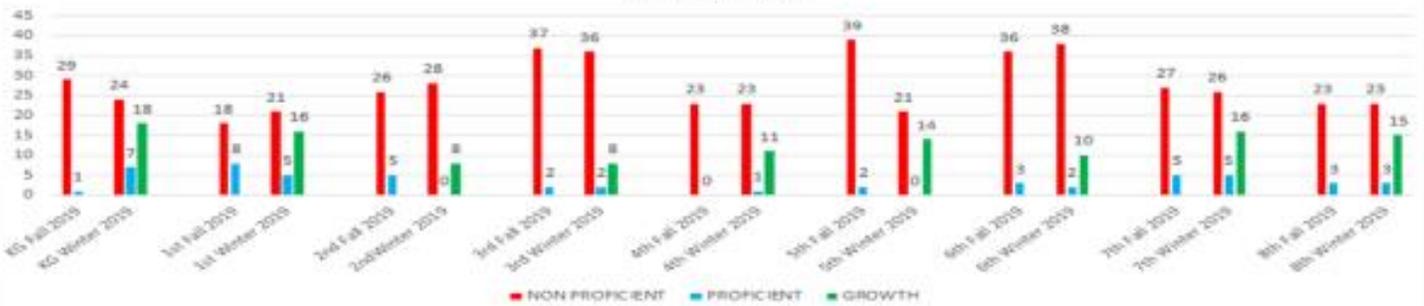
### School Data- Office of Educational Research and Statistics



#### NWEA Comparison Math Data SY 2020-2021



#### NWEA Comparison Math Data SY 2019-2020



School Improvement – Office of Diné School Improvement

THE SCHOOL IMPROVEMENT TEAM HAS TWO TEAMS WORKING TOWARD THE SAME

GOALS:

- LEADERSHIP TEAM:
  - ACADEMIC FOCUS
  
- SCHOOL SAFETY TEAM
  - SCHOOL SAFETY FOCUS



School Improvement – Office of Diné School Improvement

- The School's Program Plan has been updated and reviewed on Native Star as of 02/09/2021
- The Comprehensive School Improvement Plan (CSI) was submitted with revisions on April 14, 2021.
  - The CSI Plan was accepted for SY2020/2021

★ LCBE, Inc. provides support for the School Improvement Team (SIT) in the following ways:

- ★ Provides opportunities for meetings to occur
  - Evening Work Sessions
  - Weekend Work Sessions
- ★ Meetings are held to:
  - Review SIP
  - Revise SIP Accordingly to Data
- ★ Provides a location for work sessions:
  - Virtual Conference Meetings
  - Safe Onsite Meetings
- ★ Provides mentorship and training for new team members
- ★ Encourages teamwork and collaborative rapport

SMART GOALS

- Reading (3-8): SY20-21, based on approximately 187 students, LCS will have at least 10 students to be proficient in ELA.
- Math (3-8): SY20-21, based on approximately 187 students, LCS will have at least 10 students to be proficient in Math.
- Reading (K-8): LCS goal for SY 20-21, based on approximately 267 students, LCS will have at least 40 students @ 15% at or above benchmark at the middle of the year assessment. LCS goal for SY 20-21, based on approximately 267 students, LCS will have at least 68 students @ 25% at or above benchmark at the end of the year assessment.
- Reading (LEP): SY 20-21 49 out 267 students were identified as LEP (18.35%)

Data Review

- Utilizing DIBELS 8 and NWEA to address our areas of need
- Utilizing Beyond Textbooks (BT) to remain consistent with grade level standards

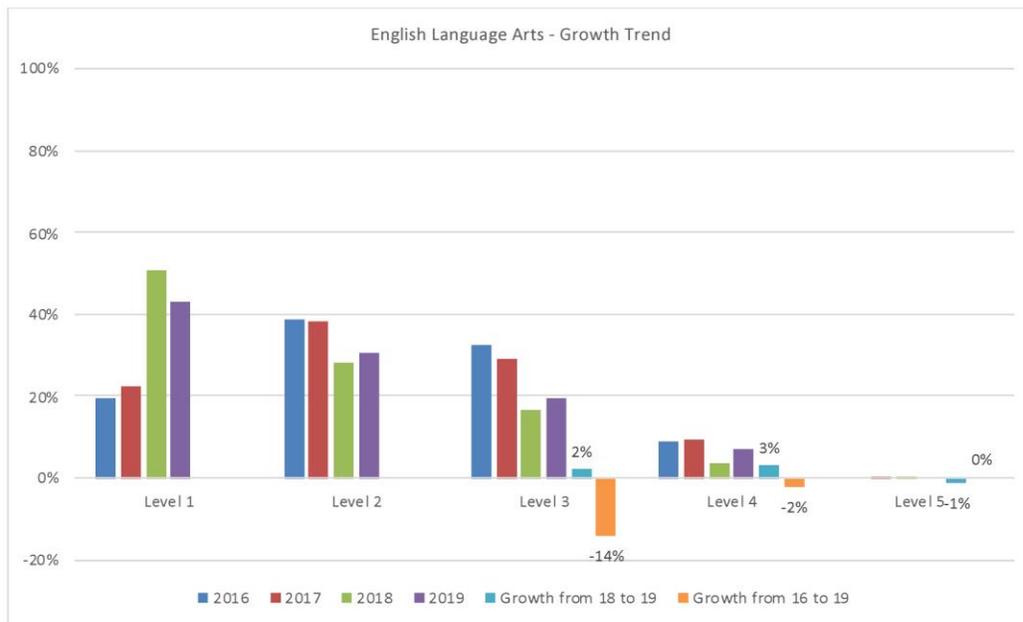
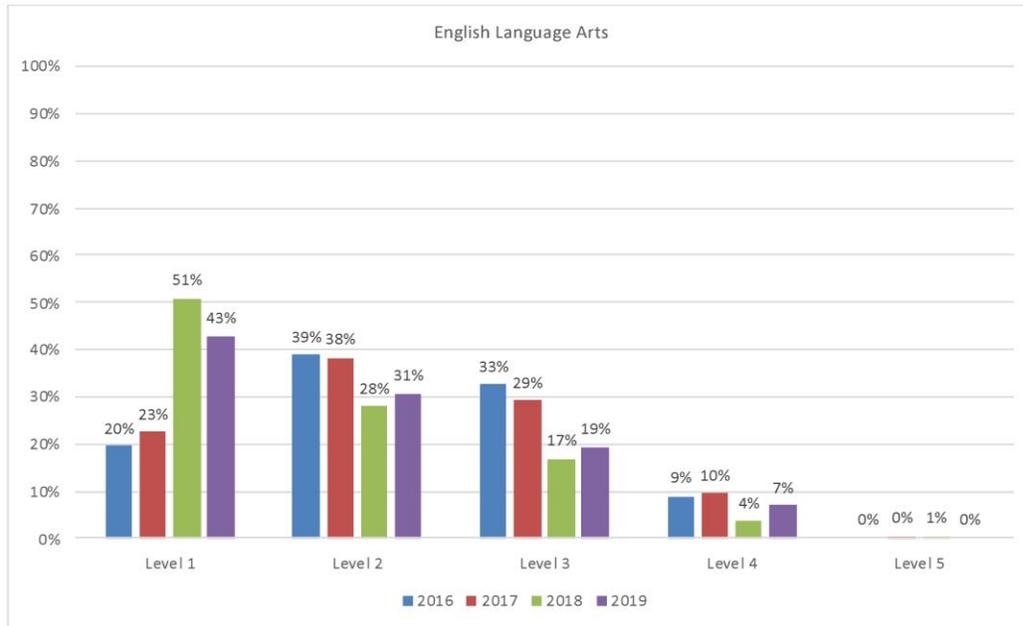


Navajo Nation Grant School Reauthorization—Lukachukai Community School  
 Grade Level: K-8 State Assessment: PARCC

**Demographics:**

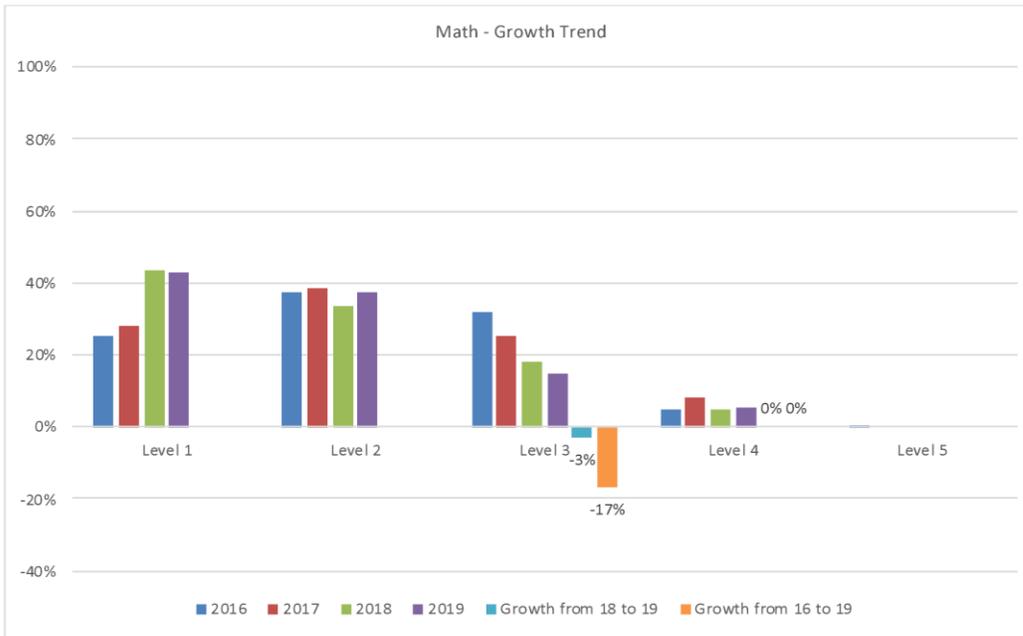
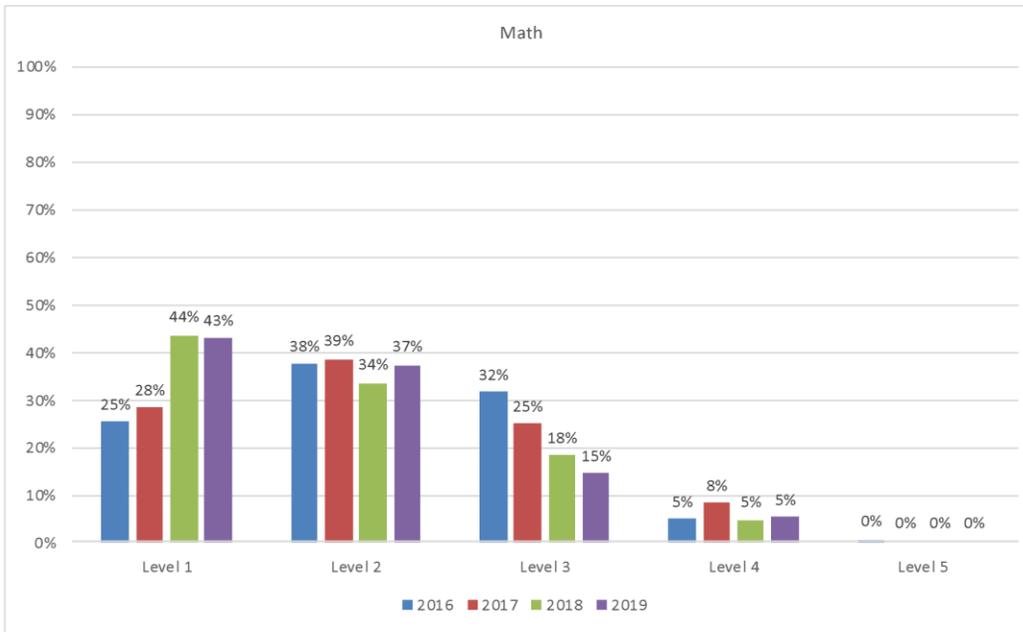
Enrollment: Attendance Rate: Drop Out Rate:  
 Teacher Count: Graduation Rate:

<b>English Language Arts - PARCC 2018-2019</b>					
	<b># of Students Tested</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4/5</b>
All Students	212	91	65	41	15
Female	102	34	32	26	10
Male	110	57	33	15	5



**Math - PARCC 2018-2019**

	# of Students Tested	Level 1	Level 2	Level 3	Level 4/5
All Students	212	91	79	31	11
Female	102	37	44	14	7
Male	110	54	35	17	4



# Navajo Language and Culture- Office of Standards Curriculum & Assessment Development

## Teacher Certification - Exemplary

1. K-4 Navajo Language & Culture Teacher certified with Navajo Nation - 520 certification
2. 5th - 8th Grade Teacher - Arizona State Teacher Certification & Navajo Nation - 520 certification

\*\*\*All Diné Language & Culture teachers have Native American Language & Culture certification on file with the school.\*\*\* Exemplary



Office of Standards,  
Curriculum &  
Assessment Development

## Navajo Language and Culture-Office of Standards Curriculum and Assessment Development



Lakachkai Community Board of Education, Inc.  
"Committed to Children, Committed to Progress"



Central Area Subject: Diné Character Building, Diné Culture, Diné Government, Diné History and Diné Language	Grade/Course: Pre-Kindergarten - 2 <sup>nd</sup> Grade
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Course Description:  
Using the New World and Navajo Language Standards and Navajo Culture Standards, lessons are divided up into months from Fall thru Spring. With the mutual focus of the school's Mission statement and Philosophy.

Block	Arizona's Native and World Standards	Diné Content Standards	1 Can Statements...	Active Strategies	Resources	Assessments
Upper Diné and 1/2 1/2 <b>Diné Values</b>	<p><b>Language (Language Arts)</b> Fluently reads informational texts in print, audio, or digital formats with accuracy, fluency, and system.</p> <p><b>Language Learning (LL)</b> Understand, interpret, and analyze what is said (communication) in their own world of Diné.</p> <p><b>Language Building (LB)</b> Understand, interpret, and analyze what is said in a complex situation of Diné.</p> <p><b>Personalized Learning (PL)</b> Present information, concepts, and ideas in written, spoken, graphic, and multimedia forms, using appropriate technology and media, including assessing the audience of Diné or others.</p> <p><b>Personalized Learning (PL)</b> Present information, concepts, and ideas in written, spoken, graphic, and multimedia forms, using appropriate technology and media, including assessing the audience of Diné or others.</p>	<p><b>Character Building</b> K-2: All appropriate Diné in world of Diné with the Diné. K-2: All appropriate Diné in world of Diné. K-2: All appropriate Diné in world of Diné.</p> <p><b>Language Learning (LL)</b> K-2: All appropriate Diné in world of Diné. K-2: All appropriate Diné in world of Diné. K-2: All appropriate Diné in world of Diné.</p> <p><b>Language Building (LB)</b> K-2: All appropriate Diné in world of Diné. K-2: All appropriate Diné in world of Diné. K-2: All appropriate Diné in world of Diné.</p>				

Rubric with level of where school is: Proficient Curriculum and Assessment

1. Administered one of DODE (DLPA, ONLC-T-SBA)
2. Assessment data are shared with all staff, students, stakeholders.
3. Assessment information are shared through fliers, text messages, website, and memo.
4. Assessments are conducted through teacher observation, Teacher-Made-Test (TMT), performance base, assignments, participation, and attendance.
5. Assessment information are shared through fliers, text messages, website & memo.

### Curriculum -Proficient

- DL&C curriculum & assessment is planned and in the process of being implemented
- Teachers will revisit the Curriculum this summer for revision.

# Navajo Language and Culture-Office of Standards Curriculum and Assessment Development

- Rubric with level of where school is:
  - Professional Development for Navajo Language Development

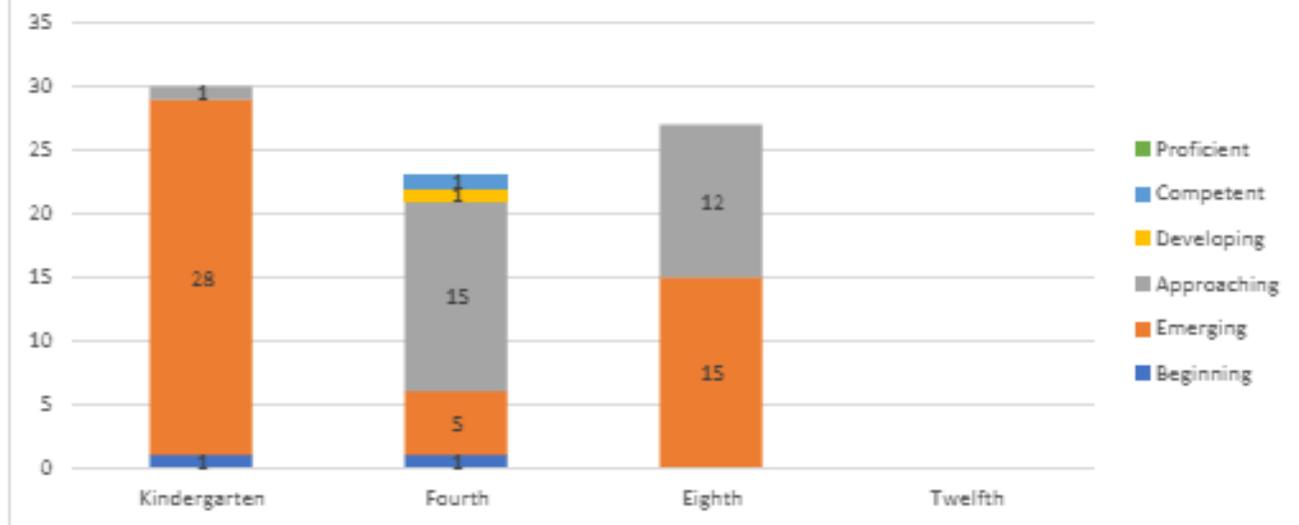
PROFESSIONAL DEVELOPMENT: Proficient

The Navajo Language and Culture teachers attend professional development with the Office of Standards, Curriculum & Assessment Development which covers (assessment, curriculum, teaching strategies, etc.,) Culture & Language related workshops hosted onsite and offsite. Teachers also attend professional development off site such as The Office of English Language Acquisition Services (OELAS) and are given the opportunities to attend



**Office of Standards,  
Curriculum &  
Assessment Development**

DINÉ LANGUAGE PROFICIENCY ASSESSMENT  
FALL 2019  
Lukachukai CS



- Lukachukai Community School is fully Accredited through Cognia (Formally AdvancED) to June 30, 2023.
- LCS currently is active in keeping up to date with Cognia Navajo Nation via web link and or Annual Conferences sponsored by Cognia.
- Next School Engagement Review is scheduled to happen in the SchoolYear 2022-23

Institution IEQ 324.89

AdvancED and  
Measured Progress  
are now

cognia™

### 2018 Engagement Review Conclusion Narrative

The engagement review team noted that Lukachukai is a community that supports its school and many parents volunteer to help out where needed because they value education. Parental involvement through the Parent Advisory Committee is strong and supportive of administration and teaching staff. The following are suggested areas that will help the school in its continuous school improvement efforts:

- Commit to a purpose statement that defines beliefs about teaching and learning including the expectations for learners
- Provide equitable opportunities to develop skills and achieve the content and learning priorities established by the institution
- A teacher mentoring program that provides induction, mentoring, and coaching ensuring all staff members have the knowledge and skills to
- improve student performance and organizational effectiveness

The school under the leadership and guidance of the principal and leadership team is making progress in the improvement journey.





**CONDITIONS ON SANCTIONS  
OF TRIBAL ORGANIZATIONS TO OPERATE  
BIA-FUNDED EDUCATION AND EDUCATION-RELATED PROGRAMS**

The Navajo Nation hereby places the following conditions on its sanction of the **Lukachukai Community School, Inc. (School)** to enter into a grant with the Bureau of Indian Affairs for the educational programs specified herein.

- a) The Superintendent of Schools shall appoint one (1) staff person from the Department of Diné Education to provide guidance and assistance to the **Lukachukai Community School, Inc.**, in the preparation of the required documents for future reauthorization, compliance with federal and Navajo Nation laws, and, upon request, to assist with any negotiations of the terms and conditions of the proposed grant with the Bureau of Indian Affairs; and,
- b) The Department of Diné Education shall ensure compliance by the **Lukachukai Community School, Inc.** through monitoring and enforcement of the following mandatory provisions:
  - I) The **Lukachukai Community School, Inc.** shall, in the operation of the above noted programs, meet the academic standards established by the Navajo North Central Association, or such other minimum academic standards which may be established by the Navajo Nation Board of Education, and the BIA national dormitory criteria, if applicable; and,
  - II) The **Lukachukai Community School, Inc.** shall have conducted an annual audit, which meets the requirements of the federal Single Audit Act, and which shall be submitted on an annual basis to the Navajo Nation Department of Diné Education for verification and monitoring; and,
  - III) The **Lukachukai Community School, Inc.** shall respond to all audit findings and observations within ninety (90) days, including the development of a corrective action plan providing for the timely correction and/or resolution of all audit findings and observations, and shall provide a copy of its responses to the Department of Diné Education; and,
  - IV) The **Lukachukai Community School, Inc.** shall respond to any directives of the Navajo Nation Board of Education and/or Health, Education, and Human Services Committee related to this reauthorization within ninety (90) days, unless otherwise stated in the directive itself, and shall provide copies of its responses to the Department of Diné Education; and,

- V) In the event there is a proposed amendment to the grant that adds a program or deletes a program authorized by this resolution, the **Lukachukai Community School, Inc.** shall request authorization from the Navajo Nation Board of Education, submitted through the Department of Diné Education.
- c) The **Lukachukai Community School, Inc.** shall provide 2 copies of all grant-related documents as required by the *Grant/Contract Conversion and Maintenance Handbook* to the Navajo Nation Superintendent of Schools, Department of Diné Education, P.O. Box 670, Window Rock, Arizona 86515 by March 31st of the year in which its presentation to the Navajo Nation Board of Education for reauthorization is scheduled; and,
- d) The **Lukachukai Community School, Inc.** shall present its proposal for reauthorization of the grant to the Navajo Nation Board of Education, which shall have the authority to approve the grant proposal, require the addition and/or deletion of terms and conditions, or decline approval of the grant; and,
- e) The **Lukachukai Community School, Inc.** shall comply with all Navajo Nation laws, including, but not limited to 10 N.N.C. §1 et seq., and 11 N.N.C. §1 et seq., as well as applicable rules established by the Health, Education, and Human Services Committee of the Navajo Nation Council; and,
- f) The **Lukachukai Community School, Inc.** shall permit representatives of the Department of Diné Education, the Navajo Nation Office of the Auditor General, and the Navajo Nation Ethics and Rules Office to conduct monitoring visits and/or have access to all grant records upon request; and,
- g) The **Lukachukai Community School, Inc.** shall provide to the Navajo Nation Superintendent of Schools a written annual report regarding all activities conducted under the grant with the Bureau of Indian Affairs for the preceding school year. This report shall be submitted no later than September 30<sup>th</sup> of each year. In addition, the **Lukachukai Community School, Inc.** shall include within the report brief descriptions of any substantial administrative, financial, and programmatic problems encountered in its operations; and,
- h) No portion of any grant funds or interest generated from funds received by the **Lukachukai Community School, Inc.** from the Bureau of Indian Education, or any Navajo Nation general funds received directly or indirectly by the **Lukachukai Community School, Inc.** shall be used to fund litigation or administrative proceedings against the Navajo Nation, its officials, employees or entities; and,

- i) No portion of any grant funds or interest generated from funds received by the **Lukachukai Community School, Inc.** from the Bureau of Indian Affairs, or any Navajo Nation general funds received directly or indirectly by the **Lukachukai Community School, Inc.** shall be used for the purpose of providing insurance coverage for members of the school board. Provided, that a board member may participate in the **Lukachukai Community School, Inc.**'s insurance plan, if the school board agrees, and if the board member covers the entire amount of the insurance premiums from his or her personal funds; and,
- j) The **Lukachukai Community School, Inc.** shall, subject to the requirements of the federal Family Educational Rights and Privacy Act (FERPA) and other applicable federal and Navajo Nation laws, provide all requested educational records and personal information collected from students to the Navajo Nation, Department of Diné Education's Navajo Education Information System (NEIS); and,
- k) The Navajo Nation further conditions its sanction upon the agreement by the **Lukachukai Community School, Inc.** that the Navajo Nation through its Board of Education and Department of Diné Education retains the legal authority to monitor the operations and management of the **Lukachukai Community School, Inc.** to enforce Navajo Nation laws, to oversee the performance of the grant hereby approved, and to require that the **Lukachukai Community School, Inc.** make appropriate changes to the operation and management of the **Lukachukai Community School, Inc.** In the event that such changes involve revisions to the scope of the authorization of the **Lukachukai Community School, Inc.**, the Navajo Nation Board of Education, through the Department of Diné Education, shall review the issues involved and approve any revisions to the scope of the authorization; and,
- l) The sanction and authorization provided to the **Lukachukai Community School, Inc.** is strictly limited to that authority granted to operate certain specified education and education-related programs referred to in this resolution.



**ADDITIONAL CONDITIONS ON SANCTIONS  
OF THE NAVAJO NATION BOARD OF EDUCATION**

The Navajo Nation Board of Education hereby places the following conditions on the **Lukachukai Community School, Inc.** in addition to the standard conditions and sanctions specified in “**EXHIBIT B.**”

The **Lukachukai Community School, Inc.** shall:

1. Provide a satisfactory report and corrective action plan to the Board, through the Department, regarding an action plan to address and resolve the significant deficiencies, material weaknesses, findings, qualified audit, and areas of non-compliance regarding their finances and audits as identified in “**EXHIBIT A-1.**” The school shall provide monthly reports to the Department regarding how they will implement and adhere to a corrective action plan.
2. Future Request for Proposals (RFP’s) for Annual Audits shall include auditing of school board stipends and travel, and full compliance with the Navajo Nation Uniform Stipend and Travel Policy (ECD-35-10). The school shall also comply with the budgetary limits and Weighted Student Unit (WSU) limits that are required pursuant to ECD-35-10.
3. Submit SF-425 Quarterly Finance Reports to Bureau of Indian Education (BIE) and the Department of Diné Education (Office of Diné Accountability and Compliance).
4. Collaborate with the Office of Standards, Curriculum, & Assessment Development (OSCAD) to enhance the learning of Diné Language and Culture, develop and implement a strong Diné Language/Culture program for the students, including incorporation of the Navajo Nation’s Five (5) Content Standards (Diné Language, Culture, Government, History, and Character) aligned to the Common Core State Standards (CCSS) into the school’s curriculum. The school shall also participate in professional development and cluster training sessions provided by the Office of Standards, Curriculum, & Assessment Development (OSCAD). The school shall provide evidence/documentation that it is complying with this requirement.
5. Provide one (1) hour of daily instruction in Diné language and culture. The school shall provide evidence/documentation that it is complying with this requirement.
6. Administer the: 1) Oral Navajo Language & Culture-Test-Standardized Based Assessment (ONLC-T-SBA) (new standardized based assessment on Dine Content Standards); and 2) Diné Language Proficiency Assessment (DLPA). The school shall submit data to the Department of Diné Education, Office of Educational Research and Statistics (OERS) and Office of Standards, Curriculum, & Assessment Development (OSCAD). The school shall also administer and submit data for other assessments that are developed by the Office of Standards, Curriculum, & Assessment Development

(OSCAD). The school shall provide evidence/documentation that it is complying with this requirement.

7. Provide all requested educational records and data collected from students to the Navajo Nation, Department of Diné Education Office of Educational Research & Statistics (OERS).
8. Continue to follow all Navajo Nation, State and Federal Laws, Policies and Guidelines in operating the school.