



**BUDGET** The United States  
Department of the Interior  
**JUSTIFICATIONS**

and Performance Information  
Fiscal Year 2009

**OFFICE OF THE  
SPECIAL TRUSTEE FOR  
AMERICAN INDIANS**

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**DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS  
BUDGET JUSTIFICATION FOR FISCAL YEAR 2009**

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**Total 2009 Budget Request**

*(Dollars in Thousands)*

<b>Budget Authority</b>	<b>2007 Enacted</b>	<b>2008 Enacted</b>	<b>2009 Request</b>	<b>2009 Request Change From 2008</b>
Discretionary	223,257	189,331	181,648	-7,683
Mandatory	220,409	230,373	241,523	+11,150
<b>Total</b>	<b>443,666</b>	<b>419,704</b>	<b>423,171</b>	<b>+3,467</b>
<i>FTE's</i>	<i>629</i>	<i>634</i>	<i>669</i>	<i>+35</i>

Note: Discretionary budget authority represents operating funds that are appropriated annually by Congress to the Office of the Special Trustee. Mandatory budget authority represents certain funds held by DOI on behalf of Indian tribes, some of which will be transferred to tribes provided certain conditions are satisfied, and are considered U.S. Government funds (see Trust Funds section/tab for more information).

**GENERAL STATEMENT**

In FY 2009, the Department will maintain its emphasis on providing services to the beneficiaries of the Indian trust. The Office of the Special Trustee for American Indians (OST) will continue its role in the oversight of the fiduciary responsibility by daily monitoring trust reform in accordance with the Comprehensive Trust Management Plan (CTM). All proposed funding supports the Department’s goal of Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities.

The United States Congress has designated the Secretary as the trustee delegate with the responsibility for approximately 56 million acres of land and \$3.3 billion that is owned by American Indians, Alaska Natives and federally recognized Indian Tribes. Trust Management of these assets includes conserving, maintaining, investing, disbursing, and reporting to individual Indians and federally recognized tribes on financial asset transactions generated from sales, leasing and other commercial activities on these lands. Through implementation of the CTM, appropriate trust administration for trust beneficiary services, ownership information, management of trust fund assets, and self-governance activities, the Department’s goal of Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities, will be realized.



Ross Swimmer, Special Trustee for American Indians

## **Trust Management Reform**

The CTM laid the ground work of the Fiduciary Trust Model (FTM) which was approved by the Secretary in August 2004. Conversion of the Bureau of Indian Affairs (BIA) legacy leasing systems to the Trust Asset Accounting Management System (TAAMS) in FY 2007 marks the completion of a major milestone in Trust Management Reform. TAAMS will interface with the Trust Funds Accounting System (TFAS) and the TAAMS title system providing a single repository for ownership information for Interior-processed Indian Trust resource and financial transactions. Implementing the FTM includes major reengineering of trust processes. Trust data will be reconciled and validated within these systems marking the near completion of several pre-conversion data cleanup projects. This effort between BIA and OST, utilizing contractors to supplement staff, continues the nationwide implementation of the enhanced trust beneficiary services envisioned by the FTM. The FTM offers business processes that deliver improved services to the individual Indian and tribal beneficiaries by standardizing, streamlining, automating, and working in partnership with them.

The program administration and proactive project planning for implementation of the FTM has and will continue to allow OST and BIA to realize significant productivity efficiencies based on the standardized fiduciary trust policies and procedures to address Interior's fiduciary trust responsibilities.

Implementing the FTM thus far includes: developing handbooks and desk operating procedures that document standardization and streamlining of business processes; hiring twelve Bureau of Land Management (BLM) Indian Land Surveyors, one located in each BIA regional office; and initiating the Certified Federal Surveyor program to certify licensed private surveyors to perform federal surveying activity with oversight by BLM; establishing the division of Indian Probate Hearings within the Office of Hearings and Appeals (OHA) to provide a single point of adjudication for Indian probates; hiring Fiduciary Trust Officers (FTO) to serve as the primary point of contact for beneficiaries; opening the Trust Beneficiary Call Center; hiring of Regional Trust Administrators (RTA), hiring of support staff for FTOs, enhancing/refocusing outreach initiatives and Whereabouts Unknown (WAU) activities, providing for direct deposits, developing a debit card alternative, and formal Trust training and training certification programs; enhancing beneficiary performance statements with land asset and encumbrance information; implementing centralized commercial lockbox operations; establishing BIA lockbox liaison positions to expedite exception processing; identifying and implementing trust-related skills models for hiring and training fiduciary trust professionals; developing teams for updating federal regulations in support of the FTM; adding a minerals valuation unit to the Appraisal Services office; and creating a state of the art record management program including the American Indian Records Repository (AIRR) that now contains almost 400 million pages of records.

In FY 2009, the Trust Program Management Center staff will be concentrating on post conversion processing. The teams will also identify the need for further revised business processes, enhanced automated data systems, standard operating procedures, handbooks, validating metrics, desk operating manuals and new skills training.

This continual process is essential to keeping processes streamlined and utilizing the most cost effective technology.

The Department is undertaking a \$20 million effort to reduce travel and relocation expenses across the board. The allocation of shares of this travel reduction is based on each bureau's and office's percentage of the Department's total 2007 budget object class 21 expenses. OST's share of this reduction is \$530,000. OST will create a strategy to manage and control travel and relocation costs that promotes improved efficiency in allocating available travel funds to highest priority uses, locations, and functions. OST will review policies and business practices for managing travel and relocations to ensure that these policies and business practices emphasize travel priorities, reduce costs through improved management and efficiencies, and increase accountability for managing travel priorities and cost. Options that OST will consider in reducing 2009 travel expenses include:

- Reduce number of travelers to meetings, conferences, seminars, etc. to only essential personnel, i.e., primary decision maker, presenter, and/or representative.
- Reduce number of meetings hosted and attended to only mission-critical meetings.
- Reduce number of conferences, seminars, etc. hosted and attended to only mission - critical events.
- Increase use of teleconferences, video-conferencing technologies, on-line meeting capabilities, etc. in lieu of traveling to events.
- Combine meetings, conferences, seminars, and other events to reduce the number of individual travel events.
- Increase use of on-line booking and travel management services.

The individual program reductions are included in the 2009 program changes category of the introductory table of each activity and subactivity and are identified in a footnote to that table.

In addition, software solutions are under development for improved oil and gas accounting and reporting to beneficiaries, and validation of title information for non-income producing land assets will continue through FY 2009.

### **Legislative Reform**

The Administration's ongoing efforts to implement trust reform and improve services to beneficiaries include reviewing and revising trust regulations and submitting legislative proposals to Congress. In FY 2009, as part of FTM implementation, the Department expects to have promulgated new regulations and have Congress adopt recommended legislative changes. The regulations and legislative proposals are being developed to implement the FTM, comply with requirements of the *American Indian Probate Reform Act*, and streamline trust business processes as well as address needed technical corrections and administrative improvements for implementing trust reform, which will continue to improve services to Indian trust beneficiaries.

## **Historical Accounting**

In 1994, Congress passed *The American Indian Trust Fund Management Reform Act of 1994*. This Act requires the Secretary of the Interior to “account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. Sec. 4011(a)).” In July of 2001, the Office of Historical Trust Accounting (OHTA) was created by Secretarial Order to plan, organize, direct, and execute the historical accounting of Tribal Trust Fund accounts and Individual Indian Money (IIM) accounts. OHTA’s management model is based on a small staff of Federal employees directing the efforts of a number of individual contractors. The contractors provide the critical technical expertise in areas such as accounting services, project management, information technology, data security, statistical analysis, quality control, document search, and collection and reproduction. On July 1, 2007, OHTA was transferred to OST; the Executive Director now reports to the Special Trustee.

The Department and OHTA are now involved not only in the Cobell v. Kempthorne class action litigation, but also in over 100 lawsuits filed by or on behalf of Tribes, including one suit in Federal District Court with 12 named Tribes who are seeking class action status on behalf of 250 more Tribes.

On May 31, 2007, the Department released the 2007 Historical Accounting Plan for Individual Indian Money (IIM) accounts. The 2007 plan reflects what has been learned in four years of historical accounting. The Department’s accounting plan includes the production of historical accountings for about 364,500 IIM account holders open on or after October 25, 1994, that had balances. Implementation of the plan is estimated to cost \$271 million. In part, the plan calls for the reconciliation of select receipt and disbursement transactions to develop assurances of the accuracy of the historical statements of account to be delivered to the account holders. Such statements include transaction-by-transaction listings with such pertinent information as transaction dates, transaction amounts, and beginning and ending balances. OHTA’s historical accounting work concerns two distinct types of IIM accounts: judgment and per capita IIM accounts, and land-based IIM accounts.

## **Indian Land Consolidation**

For FY 2009 the Indian Land Consolidation Program (ILCP) is proposed for elimination. In lieu of ILCP, the Department will work with OMB, Indian Tribes, and Congress to develop an alternative approach.

## **FY 2009 Budget Request**

OST's FY 2009 budget request focuses on continuing efforts in trust management reform and historical accounting. The request also addresses the accomplishments OST has made with the completion of certain trust reform tasks, such as the conversion of legacy systems, and Secretarial initiatives related to improving services to American Indians and Alaska Natives. OST request supports the Department's strategic goal of fulfilling the Indian fiduciary trust responsibilities, and will be implemented in a manner that promotes and supports the President's Management Agenda.

The FY 2009 budget request for OST totals \$181,648,000 and reflects a program decrease of -\$9,372,000 from the FY 2008 enacted budget. Key program increases in the FY 2009 budget request include +\$1,659,000 in the Office of Hearings and Appeals for Probate Cleanup; +\$389,000 for the office of the CIO to implement an Auto Fail-Over system to enable critical systems to sustain operability in the event of system problems or disaster, and rising costs due to additional Individual Indian Account holders; and +\$500,000 in Trust Accountability for Data Quality and Integrity. Decreases of -\$13.1 million for Trust Reform programs include -\$9.8 million to eliminate the Indian Land Consolidation Program. The remaining decreases of -\$3.3 million are the result of efficiencies realized from trust reform initiatives, completion of certain tasks performed under contract, and spreading the costs of some tasks over a longer period of time.

The FY 2009 request includes \$1,689,000 for Fixed Costs and Related Changes discussed below under the Base Budget Analysis and under the Fixed Costs and Related Changes table.

### **Base Budget Analysis**

OST's FY 2009 base budget was developed using analysis of historical execution, determination of changing requirements, projection of operating costs, emphasis on current initiatives and priorities, and the anticipated completion of some trust reform efforts.

As part of this analysis, OST utilizes Activity-Based Cost Management (ABC/M) data to make organizational assessments and align work efforts with GPRA goals. ABC/M is being used to assist managers in cost estimating, cost forecasting and improving programs by identifying future cost avoidance and savings.

### **Section 405 Compliance**

OST adheres to the requirements of Section 405 contained in the Department of the Interior, Environment and Related Agencies Appropriations Act, 2006, requiring agencies to present in their annual budget justification any external and internal administrative costs, overhead charges, deductions, reserves, or holdbacks from programs, projects, and activities to support government-wide, Departmental and OST administrative functions or headquarters, regional or central office operations.



OST generally budgets for these support costs in the Budget, Finance, and Administration (BFA) line item within the Program Operations and Support activity. Details of these costs are included in the BFA section. The largest of these centralized costs include funding for BFA personnel, space, and working capital fund activities.

OST plans to charge back approximately 1.4 percent of the Federal Trust Programs budget for costs associated with contracts for Human Resources, Acquisition, Finance, communications, and security. These charges are allocated based on either the number of people in each program, the program's percentage of transactions, or funds obligated.

### **Fixed Costs Justification**

The fixed cost changes are to cover increases in pay, the agency share of health benefit costs, OST's share of DOI's working capital fund, worker's compensation, unemployment compensation and rent. The FY 2009 budget contains an increase of \$1.7 million for these items. Although, many of these changes are somewhat out of the bureau's control, the increase is essential for programs and projects to be able to continue the trust reform effort at or near current levels. This should be viewed in light of the effect of overall reductions on the programs.

The programs have made efficiencies that have saved as much as \$12.1 million from FY 2005-2007 budgets. For FY 2004-2006, OST absorbed \$2.2 million in pay increases alone. This does not take into account the across-the-board rescissions for the same period which total \$6.9 million. This adds up to a total of \$21.2 million of effective reductions including actual program decreases, absorption of costs (unfunded) and funds rescinded for deficit reduction.

### **Executive Order 13423**

The Department of the Interior is committed to meeting the goals set forth in Executive Order 13423 (EO), *Strengthening Federal Environmental, Energy, and Transportation Management*. Secretary Kempthorne issued a memorandum on April 4, 2007, directing the Department to lead by example on implementation of the EO requirements. Specifically, the EO requires additional reductions in greenhouse gas emissions by reducing energy intensity in buildings; reductions in water consumption intensity; acquisition of more environmentally sound products; reduction in the use of chemical and toxic materials; increased implementation of environmental management systems; incorporation of sustainability strategies in new and existing buildings; continued reduction in petroleum consumption in vehicles; and increased use of alternative fuels in motor vehicles.

Environmental Management Systems (EMS) Executive Order 13423, requires agencies to use EMS as the primary management approach for addressing environmental aspects of internal agency operations and activities, including energy and transportation functions, to meet the goals of the EO. The Deputy Secretary approved the Department's EMS Implementation Plan on March 21, 2007. On March 28, 2007, the Chairman of the Council on Environmental Quality issued mandatory implementation instructions for complying with EO 13423 to Heads of Executive Branch Departments and Agencies. Additionally, the Department committed to fully implement EMS by the end of FY 2009 in the 2007-2012 Strategic Plan.

OST's activities to date include: (1) preparation of an OST EMS directive [or policy]; (2) identification of appropriate organizational/facility significant aspects and impacts and targets and objectives; and (3) senior management review and approval of EMS.

Energy Management OST is dedicated to achieving the energy and water reduction and renewable energy consumption goals set forth in the Energy Policy Act of 2005 (EPA 2005) and Executive Order 13423. OST has implemented an energy management plan to guide programs toward meeting the mandated goals. OST does not own any buildings or structures. With an exception of four direct leases, all of OST spaces are GSA leased. Before GSA leases a space, the building must comply with mandated federal guidelines regarding environmental and habitation standards. The majority of OST employees are located in office spaces in Albuquerque, New Mexico. The Heating, Ventilation and Air Conditioning (HVAC) system is centrally controlled to keep energy usage at a measurable uniformed rate. Additionally, the building is equipped with sensor lights and energy saving light bulbs.

Transportation (Fleet) OST remains committed to achieving the goals of the Energy Policy Act of 1992 and Executive Order 13423 for fleet management. In support of the objectives, OST implemented a fleet management plan and developed vehicle justification criteria to assist in "right-sizing" the motor vehicle fleet. In 2008, OST is targeted to reduce its vehicle fleet by 3 GSA vehicles. In 2008, OST is also targeted to acquire four Alternative Fuel Vehicles (AFV) and OST is continuing to replace regular petroleum vehicles with alternative fuel vehicles. E-85 fuel is utilized, when available, for AFV.

OST has reduced its petroleum fuel consumption and has achieved the E.O. set goal of 20 percent reduction in annual petroleum consumption over five years (or 4% annually). Because of the recent and sizeable additions to OST's fleet, FY 2006 established our baseline fuel consumption. Because of the recent leasing of vehicles for FTOs, their vehicles tend to be newer and already have good gas mileage. Vehicles which have between 80,000 and 100,000 miles are often turned back in to be replaced with newer more reliable models. When DOI-owned vehicles (OAS) and leased vehicles age and reach these mileage points, OST will request that General Service Administrative (GSA) vehicles and/or other leased vehicles to be replaced with AFV (hybrids and E-85). The goal is to have 20 percent of the fleet or 16 vehicles replaced in this fashion over the next five years (or 3 per year).

### **Environmental Safeguards**

OST is participating in a Department-wide management improvement initiative to safeguard Department of the Interior resources, visitors, employees, and infrastructure in all-hazards emergencies. This initiative covers protection of natural and cultural resources and historic properties under Emergency Support Function #11 of the National Response Plan (NRP); oil discharges and hazardous substances incidents under the National Oil and Hazardous Substances Pollution Contingency Plan (NCP); and incidents that affect DOI lands, natural and cultural resources and historic properties, facilities, employees, or visitors that are not carried out under the NRP or NCP, but require coordination of DOI assets or expertise to safeguard these resources and people. The purpose of these activities is to provide for more effective and efficient environmental safeguards for DOI resources and people.

## **2009 Performance Summary**

The Department and OST are committed to fulfilling their trust responsibilities to American Indians and Alaska Natives effectively and efficiently and to providing accurate and timely service to the beneficiaries of the trust. The Department and OST have interwoven strategic plans to guide the design and implementation of trust reform efforts. The Comprehensive Trust Management Plan (CTM) is the strategic plan that defines and describes the vision, goals, and objectives of trust reform and operating the trust program, and interrelates to the Department's Strategic Plan "Serving Communities" mission area. The CTM was developed to identify and incorporate project components and actions required to fulfill its trust responsibilities in order to improve performance and accountability within Indian trust management.

The CTM goals align to the intermediate outcomes and strategies outlined in the "Serving Communities" mission area of the Department's Strategic Plan. There is an end outcome relationship between the DOI Strategic Plan and the CTM. All the goals and strategies fall under the Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities end outcome goal. The end outcome and intermediate outcome goals have associated performance measures to gauge performance.

Achieving the goals that are at the heart of the CTM will: (1) improve communications and relationships with American Indians and Alaska Natives, (2) improve beneficiary services, (3) enhance ownership information, (4) enhance the productivity of land and natural resources assets management, (5) increase Indian self-governance and self-determination, and (6) improve administrative services. The objectives set forth in the CTM define the overarching methods to achieve these goals. The CTM also considers the trends that influence trust management, the role of relevant stakeholders, and the interaction of the Department's bureaus and offices. Through examination of the "big picture" of fiduciary trust management, the Department creates a coordinated and integrated system.

### **Fulfill Indian Fiduciary Trust Responsibilities**

Considerable efforts and dollars are devoted to managing Indian fiduciary assets and reforming processes and improving performance. The Department works to ensure that technical and economic assistance is provided to the tribes, and that organizational and process changes are introduced to address longstanding issues. However, these problems will not be solved immediately and require the Department to work in partnership with tribes to ensure the effective and efficient management of trust responsibilities.

Progress in each of these areas significantly benefits the Department's efforts in the management of the fiduciary trust. With the implementation of the FTM, OST is closely tracking performance measures to assess work performed and results to be achieved.

To achieve the Secretary's Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities end outcome goal, OST ensures that account maintenance and financial transaction postings are performed accurately at least 98% of the time. OST has established a system of internal controls over transactions, including post-encoding reviews, to ensure that

posted transactions are complete and accurate. Additionally, OST monitors processing times to provide assurance that transactions are posted within the targeted timeframes and continually evaluates and refines the system of internal controls. Performance metrics are established to identify opportunities for improvement in the efficiency of internal processing activities. OST's goal is to provide account "statements of performance," to beneficiaries with a valid address, on time, at least 99.5% of the time. Approximately 800,000 statements are expected to be printed and mailed during FY 2009.

OST's role and responsibilities encompass oversight of the above trust reform strategies, while actual program management is primarily for beneficiary services that are trusted, accurate, and responsive and trust fund asset management that meets fiduciary standards. OST's role is primarily oversight, evaluation, and establishment of policies and procedures to ensure compliance with applicable laws and regulations which govern the Department's fiduciary trust responsibilities. A key component of the FY 2003 reorganization was the placement of RTA and FTO in field locations to provide oversight and guidance for adherence to laws and regulations that pertain to management of the trust.

OST supports the Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities Strategic Plan end outcome through implementation of the following strategies in the CTM:

**Beneficiary services that are trusted, accurate, and responsive:** Routinely provide timely, accurate, understandable performance statements to beneficiaries; provide convenient access to trust account services and information; develop and maintain effective communications and facilitate beneficiary involvement in trust management; and provide assistance to federally recognized tribes in the management of trust assets.

**Tribal self-governance and self-determination that increase participation in managing assets:** Foster expansion of self-governance compacts and self-determination contracts in a manner consistent with the Department's fiduciary responsibilities; and work to increase the number of tribes that participate in cooperative audit programs for mineral leases. As a continuing priority, the Office of External Affairs (OEA) dedicates the resources necessary to promote and support self-governance and self-determination opportunities for federally recognized tribes. In FY 2009, OEA will continue to achieve its improved response rate to tribes seeking information on the management of OST programs through compacts and contracts. OEA also will continue to work proactively with tribes that may be interested in assuming OST functions or accessing Departmental IT systems to support their trust programs. OEA will continue to ensure that information is provided to the tribe in a timely manner so it can make an informed decision on its assumption of the program or to access the Department's IT systems.

**Ownership information that is accurate, timely, and reliable:** Distribute financial trust assets to heirs after OHA renders probate decisions; and ensure accuracy and integrity of data maintained in agency offices and trust accounting systems. In FY 2008, the BIA conversion to the TAAMS Leasing module will be complete allowing for the automatic distribution of trust funds to beneficiary accounts based on land title ownership information maintained in the TAAMS Title module. This will mark the completion of a large part of the Data, Quality and Integrity (DQ&I) project. Moving forward, Trust Accountability will be conducting DQ&I on a

sampling basis and continue to provide on-site contractor support to BIA's Land Title Records Offices and to address any remaining post conversion data issues as funding allows.

**Trust fund assets management that meets fiduciary standards:** Manage and invest funds held in accounts on behalf of individual Indians and tribes; collect, disburse, and account for funds timely and accurately. Trust Services continues to maintain a high rate of collections for oil and gas revenue recorded in TFAS within 24 hours of notification. The FY 2009 goal is for 99% of funds to be recorded in TFAS within 24 hours of notification.

**Land and natural resources management that maximize return:** Obtain appraisal information, as needed on trust and restricted lands for tribal and individual Indian owners. Determining the fair market value of trust assets is important for effective management of land and natural resources. Ensuring the availability of appraisal information to BIA officials and beneficiaries is critical for their decision making on leasing activities on trust lands. The appraisal services goal is to provide a valuation report 96% of the time within requestor business requirements.

In FY 2007, the Office of Appraisal Services (OAS) launched the Indian Trust Appraisal Request System (ITARS), a standardized automated tracking system for appraisal requests that enables regional appraisers to better manage their workloads and OAS management to better record both the direct and indirect costs associated with performing appraisal work. In addition, at year end FY 2007, OAS identified inconsistencies on how backlog was determined by the 12 OAS regional offices. OAS management has conducted a series of in-depth analysis of workload and workforce management throughout the program and has implemented some procedural changes based on its findings.

All Regional Appraisers within OAS have been meeting annual continuing education requirements. New requirements for staff appraisers include obtaining a state certification and annual continuing education requirements.

### **Office of External Affairs**

*Self-Governance/Self-Determination: Percent of formal applications for the withdrawal of tribal trust funds processed within the regulatory timeframe.*

*The American Indian Trust Fund Management Reform Act of 1994* authorizes tribes to withdraw certain funds held in trust from federal management. To withdraw its funds, a tribe must submit an application that includes certain data and information about how the tribe intends to manage those funds once withdrawn. Regulations in 25 CFR 1200 describe the application process and the information that must be provided to OST for an application to be considered and approved. OEA coordinates OST's activities relating to the development and approval of these requests.

An application from a tribe to withdraw its trust funds requires a significant amount of technical information and effort to complete. On average, OEA receives 3 applications or requests for information and technical assistance, each year. To encourage additional applicants, OEA

developed a brochure for tribes that explains the process for the withdrawal of their funds and continues to provide information regarding this option at meetings with tribal organizations.

As requested, OEA assists tribes seeking technical assistance during the development of an application. When an application is submitted, OEA generally uses existing staff resources to coordinate its review. After OEA and appropriate OST staff determines that the application is complete, the regulations provide that OST has 90 days to consider the request. Because the regulations allow time for additional information to be received during the review process, OST can provide a final approval to each tribe on its application within the regulatory timeframe. In FY 2009, OEA anticipates that it will continue to meet this regulatory requirement 100% of the time.

Because OST responds to external drivers for the performance of this activity (tribes must submit an application or request to trigger action), it is difficult to determine a regular cost per unit. In FY 2007, OEA gave technical assistance to several tribes interested in developing an application, however no formal applications were submitted. In FY 2008, OEA is continuing to provide this assistance and expects one tribe to withdraw funds from trust. In FY 2009, OEA will continue to support tribes interested in withdrawing their funds as requested. Based on activity-based costing measurements in FY 2008, OEA is working to more accurately identify the time and staff costs required throughout OST to evaluate such applications.

*Percent of responses to tribes within the required timeframe for management of eligible OST programs.*

OST primarily is responsible for assisting tribes with the performance of two programs – the real estate appraisals program and the beneficiary processes program (IIM account technician activities) – that are available for tribal assumption through self-determination contracts or self-governance compacts. In FY 2009, OEA also will continue to assist tribes that are seeking access to the Department's TrustNet. The measure of OEA performance regarding its responsiveness to tribal inquiries, questions and concerns about OST programs is the percent of responses to tribes within the required timeframe for management of eligible programs.

Federal regulations govern the process for tribes seeking to assume federal programs for the first time, and include timelines for the government to act on new tribal inquiries and proposals. OEA also includes the responses to tribes in the course of negotiating program standards for the continuation of programs and transmitting funding (and includes the funds transferred to tribes for the beneficiary processes program as part of the cost for this activity) in support of contracts and compacts when measuring the cost for its overall responsiveness to tribal questions and concerns.

The addition of staff resources in FY 2007 allowed for the improved support and response time to respond to and track tribal inquiries. OEA estimates that it will respond to 95% of these inquiries within the required timeframe in FY 2009.

*Technical Assistance: Percent of technical assistance requests for tribal management of trust assets met in timeframe required.*

OEA works closely with tribes to meet their requests for technical assistance for tribal management of OST programs. Requests for technical assistance are not restricted to new tribes working to assume OST programs, but occur year-round when a tribe requires additional information or expertise for the administration of its program. OEA responds to 100% of the written and verbal tribal requests for technical assistance, and works with the tribe to determine the timeframe and scope of the assistance to be provided. OEA coordinates with OST staff at agency offices to discuss program goals and performance with tribes, schedule conference calls with responsible officials, conduct research, calculate tribal share information, and take other appropriate action to ensure that assistance is provided to tribes managing or considering the management of trust programs.

This OST activity is triggered by a tribe's initiative, and is funded through personnel costs. Because it is difficult to project the level of resources required to provide technical assistance, particularly a cost per unit, OEA is working to more clearly define measures to capture the range of activities associated with the self-governance and self-determination program.

### **Office of Trust Review and Audit**

*Records Management – Percent of BIA/OST regional/agency offices reviewed to identify improvements needed in their Records Management Programs.*

The Office of Trust Review and Audit (OTRA) performed, on average, full record management assessments for 45 of 180 (25%) BIA/OST offices. In FY 2009, OTRA expects to complete 40 reviews. As a result of completing reviews of all offices, some of the future reviews will be summary in nature instead of full reviews, with the emphasis being on those offices that first appeared to have the most exceptions.

*Trust Examinations – Number of trust examinations performed for internal and external entities performing trust functions.*

OTRA expects to perform 38 trust examinations to include offices from the approximately 180 BIA/OST locations where trust functions are performed in FY 2009. These examinations will consist of summary reviews in addition to full reviews when necessary. Exams in FY 2008 will complete the initial examinations for BIA/OST offices.

*Corrective Action Plans – Percent of corrective action plans (CAP) received from entities performing trust functions to address identified deficiencies.*

OTRA is working closely with the entities examined to ensure that findings in the examination reports are being addressed timely. This is being done in two steps. The first step is to request a management response to the draft report including corrective actions planned or taken to address findings and target dates for completion of any actions. For those entities that do not comment, follow-up telephone calls and/or other communications are initiated to obtain a response before

issuance of the final report. During FY 2009, OTRA hopes to raise the number of management responses received from entities that have had an examination to 85%, which is a 5% increase from the FY 2008 goal. OTRA has a long term goal of obtaining a 90% response rate on the exams performed.

*Verifications of Corrective Action Plans – Percent of verification reviews conducted to monitor progress of corrective actions.*

OTRA performs follow-ups on corrective action plans received from examined entities to ensure that findings in the final report are being addressed as identified in the management response to the draft report. The FY 2009 goal is 100% of all corrective action plans received are verified either through letter correspondence and/or follow-up visits. OTRA does not begin the verification process until at least six months after the final report is issued or according to identified target dates to allow the entity sufficient time to put the corrective actions in place.

### **Office of Trust Accountability**

Trust Accountability achieved a major milestone, in FY 2007, in the implementation of the FTM enabling DOI to attain significant accomplishments in Trust Management Reform. FY 2008 includes the stabilization and post conversion clean-up of the Bureau of Indian Affairs (BIA) legacy leasing systems to the TAAMS Leasing module that interfaces with the TFAS and is integrated with the TAAMS Title module. This conversion resulted in a single repository of ownership for Indian Trust land data. This implementation includes processes that have been significantly reengineered. Additionally, trust data was corrected and/or validated within these systems marking the near completion of several data cleanup projects.

Implementing the FTM directly relates to our Risk Management Program performance measure. Our trust reform efforts are grounded in a risk-based approach. The Risk Management Program has been steadily moving from a reactive approach of trying to achieve an acceptable level of risk to a proactive approach that maintains the appropriate risk level. The implementation of a more risk-based management focus is inherent in our work breakdown structures and our program management and project planning. As we continue implementation, more OST programs related to the trust reform initiatives are conducting risk assessments to ensure they are mitigating their risks and moving towards the appropriate level of risk once the programs move to an operational and maintenance mode. OST intends to strengthen its risk management program by: increasing the frequency of the transaction testing cycles; improving OST staff expertise based on the offering of risk management training; enhancing the existing risk management tool (RM-PLUS) based on the recommendations of an OST user group; and aligning RM-PLUS with regulatory and legislative requirements for all divisions, in particular, OMB Circular A-123.

The increase in transaction testing cycles will create a stronger emphasis on risk-based management approaches; stabilizing the program and information technology, which could lead to an increase in the number of DOI bureaus using the risk management tool (RM-PLUS), thereby increasing our ability to identify and mitigate risks in other DOI business lines and the tribes.



From a cost perspective, Trust Accountability does not directly link nor limit a budget line item for the Risk Management Program to the performance measure but ABC/M cost codes are utilized to track the expenditures. In addition, there is subjectivity in the Risk Management Program performance measure that addresses self-governance and self-determination. Trust Accountability will offer the program and tools to the tribes. Due to the government-to-government relationship, it is not a mandatory implementation for tribes. Since we have only had informational interest in the program from the tribes thus far, there are no program costs directly related to this measure. When OST implements the program with a tribe, benchmark performance measures and associated costs will be defined.

The methodologies used for costing OST's programs, which incorporates the achievement of our performance measures, is based on the sum of all expenditures associated with a particular ABC/M code; projecting contractual obligations, as well as the estimated salaries of program staff and the President's budget request.

### **Responsiveness**

Trust-related inquiries are received at all OST field office locations nationwide, including the Trust Beneficiary Call Center (TBCC) as well as at Central Office – Albuquerque, New Mexico. The vast majority of the inquiries are received via telephone while many others are received through fax, mail, and walk-ins. Regardless of location or manner in which received, each inquiry is required to be captured in the TBCC "Service Center" tracking system.

Field Operations' responsiveness performance target for FY 2009 is set at 90%. This level of performance is not expected to change from FY 2008 as reflected in the goal performance table.

Responsiveness is defined as providing an acknowledgment of a beneficiary inquiry and/or a resolution, within two business days. An acknowledgment response involves providing a verification of the information being sought, any issues and considerations that may affect their inquiry, and a time estimate for providing a complete response.

The measurement methodology consists of dividing the number of trust inquiries that are provided a response within two business days by the total number of trust inquiries received. This percentage measure is reported quarterly and annually.

### **Ownership Information**

For FY 2009, the measure rate at which Whereabouts Unknown (WAU) accounts are resolved is expected to be 25%. Due to implementation of the FTM TAAMS conversion, IIM accounts have been created for numerous non-income producing asset owners in order to generate asset statements that comply with *The American Indian Trust Fund Management Reform Act of 1994*. Many of these owners do not have current addresses on file. As a result, the total number of WAU has increased. After the FTM TAAMS conversion has been completed, the size of the WAU population is expected to stabilize.

The measure rate is calculated by the number of WAU accounts "resolved" during the reporting period (i.e., for which a current valid address has been obtained) divided by the total number of WAU accounts at the beginning of the measurement year.

### **Office of Appraisal Services**

The Office of Appraisal Services (OAS) provides impartial opinions of fair market value for a variety of specific real property interests on land owned in trust or restricted status. While performing these duties during FY 2009, it is anticipated that the Office will rely heavily on recently established indefinite-delivery, indefinite-quantity contracts as well as an off-the-shelf appraisal software program, used locally, that produces Uniform Standards of Professional Appraisal Practices (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) compliant appraisal reports. These two appraisal-related tools will help OAS in addressing the backlog significantly.

In FY 2009, OAS will continue to improve and adjust the appraisal business process, where feasible. In FY 2007 and FY 2008, OAS focused on improving processes for workflow and workforce management. It is expected that these types of improvements will continue to result in increased productivity in FY 2009.

It is anticipated that the use of Indian Trust Appraisal Request System (ITARS) tracking system will increase appreciably and will require the establishment and implementation of cyclical training programs for new system users. While not used consistently throughout Indian Country in FY 2007 or FY 2008, it is expected that ITARS will allow for more efficient and effective appraisal request, processing, tracking, and reporting.

Building upon the organizational structure that came about as a result of the FY 2008 memorandum of understanding (MOU) with the National Business Center for the management of OAS—OAS will remain an entity within OST; OAS employees will continue to be OST employees; management and oversight will be provided by the NBC Chief Appraiser and the Deputy Chief Appraiser for OST/OAS—OAS will establish career paths to allow a steady upward development of skills and experience to ensure a stable skill and knowledge base throughout OAS.

In addition, in FY 2009 and beyond, OAS will work with its human resources office to ensure that there are enough skilled individuals in the pipeline to replace experienced personnel as they retire in future years. OAS will monitor its grade distribution to ensure that a balance exists which facilitates upward progression to higher-graded jobs while establishing entry and journey level staff needed to perform its core function. In FY 2009, OAS will continue its efforts with the National Indian Programs Training Center (NIPTC) to develop a comprehensive training program which can lead to certification in fiduciary appraisal management.

**Office of Trust Services:**

The planned FY 2009 total costs for Trust Services will be \$12 million. A program increase of +809,000 will fund increased cost associated with the implementation of re-engineered processes. Other cost increases of achieving performance measure targets will be offset by the savings realized by the completion of the decentralization of certain data entry functions, streamlining of certain manually intensive processes, automation improvements, and decreased reliance on contract services. Costs have been allocated to the following Trust Services' measures:

- Percent of financial information accurately processed in Trust beneficiary accounts. The unit cost of a transaction is derived by dividing the total cost of processing transactions by the number of transactions for the year (denominator). Increases in the total cost of processing reflect a 3 percent cost of living adjustment from year to year. The increases in the total number of transactions per year (denominator) are estimated based on data from previous years.
- Percent timeliness of financial account information provided to trust beneficiaries. The unit cost of providing timely financial account information to trust beneficiaries is derived by dividing the cost of printing the account statements by the number of statements mailed per year. In FY 2006, the cost of printing and mailing statements was the cost of the printing contract with a vendor for two months worth of service. For the remainder of FY 2006 and forward, the cost is the in-house cost of providing these services. The increase in the denominator for each year is an estimate based on the increase from FY 2006 to FY 2007 and may fluctuate based upon the conversion to TAAMS (i.e. increasing the number of beneficiaries eligible for statements).
- Percent of revenue recorded in the TFAS within 24 hours of receipt. The unit cost for recording revenue in TFAS consists of the portion of the employee's time devoted to this duty divided by 250 business days on which this function is performed. The increases in the total amount of revenue recorded per year (denominator) are estimated based upon the availability of data from FY 2007 and forward.

**Indian Land Consolidation:**

The Indian Land Consolidation Program will be eliminated in FY 2009. The Department will focus on developing alternative strategies to reduce fractionation and consolidate interests.

**Data Verification and Validation**

The OST data verification and validation (V&V) procedures utilize a three prong approach using the '*Data Validation and Verification Assessment Matrix*' guidance issued by the Assistant Secretary for Policy, Management and Budget on January 16, 2003. The approach includes: (1) a self-assessment by program managers conducted periodically for all performance measures utilizing the Risk Management Assessment/Evaluation tool (RM-Plus) as well as transaction testing, (2) periodic rating coordinated by the Office of Trust Review and Audit, and (3) audits

by the Office of the Inspector General, Government Accountability Office and independent certified public accounting firms.

Primary responsibility for data quality resides with the designated senior manager for the performance measure. The responsible manager has designated a program official as the data point of contact. The data point of contact is responsible for the collection of data, reporting of data, and conducting an annual assessment based upon the Department's Data V&V assessment guidance. The senior manager has ultimate responsibility for data quality that complies with Departmental requirements.

Data for measuring program accomplishments comes primarily from TFAS (a commercial trust application), the Status Reports to the Court, and work logs maintained by program offices.

**2009 Budget Request by Interior Mission Area**

*(Dollars in Thousands)*

<b>Mission Area</b>	<b>2007 Enacted</b>	<b>2008 Enacted</b>	<b>2009 Request</b>	<b>2009 Request Change From 2008</b>
<b>Resource Projection</b>				
<b>Resource Use</b>				
<b>Recreation</b>				
<b>Serving Communities</b>	223,257	189,331	181,648	-7,683
<b>Total</b>	<b>223,257</b>	<b>189,331</b>	<b>181,648</b>	<b>-7,683</b>

## **President's Management Agenda – Management Excellence**

OST supports the President's Management Agenda by improving government performance towards fulfilling the Nation's trust and other special responsibilities to American Indians and Alaska Natives. OST is involved in the six mutually reinforcing initiatives, each addressing a key element in management performance with a significant opportunity for improvement by promoting better integration of budget and performance, incorporating the workforce plan to ensure a skilled workforce in the future, proper accounting for financial resources, competitive sourcing of non-inherently federal functions, and securing greater services at lower cost through electronic government (E-Government). OST is not responsible for performance under the real property initiative.

OST has made significant progress implementing the Department's various information technology initiatives. For its wide-area network, OST relies on Trust Net. Trust Net provides services shared by both OST and BIA. OST worked with the Department to implement active directory and messaging. OST has installed card readers in its facility and obtained replacement security cards to make the system fully operational upon the Department's finalization of policy/procedures for Homeland Security Presidential Directive (HSPD-12).

### Performance Improvement Initiative

In preparing the FY 2009 budget submission, OST personnel worked closely to link resource requests to the Department's Strategic Plan end outcome goals. The Department's performance data is integrated with detailed program budget requests and established targets for FY 2009. The current suite of performance measures were developed as part of the Department's Strategic Plan revision and are aligned with the Comprehensive Trust Management Plan and the Fiduciary Trust Model. The GPRA performance measures support the Serving Communities mission area and map to the Fulfilling Indian Trust Responsibilities End Outcome Goal. The FY 2009 funding request levels are based upon management knowledge of programs, costing data from activities, and a detailed analysis of existing conditions and operations. This data analysis was used to realign funds as demonstrated in the base budget analysis.

During FY 2009, OST will continue to implement and improve an Activity-Based Cost Management (ABC/M) system that is closely integrated with the Department's ABC/M system. ABC/M has been institutionalized within OST for a number of years and provides several benefits:

- Provides a mechanism for determining the cost of activities that contribute to achieving the Department's Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities goal.
- Improved monitoring of program performance and effectiveness.
- Improved linkage between budget requests and performance data.

OST will continue to create customized ABC/M timesheets for each program office to reduce the number of coding errors and increase the accuracy of monthly ABC/M reports, thus improving the data used in management decision-making regarding the allocation of available resources.

### Strategic Management of Human Capital - BFA

OST is currently working to finalize the Workforce and Diversity Plan. As part of the overall DOI initiative to respond to cross-cutting workforce initiatives, the plan is intended to capture the analysis of workforce supply, demand, gaps based on historical trends, future projections, expected work demands and reflects the goals and objectives in the CTM to increase critical skills to carry out OST's mission in support of DOI's Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities end outcome goal.

The Workforce and Diversity Plan is a tool for identifying human capital needs, developing and implementing solutions, evaluating progress and determining the need for revised or new strategies. The Workforce and Diversity Plan will be updated periodically and is used in conjunction with the Comprehensive Trust Management Plan and the Fiduciary Trust Model to ensure that OST is strategically managing its human capital to meet its mission, vision, and goals.

### Improved Financial Performance

*The American Indian Trust Fund Management Reform Act of 1994* requires “an annual audit on a fiscal year basis of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian....” The most recent audit of the Indian Trust Funds was completed for FY 2007 by an independent certified public accounting firm. KPMG's audit report on the Trust Funds Financial Statements was qualified because it was not practicable to extend auditing procedures sufficiently to satisfy the fairness of trust fund balances in the Trust Funds Financial Statements as of September 30, 2007 and 2006. This is due to certain parties for whom OST holds assets in trust having filed a class action lawsuit for an accounting of the individuals' trust funds which may or may not lead to claims against the United States Government there are other parties for whom OST holds assets in trust disagreeing with the balances recorded by OST and/or having requested an accounting of their trust funds, and certain of these parties have filed, or are expected to file, claims against the United States Government.

Trust fund balances enter into the determination of financial position and changes in trust fund balances. The results of KPMG's tests of compliance with certain provisions of laws, regulations, and contracts disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, issued by the Comptroller General of the United States. While the audit opinion was qualified, no new material weaknesses were cited by the auditor. In fact, a prior material weakness was downgraded to a significant deficiency in FY 2007, leaving one material weakness which is related to historical differences. OST continues to make progress in addressing the long-standing historical material weakness: Reliance on Processing of Trust Transactions at the Bureau of Indian Affairs and Unresolved trust funds financial reporting matters from prior periods. In FY 2007, we resolved two portions of the material weakness: Distribution of a historical suspense account balance of approximately \$2 million and resolving \$44 million in negative account balances. The corrective action plan for the remainder of this financial statement material weakness has been revised to reflect updated milestones and completion dates.

The Department instituted a reporting practice in FY 2006, consistent with the December 2004 revision of OMB Circular A-123 and OMB Circular A-136, to report only Department-level Financial Managers' Financial Integrity Act (FMFIA) material weaknesses. Acknowledging the number of actions that have been taken to significantly improve internal control activities and systems for Indian Trust Funds, the Department downgraded the "Controls over the Indian Trust Funds" FMFIA material weakness to a reportable condition in the FY 2006 Performance and Accountability Report. The Department believes that based on results of extensive internal controls testing, there is a high degree of accuracy in the Trust Fund account balances, the accounting and asset management resource systems are reliable, and monies are being properly and timely accounted for.

OST is distributing expanded account statements of performance to account holders at BIA agencies that have implemented new technology systems for title and leasing information. All agencies have converted to the TAAMS leasing module, and beneficiaries are now receiving quarterly performance statements that provide information regarding source of funds, encumbrance information (i.e., leases), and a listing of trust property they have a beneficial or title interest in, whether or not it is an income generating property. Additionally, OST has implemented electronic Statements of Account for Tribes to reduce paper usage and postage costs, increase timeliness of delivery, and enhance ease of use of the information.

In response to the expanded requirements of OMB Circular A-123, OST has completed the following actions:

- Identified Significant Financial Reports to be addressed in accordance with OMB Circular A-123. A management control plan, a testing work plan, and the sample selection were also finalized and implemented.
- Reviewed Risk Management Assessment/evaluation tool (RM-PLUS) content to ensure compliance with expanded requirements for documentation, monitoring, and reporting.
- Commenced periodic transaction testing.
- Issued an unqualified Assurance for FY 2006 and FY 2007.

### Competitive Sourcing

OST is researching A-76 studies, to prepare for specific studies to be conducted in FY 2009, OST will continue to contract work where it is identified to be more cost effective and have the work performed by an external source rather than federal personnel. Much of the organization's administrative functions (i.e., personnel, finance, acquisition, etc.) are performed by contract with other federal organizations. OST will send selected employees to A-76 training and will utilize those employees to identify areas which may merit formal A-76 studies; thus allowing OST to explore opportunities for further contracting of non-inherently federal work.

In addition, during FY 2008, OST will maintain self-governance and self-determination contract and compact agreements with some 40 tribes for the real estate appraisal and beneficiary



processes programs. Those contracts and compacts are expected to be continued through FY 2009. OST will continue to work with tribes that express an interest in contracting or compacting the work OST performs.

### Electronic Government

OST's implementation of information technology solutions to provide products and services has been limited due to the court ordered disconnection from the Internet. Despite this limitation, OST has sought to use technology internally to improve operating efficiency and effectiveness. A Trust Portal for all DOI agencies performing Trust business was developed. With the implementation of an Active Directory in FY 2007, all of the "trust" offices/bureaus were able to access the portal. The portal provides access to electronic staff/phone directories, a wide range of departmental manuals, directives, policies, procedures, IT requests, trust funds receivable application including images received from the lockbox, electronic forms and standardized queries that seek information from the various trust applications such as TFAS.

Bureau budget requests for information technology investments are included in the Department-wide Exhibit 53, which has been submitted electronically to OMB consistent with OMB Circular A-11 requirements. Capital Asset Plan and Business Case Exhibit 300s supporting the bureau's major investments are also electronically transmitted to OMB.

OST will contribute approximately \$41,500 in FY 2009 to support the President's E-Government initiatives. This amount is paid into the Department's Working Capital Fund Account, and costs are distributed based upon relative benefits received by each bureau. The Departmental Management budget justification includes amounts for each initiative and describes the benefits received from each E-Government activity.

The Department is embracing a Department-wide enterprise approach to managing information technology. A significant number of investments in information technology that benefit OST are described in the Department's summary FY 2009 budget. OST has one major IT investment, the Trust Funds Accounting System (TFAS). TFAS supports the Department's mission of Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities by providing a Commercial-Off-The-Shelf (COTS) trust accounting system that incorporates private sector system standards. OST supports the Strategy to "Manage Trust Fund Assets for Timely and Productive Use" to ensure that 99.5% of beneficiaries who have valid addresses on TFAS receive a timely statement of performance which will include a listing of the real property assets associated with the beneficiary. TFAS is currently being used to account for over \$2.9 billion in more than 1,800 tribal accounts and in excess of \$420 million in over 370,000 open IIM accounts.

Capital Asset Justifications for OST's major IT investments can be viewed at <http://www.doi.gov/ocio/cp/index.html>.

The Department requires that bureaus conduct Certification and Accreditation (C&A) on their IT systems using a risk-based approach on its most critical systems. OST's TFAS was re-certified on March 28, 2005 and re-accredited on March 29, 2005 in accordance with the Department's C&A guidelines. The remaining OST major system, the General Support Systems (GSS), was C&A'd in June 2004 and was re-accredited in FY 2007.

## **Unified Trust Budget**

### **Meeting Interior's Fiduciary Responsibilities to Indian Communities**

The Department of the Interior has responsibility for the largest land trust in the world. Today, the Indian trust encompasses approximately 56 million acres of land. Over eleven million acres belong to individual Indians and 45 million acres are held in trust for Indian Tribes. On these lands, Interior manages over 100,000 leases for uses such as farming, grazing, and oil and gas production on behalf of individual Indians and Tribes.

This amount includes a net increase of \$2.8 million over the 2008 enacted. The 2009 Unified Trust Budget reflects savings from the completion of certain trust reform tasks as well as new investments in probate services.

### **Indian Trust Management Responsibilities**

From 1996 through 2008, the Department will have invested \$4.4 billion in the management, reform, and improvement of Indian trust programs. These investments have allowed Interior to better meet fiduciary trust responsibilities, provide greater accountability at every level, and operate with staff trained in the principles of fiduciary trust management. The Office of Historical Trust Accounting continues to reconcile past transactions in individual and tribal trust accounts.

Accomplishments to date include:

- Account holders can call a nationwide toll-free information center to get answers to their questions. Before the Trust Beneficiary Call Center opened, beneficiaries often had to contact a number of Interior offices to get their questions answered.
- More than \$79 million has been distributed to individual Indian trust account holders who were previously on the "Whereabouts Unknown" list through collaborative efforts between the Office of the Special Trustee for American Indians, Bureau of Indian Affairs, and tribal governments.
- More than 400-million pages of Indian trust documents have been collected, safeguarded and protected for future use at the state-of-the-art American Indian Records Repository, in Lenexa, Kansas.
- The equivalent of more than 360,000 interests acquired of land has been restored to Tribes through the Indian Land Consolidation Office purchase program to reduce fractionated ownership of land.
- Over 3,000 Interior and tribal employees working in trust matters received fiduciary trust training. Over 500 BIA and OST employees and 381 tribal employees received records management training.
  
- Updated and upgraded technology for trust management has been installed at BIA and OST

offices across the country. This technology includes new accounting, title, leasing, and funds receivable systems, including a centralized commercial “lockbox” process for the collection of trust payments.

- Tribal and individual trust beneficiary services are available from Regional Trust Administrators and Fiduciary Trust Officers, experienced in fiduciary trust matters.
- Land survey issues in Indian Country are being managed by new Bureau of Land Management Indian Lands Surveyors, hired specifically to support Indian Country needs, located at the 12 BIA Regional Offices.
- Account holders with trust assets in agency locations that have been converted to new technology and trust systems are receiving improved, comprehensive statements listing assets they own and encumbrances associated with their land.
- In spring 2006, through a partnership with the BIA and OST, Interior opened the new National Indian Programs Training Center in Albuquerque, New Mexico. The new facility provides training in areas such as trust programs, social services, law enforcement, and education.
- Individual Indian Monies account holders who receive disbursements from their trust accounts are able to use their funds more quickly through the use of Direct Deposit.

### **Indian Trust Management Program: The Details**

The 2009 budget proposal includes a \$56.4 million to support the Office of Historical Trust Accounting. The Office of Historical Trust Accounting, which is included in the Unified Trust Budget, plans, organizes, directs, and executes the historical accounting of 275,000 Individual Indian Money and Tribal Trust accounts.

The OHTA expects to allocate approximately \$40 million to historical accounting for individual Indian accounts, with the balance used for tribal trust accounting. The OHTA estimates that by allocating approximately \$40 million per year to the IIM historical accounting, work could be completed by 2011.

The remainder of the funding is for the workload associated with tribal trust cases, for a total of \$16.4 million. At present, there are 102 cases pending, including a class action case seeking certification of a class of over 250 tribes. OHTA intends to continue its strategy for 2009 of satisfying the critical information needs of the litigating Tribes through OHTA’s document production and organization, digitization, and analysis of tribal accounts.

The 2009 budget also includes an increase \$2.6 million for BIA and OST to meet the ongoing demand for probate services, while continuing to reduce the excess probate caseload. This funding increase will also support the Office of Hearings and Appeals and their role in resolving probate cases.

In addition the 2009 budget includes a \$9.8 million reduction for the elimination of the Indian Land Consolidation program. Although the program is terminated in 2009 the Department will explore other options for addressing the critical issue of fractionation.

**FY 2009 UNIFIED TRUST BUDGET**

(in thousands of dollars)

	<b>FY 2007 Enacted</b>	<b>FY 2008 Enacted</b>	<b>Total Changes</b>	<b>2009 PB</b>
<b>Beneficiary Services &amp; Ownership Information</b>				
BIA Trust Services General (TPA)	9,724	10,476	606	11,082
BIA Probate (TPA)	8,002	8,861	4,091	12,952
BIA Probate backlog	7,882	10,712	-3,330	7,382
BIA Land Titles & Records	13,552	14,425	322	14,747
BIA General Program (TPA)	30,679	32,960	868	33,828
BIA Reservation Projects	12,831	14,256	56	14,312
BIA Real Estate Services	43,510	47,216	924	48,140
BIA Land Records Improvement Central	5,884	13,811	-163	13,648
BIA Land Records Improvement Regional	2,013	2,003	8	2,011
BIA Land Records Improvement	7,897	15,814	-155	15,659
BIA General Program (TPA)	2,410	2,502	145	2,647
BIA Envir. Quality Projects	9,513	8,552	402	8,954
BIA Environmental Quality	11,923	11,054	547	11,601
BIA Central Office Real Estate Services	13,180	4,297	-249	4,048
BIA Central Office Oversight Trust & Real Estate Serv.	13,180	4,297	-249	4,048
BIA Regional Office Real Estate Services	11,969	11,058	56	11,114
BIA Regional Oversight Trust-Real Estate Serv.	11,969	11,058	56	11,114
BIA Trust-Real Estate Services Oversight	25,149	15,355	-193	15,162
OST Indian Land Consolidation	34,006	9,844	-9,844	0
OST TMPC- Probate Cleanup	9,537	8,247	1,659	9,906
<b>Total Beneficiary Services &amp; Ownership Information</b>	<b>171,182</b>	<b>152,004</b>	<b>-5,373</b>	<b>146,631</b>
<b>Land &amp; Natural Resource Assets</b>				
BIA Real Estate Appraisals (TPA)				
BIA Central Office Real Estate Appraisals				
BIA Natural Resources (TPA)	8,104	4,267	187	4,454
BIA Endangered Species	219	1,228	-978	250
BIA Indian Integ. Res. Info Prog	1,250	1,230	900	2,130
BIA General Program (TPA)	22,253	23,000	342	23,342
BIA Noxious Weed Eradication	983	1,015	6	1,021
BIA Agriculture & Range	23,236	24,015	348	24,363
BIA General Program (TPA)	23,981	25,193	381	25,574
BIA Forestry Projects	18,478	17,535	94	17,629
BIA Forestry	42,459	42,728	475	43,203
BIA Water Resources General Program (TPA)	4,103	4,176	39	4,215
BIA General Program (TPA)	4,875	4,902	78	4,980
BIA Fish Wildlife & Parks Projects	1,794	1,586	3	1,589
BIA Fish Wildlife & Parks	6,669	6,488	81	6,569
BIA General Program (TPA)	2,923	3,098	76	3,174
BIA Mineral & Mining Projects	6,034	6,932	1	6,933
BIA Mining & Minerals Oversight	1,250	1,466	901	2,367
BIA Mineral & Mining	8,957	10,030	77	10,107
BIA Central Office Oversight Resources Mgmt.	2,165	2,210	12	2,222
BIA Regional Oversight Resources Mgmt.	5,342	5,488	-1,156	4,332
BIA Resources Mgmt. Program Oversight	7,507	7,698	-1,144	6,554
<b>Total Land &amp; Natural Resource Assets</b>	<b>103,754</b>	<b>103,326</b>	<b>886</b>	<b>104,212</b>

**FY 2009 UNIFIED TRUST BUDGET**

(in thousands of dollars)

<b>Program</b>	<b>FY 2007 Enacted</b>	<b>FY 2008 Enacted</b>	<b>Total Changes</b>	<b>2009 PB</b>
OST Trust Services	10,509	10,388	1,634	12,022
OST Field Operations	33,653	32,345	-130	32,215
<b>Total Trust Fund Assets</b>	<b>44,162</b>	<b>42,733</b>	<b>1,504</b>	<b>44,237</b>
<b>Administrative Services</b>				
<i>DOI Trust Organization</i>				
OST Executive Direction	2,132	2,156	7	2,163
OST Budget Finance & Adm	12,749	12,856	305	13,161
OST External Affairs	737	1,247	-6	1,241
OST Trust Review & Audit	5,849	5,194	-499	4,695
OST Trust Accountability-Trust Regulations	1,464	1,481	110	1,591
OST Trust Accountability-TPMC Data Projects	7,009	3,970	508	4,478
<b>Total DOI Trust Organization</b>	<b>29,940</b>	<b>27,888</b>	<b>425</b>	<b>28,313</b>
<i>Historical Accounting</i>				
OHTA	56,384	55,504	941	56,445
<b>Historical Accounting</b>	<b>56,384</b>	<b>55,504</b>	<b>941</b>	<b>56,445</b>
<i>Human Resources</i>				
OST Trust Accountability-Training	4,509	3,080	-1,017	2,063
<b>Human Resources</b>	<b>4,509</b>	<b>3,080</b>	<b>-1,017</b>	<b>2,063</b>
<i>Information Technology</i>				
OST - CIO IT Services	20,305	20,124	508	20,632
BIA Information Technology	53,199	52,866	6,869	59,735
<b>Total Information Technology</b>	<b>73,504</b>	<b>72,990</b>	<b>7,377</b>	<b>80,367</b>
<i>Business Practices</i>				
OST TPMC- Re-Engineering	4,435	3,216	-805	2,411
OST TPMC- Risk Management	1,521	651	-36	615
<b>Business Practices</b>	<b>5,956</b>	<b>3,867</b>	<b>-841</b>	<b>3,026</b>
<i>Records Management</i>				
OST CIO -Trust Records	18,458	18,044	-1,018	17,026
<b>Records Management</b>	<b>18,458</b>	<b>18,044</b>	<b>-1,018</b>	<b>17,026</b>
<b>Total Administrative Services</b>	<b>188,751</b>	<b>181,373</b>	<b>5,806</b>	<b>187,240</b>
<b>Unified Budget</b>	<b>507,849</b>	<b>479,436</b>	<b>2,823</b>	<b>482,320</b>

Numbers may not add due to rounding.

	<b>FY 2007 Enacted</b>	<b>FY 2008 Enacted</b>	<b>Total Changes</b>	<b>2009 PB</b>
<b>Unified Trust Summary</b>				
BIA - OIP Programs	284,592	290,105	10,567	300,672
OST-Land Consolidation	34,006	9,844	-9,844	0
OST Federal Trust Programs	189,251	179,487	2,100	181,648
<b>TOTAL</b>	<b>507,849</b>	<b>479,436</b>	<b>2,823</b>	<b>482,320</b>

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**Goal Performance Table**

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2004 Actual	2005 Actual	2006 Actual	2007 Plan	2007 Actual	2008 Plan	2009 President's Budget	Change from 2008 Plan to 2009	Long-term Target 2012
<b>SERVING COMMUNITIES MEASURES</b>										
<b>End Outcome Goal: Fulfill Indian Fiduciary Trust Responsibilities</b>										
<b>Beneficiary Services:</b> Percent of financial information accurately processed in Trust beneficiary accounts (manual transactions). (SP)	A	18%	99.7% (1,248,600 / 1,252,688)	99.7% (1,656,841 / 1,661,781)	98% (2,058,000 / 2,100,000)	99.8% (2,005,251 / 2,010,103)	98% (2,058,000 / 2,100,000)	98% (2,058,000 / 2,100,000)	0	98% (2,058,000 / 2,100,000)
<b>Total Actual /Projected Cost (\$000)</b>		N/A	\$3,952	\$4,071	\$4,193	\$5,714	\$5,885	\$6,062	0	\$6,624
<b>Actual/Projected Cost per Transaction</b>		N/A	\$3.15	\$2.45	\$2.04	\$2.85	\$2.86	\$2.95	0	\$3.22
<b>Beneficiary Services:</b> Percent timeliness of financial account information provided to trust beneficiaries. (SP)	A	97%	99.1% (662,685 / 668,646)	100% (719,058 / 719,058)	99.5% (716,400 / 720,000)	92% (688,117 / 747,799)	99.5% (796,000 / 800,000)	99.5% (796,000 / 800,000)	0	99.5% (796,000 / 800,000)
<b>Total Actual /Projected Cost (\$000)</b>		N/A	\$447	\$252	\$260	\$341	\$712	\$768	+\$56	\$728
<b>Actual/Projected Cost per Statement</b>		N/A	\$0.67	\$0.36	\$0.36	\$0.50	\$0.89	\$0.96	+\$0.07	\$0.91
<b>Trust Fund Accountability:</b> Percent of risk mitigated on corrective action plans based on Federal Managers Financial Integrity Act control plans (SP) <sup>1</sup>	A	91% (30/33)	97% (37/38)	100% (36/36)	97% (37/38)	97% (28/29)	97% (36/37)	97% (36/37)	0	97% (36/37)
<b>Total Actual /Projected Cost (\$000)</b>		\$1,633	\$1,429	\$1,456	\$644	\$754	\$644	\$661	+\$17	\$661
<b>Actual/Projected Cost per Corrective Action Plan (whole dollars)</b>		\$46,666	\$38,632	\$40,445	\$17,405	\$26,929	\$17,405	\$18,361	+\$956	\$18,361
<i>Comments: The addition of asset information included in beneficiary statements increases the number of total statement pages by approximately 100%. Page count per statement is a significant cost driver for the production of statements and accounts for the increase shown in FY 2009. FY 2008, FY 2009 and FY 2012 projected costs include postage (prior years included only costs to produce the statements).</i>										

<sup>1</sup> The Risk Management program that supports this measure is currently being modified to incorporate the changes to A-123, as well as a re-scoping for OST and other DOI bureaus and the tribes.



OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2004 Actual	2005 Actual	2006 Actual	2007 Plan	2007 Actual	2008 Plan	2009 President's Budget	Change from 2008 Plan to 2009	Long-term Target 2012
<b>SERVING COMMUNITIES MEASURES</b>										
<b>Strategy 1: Ownership information that is accurate, timely, and reliable</b>										
<b>Ownership Information:</b> Percent of Whereabouts Unknown accounts resolved. (SP) <sup>2</sup>	A	51% (28,003 / 54,760)	36% (19,415 / 54,760)	33% (15,322 / 46,630)	25% (15,660 / 62,640)	37% (19,795/ 53,899)	25% (18,800/ 75,200)	25% (18,800/ 75,200)	0	20% (11,640/ 58,200)
<b>Total Actual /Projected Cost (\$000)</b>		\$1,421	\$1,658	\$1,309	\$1,639	\$1,921	\$720	\$720	0	\$720
<b>Actual/Projected Cost per Account resolved</b>		\$50.74	\$85.40	\$85.43	\$104.66	\$97.04	\$38.30	\$38.30	0	\$61.86
<i>In order to operate within the funding for Field Operations for FY 2008, the WAU project along with several other functional areas were reduced.</i>										
<b>Land Acquisitions:</b> Number of fractionated interests acquired. (SP), (PART)	A	48,470 Interests; 41,775 acres	72,547 Interests; 114,529 acres	77,577 Interests 160,049 acres	37,800 Interests 57,900 acres	99,840 Interests 168,683 acres	16,700 Interests 13,250 acres	0 Interests 0 acres	-16,700 Interests -13,250 acres	0 Interests 0 acres
<b>Total Actual /Projected Cost (\$000)*</b>		\$22,207	\$35,465	\$25,020	\$34,000	\$30,690	\$13,000	0	-\$13,000	\$0
<b>Actual/Projected Cost per interest.*</b>		\$553	\$488	\$323	\$899	\$307	\$778	n/a	-\$778	n/a
<i>Comments: FY 2008 will focus on functions associated with elimination of the program to be completed by end of fiscal year (RIFs, property disposition, etc) and acquiring interests and meeting goals will be secondary. FY 2008 goals are based on an estimated \$1.3 million identified for acquisition from appropriations plus carried over recoup revenue estimated at \$4 million (recoup from 1999 through 2007). FY 2009 goals are zero (0) due to elimination of the program at end of FY 2008. Estimates are that \$2 million will be carryover of revenue generated during FY 2008. *Total Actual/Project Cost (\$000) and Actual/Projected Cost per interest have been revised to include administrative and acquisition costs. Prior years' total costs have been updated in Goals Performance Table.</i>										
<b>Strategy 2: Land and natural resources management that obtains a reasonable return</b>										
<b>Ensure Timeliness of Mineral Revenue Payments to American Indians:</b> Percent of revenue recorded in the Trust Financial Accounting System within 24 hours of receipt (SP)	A	99%	100% (\$140,185,716/ \$140,185,716)	99.8% (\$210,613,673/ \$211,097,665)	99% (\$242,550,000/ \$245,000,000)	100% (\$158,016,229/ \$158,016,229)	99% (\$242,550,000/ \$245,000,000)	99% (\$242,550,000/ \$245,000,000)	0	99% (\$242,550,000/ \$245,000,000)
<b>Total Actual /Projected Cost (\$000)</b>		N/A	\$4.3	\$4.5	\$4.6	\$6.4	\$6.6	\$6.8	+\$0.2	\$7.4
<b>Actual/Projected Cost per day Revenue Recorded.</b>		N/A	\$17.20	\$18.00	\$18.40	\$25.60	\$26.40	\$27.20	+\$0.80	\$29.60
<i>Comments: Total Actual/Projected Cost data has been revised to reflect dollar amounts in thousands.</i>										

<sup>2</sup> The Whereabouts Unknown program was transferred to Field Operations in May, 2006.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2004 Actual	2005 Actual	2006 Actual	2007 Plan	2007 Actual	2008 Plan	2009 President's Budget	Change from 2008 Plan to 2009	Long-term Target 2012
<b>SERVING COMMUNITIES MEASURES</b>										
<b>BUREAU MEASURES</b>										
<b>Self-Governance/Self-Determination:</b> Percent of formal applications for the withdrawal of tribal trust funds processed within the regulatory timeframe. (BUR)	A	New Measure in 2005	100% (2/2)	0% (0/0)	100% (3/3)	0% (0/0)	100% (2/2)	100% (2/2)	0	100% (3/3)
<b>Total Actual /Projected Cost (\$000)</b>		N/A	\$59	\$60	\$60	\$3	\$60	\$60	0	\$60
<b>Actual/Projected Cost per Unit</b>		N/A	\$30	N/A	\$20	N/A	\$30	\$30	0	\$20
<i>Comments:</i> Although no formal applications for the withdrawal of tribal trust funds were submitted in FY 2007, OEA staff worked with several tribes to provide informational and technical assistance on the process. We expect that the assistance provided during FY 2007 will result in formal applications submitted during FY 2008.										
<b>Responsiveness:</b> Responsiveness of OST to tribal and individual trust concerns and needs. (BUR)	A	79.6% (66,398 / 83,388)	90.8% (151,992 / 167,340)	86.9% (144,899 / 166,714)	90.0% (161,100 / 179,000)	90.3% (167,164 / 185,116)	90% (173,250 / 192,500)	90% (180,000 / 200,000)	0	90% (207,000 / 230,000)
<i>Comments:</i> Presently, the application of direct and indirect cost activities to this measure would not be efficient or cost-effective due to the varying numbers and types of (ABC/M) activities that would be required to be allocated to any one trust inquiry and its response. OST presently uses over one hundred ABC/M activity codes, of which approximately 60 appear attributable to Beneficiary Services.										
<b>Records Management:</b> Percent of BIA/OST regional/agency offices reviewed to identify improvements needed in their Records Management Programs. (BUR)	A	Establish Baseline 4%	28% (51/180)	34% (61/180)	25% (45/180)	23% (42/180)	22% (40/180)	22% (40/180)	0	25% (45/180)
<b>Total Actual /Projected Cost (\$000)</b>		N/A	N/A	\$230	\$175	\$256	\$175	\$175	0	\$175
<b>Actual/Projected Cost per Unit</b>		N/A	N/A	\$3,766	\$3,889	\$6,095	\$4,375	\$4,375	0	\$3,889
<i>Comments:</i>										
<b>Appraisals:</b> Percent of appraisal reports completed within requestor business requirements. (BUR)	A	94% (8,332/8,911)	79% (2,770/3,507)	89% (3,358/3,774)	96% (3,146/3,277)	84.3% (5,900/7,000)	96% (6,000/6,250)	96% (6,000/6,250)	0	96% (6,000/6,250)
<b>Total Actual /Projected Cost (\$000)</b>		UKN	\$10,795	\$9,679	\$9,735	\$9,735	\$8,636	\$8,739	\$103	\$8,739
<b>Actual/Projected Cost Per unit</b>		UKN	\$3,897	\$2,882	\$3,094	\$1,650	\$1,439	\$1,457	\$18	\$1,457
<i>Comments:</i>										

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2004 Actual	2005 Actual	2006 Actual	2007 Plan	2007 Actual	2008 Plan	2009 President's Budget	Change from 2008 Plan to 2009	Long-term Target 2012
<b>SERVING COMMUNITIES MEASURES</b>										
<b>BUREAU MEASURES</b>										
Percent of responses to tribes within the required timeframe for management of eligible OST programs. (BUR)	A	Establish Baseline	80% (60/60)	100% (67/67)	90% (60/60)	100% (81/81)	95% (59/65)	95% (67/70)	5%	95% (85/90)
<i>Total Actual /Projected Cost (\$000)</i>		N/A	\$151	\$150	\$225	\$164	\$225	\$225	0	\$225
<i>Actual/Projected Cost per Unit</i>		N/A	\$2,516	\$2,240	\$3,750	\$2,025	\$3,814	\$3,358	-456	\$2,647
<i>Comments:</i> In FY 2007, additional staff was hired to assist with the performance of OST's self-governance responsibilities. This resulted in an addition to the projected costs for the performance of this activity in FY 2007. Because the frequency of OEA staff performing this responsibility is driven by programmatic timeframes (for instance, renewal dates for self-governance and self-determination agreements) and tribal requests, the cost of responding to these requests is included in OEA personnel costs. The anticipated increase in tribal requests is expected to impact response times.										
<b>Technical Assistance:</b> Percent of technical assistance requests for tribal management of trust assets met in timeframe requested.(BUR)	A	100%	100% (6/6)	100% (16/16)	100% (25/25)	100% (27/27)	100% (20/20)	100% (20/20)	0	100% (25/25)
<i>Total Actual /Projected Cost (\$000)</i>		N/A	\$186	\$186	\$186	\$212	\$186	\$186	0	\$186
<i>Actual/Projected Cost per Unit</i>		N/A	\$31,000	\$11,625	\$7,440	\$7,852	\$9,300	\$9,300	0	\$7,440
<i>Comments:</i> In FY 2005, OEA provided and coordinated the provision of technical assistance for 6 requests by tribes regarding the management of their assets. In FY 2006, OEA provided and coordinated the provision of technical assistance for 16 tribal requests. The frequency of OEA staff performing this responsibility is driven by tribal requests and the cost of responding to tribal requests is included in OEA personnel costs.										

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2004 Actual	2005 Actual	2006 Actual	2007 Plan	2007 Actual	2008 Plan	2009 President's Budget	Change from 2008 Plan to 2009	Long-term Target 2012
<b>SERVING COMMUNITIES MEASURES</b>										
<b>ILCA:</b> Reduce the number of open IIM accounts through acquisition. (IIM accounts eligible for closure) (PART)	A	Was not a measure in FY2004: Actual: 2,408	606	1,019	800	954	175	0	-175	0
<i>Total Actual /Projected Cost (\$000)*</i>		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Actual/Projected Cost per Unit*</i>		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Comments:</i> The reduction of open IIM accounts corresponds to the number of interests acquired and is dependent upon the availability of FMV. The program will be eliminated by the end of FY 2009; therefore there are no targets for FY2009.										
<b>OTHER</b>										
<b>Judgment Accounts</b>	A	13,321	16,919	15,541	9,000	3,200	0	0	0	N/A
<i>Total Actual /Projected Cost (\$000)</i>		\$2,726	\$6,226	\$7,710	\$4,463	\$2,844	0	0	0	N/A
<i>Actual/Projected Cost/Unit</i>		\$205	\$368	\$496	\$496	\$889	0	0	0	N/A
<i>Comments:</i> Cost in 2008, All completed accounts will be mailed to account holders, contingent on court approval.										
<b>Per Capita Transactions</b>	A	4,636	6,667	5,422	1,000	200	0	0	0	N/A
<i>Total Actual /Projected Cost (\$000)</i>		\$714	\$1,951	\$2,155	\$862	\$554	0	0	0	N/A
<i>Actual/Projected Cost/Unit</i>		\$154	\$2,925	\$397	\$862	\$2,770	0	0	0	N/A
<i>Comments:</i> Cost in 2008, All completed accounts will be mailed to account holders, contingent on court approval.										
<b>SDA Dollars (\$000)</b>	A	\$12,700	\$10,000	\$4,700	\$2,000	\$2,431	\$2,500	\$2,000	-\$500	\$2,500
<i>Total Actual /Projected Cost (\$000)</i>			\$14,000	\$6,500	\$4,000	\$6,608	\$4,500	\$4,500	\$0	\$4,000
<i>Actual/Projected Cost/Unit</i>			\$1.4	\$1.4	\$2	\$2.7	\$1.8	\$2.3	+\$.5	\$2

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2004 Actual	2005 Actual	2006 Actual	2007 Plan	2007 Actual	2008 Plan	2009 President's Budget	Change from 2008 Plan to 2009	Long-term Target 2012
<b>SERVING COMMUNITIES MEASURES</b>										
<b><u>IIM Transactions – Electronic Era</u></b>	A	4,706	4,000	603	200	0 <sup>3</sup>	0	0	0	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	\$18,275	\$1,809	\$700	0	0	0	0	0
<i>Actual/Projected Cost/Unit</i>		N/A	\$4,569	\$3,000	\$3,500	0	0	0	0	0
<b><u>IIM Transactions – Data Completeness Validation</u></b>	A	N/A	N/A	13,358,249	N/A	3,098,671	6,800,000	4,500,000	-2,300,000	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	\$1,894	N/A	\$4,487	\$6,505	\$6,505	0	0
<i>Actual/Projected Cost/Unit</i>		N/A	N/A	\$0.14	N/A	\$1.45	\$0.96	\$1.45	\$0.49	0
<b><u>IIM Transactions – Interest Re-Calculation Project</u></b>	A	N/A	N/A	0	N/A	1,158 <sup>4</sup>	90,000	100,000	10,000	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	\$217	N/A	\$1,827	\$3,360	\$4,200	\$840	0
<i>Actual/Projected Cost/Unit</i>		N/A	N/A	N/A	N/A	\$1,577	\$37	\$42	\$5	0
<b><u>IIM Transactions – Paper</u></b>	A	N/A	N/A	80,000	53,000	13,368	120,000	120,000	0	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	\$286	\$212	\$85	\$720	\$780	\$60	0
<i>Actual/Projected Cost/Unit</i>		N/A	N/A	\$3.60	\$4.00	\$6.40	\$6.00	\$6.50	\$0.50	0
<b><u>IIM Historical Statements and Mailings</u></b>	A	N/A	N/A	N/A	N/A	N/A	100,000	125,000	25,000	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	N/A	N/A	N/A	\$4,000	\$5,000	\$1,000	0
<i>Actual/Projected Cost/Unit</i>		N/A	N/A	N/A	N/A	N/A	\$40	\$40	0	0
<b><u>Analysis and Resolution of Tribal Claims</u></b>	A	0	0	18	5	24	15	15	0	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	\$10,000	\$17,400	\$18,424	\$15,504	\$16,445	\$941	0
<i>Actual/Projected Cost/Unit</i>		N/A	N/A	\$555,556	\$3,480,000	\$768,000	\$1,033,600	\$1,096,333	\$62,733	0

<sup>3</sup> IIM Transactions Reconciled project was stopped due to time and expected costs greatly exceeding original estimates

<sup>4</sup> Actual completed transactions would have been on target, however management final review was delayed until October.

**2009 Funding by Strategic Plan Goals**

*(Dollars in Thousands)*

	<b>Serving Communities</b>					<b>Total</b>
	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>	<b>4.4</b>	<b>4.5</b>	
<b>Account/Budget Activity</b>	Protect Lives and Property	Advance Knowledge through Scientific Leadership	Fulfill Trust Responsibilities	Advance Quality Communities for Tribes	Advance Quality Communities for Islands	
Federal Trust Programs	-	-	181,648	-	-	181,648
Indian Land Consolidation	-	-	-	-	-	-
<b>Total OST</b>	-	-	<b>181,648</b>	-	-	<b>181,648</b>

**2009 Budget at a Glance**  
(Dollars in Thousands)

	FTE	2007 Enacted	2008 Enacted	Fixed Cost & Related Changes	Internal Transfers	Program Changes	2009 Request
<b>FEDERAL TRUST PROGRAMS</b>							
EXECUTIVE DIRECTION							
Immediate Office of the Special Trustee	14	2,132	2,156	29	0	-22	2,163
<b>EXECUTIVE DIRECTION TOTAL</b>	<b>14</b>	<b>2,132</b>	<b>2,156</b>	<b>29</b>	<b>0</b>	<b>-22</b>	<b>2,163</b>
<b>PROGRAM OPERATIONS AND SUPPORT</b>							
PROGRAM OPERATIONS							
Information Technology							
Information Technology Services	34	20,305	20,124	69	50	389	20,632
Trust Records	54	18,458	18,044	110	0	-1,128	17,026
<b>INFORMATION TECHNOLOGY TOTAL</b>	<b>88</b>	<b>38,763</b>	<b>38,168</b>	<b>179</b>	<b>50</b>	<b>-739</b>	<b>37,658</b>
Budget, Finance & Administration	29	12,749	12,856	377	-90	18	13,161
External Affairs	7	737	1,247	14	0	-20	1,241
Trust Review & Audit	24	5,849	5,194	49	0	-548	4,695
<b>PROGRAM OPERATIONS TOTAL</b>	<b>148</b>	<b>58,098</b>	<b>57,465</b>	<b>619</b>	<b>-40</b>	<b>-1,289</b>	<b>56,755</b>
TRUST ACCOUNTABILITY							
Trust Training	5	4,509	3,080	10	0	-1,027	2,063
NIPTC	0	0	984	0	0	0	984
Trust Regulations, Policies, and Procedures	10	1,464	1,481	20	90	0	1,591
TPMC							
Risk Management	4	1,521	651	14	-50	0	615
Reengineering	8	4,435	3,216	23	-578	-250	2,411
Probate Clean Up	0	9,537	8,247	0	0	1,659	9,906
Product Development Initiative	9	1,637	1,127	4	0	0	1,131
Data Quality and Integrity	2	5,373	2,841	6	0	500	3,347
<b>TPMC Total</b>	<b>23</b>	<b>22,503</b>	<b>16,082</b>	<b>47</b>	<b>-628</b>	<b>1,909</b>	<b>17,410</b>
<b>TRUST ACCOUNTABILITY TOTAL</b>	<b>38</b>	<b>28,476</b>	<b>21,627</b>	<b>77</b>	<b>-538</b>	<b>882</b>	<b>22,048</b>
FIELD OPERATIONS							
Field Operations	250	23,918	23,659	509	0	-693	23,476
Appraisal Services	63	9,735	8,686	128	0	-75	8,739
<b>FIELD OPERATIONS TOTAL</b>	<b>313</b>	<b>33,653</b>	<b>32,345</b>	<b>637</b>	<b>0</b>	<b>-768</b>	<b>32,215</b>
<b>TRUST SERVICES</b>	<b>121</b>	<b>10,509</b>	<b>10,388</b>	<b>247</b>	<b>578</b>	<b>809</b>	<b>12,022</b>
<b>HISTORICAL ACCOUNTING</b>	<b>35</b>	<b>56,384</b>	<b>55,504</b>	<b>80</b>	<b>0</b>	<b>861</b>	<b>56,445</b>
<b>PROGRAM OPERATIONS AND SUPPORT</b>	<b>655</b>	<b>187,119</b>	<b>177,331</b>	<b>1,660</b>	<b>0</b>	<b>494</b>	<b>179,485</b>
<b>FEDERAL TRUST PROGRAMS</b>	<b>669</b>	<b>189,251</b>	<b>179,487</b>	<b>1,689</b>	<b>0</b>	<b>472</b>	<b>181,648</b>
<b>INDIAN LAND CONSOLIDATION</b>	<b>0</b>	<b>34,006</b>	<b>9,844</b>	<b>0</b>	<b>0</b>	<b>-9,844</b>	<b>0</b>
<b>TOTAL OST</b>	<b>669</b>	<b>223,257</b>	<b>189,331</b>	<b>1,689</b>	<b>0</b>	<b>-9,372</b>	<b>181,648</b>

**Summary of Program Changes**

*(Dollars in Thousands)*

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
Travel Reduction	-530	0
Information Technology Services	+400	0
Office of Trust Records	-1,037	0
Working Capital Fund	+36	0
Office of Trust Review & Audit	-500	0
Trust Training	-1,000	0
Reengineering	-250	0
Probate Clean Up	+1,659	0
Data Quality and Integrity	+500	0
Field Operations	-500	0
Trust Services	+815	0
Office of Historical Trust Accounting	+880	+1
<b>Total, Federal Trust Program Changes</b>	<b>+472</b>	<b>0</b>
<b>Total, Indian Land Consolidation Program Changes</b>	<b>-9,844</b>	<b>0</b>
<b>Total, Program Changes</b>	<b>-9,372</b>	<b>+1</b>



**Summary of Requirements***(Dollars in Thousands)*

	<b>2007 Enacted</b>	<b>2008 Enacted</b>	<b>Fixed Cost &amp; Related Changes</b>	<b>Program Changes</b>	<b>2009 Request</b>	<b>Inc (+) Dec (-) From 2008</b>
Executive Direction	2,132	2,156	+29	-22	2,163	+7
Program Operations and Support	187,119	177,331	+1,660	+494	179,485	+2,154
<b>Federal Trust Programs</b>	<b>189,251</b>	<b>179,487</b>	<b>+1,689</b>	<b>+472</b>	<b>181,648</b>	<b>+2,161</b>
<b>Indian Land Consolidation Program</b>	<b>34,006</b>	<b>9,844</b>	<b>0</b>	<b>-9,844</b>	<b>0</b>	<b>-9,844</b>
<b>Office of the Special Trustee for American Indians</b>	<b>223,257</b>	<b>189,331</b>	<b>+1,689</b>	<b>-9,372</b>	<b>181,648</b>	<b>-7,683</b>
<i>Total FTE</i>	<i>629</i>	<i>634</i>	<i>+34</i>	<i>+1</i>	<i>669</i>	<i>+35</i>

### Justification of Fixed Costs and Related Changes

(Dollars in Thousands)

Justification of Fixed Costs and Related Changes	2008 Budget	2008 Revised	2009 Fixed Cost Changes
<b><u>Additional Operational Costs from 2007 and 2008 January Pay Raises</u></b>			
<b>1. 2008 Pay Raise, 3 Quarters in 2009 Budget</b>	+1,072	+1,055	N/A
<i>Amount of pay raise absorbed through cost savings</i>	[178]	[195]	N/A
<b>2. 2008 Pay Raise, 1 Quarter (Enacted 3.5%)</b>	N/A	N/A	+448
<b>3. 2009 Pay Raise, (Assumed 2.9%)</b>	N/A	N/A	+1,040
Line 1, 2008 Revised column is an update of 2008 budget estimates based upon an enacted 3.5% and the 1.56% across the board reduction.			
Line 2 is the amount needed in 2009 to fund the enacted 3.5% 2008 pay raise from October through December 2008.			
Line 3 is the amount needed in 2009 to fund the enacted 2.9% 2009 pay raise from January through September 2009.			
<b><u>Other Fixed Costs Changes</u></b>			
<b>One Less Pay Day</b>	N/A	N/A	-228
This adjustment reflects the decreased costs resulting from the fact that there is one less pay day in 2009 than 2008.			
<b>Employer Share of Federal Health Benefit Plans</b>	+144	+142	+111
<i>Amount of health benefits absorbed through cost savings</i>	[0]	[2]	[28]
The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal Employees. For 2009, the increase is estimated at 3%, the average increase for the past few years			
<b>Workers Compensation Payments</b>	+17	+17	+42
<i>Amount of health benefits absorbed through cost savings</i>	[0]	[0]	
<b>Rental Payments to GSA and Others</b>	+178	+175	+496
<i>Amount of rental payments absorbed through cost savings</i>	[0]	[3]	
The adjustment is for changes in the costs payable to GSA and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e., relocations in cases where due to external events, there in not an alternative but to vacate the occupied space, are also included.			
<b>Departmental Working Capital Fund</b>	+439	+432	-220
<i>Amount of working capital fund absorbed through cost savings</i>	[0]	[7]	
The amount reflects expected changes in the charges for Departmental services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for the Department Management.			
<b><u>Related Changes - Internal Transfers and Other Non-Policy/Program Changes</u></b>			
Internal transfer from Trust Accountability to Information Technology			+/- 50
Internal transfer from Budget, Finance, & Administration to Trust Accountability			+/- 90
Internal transfer from Trust Accountability to Trust Services			+/-578

**Appropriation Language Sheet****Office of the Special Trustee for American Indians**

## Federal Trust Program

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, [~~\$179,487,000~~]~~\$181,648,000~~, to remain available until expended, of which not to exceed [~~\$55,504,000~~]~~\$56,445,000~~ from this or any other Act, shall be available for historical accounting: *Provided*, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs, "Operation of Indian Programs" account; the Office of the Solicitor, "Salaries and Expenses" account; and the Office of the Secretary, "Salaries and Expenses" account: *Provided further*, That funds made available through contracts or grants obligated during fiscal year [2008]2009, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: [*Provided further*, That, notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss:] *Provided further*, That, notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 18 months and has a balance of \$15.00 or less: *Provided further*, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: *Provided further*, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: *Provided further*, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose: *Provided further*, That not to exceed \$6,000,000 may be transferred from unobligated balances to the Individual Indian Money account pool (Treasury Account 14X6039) for the purpose of a one-time reconciliation of the balances. (Department of the Interior, Environment, and Related Agencies Appropriations Act, 2008.)

## Justification of Proposed Language Change

1. Deletion of the following wording:

[Provided further, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected Tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss:]

OST Statue of Limitations The FY 2009 President's Budget proposes to eliminate language in the Office of the Special Trustee for American Indians that extends the time when the statute of limitations can begin regarding tribal and individual Indian mismanagement claims. The relevant beneficiaries have already filed suit at this point, so the provision is no longer necessary. Moreover, recent court opinions can be read to interpret the provision as having the unintended effect of reviving previously barred lawsuits, in addition to extending the time limit for filing such lawsuits indefinitely. This could result in large potential U.S. liability over an unknown period of time into the future.

2. Change: *Provided further, not to exceed \$6,000,000 may be transferred from unobligated balances to the Individual Indian Money account pool (Treasury Account 14X6039) for the purpose of a one-time reconciliation of the balances.*

The proposed language would allow the balance in the Individual Indian Monies account pool to equal the balances owed to individual Indian account holders.

## Appropriation Language and Citations

1. For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants,
  - **25 U.S.C. 450(f)(a) and 450h(a)** directs the Secretary, upon the request of any Indian tribe, to enter into a contract or contracts to plan, conduct, and administer programs which the Secretary is otherwise authorized to administer (P. L. 93-638, as amended).
  - **31 U.S.C. Chapter 63** provides procedures to be followed in the preparation of Federal contracts, grants, and cooperative agreements.
  - **25 U.S.C. 458(cc)** provides procedures to be followed to establish and implement tribal self-governance compacts.
  - **25 U.S.C. 162a** authorizes the deposit and investment of Indian trust funds.
  - **25 U.S.C. 4001 et seq.** provides procedures to be followed for tribal withdrawal of trust funds, and authorizes the Office of the Special Trustee for American Indians.
  - **25 U.S.C. 459 et seq.** includes numerous provisions affecting specific tribes related to distribution of claims, settlements, and judgments.
2. To remain available until expended
  - **25 U.S.C. 13a** authorizes the carryover of funds, which were not obligated and expended prior to the beginning of the fiscal year succeeding the fiscal year for which such sums were appropriated.
3. That funds for trust management improvements and litigation support may be transferred, as needed, to the Bureau of Indian Affairs ...and to the Departmental Management...
  - **25 U.S.C. 4043(b)(1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs)... and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge his trust responsibilities in compliance with this chapter. This language also provides the authority for OST to transfer funds to the Office of Hearing and Appeals to address probate backlog reductions as part of trust reform efforts and to the Office of the Solicitor for litigation support.

4. That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 2007, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee:
  - **25 U.S.C. 450(I)(c)** authorizes funds obligated for tribal contracts to remain available until expended.
5. That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least eighteen months and has a balance of \$1.00 or less:
  - **25 U.S.C. 4043(b)(1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs)... and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge her trust responsibilities in compliance with this chapter.
  - **25 U.S.C. 404 (et seq)** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
6. That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder.
  - **25 U.S.C. 404 (et seq)** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
7. That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose.
  - Interior and Related Agencies Appropriation Act, FY 2002. Annual Appropriations Acts have continued this provision each year since FY 2002.

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**Activity: Executive Direction**

**Subactivity: Immediate Office of the Special Trustee**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
<b>Executive Direction (\$000)</b>	<b>2,132</b>	<b>2,156</b>	<b>+29</b>	<b>-22</b>	<b>2,163</b>	<b>+7</b>
<b>FTE</b>	<b>13</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>

The program reduction of -\$22,000 represents reduced travel expenses in FY 2009

**Summary of 2009 Program Changes for the Immediate Office of the Special Trustee**

Request Component	(\$000)	FTE
<ul style="list-style-type: none"> <li>Executive Direction</li> </ul>	-22	0
<b>TOTAL, Program Changes</b>	<b>-22</b>	<b>0</b>

**Justification of 2009 Program Changes**

The 2009 request for Executive Direction is \$2,163,000 and 14 FTE, and a program decrease of -\$22,000 and 0 FTE changes from the 2008 Enacted. The reduction is due to travel cost savings.

**Program Overview**

The Special Trustee is charged with general oversight of Indian trust asset reform efforts Department-wide to ensure proper and efficient discharge of the Secretary’s fiduciary trust responsibilities to federally recognized Indian tribes, Alaska Natives and individual Indians. The Office of the Special Trustee for American Indians (OST) was created to ensure that the Department establishes appropriate policies and procedures, develops necessary systems, and takes affirmative actions to reform the management of Indian trust funds. In carrying out the management and oversight of Indian trust funds, the Secretary has a responsibility to ensure that trust accounts are properly maintained, invested and reported in accordance with the *American Indian Trust Fund Management Reform Act of 1994*, Congressional action, and

The Office of the Special Trustee for American Indians (OST) supports legislative proposals addressing needed technical corrections and administrative improvements for implementing trust reform, which will continue to improve services to Indian trust beneficiaries.

Legislative proposals, to be addressed in consultation with the tribes, will focus on issues such as an expedited probate process to reduce probate backlogs; the authority to create an unclaimed property fund and to close certain accounts with no known address, small balances and special deposit accounts, thus reducing the accounting costs and creating efficiencies in management of the trust.



other applicable laws. Funds provided for OST directly contribute to the appropriate oversight needed to further the Department's Strategic Plan goal: Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities.

Executive leadership and guidance provided by the immediate office affects performance at all levels of OST, including the delivery of beneficiary services, promoting tribal self-governance and self-determination, managing financial trust assets and monitoring all efforts to reform and improve the manner in which the Department conducts its Indian fiduciary trust responsibilities. In addition, OST continues to support the President's Management Agenda by encouraging contracting of non-inherently federal functions, promoting better integration of budget and performance, developing a workforce plan that ensures a skilled workforce in the future, and properly accounting for financial resources. The Special Trustee has been able to implement only partially the President's E-government initiative due to the continued court-ordered disconnection from the Internet.

### **2009 Program Performance**

- Identify, initiate, prioritize, evaluate and monitor reform activities.
- Ensure Quarterly Reports to the Court are done timely and accurately.
- Oversee trust activities throughout the Department – program managers are expected to advise the Office on a number of complex and sensitive issues relating to organization, reengineering, ongoing litigation and other trust activities.
- Fully develop and implement a comprehensive Risk Management program based on OMB A-123, FMFIA, and OTRA reviews throughout the Departmental bureau's having Indian Trust responsibilities.
- Support the work of the Special Trustee's Advisory Board.
- Create informed partnerships with other bureau and office directors in the Department to achieve positive trust reform outcomes.
- Implement integration of new oil and gas management software with other TAAMS and TFAS systems.
- Continue validation of title information for non-income producing trust land assets.
- Reduce the issuance of checks by expanding the debit card program to beneficiaries.

**Activity: Program Operations and Support**  
**Subactivity: Program Operations**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Information Technology	20,305	20,124	+119	+389	20,632	+508
<i>FTE</i>	36	33	+1	0	34	+1
Office of Trust Records	18,458	18,044	+110	-1,128	17,026	-1,018
<i>FTE</i>	56	54	0	0	54	0
Budget Finance and Administration	12,749	12,856	+287	+18	13,161	+305
<i>FTE</i>	30	30	-1	0	29	-1
Office of External Affairs	737	1,247	+14	-20	1,241	-6
<i>FTE</i>	6	7	0	0	7	0
Office of Trust Review and Audit	5,849	5,194	+49	-548	4,695	-499
<i>FTE</i>	24	24	0	0	24	0
<b>Program Operations</b>	<b>58,098</b>	<b>57,465</b>	<b>+579</b>	<b>-1,289</b>	<b>56,755</b>	<b>-710</b>
<i>FTE</i>	<i>148</i>	<i>148</i>	<i>0</i>	<i>0</i>	<i>148</i>	<i>0</i>

The program changes include travel reductions of -\$11,000 for Information Technology; -\$91,000 for Trust Records; -\$18,000 for Budget, Finance, and Administration; -\$20,000 for External Affairs; and -\$48,000 for Trust Review and Audit.

**Summary of 2008 Program Changes for Program Operations**

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
• Information Technology	+389	0
• Office of Trust Records	-1,128	0
• Budget, Finance, and Administration	+18	0
• Office of External Affairs	-20	0
• Office of Trust Review and Audit	-548	0
<b>TOTAL, Program Changes</b>	<b>-1,289</b>	<b>0</b>

**Justification of 2009 Program Changes**

The 2009 budget request for Program Operations is \$56,755,000 and 148 FTE, a net program decrease of -\$1,289,000 and 0 FTE from the 2008 Enacted.

Information Technology will receive internal transfers totaling +50,000 which includes +1 FTE from Field Operations and +\$50,000 from Trust Accountability for Information Technology Services support. Budget, Finance, and Administration will transfer -\$90,000 and -1 FTE to Trust Accountability to support development of administrative procedures.

**Information Technology** (+\$389,000/0 FTE)

Information Technology will have a net program increase of +\$389,000 for system improvements. The increase is required to implement an Auto Fail- Over system that would enable critical systems such as the Trust Funds Accounting System to sustain operability in the event of systems problems or a disaster.

**Office of Trust Records** (-\$1,128,000/0 FTE)

The Office of Trust Records (OTR) has made significant progress in providing records training and records storage equipment for the Department of the Interior employees and Tribal customers. The program reduction will be absorbed in the records management training program and the provision of fireproof filing cabinets to BIA, OST and Tribal programs. OTR will have provided records management training to all designated records contacts in FY 2008 and fireproof filing cabinets to substantially all BIA, OST, and Tribal programs in FY 2007. OTR will have sufficient funds to provide refresher courses on records management.

**Budget, Finance and Administration** (+\$18,000/0 FTE)

The Office of Budget, Finance, and Administration will have a net program increase of +\$18,000 for information systems security.

**Defense-in-Depth (+\$36,000)**

While extensive improvements and investments have been made over the last seven years, IT security remains a top challenge for Interior as identified by the Inspector General. During FY 2007, the Department has focused its efforts on further enhancing its security posture with an emphasis on addressing potential risks associated with insider threats. The Department established an internal security improvement team comprised of bureau IT security personnel that have developed a Defense-in-Depth strategic plan. The plan provides a solutions framework for a complete IT security solution, with immediate recommendations to enhance internal security.

The 2009 request includes a \$3.0 million increase Department-wide to carry out the priority recommendations in the Defense-in-Depth strategic plan. The bureau's share of this increase is \$36,000. The top four priorities include implementation of robust public key infrastructure; whole-disk and file encryption through the GSA SmartBUY Data-at-Rest initiative for desktops and laptops; common enterprise class network access control and end-point security solution; and a Department-wide digital rights management solution. Project managers for two of the four recommendations have been designated (PKI and Data-at-Rest), and the projects will complete planning in 2008. The requested increase will contribute to successful, enterprise-wide implementation of Defense in Depth. For further information on this proposal, please see the budget submission for the Working Capital Fund in the Department-wide Programs budget submission.

**Office of External Affairs** **(-\$20,000/0 FTE)**

The Office of External Affairs will have a net program decrease of -\$20,000 for savings through travel reduction.

**Office of Trust Review and Audit** **(-\$548,000/0 FTE)**

The Office of Trust Review and Audit requests a program decrease of -\$548,000. This reduction is from funding provided in prior years for contracting of an expanded audit which will not be performed in FY 2009.

**Program Overview**

Program Operations provides organization-wide administration and information technology support for OST in carrying out the fiduciary trust responsibilities to tribal and individual Indian beneficiaries. The Offices that encompass Program Operations help further accomplishment of the Fulfill Indian Trust goal by ensuring the necessary infrastructure is in place to provide administrative services that enable and empower the organization and workforce to be an effective fiduciary trustee. It will also provide modern, appropriate systems and tools to manage the fiduciary trust responsibilities. The program elements include the Office of Information Technology (IT), Office of Trust Records (OTR), Office of Budget Finance and Administration (BFA), Office of External Affairs (OEA), and Office of Trust Review and Audit (OTRA).

**Information Technology** **(\$20,632,000/34 FTE)**

The Office of the Chief Information Officer (OCIO): The Office of Information Technology Services (ITS) through the OCIO provides organization-wide information technology support for OST in carrying out the fiduciary trust responsibilities to tribal and individual Indian beneficiaries; develops, maintains, and operates the trust enterprise architecture; provides day-to-day computer support to OST personnel nation-wide; and implements the trust records management program.

The OCIO oversees and directs IT support services including technical support, capital planning and procurement of IT equipment, security management (system and site certification and accreditation, logical access control, policies, procedures, guidelines and compliance) and electronic and hard records management activities. The OCIO facilitates the development and maintenance of cost-effective, supportable, and sustainable information management and technology solutions to advance the mission of OST consistent with the Department's Strategic Plan end outcome goal – Fulfill Indian Fiduciary Trust Responsibilities. These technology solutions enhance OST's ability to serve the beneficiaries through efficient business and resource management systems.

The OCIO interfaces with the other Departmental CIO offices and develops strategic plans to support OST business processes and manages OST's IT services which provides the daily OST data systems' support, testing and implementation of automated trust funds financial and other

support systems, and ensures necessary interfaces with other trust systems in the BIA, Minerals Management Service (MMS), OHA, OHTA and other related offices in the Department.

Trust Funds Accounting System (TFAS) – In order to comply with the provisions of the *American Indian Trust Fund Management Reform Act of 1994*, (Pub. L. 103-412, title IV, Sec. 401, Oct. 25, 1994, 108 Stat. 4249), OST uses the TFAS. TFAS is a commercial off-the-shelf (COTS) system owned and operated by a third party vendor. The existing contract will end during FY 2008 and a new contract will be awarded. Some of the costs associated with the existing TFAS contract are based upon the number of accounts on the system (open + closed). In FY 2007 the baseline number of accounts was 390,000. Accounts in FY 2007 that exceed the base are charged at the rate of \$2.81/account/month. A modification request to increase the base from 390,000 to 410,000 was made in FY08. By the end of FY 2007 TFAS had over 400,000 open accounts. A similar change to the base was made for the last few months of the contract increasing the base to 400,000 from 380,000. These non-income accounts are part of a project that allows TFAS to produce a Statement of Performance for accounts which includes real property assets in addition to the beneficiary’s financial transactions in TFAS. In addition to normal processing, items included in the core price are the daily pricing of securities; software licenses that allow access for tribes via the Internet (when authorized) using StrataWeb; software licenses for the Computer Output to Laser Disk (C.O.L.D.) report manager, StrataVision; and software licenses for the electronic work ticket product, Customer Strata Station (CSS).

**2009 Program Performance**

The performance target in FY 2009 is to continue to provide statements to beneficiaries with a valid address in TFAS on a timely basis 99.5% of the time. Performance statements are produced monthly for the tribes and quarterly for the majority of IIM account holders. The ability to report on the real property and associated encumbrances is expected to be available during the first quarter of FY 2009 for all IIM beneficiaries. This activity is in support of Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities and Trust Fund accountability and the CTM section Administrative Services that includes “provide modern, appropriate systems and tools to manage the fiduciary trust.”

Estimated FY08 TFAS Total Accounts		Estimated FY09 TFAS Total Accounts	
Open	380,000	Open	385,000
Closed (no activity)	40,000	Closed (no activity)	40,000
Non-Income	50,000	Non-Income	50,000
Total	470,000	Total	475,000
Cost/account/month above the base	Pending new contract	Cost/account/month above the base	Pending new contract

After the new contract is awarded for TFAS in FY2008, OST expects to be able remove and archive, accounts that have been closed on TFAS for a period exceeding 18 months as long as they are not associated with a real property asset. This information is reflected in the estimated FY09 TFAS account totals.

Other support contracts to operate TFAS include: tax lot reconciliation and adjustments to the IIM pool account; specialized investment account services related to the IIM pool account; asset performance calculations and reporting services for 200 selected tribal accounts; secure telecommunication services between both the primary OST location and the OST Continuity of Operations location; participation in the vendor's user group which allows the government to obtain a copy of the annual SAS 70 audit report; and investment accounting services.

OCIO operates the Trust Portal to fulfill the Department's fiduciary responsibility to beneficiaries and to provide the right information to the right people in a timely manner. The Portal provides transparent access to existing data sources, which are separate databases with different owners and on different technical platforms. In essence, the system enables integrated access to varied data sources, providing many of the benefits of a single centralized database, while retaining the flexibility of separate (and separately controlled) data repositories. This translates to minimal impact on existing operational systems. The Portal acts as a virtual data warehouse records hub, allowing access to the corporate information stored in heterogeneous reporting sources such as TFAS, TAAMS and ProTrack. Portal technology provides direct connections between disparate applications. The Portal approach also requires less time and expense to develop, and entails less risk of data being lost or out-of-date. The current applications will remain as the systems of record against which all functional transaction activity takes place.

Records Management - The OCIO, through the Office of Trust Records, is responsible for the fiduciary and general trust records management within the BIA and OST. The OCIO provides guidance and support on records management to all BIA and OST program offices. It is responsible for development of, and obtaining approval from the Archivist of the United States, for BIA and OST records schedules; providing records management training and developing computer-based records management training modules that BIA and OST employees can access through the Trust Portal for independent study; providing technical guidance and advice on records management at BIA and OST field locations; disposition and safeguarding of inactive records; retrieval of records for authorized users; and supporting the implementation of a Departmental Electronic Records Management System (ERMS) for BIA and OST which is anticipated to become functional in 2011. In FY 2009, it is anticipated that the Department will institute a pilot system to set up, use and test the ERMS for compliance with Departmental requirements.

The Office of Trust Records uses cost and performance information in tracking costs associated with OTR projects like safeguarding, storing and retrieving records, and providing records management training and technical assistance to OST, BIA and Tribes. Cost and performance information is reviewed to: ensure that performance measurements are being accomplished; prioritize projects, and ensure funds are available to accomplish work. OTR tracks all associated costs with each major project using ABC/M.

OCIO support for inactive records includes: maintaining and updating the central electronic database of retired records (Box Index Search System); ensuring that the necessary security safeguards remain in place at the American Indian Records Repository (AIRR) and prohibiting the withdrawal of original records from AIRR; preserving and providing remedial services for inactive records received at and/or housed within AIRR; limiting access for research purposes to authorized users of the records; and supporting the Department's bureaus and offices in retirement of Indian Affairs records to AIRR on a regularly scheduled basis.



Entrance to the American Indian Records Repository

OCIO supports records management programs for active records by: providing a single records disposition schedules manual that contains all the Department agencies' identified Indian Fiduciary Trust Records series in a single collection in order to assure appropriate retention and preservation of Indian Fiduciary Trust Records; providing training, technical guidance and assistance to BIA, MMS, BLM, OHA and OST; and providing assistance to those tribes with contracted/compacted programs that request such assistance; and developing and revising records disposition schedules. In prior fiscal years, initial training for BIA and OST designated records management contacts was completed. In FY 2007, newly identified records contacts and employees responsible for identification and maintenance of vital records were trained. In FY 2008 and FY 2009, only newly identified BIA and OST records contacts; and, tribal employees, as requested by Tribes, will be trained.

<b>Records Management Performance Data</b>	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Estimate</b>
<b>Number of Personnel Trained</b>	1,001	250	250
<b>Number of Boxes Indexed</b>	14,680	10,000	7,200

OCIO is responsible for funding the AIRR in Lenexa, Kansas, pursuant to an agreement between the Department and the National Archives and Records Administration. This state-of-the art facility stores all inactive Indian records from BIA, OST and other federal offices that create and maintain Indian Affairs records offices across the United States. The AIRR currently holds more than 165,000 boxes collectively containing about 413 million pages of records stored in accordance with the highest standards for the preservation of archival records.

All research of BIA and OST inactive records takes place in AIRR. No original records are allowed to be taken from the facility. Research requests for document production has steadily increased as the number of inactive records retired and tribal trust litigation has increased. Under the same agreement, OCIO funds a records management certificate program at Haskell Indian

Nations University and hires students at the AIRR for internships. The records management program and work experience will provide a cadre of individuals trained in records management who can work for federal and tribal governments to implement records management.

In order to provide services directly to the field offices of BIA and OST, at least one records liaison is located in each BIA region and in Washington, DC. Additional liaisons are located in those regions that have greater numbers of programs to manage. Adherence to records management requirements is emphasized for all BIA and OST employees.

OCIO developed an electronic index of all Indian records in AIRR. The database is searchable through use of a search engine. This electronic database contains information on all boxes of inactive records retired at AIRR. Previously paper inventories, spreadsheets and databases that contained partial information on inactive boxes of retired records had to be searched manually before a box of records could be located.

### **2009 Program Performance**

- Continue to provide records management operations and research and litigation document production at AIRR. AIRR staff responds to approximately 3,000 research requests per year, providing over 184,000 pages of copied documents.
- Continue to maintain the Box Index Search System (BISS) that allows for record retrieval on an as needed basis for over 165,000 boxes of inactive records.
- Transfer, index, store and safeguard approximately the 7,200 boxes of inactive records retired from BIA and OST offices, and any other Department agencies that create Indian fiduciary trust records, at AIRR.
- Provide significant support to tribal trust litigation parties by providing access to thousands of boxes of inactive records necessary for research, document production, etc., including providing access to the database search engine.
- Support the records management curriculum at Haskell Indian Nations University by providing instructors for the trust records management certificate and by working with HINU to provide student internships at AIRR.
- Support the implementation of a departmental ERMS for BIA and OST which is anticipated to become functional in 2011. In FY 2009, it is anticipated that the Department will institute a pilot system to set up, use and test the ERMS for compliance with DOI requirements.
- Provide records management technical support and training for at least 10 tribes with contracted/compacted programs.
- At a Tribe's request, transfer and store inactive Indian fiduciary records created and maintained by Tribes at AIRR.
- Provide records management training for approximately 250 of the 1,500 BIA program offices, and OST, as funded.
- As necessary, update BIA and OST program records schedules by scheduling any newly identified documents and/or business processes records that do not fit into an established record series and submit for approval by the Archivist of the United States.
- Support OHTA research projects in the *Cobell* and individual tribes' and class action tribal trust litigation.



- Continue to provide records management support and technical guidance in the BIA regions and OST field offices through OTR regional records liaisons located in the BIA regions and Central Office.

It is anticipated that litigation costs related to tribal trust litigation will result in additional funding needs to provide increased litigation support and respond to increased research requests from the Department's offices/bureau and the Department of Justice in defense of the Government in these lawsuits.

OTR will continue to provide records management guidance and technical assistance to BIA and OST personnel, as well as other federal agencies that create and maintain Indian fiduciary trust records.

### **Budget, Finance and Administration**

**(\$13,161,000/29 FTE)**

The Office of Budget, Finance and Administration (BFA) provides direct budget, planning and administrative support and oversees the administration of contracts for personnel, acquisition, and finance. BFA provides administrative support services (i.e. property, safety, check disbursement, and mail service) for OST, in carrying out the fiduciary trust responsibilities to federally recognized American Indian tribes, individual Indians, and Alaska Natives efficiently and effectively. BFA coordinates required reporting to the Department, the Office of Management and Budget (OMB), and to the United States Congress.

BFA manages its responsibilities through four components: (1) Budget and Finance, (2) Planning and Analysis, (3) Facilities Support and (4) Trust Support. Support functions include: formulation, execution, and presentation of the OST performance budget and planning documents; development and implementation of activity-based cost management; facilities support; and processing and mailing of Individual Indian Money (IIM) account holder checks and explanation of payments (EOP), and other beneficiary related documents.

In addition, BFA coordinates the implementation of four of the President's Management Agenda (PMA) initiatives — performance improvement, competitive sourcing, human capital and transportation management. Prior year accomplishments implementing the PMA include: alignment of the fiscal year budget request with the Department's Strategic Plan structure; integration of the annual performance plan with the budget request; expanded use of Activity Based-Cost Management (ABC/M); planned use of contract resources to leverage private industry knowledge and expertise; a new updated workforce diversity plan and improved fleet management.

The Budget, Finance and Administration program includes coordination of government-wide, Departmental and other agency services that support OST's programs such as: personnel, EEO, space, telephone, and working capital fund activities.

**BFA Budget by Category***(Dollars in Thousands)*

	<b>FY 2007 Actual</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>	<b>Change 2009 from 2008</b>
<b>HR Support</b>	<b>1,350</b>	<b>1,390</b>	<b>1,432</b>	<b>+42</b>
<b>EEO Support</b>	<b>89</b>	<b>89</b>	<b>92</b>	<b>+3</b>
<b>Acquisition Support</b>	<b>1,009</b>	<b>1,142</b>	<b>1,176</b>	<b>+34</b>
<b>Accounting Support</b>	<b>370</b>	<b>391</b>	<b>436</b>	<b>+45</b>
<b>Security</b>	<b>403</b>	<b>502</b>	<b>538</b>	<b>+36</b>
<b>Space Rental</b>	<b>4,559</b>	<b>4,868</b>	<b>5,364</b>	<b>+496</b>
<b>Working Capital Fund</b>	<b>1,574</b>	<b>2,002</b>	<b>1,762</b>	<b>-240</b>
<b>Workers Compensation</b>	<b>5</b>	<b>17</b>	<b>42</b>	<b>+25</b>
<b>BFA Offices</b>	<b>4,587</b>	<b>4,828</b>	<b>4,949</b>	<b>+121</b>
<b>Obligations</b>	<b>13,946</b>	<b>15,229</b>	<b>15,791</b>	<b>+562</b>
<b>Chargeback Estimate</b>	<b>-1,197</b>	<b>-2,373</b>	<b>-2,630</b>	<b>-257</b>
<b>Total</b>	<b>12,749</b>	<b>12,856</b>	<b>13,161</b>	<b>+305</b>

Note: The Chargeback Estimate is a negative amount and is offset by carryover since BFA charges other OST programs proportionately for centralized costs associated with contracts and Working Capital Fund agreements for Human Resources, Acquisitions, Financial Management, Building Security, etc. The Chargeback Estimate basis is discussed in the overview under Section 405 compliance.

## 2009 Program Performance

- Integrate the Office of Historical Trust Accounting (OHTA) into OST (administratively including budget, finance, and Human Resources).
- Coordinate with the Department and OMB to reconcile on and off budget trust accounts.
- Conduct A-76 studies and competitions.
- Continue to implement the new workforce plan including strategic management of human capital.
- Reduce the OST fuel consumption by 5% by leasing alternative fuel vehicles and reducing the number of vehicles in the OST fleet.
- Improve budget-performance integration by defining correlations between available resources and performance for OST programs.
- Continue the unification of budget performance integration by conducting quarterly management meetings to discuss performance accomplishments and budget resources necessary for improvements and realignment of funds as required.
- Continue mailing EOP statements and advice notices to beneficiaries.
- Continue processing and mailing over 750,000 beneficiary checks timely and accurately.
- Evaluate methods to reduce check processing such as the implementation of debit cards.
- Continue mailing tribal and individual statements of performance for accounts and tax forms.

### Office of External Affairs

**(\$1,241,000/7 FTE)**

The Office of External Affairs (OEA) has two primary areas of responsibility in supporting the Special Trustee's statutorily-required reform and oversight activities: (1) communications with a diverse group of stakeholders about the Department's trust reform initiatives; and (2) administration of OST's tribal self-governance and self-determination program.

In the area of communications, OEA works to provide tribal and individual Indian trust beneficiaries, Department personnel, the media, the U.S. Congress, other government agencies, the public and other interested organizations with a wide range of information on the status of trust reform priorities, current initiatives and benefits through personal contacts and printed materials.

Staff members provide information to tribes on self-governance and self-determination opportunities, and technical assistance to encourage new contracting and compacting activities and to address tribal needs. Staff members actively negotiate program standards with these tribes to ensure fulfillment of the Secretary's fiduciary trust responsibilities. Additionally, staff provide information to tribes on withdrawing trust funds for management outside of the Federal government pursuant to the *American Indian Trust Fund Management Reform Act of 1994 (Reform Act)* and coordinate OST's activities in response to tribal requests to withdraw funds.

OEA supports the Department's mission goal of Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities. The Office helps the Department accomplish its trust mission through the development and maintenance of a comprehensive communications program to fulfill business objectives identified in the CTM including:

- **Expand Self-Governance Compacts and Self Determination Contracts:** Foster expansion of self-governance compacts and self-determination contracts in a manner consistent with the Department's fiduciary responsibilities.
- **Technical Assistance:** Coordinate and provide tribes with technical assistance to develop proposals for the withdrawal of tribal trust funds from federal management in accordance with the Reform Act.
- **Beneficiary Communications:** Develop and maintain effective communications with beneficiaries to facilitate their involvement in improving trust management, acquisition and disposal, and conveyances of trust assets, consistent with the Department's fiduciary duties.

OEA provides timely information on the status of trust reform activities to beneficiaries and establishes effective avenues of communication with stakeholders. Further, OEA promotes the President's e-government initiative to use technology to streamline the delivery of products and services to the American people.

A significant portion of OEA's operating budget is used to support the administration of Indian self-governance and self-determination activities as authorized by Public Law 93-638. In FY 2007, OEA worked with over 40 tribes that performed or sought to perform OST programs and functions on behalf of their members, and worked to ensure that 75% of those tribes had program standards for the performance of OST functions in place. In FY 2007, OEA also began working with the BIA to initiate a pilot project for tribes administering trust programs to provide access to Interior's TrustNet at their tribal facilities. In late FY 2007, the first pilot tribe was successful in accessing TrustNet at its location. In FY 2008, OEA is involved in significant outreach to tribes to support self-determination and self-governance and the number of tribes interested in performing trust programs or seeking authority to utilize the TrustNet is expected to increase. OEA will continue to work toward inclusion of performance standards for 75% of these tribes.

### **2009 Program Performance**

In FY 2009, OEA will expand its self-governance and self-determination focus to support tribal implementation of the reforms contained within the FTM. OEA will continue to implement the process approved in FY 2007 by the Department's leadership to assist those tribes with trust program responsibilities in accessing the Department's TrustNet at their tribal facility. This effort requires significant coordination with BIA and the Department, and includes leading negotiations on a Memorandum of Understanding and Tribal Use Agreement between the Department and interested tribes, and securing Departmental review and approval for each TrustNet use agreement.

While performing existing responsibilities in support of the tribes that currently manage OST programs, the OEA staff will support tribes with an interest in accessing TrustNet by:

- Traveling to meet with interested tribes at their locations to identify any security requirements or modifications needed for the tribal facility prior to accessing the new systems.
- Determining costs for TrustNet access.

- Negotiating annual funding agreements, memoranda of understanding and tribal use agreements that contain security requirements and program standards for the new functions.
- Facilitating the Departmental review process for all tribes seeking access to TrustNet.
- Secure approval by the required Departmental boards for the connectivity agreement and ensure the connection occurs.
- Coordinating activities with BIA and OST to provide trust systems training.
- Coordinating oversight activities to ensure compliance with the program standards and access agreements.

In addition, OEA will support communications to stakeholders by:

- Articulating and marketing the continued goals, objectives and benefits of the FTM.
- Continuing implementation of a broad-based informational initiative to describe the purposes and benefits of the trust reforms to Indian Affairs employees and beneficiaries.
- Continuing the proactive development of communications and media materials.
- Continuing support of a new debit card initiative for account holders.
- Participating in national Indian conferences and meetings to provide information to beneficiaries on the progress of trust reform and developing materials in response to beneficiary concerns.
- Supporting informational partnerships with Indian organizations.
- Enhancing our relationship with the national and local media.
- Continuing to administer the full range of self-governance and self-determination activities with tribes to include: promoting new opportunities; providing technical assistance; negotiating proposals and program standards; coordinating the allocation of funds; and overseeing the conduct of appropriate review and evaluation activities.
- Continuing regular communications with Members of Congress and their staff to discuss trust reform initiatives and potential legislative solutions.
- Providing regular written updates to Congress and Tribal Leaders on the status of trust reforms.
- Coordinating and reviewing applications from tribes to withdraw their funds from trust, and encouraging additional tribal involvement in this program.

#### **Office of Trust Review and Audit**

**(\$4,695,000/24 FTE)**

The Office of Trust Review and Audit (OTRA) reports directly to the Special Trustee, who in turn reports to the Secretary of the Interior. OTRA administers and manages the trust compliance and rating system and conducts examinations of Indian trust asset management activities Department-wide. OTRA also provides guidance to program officials on best practices to improve trust program performance. In addition, OTRA conducts records management assessments to ensure the responsibilities and recordkeeping activities involving the life cycle management of Indian fiduciary trust program records are in compliance with established guidelines and procedures.

**Program Overview:**

OTRA conducts examinations, coordinates findings, generates reports, and monitors corrective actions for trust programs and records management assessments, including the evaluation of tribally-managed trust programs compacted with the Department of the Interior. OTRA also conducts special reviews at the request of Department officials, beneficiaries, or the public.

The Office of Trust Review and Audit provides independent reviews of Indian fiduciary trust programs administered by the Department of the Interior and Indian Tribes to ensure that the Secretary of Interior's responsibilities are being carried out.

OTRA serves as a quality control for the proper management of trust assets. Through implementation of an oversight and examination program of trust activities, OTRA supports the Department's outcome goal – Fulfill Indian Fiduciary Trust Responsibilities.

Work activities support the underlying trust reform goals in the CTM to improve beneficiary services, Indian trust ownership, management of land and natural resources, management of trust fund assets, and support Indian self-governance and self-determination. Streamlining of processes and improvement of the efficiency of operations is supported through monitoring the reviews performed of Indian trust asset management activities Department-wide and providing timely reports and recommendations to Departmental senior management on efficiency, and effectiveness of operations and compliance with applicable laws and regulations at the program and/or field office level.

The Indian Trust Rating System (rating system) was developed to provide a method for assessing the operational effectiveness of trust asset management activities Department-wide. The successful implementation of the rating system provides a management tool to allow timely identification and correction of weaknesses in trust function performance. It also helps OTRA identify those agencies that need full reviews rather than summary reviews. This rating system is comprehensive and is being applied in a uniform manner. It provides a methodology for rating the overall effectiveness of an Agency or Tribe based on: (1) Management - the capabilities and quality of management, (2) Asset Management - management of Indian trust assets, (3) Compliance - compliance with applicable laws, regulations, policies, procedures and accepted standards of fiduciary conduct, and (4) Operations - effectiveness and efficiency of operations, including the adequacy and effectiveness of internal controls.

To comply with the mandates of the *1994 Trust Reform Act* and the Court, OST has revised the evaluation process to be more thorough and more useful to the Department and the participating tribes as part of the trust reform initiative. These more intense examinations have increased oversight and provided information to managers of trust programs at the Tribal and Federal levels that should result in improved overall management of the programs. Due to the comprehensive nature of these examinations, and the much larger universe of trust programs that must be evaluated, examinations are based on a determination of where there is the highest risk. This process is fully operational and is subject to continuing refinement.

<b>Records Management Assessments (180 sites)</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>
<b>Number of sites reviewed</b>	45	40	40

<b>Trust Examinations (180 sites)</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>
<b>Number of sites reviewed</b>	38	38	38

**2009 Program Performance**

- Apply the comprehensive Indian Trust Rating System to all entities evaluated.
- Perform 38 Indian Trust Examinations on Departmental and tribal entities performing trust functions or follow-up reviews for the highest risk agencies and tribes based on the Indian Trust Rating System.
- Perform 40 records management assessments or follow-up reviews on corrective action plans for records management assessments.
- Track and perform follow-up on examination findings and recommendations for all recommendations that remain open for six months beyond receipt of corrective action plan.
- Perform quarterly follow-up on corrective action plans for records management assessments.
- Provide guidance on best practices to improve performance and the effectiveness and efficiency of trust function operations.
- Continue to advise senior managers when examination and records assessment findings are not timely resolved, and follow-up until findings are addressed satisfactorily.
- Provide timely and effective responses to allegations and/or complaints regarding the management of trust assets.
- Continue efforts to improve efficiency by seeking ways to streamline the trust examination process.
- Collaborate with other Departmental offices to validate and/or leverage management control reviews outlined in the Office of Management and Budget Circular A-123.
- Ensure examinations are performed in accordance with the “Quality Standards for Inspections” issued by the President’s Council on Integrity and Efficiency.
- Ensure all OTRA employees complete, every two years, at least 80 hours of continuing professional education that enhance their professional proficiency to perform examinations. In FY 2009, employees would complete a minimum of 20 hours of continuing professional education.

**Activity: Program Operations and Support**  
**Subactivity: Trust Accountability**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Trust Training	4,509	3,080	+10	-1,027	2,063	-1,017
NIPTC	0	984	0	0	984	0
Trust Regulations Policies and Procedures	1,464	1,481	+110	0	1,591	+110
Trust Program Management Center	22,503	16,082	-581	+1,909	17,410	+1,328
<b>Trust Accountability (\$000)</b>	<b>28,476</b>	<b>21,627</b>	<b>-461</b>	<b>+882</b>	<b>22,048</b>	<b>+421</b>
<i>FTE</i>	38	37	+1	0	38	+1

The program changes include travel reductions of -\$27,000.

**Summary of 2009 Program Changes for Trust Accountability**

Request Component	(\$000)	FTE
<u>Program Changes</u>		
• Office of Trust Training	-1,027	0
• Reengineering	-250	0
• Probate - OHA	+1,659	0
• Data Quality and Integrity	+500	0
<b>TOTAL, Program Changes</b>	<b>+882</b>	<b>0</b>

**Justification of 2009 Program Changes**

The 2008 budget request for Trust Accountability is \$22,048,000 and 38 FTE, a program change of +\$882,000 and 0 FTE from the 2008 Enacted.

Trust Regulations, Policies, and Procedures will receive +1 FTE and +\$90,000 from the Office of Budget, Finance, and Administration to assist with development of administrative procedures.



**Trust Training****(-\$1,027,000/0 FTE)**

The reduction in funds to the Office of Trust Training (OTT) is due to the National Indian Programs Training Center (NIPTC) assuming more of the training and development role for Indian Affairs staff. NIPTC in conjunction with OST and BIA will be designing curriculum, hosting and presenting courses and providing registrar services for DOI and Tribal staff.



Aerial view of NIPTC

Trust Accountability provides fiduciary trust training opportunities for DOI and Tribal staff.

This training includes Cannon certification for Trust Specialists and Analysts, as well as general trust principles, legislative (regulatory), trust systems training, and business soft skills. NIPTC allows OTT to offer a broader range of courses and schedules to accommodate the needs of DOI staff, while also providing a centralized location with state-of-the-market training tools and information technology. OST's support of NIPTC decreases DOI's dependence on outside vendors to provide trust training as well as minimizes the need for off-site locations, thereby reducing the cost of training.

The availability of the NIPTC resources will enable OTT to:

1. Dedicate more resources for outreach to staff
2. Develop more targeted and specialized training courses
3. Assume more consulting, facilitation, and oversight roles in the scheduling and administrative support for training
4. Allow Trust Accountability to focus training based on staff needs, rather than vendor availability.

As the number of DOI staff receiving Trust Specialists and Analysts certifications increases, the cost of training provided by the specialized contractor will continue to decrease.

**Reengineering****(-\$250,000/0 FTE)**

In FY 2009, Reengineering is decreased by \$250,000 due to a reduction in outreach and inter-agency staff presentations conducted in addition to the training delivered by OTT. The Reengineering program is a comprehensive, collaborative approach to trust reform between all DOI bureaus with fiduciary trust responsibility. The targeted outcome of the Program is the implementation of the FTM. The FTM, when fully implemented, will transform the current diverse trust business processes and associated policies and procedures into an integrated, standardized and efficient program. The Program will enhance beneficiary services for Tribes and individual Indians, ownership information, trust land and natural resources assets, trust funds assets, Indian self-governance and self-determination, and administrative services while building a highly effective fiduciary trust services organization.

The program administration and proactive project planning for further implementation of the FTM will allow all DOI bureaus with Indian trust responsibilities to begin to realize significant productivity efficiencies. These efficiencies are based on the standardized fiduciary trust policies and procedures to address all DOI bureaus' Indian trust responsibilities.

During FY 2006 and FY 2007, the Reengineering teams worked extensively to re-align DOI bureau business processes with the implementation of the FTM. This implementation resulted in the significant reengineering or re-aligning of trust processes as well as significant outreach and inter-agency staff presentations delivered to compliment the efforts of OTT. In FY 2009 and beyond, the TPMC Reengineering staff will function as continuous improvement teams to ensure that OST and BIA staff are maximizing the functionality now available in the new systems. Moving forward, Reengineering will be composed of continuous improvement teams to review and assess the operation of trust business processes and identify the need for any further revised business processes, standard operating procedures, handbooks, validating metrics, desk operating manuals and new skills training. Reengineering will also provide oversight and direction for trust reform activities as well as continuously scan the market for tools and strategies that can be implemented to improve the management of Indian trust.

Although the majority of the FTM reforms were completed in FY 2007 and Reengineering staff reduced in FY 2008, post implementation assessments will be performed throughout FY 2008 and FY 2009 to reexamine and align best practices, as well as update regulations, polices and procedures.

<b>Re-engineering – Performance Table</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>
<u>Standard Lease and Conveyance Project</u> - Development, testing and deployment of prototypes for *agricultural leasing and ** land acquisition	1*	N/A	1**
Post TAAMS Conversion - # of workflow assessments performed	N/A	7	5
DOI Regulatory Initiative - # of regulations finalized and published	1	3	4
Policies and Procedures (external) - # of BIA policies and procedures updated as a result of the DOI regulatory initiative	N/A	5	7
Policies and Procedures (external) - # of other BIA realty related policies and procedures (non-DOI reg related)	1	5	5
Policies and Procedures (external) - # of other BIA land use compliance policies and procedures (non-DOI reg related)	N/A	1	2
Policies and Procedures (external) - # of other BIA land ownership and use policies and procedures (non-DOI reg related)	N/A	3	3
Reengineer OST Trust Services - # of business processes reengineered	N/A	2	3
Reengineer OST Trust Services - # of policies and procedures update	N/A	2	3
Program Metrics - # of BIA program metrics developed	1	6	5
Training Curriculum Development and Support - Provide subject matter expertise in the development of FTM training curriculum	2	4	3
Communication - Provide project management support in the development and implementation of the communications plan	N/A	1	1
Automation - Provide project management support in the development and implementation of automating manual processes	1	3	2
Risk Management - Provide project management support in the development and implementation of reconciling on/off budget accounts; review TAAMS/TFR, previous OTRA findings and external audit findings; A-76 studies and review BLM	N/A	2	2
Staff Realignment - Identify potential realignment of job functions due to standardization, modernization and efficiencies within BIA and OST offices	N/A	N/A	2
Workforce Planning - Develop workforce plan that reexamines and proposes staffing levels and funding needs within BIA and OST	N/A	N/A	2

**Probate - OHA****(+1,659,000/0 FTE)**

Funding at the \$9,906,000 level in 2009 will enable OHA to maintain its FY 2008 staffing level and office infrastructure. This will allow OHA to handle the expected increase in case referrals in a timely manner and prevent a backlog in adjudication.

Under BIA's current projections, the number of new referrals to OHA will not begin to decrease until the end of FY 2009. Once the number of referrals peaks and OHA has time to adjudicate those referrals, it will be in a position to reduce its staffing to a level needed to keep up with current deaths.

**Data Quality & Integrity DQ&I****(+\$500,000/0 FTE)**

In FY 2008, the BIA conversion to the TAAMS Leasing module will be complete allowing for the automatic distribution of trust funds to beneficiary accounts based on land title ownership information maintained in the TAAMS Title module. The conversion to the new Oil and Gas module necessitates post conversion clean up activities for the DQ&A program. The DQ&I project to address differences in ownership information is expected to be completed and the program efforts will be redirected to conduct samplings of DQ&I.

The Program has few OST resources and employs a large constituency of contractor resources concurrently to support BIA regions'/offices'/agencies' clean-up efforts prior to, during and post-conversion.

### **Program Overview:**

The Comprehensive Trust Management Plan (CTM) laid the groundwork for the development of the FTM, which was approved by the Secretary in August 2004. In FY 2007, DOI achieved a major milestone in Trust Management Reform through the completion of the conversion of the BIA legacy leasing systems to the TAAMS leasing module that will interface with the Trust Funds Accounting system (TFAS) and is integrated with the TAAMS title module. This conversion provides a single repository of ownership for DOI processed Indian Trust land conveyance and encumbrance data. Trust data encoding will go through a Post Quality

In FY 2007, Trust Accountability initiated a pilot project to reduce the number of checks issued by OST (and the risks associated with them) by partnering with the Department of the Treasury to offer debit cards to Individual Indian Monies (IIM) beneficiaries as an alternate method of receiving IIM disbursements by Automated Clearing House (ACH). In FY 2008, OST signed an Agreement with Treasury and the first ACH disbursements were made to debit cards in January of 2008. In FY 2008, the debit card project will be evaluated for improvements before expanding it nationwide in FY 2009. OST anticipates considerable cost savings will be realized in FY 2009 and beyond because a disbursement made by check costs OST approximately \$2.05 versus only \$.13 by ACH.

Assurance review process to help ensure on-going trust data encoding accuracy. BIA and OST, utilizing contractors to supplement staff, in the nation-wide implementation of TAAMS help realize the enhanced trust beneficiary services envisioned by the FTM. The FTM offers business processes that deliver improved services to the individual Indian and tribal beneficiaries by standardizing, streamlining, automating, and working in partnership with them.

By FY 2009, Trust Accountability will be functioning in the universal support function mode as described in the FTM. Reengineering will continue to rework processes and identify tools available in the market that Indian trust can use. Once it has done the work to model the process and get it ready for pilot, the Product Development Initiative group will take over and let any contracts, as needed, as well as involve the Trust Regulations, Policies and Procedures and Training groups to begin the process of writing detailed desk operating procedures and developing the training required when the product is integrated into the trust program. Trust Accountability will also be working with the OCIO as necessary when dealing with new or modified information technology. Once the process is operational, Trust Accountability will release it into production. Overseeing all of OST's risk management ensures that between the manager self-assessments, the reviews conducted by OTRA and the independent outside audit, OST managers can provide reasonable assurance that their programs are operating efficiently and effectively, the financial reports are reliable and OST is complying with laws and regulations.

**Trust Training (\$2,063,000/5 FTE):** The OTT program provides oversight, development and coordination of training efforts for DOI and tribal staff. Training supports trust management reform by ensuring current and future personnel with trust responsibility have the necessary skills and knowledge to efficiently and effectively carry out their duties. During FY 2009, OST will be working with NIPTC to create and present more courses in support of OST’s reduced funding level.

<b>Trust Training - Performance Data</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>
Number of Cannon Certified Indian Fiduciary Trust Specialists (CIFTS)	30	48	24	16

**Trust Regulations, Policies and Procedures (\$1,591,000/10 FTE):** The Office of Trust Regulations, Policies and Procedures (OTP) oversees, coordinates, and facilitates the adoption and implementation by DOI of consistent written policies and procedures governing the performance of the Secretary’s fiduciary trust responsibilities. OTP is responsible for ensuring organizational knowledge and access to applicable trust regulations, policies, procedures, and practices. OTP assists in and tracks the development of appropriate trust regulations, policies, procedures, manuals, and training materials. OTP ensures that fiduciary principles consistent with the Secretary’s fiduciary trust responsibilities and the Reform Act are integrated into the trust regulations, policies, procedures, manuals and training materials that guide DOI’s discharge of those responsibilities.

<b>Office of Policy and Procedures Performance Data</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>
Number of regulations developed/revised	2	0	0	1
Number of policies/directives developed/revised	14	32	26	30
Number of procedures developed/revised	65	19	27	40
Number of interim procedures developed	0	4	0	1
Number of delegations of authority developed/revised	1	2	23	10
Number of work tickets and forms revised	0	48	13	20
Number of handbook bulletins developed/revised	4	35	23	21

**Trust Program Management Center**

**(\$17,410,000/23 FTE):**

*(Dollars in Thousands)*

Programs		2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
				Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Risk Management	\$(000)	1,521	651	-36	0	615	-36
	FTE	1	1			4	+3
Reengineering	\$(000)	4,435	3,216	-555	-250	2,411	-805
	FTE	8	8			8	0
Probate Clean Up	\$(000)	9,537	8,247	0	+1,659	9,906	+1,659
	FTE	0	0			0	0
Product Development Initiative	\$(000)	1,637	1,127	+4	0	1,131	+4
	FTE	11	11			9	-2
Data Quality and Integrity	\$(000)	5,373	2,841	+6	+500	3,347	+506
	FTE	3	3			2	-1
<b>Trust Program Management Center Total</b>	\$(000)	<b>22,503</b>	<b>16,082</b>	<b>-581</b>	<b>+1,909</b>	<b>17,410</b>	<b>+1,328</b>
	FTE	<b>23</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>0</b>

The Trust Program Management Center (TPMC) provides project development and coordination to accomplish and continuously improve OST trust reform program administration and project management efforts. TPMC provides guidance and support necessary to successfully implement trust reform activities outlined in the CTM as well as monitor and report on progress made and resources expended toward overall trust program objectives. The work carried out by the TPMC supports creation of an Interior trust organization with the structure, policies, and procedures that fulfill Interior’s trust responsibilities, all with a beneficiary focus.

Risk Management: The Trust Risk Management program was established for developing and implementing an internal control and risk management program that Interior will provide to its bureaus and offices that perform Indian fiduciary trust functions. The Trust Risk Management program is defined as the actions taken by senior leadership, management, and other personnel designed to provide reasonable assurance regarding the achievement of Indian trust objectives related to effectiveness and efficiency of operations, the reliability of financial reporting, compliance with applicable laws and regulations and safeguarding of Indian trust assets.

The Risk Management Program works with other DOI bureaus and offices that impact the Indian trust financial statements and OMB Circular A-123/FMFIA Assurance Statements that are issued each year to ensure that adequate testing is conducted to support the statements. The Risk Management Program provides oversight to ensure that OST programs integrate risk management and FTM trust reform activities into their normal business process cycles and complete their annual risk self-assessments timely and accurately.

<b>Risk Management - Performance Data</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 Estimate</b>
Number of Program Self-Assessments Performed in Automated Tool (RM-Plus)	62	63	63	63
Number of Programs Tested	24	48	50	37

Reengineering: The Reengineering effort is currently implementing the policies, procedures, systems, processes and guidance of the FTM that will create a highly effective, beneficiary-centric fiduciary trust services organization. Continuous review of DOI's Strategic Plan, the CTM, DOI's business environment and other trust-related activities is provided by Reengineering staff to ensure the FTM continues to align with DOI's responsibilities for trust reform, as well as enhance beneficiary services.

From FY 2006 through FY 2008, the Reengineering office concentrated efforts on DOI's Regulatory Initiative. The initial focus was to develop draft regulatory changes required by AIPRA and assist DOI through Federal Register publication of Final Rules. Subsequent regulatory changes concentrated on further implementation of trust reform initiatives identified in the FTM. In FY 2007, Reengineering implemented processes which allow for trust funds, collected at the Indian trust funds lockbox operations, to be automatically distributed to beneficiary accounts maintained in TFAS. In addition, Reengineering drafted BIA handbooks in an effort to standardize existing operating procedures and began development of performance metrics which will assist in determining the staffing level of BIA personnel performing trust functions. Finally, Reengineering, working with the BIA, began evaluating and providing recommendations on how the BIA can streamline: (1) Land Titles and Records Office (LTRO) operations, (2) Probate preparation processes, (3) surface and mineral leasing processes and (4) Indian trust fund billing, collection, and distribution processes.

Probate Cleanup: The responsibility for directing overall probate cleanup efforts rests with BIA. OST oversees backlog elimination efforts; ensures coordination of policies, practices and systems; provides funding to the Office of Hearings and Appeals for probate adjudication; and provides guidance in identifying problems and potential solutions in the process of eliminating probate backlogs. The immediate goal of the OST work with the BIA is to identify, reconcile, and align the probate information contained in TAAMS, TFAS and the BIA's Probate Tracking System. By accomplishing this, Interior's probate processing activity will be better monitored to help ensure probate work is completed and probate order backlog processing is timely identified and minimized.

Product Development Initiative: The Product Development Initiative program provides support to new and reengineered processes, supports the establishment of new or revised policies, tests procedures and stabilizes processes prior to release to the program operations within any DOI bureau or office conducting Indian trust business. The program can lead both short and long term Indian trust projects which involve developing and implementing new business processes and procedures. Also, this program leads complex trust fund distribution activities which involve extensive research. In addition, this program will monitor the SDA policy to ensure compliance. In FY 2007, this program developed a streamlined/automated methodology for distributing

Youpee Escheat funds. In FY 2008, this program will test the methodology and train BIA personnel to use the streamlined/automated method to distribute Youpee Escheat funds. In FY 2008 and 2009, we anticipate the BIA to be fully utilizing the streamlined/automated method to distribute Youpee Escheat funds.

Data Quality and Integrity (DQ&I): The DQ&I program funds a trust data cleanup project where TAAMS Critical Data Elements (CDE) are validated and/or corrected and Post-Quality Assurance (Post-QA) reviews of TAAMS system entries are conducted to help ensure updates to CDE are accurate. In FY 2007, the DQ&I project supported the BIA's effort to convert to the TAAMS leasing module by: (1) assisting the BIA with their encumbrance encoding; (2) encoding conveyance documents into the TAAMS title module; (3) correcting multiple landowner identification (ID) numbers, and (4) analyzing landowner ID numbers and ownership interests in the TAAMS title module to determine their accuracy. During TAAMS pre-conversion activities, there were also certain tracts and encumbrances which were not analyzed due to the risk associated with those tracts and encumbrances. In FY 2009, these tracts and encumbrances will now be analyzed.

### **2009 Program Performance**

- OTP will coordinate with the Office of the Chief Information Officer (OCIO) to ensure that 100% of the OST Desk Operating Procedures located in the Fiduciary Trust Library will have search capabilities.
- OTP will complete an impact analysis for 100% of all new trust regulations implemented in FY 2009.
- OTP will identify 100% of the additions, modifications and deletions to existing policies and procedures based on trust regulations implemented during the quarter and provide recommendations by the end of the following quarter.
- Reengineering will maintain synchronization of trust reform goals with development of standard operating procedures, handbooks, validation of metrics, and updated policies within DOI as publication of Final rules continues.
- Reengineering will identify potential realignment of job functions due to standardization, modernization and efficiencies within BIA and OST agencies.
- Reengineering, in conjunction with OST's WFP, will reexamine and propose staffing levels and funding needs within BIA and OST.
- Reengineering will introduce the FTM concept of Wide-Area planning at one agency. DQ&I will coordinate with the BIA the on-going validation/correction of CDE maintained in TAAMS. In addition, we will be developing, proposing, and testing TAAMS enhancements which will further ensure the data quality and integrity of trust data maintained in TAAMS such as the implementation of electronic signatures and an electronic Post-QA review process where document encoding entries are reviewed prior to the encoding entry updating CDE maintained in TAAMS. In FY 2009, DQ&I, working in partnership with the BIA, will implement the electronic Post-QA review process.
- DQ&I will continue to coordinate with the BIA in analyzing and, if necessary, correcting CDE for non-trust income producing tracts, and those tracts where land ownership interests were assumed accurate during TAAMS conversion. In FY 2009, DQ&I will



complete these tasks unless the magnitude of the CDE inaccuracies warrant otherwise.

- OTT will provide 16 sessions (four per quarter) of TFAS, Stratavision, CSS, and Historical Query training to OST, BIA, and contractor staff.
- OTT will coordinate two sessions with Cannon Financial Institute to present the *Indian Fiduciary Trust Principles Course* to OST, BIA, MMS, and tribal staff.
- OTT will coordinate two sessions each with Cannon Financial Institute for the *Certified Indian Trust Analyst & Specialist* professional training certification.
- OTT will coordinate six sessions of the *Trust Fundamentals Orientation Program* for DOI and Tribal trust employees.
- OTT will continue working with BIA and NBC on curriculum development for the National Indian Programs Training Center in Albuquerque, New Mexico.
- OTT will coordinate four sessions (one per quarter) of OST issued Policies and Procedures training for all OST staff.

In FY 2007, based on analyses of Activity Based Costing Management (ABC/M) information, contract performance metrics that were developed, and available resources, rather than continuing to distribute Youpee Escheat funds by conventional methods, a streamlined/automated distribution methodology was developed. This methodology utilizes the BIA's TAAMS title information and will result in considerable savings, in terms of cost and time, in the distribution of Youpee Escheat funds. Additionally, Trust Accountability staff review ABC/M reports and chart in order to determine how much is being expended in accomplishing trust reform initiatives Trust Accountability staff is responsible for.

**Activity: Program Operations and Support**

**Subactivity: Field Operations**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Field Operations	23,918	23,659	+509	-693	23,476	-183
<i>FTE</i>	243	251	-1	0	250	-1
Office of Appraisal Services	9,735	8,686	+128	-75	8,739	+53
<i>FTE</i>	61	63	0	0	63	0
<b>Field Operations (\$000)</b>	33,635	32,345	+637	-768	32,215	-130
<i>FTE</i>	299	314	-1	0	313	-1

The program changes include travel reductions of -\$193,000 for Field Operations and -\$75,000 for Appraisal Services.

**Summary of 2009 Program Changes for Program Operations**

Request Component	(\$000)	FTE
<ul style="list-style-type: none"> <li>• Field Operations</li> <li>• Office of Appraisal Services</li> </ul>	-693 -75	0 0
<b>TOTAL, Program Changes</b>	<b>-768</b>	<b>0</b>

**Justification of 2009 Program Changes**

The 2009 budget request for Field Operations (excluding the Office of Appraisal Services program) is \$23,476,000 and 250 FTE, a program decrease of -\$693,000 and 0 FTE from the 2008 Enacted. The request includes the internal transfer of -1 FTE from Field Operations to Information Technology. The 2009 budget request for the Appraisal Services program is \$8,739,000 and 63 FTE, a program decrease of -\$75,000 and 0 FTE from the 2008 Enacted.

### Field Operations (-\$693,000/0 FTE)

Since its implementation in FY 2004, the Trust Beneficiary Call Center has grown from handling basic and routine inquiries about trust accounts to responding to inquiries about the many aspects of various trust reform initiatives including lockbox development and implementation, AIPRA and related probate processes, debit card implementation, locating WAUs and processing return mail, and contributing to the conversion of legacy systems to TAAMS. TBCC has reduced the number of calls going directly to Field staff - not all inquiries however can be handled totally by the TBCC. Responding to some of these inquiries still require field level expertise, research and coordination. Implementation and use of the lockbox has contributed to some streamlining of the collection processes overall, reducing some of the Field's efforts in having to prepare, complete, and monitor posting of collection transactions. Contract services for the Whereabouts-unknown (WAO) Project has been scaled back for Field Operations to remain within FY08 (and FY09) funding amounts. Lastly, overall fleet costs for the Field are expected to decrease as locations with low and intermittent vehicle usage are required to coordinate and share their transportation needs with other offices. These expected reductions in workload and costs, coupled with reform efforts anticipated to be completed prior to and during FY 2009, will contribute toward meeting the \$693,000 decrease in funding requirement.



Fiduciary Trust Officer and staff conducting beneficiary outreach.

Field Operations' overall performance is not expected to be adversely impacted by the decrease in funding. The anticipated reduction in Field staff's workload will allow Field staff to redirect and concentrate more of their efforts and energies to extending trust services locally. Field staff will look to increase productivity of trust resources, engaging beneficiaries in trust asset/resource management and developing collaborative efforts with other tribal, private, and governmental entities to increase valuation and marketability of trust assets. Furthermore, Field staff will concentrate their efforts in working with local Indian communities, tribes, and individual Indians providing information through various outreach programs.

### Appraisal Services

**(-\$75,000/0 FTE Positions)**

In FY 2009, Appraisal Services is decreased by \$75,000 due to travel cost savings. The Office of Appraisal Services provides impartial opinions of value for a variety of specific real property interests on land owned in trust or restricted status. While performing these duties during FY 2009 it is anticipated that the Office will rely heavily on recently established indefinite-delivery, indefinite-quantity contracts as well as an off-the-shelf appraisal software program, used locally, that produces Uniform Standards of Professional Appraisal Practices (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) compliant appraisal reports.

## Program Overview

### Field Operations

**(\$23,476,000/250 FTE)**

Field Operations continues to serve as the primary point of contact for Tribal, individual Indian and Alaska Native beneficiaries to receive information regarding various trust beneficiary services. Field staffs interact with beneficiaries on a daily basis at regional, agency, and urban locations regarding account statements, account balance(s), other account attributes, receipts, disbursements, leases and leasing, probate processing, and other trust activities. Regional Trust Administrators (RTA) and Fiduciary Trust Officers (FTOs) in selected locations provide the managerial presence for responsive and proactive beneficiary services at the local level in cooperation and collaboration with BIA and other Departmental Agencies engaged in Indian trust matters.

RTAs provide technical assistance on trust matters to their subordinates, BIA and other related government agencies and provide direct line authority to agency level FTOs. FTOs and support staff provide beneficiaries with convenient access to trust account information and other trust products and services. FTOs, like the RTAs are also vested with inherent federal disbursement approval authority and oversight responsibility. The goal is to provide services to beneficiaries that are trusted, timely, accurate, and responsive to their needs. FTO responsibilities include coordinating trust asset management activities with the BIA and other related government agencies in their respective geographic area. FTOs provide guidance to support staff in the examination, verification, and management of accounts and accounting information. They also ensure that responses to trust beneficiary requests are provided in a timely, courteous, and accurate manner.

OST is going to be re-evaluating its service areas/outputs relative to existing ABC activity codes. Some codes will need to be updated and others will need to be modified to facilitate meaningful information in evaluating outputs to costs. Field Operations plans to use a combination of financial reports and ABC data to assess costs associated with targeted performance levels.

On December 4, 2004, OST opened the Trust Beneficiary Call Center (TBCC), located in Albuquerque, New Mexico. A major responsibility of the nationwide toll free call center (1-888-678-6836) is to provide a convenient “one-stop” service for all beneficiary inquiries including information regarding account statements, account balance(s), other account attributes, receipts, disbursements, leases and leasing, probate processing, and other trust activities, including reform developments and implementation (e.g., TAAMS leasing conversions, lockbox, and debit card). The call center’s expanded operating hours are 7:00 AM to 6:00 PM MT Monday through Friday and 8:00 AM to Noon MT on Saturday. Contract personnel trained in various trust beneficiary issues and systems make up the majority of the TBCC staff that operates the call center. Field Operations monitors the contract work and provides technical direction and guidance and managerial direction as needed.

The TBCC is now available to trust beneficiaries to provide focused beneficiary services, readily accessible to handle a wide range of inquiries. After three-and-a-half years of operation, the call center has received over 292,645 calls and provided a first-line resolution for approximately 91%

of the requests. Trend analysis suggests the TBCC will receive over 120,000 calls annually. First-line resolution by TBCC means that the call center was able to address the beneficiary's inquiry without having to refer the call to the field for assistance. This allows BIA and OST field staff to focus on other trust service duties without interruption. Occasionally, the complexity of the beneficiary's inquiries requires that OST staff obtain information from other agencies in the Department of the Interior which generally is not provided without extensive research. A call tracking system deployed in the field assures that beneficiaries receive consistent and timely responses and information and allows field staff to track requests and avoid duplication.

In FY 2006, the management and operation of the "Whereabouts Unknown" (WAU) project was transferred to OST – Field Operations from Trust Accountability. At the time of the transfer to Field Operations, there were 46,775 WAU beneficiaries representing \$64.8 million. Despite a resolved rate of better than 25% per year, there are 75,200 WAU beneficiaries representing \$71.4 million at the end of FY 2007. The increase is a result of adding non-income producing accounts to TFAS. In FY 2009 under the direction of Field Operations, the focus will continue to be locating and updating current addresses for WAU IIM accountholders. The responsibility for locating current addresses for WAU IIM accountholders is coordinated across the entire Field Operations enterprise; FTOs and their staff, TBCC staff and contractor assistance. In FY 2008, funding for contractor assistance was reduced. Comprehensive methods and tools are employed by Field Operations to obtain accountholder addresses through the utilization of outreach activities, accessing locator service databases and reduced contracting with investigative services.

Finally, Field Operations plays a crucial role in response to requests from tribes seeking to withdraw trust funds for management outside of the Federal government pursuant to *The American Indian Trust Fund Management Reform Act of 1994*.

### **2009 Program Performance**

- Maintain and enhance strategic partnerships with respective Department's bureaus and agencies with Indian trust responsibilities.
- Continue interaction with Tribal, individual Indian and Alaska Native beneficiaries through at least 1,300 local community outreach programs regarding asset management and trust reform initiatives.
- Continue to participate in the implementation and continuation of reform initiatives (involving TBCC, locating WAUs, collection via Lockbox, AIPRA, debit card, TAAMS post-conversion cleanup, trust program training, risk and records management) in partnership with BIA and other government entities.
- Proactively identify and assist in the implementation of additional reform activities as needed, i.e., in support of ever-evolving program areas such as trust program training, developing policies and procedures, streamlining business processes, risk and records management.
- Continue to locate 25% of whereabouts unknown account holders as of 09/30/07.
- Respond to 90% of beneficiary inquiries within two business days and respond to the balance of these inquiries within 30 days.

- Actively engage 2,000 selected Tribal and individual Indian beneficiaries in management of their trust assets.
- Seek to establish direct deposit or debit card capabilities for 4,000 individual Indian beneficiaries and electronic fund transfers for Indian Tribal governments.
- Continue advocating the importance of estate planning for individual Indian beneficiaries.
- Continue assistance in Special Deposit Accounts cleanup.
- Maintain Trust Officer presence in field offices.
- Address Field Operations recommendations from internal and external program reviews.
- Continue to improve the efficiencies of the lockbox operations.
- Continue to migrate trust transaction activities to the local field level.
- Continue to encourage an engaged workforce.

### Appraisal Services

**(\$8,739,000/63 FTE)**

The Office of Appraisal Services (OAS) provides impartial opinions of value for a variety of specific real property interests on land owned in trust or restricted status. Opinions of value are provided through a contract with the Department Appraisal Directorate, regional appraisal staff, and contract appraisers. Various regulations governing Indian trust land transactions require the Secretary of the Interior to obtain opinions of value. Major types of valuations include commercial, industrial, recreational, agricultural and other types of leases; rights-of-way; land sales and land exchanges; grazing and range permits; and trespass.

OAS continues to address appraisal requests on trust lands. OAS completed approximately 5,900 appraisals in FY 2007 (excluding 800 appraisals completed using the ATLAS software appraisal program) and anticipates completing approximately 6,000 appraisals in FY 2009 (again, excluding any appraisals completed using the ATLAS software appraisal program). OAS, with the assistance from the Office of External Affairs, also anticipates being in a position to include information from compact/contract tribes in an effort to get a better handle on appraisals throughout Indian Country. It is also anticipated that further refinement and implementation of the ITARs tracking system, and deployment of an off-the-shelf appraisal software application (ATLAS), will improve productivity and provide more efficiencies within the appraisal program.

### Appraisal Services Performance Data

Due to the inconsistencies identified at year end FY 2007 on how backlog was determined by the 12 OAS regional offices; in FY 2008 OAS and the Appraisal Services Directorate (of the National Business Center) collaborated on a clear and across-the-Department definition of backlog—reports provided later than the original commitment date.

For example, until recently, 90 days past the client requested date was used (and apparently continues to be by most OAS locations and clients) as the basis of backlog. However, many original requests do not contain all of the information that is necessary to conduct an appraisal or initiate a request for a third-party appraisal, and must be returned or held until all of the information is received. The original requested date, however, is not revised and the clock continues to tick. Therefore, there are many instances when a request is backlogged even before all necessary information is provided by the client.

Upon reconciliation of past, current, and estimated new appraisal requests, updated and more accurate information will be provided.

### **2009 Program Performance**

- Continue to improve and adjust the appraisal business process, where feasible.
- Fine-tune and update, as necessary, the Indian Trust Appraisal Request System (ITARS) tracking system; establish and implement cyclical training programs for new system users.
- Continue the deployment of an off-the-shelf appraisal software application that produces, locally, USPAP and UASFLA compliant appraisal reports.
- Refine, through the National Indian Programs Training Center (NIPTC), the skills competency model developed a number of years ago (to include technical and general requirements of the positions); develop a comprehensive training program which can lead to certification in fiduciary appraisal management.
- Consistent with findings identified in the *OST Workforce and Diversity Plan*, implement targeted recruitment strategies, tools, pipelines, and tactics (establish career paths to allow a steady upward development of skills and experience; maintain open and mutually beneficial relations with tribes, tribal associations and groups, colleges and universities; and build leadership, mentoring, and coaching skills) for appraisal positions determined to be “at risk” in terms of the employees having reached the government-wide average age and length of service for actual retirements.

**Activity: Program Operations and Support**

**Subactivity: Trust Services**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
<b>Trust Services (\$000)</b>	<b>10,509</b>	<b>10,388</b>	<b>+825</b>	<b>+809</b>	<b>12,022</b>	<b>+1,634</b>
<i>FTE</i>	<i>122</i>	<i>121</i>	<i>0</i>	<i>0</i>	<i>121</i>	<i>0</i>

The program changes include travel reductions of -\$6,000.

**Summary of 2008 Program Changes for Trust Services**

Request Component	(\$000)	FTE
• Trust Services	+809	0
<b>TOTAL, Program Changes</b>	<b>+809</b>	<b>0</b>

**Justification of 2009 Program Changes**

The 2009 budget request for the Office of Trust Services is \$12,022,000 and 121 FTE. A program increase of +\$809,000 and 0 FTE from the 2008 Enacted.

Trust Accountability will transfer of additional responsibilities and contract administration related to the management of the trust lockbox and funds totaling \$578,000 to Trust Services.

**Trust Services** (+\$809,000/0 FTE)

Trust Services plays a critical role in processing beneficiary account transactions. The implementation of completely re-engineered business processes throughout Trust Services will cause increased costs associated with the implementation of the re-engineered processes. Additional funding is requested to support the process improvements.



## Program Overview

The United States Congress has designated the Secretary as the trustee delegate with responsibility for the monetary and non-monetary resources held in trust on behalf of American Indian tribes, individual Indians, and other trust funds. In carrying out the management and oversight of the Indian trust funds, the Secretary has a fiduciary responsibility to ensure that trust accounts are properly maintained, invested, and reported in accordance with the *American Indian Trust Fund Management Reform Act of 1994* (Reform Act), Congressional action, and other applicable laws.

Trust Services is responsible for the individual Indian, Alaska

Native and tribal trust funds accounting, investment and reporting fiduciary responsibilities of the Department. This Office provides leadership, guidance and oversight of the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries. Trust Services supports the Department's Strategic Plan end outcome goal of Serving Communities - Fulfill Indian Fiduciary Trust Responsibilities through performance measures of providing timely and accurate financial account information to trust beneficiaries, the timely recording of oil and gas royalties in the trust accounting system and the accurate processing of financial information in trust beneficiary accounts.

Trust Services manages approximately \$3.3 billion of funds held in trust for federally recognized Indian tribes, individual Indian and Alaska Native beneficiaries. Approximately \$2.9 billion is held in approximately 1,800 tribal accounts and other trust funds, including the Alaska Native Escrow Fund. Approximately \$420 million is held on behalf of individual Indians in approximately 370,000 accounts.

Pursuant to the CTM, the program's business objectives are to manage and invest fund assets to provide beneficial rates of return; and to quickly and accurately collect, disburse, and account for funds associated with trust assets. Accomplishment of these objectives enables the Department to provide accurate and timely information to trust beneficiaries. The accuracy and timeliness of information is comprised of several factors: same day processing of cash transactions, timely processing of account maintenance transactions, timely posting of investment income transactions, and accuracy of reconciliation and reporting activities on trust accounts. During FY

Trust Services continued tracking cost and performance data in FY 2007, and is currently using these data to assess the efficiency and effectiveness of our trust operations as exhibited by:

- Revamping printing and mailing processes for beneficiary statements to save costs and increase reliability and timeliness.
- Renegotiating existing encoding and post quality assurance contracts to facilitate phasing out of personnel services with increased automation.
- Utilizing employee performance metrics to assess and validate individual and team performance. Data are used to identify performance standards and training needs.
- Partnering with BIA for development of an integrated accounts receivable system for improved tracking of trust land use payments.

2007, over 8.1 million transactions were processed (both automated and manual), that resulted in an average of 32,000 per day, both manual and automated.

The Reform Act further identified certain of the Secretary of the Interior's duties to ensure proper discharge of the trust responsibilities of the United States. These include the following as it relates to Trust Services:

- Providing adequate controls over receipts and disbursements.
- Providing periodic, timely reconciliation to assure the accuracy of accounts.
- Preparing and supplying account holders with periodic statements of their account performance.
- Establishing consistent, written policies and procedures for trust fund management and accounting.
- Providing adequate staffing, supervision, and training for trust fund management and accounting.



Check processing machine.

The balances that have accumulated in the Indian trust funds have resulted from claims and judgment awards, investment income, and revenues from approximately 56 million acres of trust land. Revenues are derived from subsurface mineral extractions (coal, oil, gas, and uranium) timber, grazing, and other surface leases. Trust Services provides centralized accounting services for all trust funds management activities including receipting, accounting, investing, and disbursing of individual and tribal trust funds. Trust Services works directly with field offices to ensure cash management supporting documentation complies with policies and procedures and plans, directs, operates and controls the buying, selling and trading of investment instruments.

Trust Services is responsible for reconciling subsidiary and control accounts and monitoring trust funds activities. This office prepares internal and external financial accounting reports for trust funds. It also is responsible for the accurate and timely preparation and submission of appropriate external reports and required tax forms. The reconciliation of trust fund activities include custodial management of proprietary data, compliance and interface with Treasury cash flow reports, and MMS and BIA receipt of funds and source documents. This Office also ensures that beneficiary statements of performance for accounts with valid addresses are mailed.

Trust Services utilizes a complex mixture of tools, automated and manual, as well as contracted and in-house services to carry out the responsibilities of the office. The core accounting system is Trust 3000, a commercial off-the-shelf trust system that is used by eight of the top 15 National Banks Trust Departments. Two other systems complement the core trust system: Customer StrataStation and Stratavision. Customer StrataStation allows the use of electronic approvals versus paper approvals. Stratavision is a computer output to laser disk storage product that allows the paperless view and storage of all reports generated by the core trust system. Trust Services also utilizes a centralized commercial custodian to process the financial investment

securities as well as a commercial pricing service to price the securities daily. The Trust Services' investment group is on-line with the Bloomberg Service in order to execute security trades on a timely basis and at a prudent price. The Trust Services Reporting and Reconciliation group utilizes a myriad of government systems to report and reconcile trust management activities.

### **2009 Program Performance**

- Attain 98% accuracy for financial information processed in trust beneficiary accounts in support of the Department's Strategic Plan.
- Record 99% of the Minerals Management Service royalty revenue within 24 hours of receipt in support of the Department's Strategic Plan.
- Attain 99.5% timeliness of financial account information provided to beneficiaries in support of the Department's Strategic Plan.
- Support key initiatives such as the TAAMS integrated trust-funds receivable, system and continued integration of BIA and OST databases, and systems to support improved individual and team performance metrics.
- Increase the automation of liabilities processing to speed payments to tribal credit organizations.
- Continue to process probate backlog and special deposit account clean-up transactions.
- Continue to compile monthly and annual financial statements.
- Ensure that approximately 800,000 beneficiary Statements of Performance are mailed per annum.
- Continue to refine efficiency standards for all activities.
- Implement metrics covering most processes and implement on-line management dashboards.

**Activity: Program Operations and Support**  
**Subactivity: Historical Trust Accounting**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
<b>Historical Accounting</b>	<b>56,384</b>	<b>55,504</b>	<b>+80</b>	<b>+861</b>	<b>56,445</b>	<b>+941</b>
FTE	0	0	+34	+1	+35	+35

The amount for historical accounting may be revised as legal issues pending before the Court are resolved. The program changes include travel reductions of -\$19,000.

**Summary of 2009 Program Changes for Historical Trust Accounting**

Request Component	(\$000)	FTE
<ul style="list-style-type: none"> <li>Historical Accounting</li> </ul>	+861	+1
<b>TOTAL, Program Changes</b>	<b>+861</b>	<b>+1</b>

**Justification of 2009 Program Changes**

The 2009 budget request for the Historical Trust Accounting is \$56,445,000 and 35 FTE, a program change of +\$861,000 and +1 FTE from the 2008 Enacted. FTE for OHTA will be reported as part of the OST budget instead of allocation FTE for the first time in FY 2009.

**Office of Historical Trust Accounting (+\$861,000/+1 FTE)**

OHTA will maintain the IIM historical accounting funding at the \$40 million level. The \$40 million level per year funding has been emphasized in the Status Report to the Court and at this funding level, the IIM historical accounting will be completed by FY 2011.

OHTA will fund the Tribal trust historical accounting at the FY 2008 level of \$15.504 million. The fixed cost increase of \$80,000 is to cover salaries and rents. At the beginning of FY 2007, OHTA was addressing Tribal litigation filed by 34 Tribes in the Court of Federal Claims and in Federal District Courts around the country. The case load has increased to more than 100 including a class action case seeking certification of a class of over 250 Tribes. OHTA intends to continue its strategy for FY 2009 of satisfying the critical information needs of the litigating Tribes through OHTA’s document production and organization, digitization, and analysis of Tribal accounts. OHTA will also support active litigation and settlement negotiations working with DOJ and SOL. Progress on Tribal historical accountings and analysis of Tribal claims are essential to continuing this approach.

Each tribal case creates a significant increase in OHTA's workload, including:

- Briefings on the Arthur Andersen 1972-1992 Tribal Reconciliation Project.
- Providing copies of the Tribal Reconciliation reports and updated disks of reconciliation data and document images to each tribe.
- Responding to document production requests from each tribe (at a current cost of \$3-\$4 million per year).
- Conducting data validation to provide each tribe with account transaction data from 1972 to present.
- Providing litigation support to SOL and DOJ in the form of document search, expert analysis, and targeted accounting (for example, conducting analysis of invested earnings as part of settlement discussions).
- Conducting accounting analysis of specific funds mismanagement and investment claims.
- Conducting historical accountings of tribal trust accounts and tribal IIM accounts.
- Participating in and supporting analysis in settlement negotiations.

### Program Overview

In 1994, Congress passed *The American Indian Trust Fund Management Reform Act of 1994*. This Act requires the Secretary of the Interior to “account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. Sec. 4011(a)).” In July of 2001, the Office of Historical Trust Accounting (OHTA) was created by Secretarial Order to plan, organize, direct, and execute the historical accounting of Tribal Trust Fund accounts and Individual Indian Money (IIM) accounts. OHTA's management model is based



Imagers at work.

on a small staff of Federal employees directing the efforts of a number of individual contractors. The contractors provide the critical technical expertise in areas such as accounting services, project management, information technology, data security, statistical analysis, quality control, document search, and collection and reproduction.

The Department and OHTA are now involved not only in the Cobell v. Kempthorne class action litigation, but also in over 100 lawsuits filed by or on behalf of approximately 86 Tribes, including one suit in Federal District Court with 12 named Tribes who are seeking class action status on behalf of 250 more Tribes.

On May 31, 2007, the Department released the 2007 Historical Accounting Plan for Individual Indian Money (IIM) accounts. The 2007 plan reflects what has been learned in four years of historical accounting. The Department's accounting plan includes the provision of historical

accountings for about 364,500 IIM accounts open on or after October 25, 1994, that had balances. In part, the plan calls for the reconciliation of select receipt and disbursement transactions to develop assurances of the accuracy of the historical statements of account to be delivered to the account holders. Such statements include transaction-by-transaction listings with such pertinent information as transaction dates, transaction amount, and beginning and ending balances. OHTA's historical accounting work concerns two distinct types of IIM accounts: judgment and per capita IIM accounts, and land-based IIM accounts. Implementation of the plan is estimated to cost \$271 million.

### **2009 Program Performance**

In FY 2009, with the court's permission, OHTA will continue to mail historical statements of account (HSAs) for the electronic ledger period and expects to address requests for more information or appeals of mailed HSAs. In addition, OHTA will continue reconciling 1,000 transactions as part of electronic era completeness testing, and plans to digitize 120,000 transactions from the paper ledger portion of IIM accounts for transaction reconciliation and completeness testing. In addition, OHTA will complete data completeness validation and recalculation of interest for IIM accounts for two BIA regions. These are two of the tests needed to be completed before historical statements of account could be generated and mailed to land-based IIM account holders. Also in FY 2009, OHTA will research the rightful owners of residual balances in special deposit accounts and distribute \$2 million to individual Indians, Tribes, and third parties.

In Tribal Trust accounting, OHTA will continue to compile and validate Tribal Trust Funds transaction data for the 86 litigating Tribes. OHTA will perform analysis and resolution of claims (including historical accountings) for 15 active Tribal lawsuits. This effort will include direct support of the U.S. Department of Justice (DOJ) and Interior's Office of the Solicitor (SOL), including the production of 2.0 million pages of Indian records.

### **Maintaining IIM Accounting**

At the FY 2009 funding base of \$56.445 million, OHTA expects to allocate and spend approximately \$40 million for the IIM historical accounting; the balance would be used for Tribal Trust Fund related activities. The \$40 million level of funding for IIM historical accounting would continue in FY 2009.

### **Funding Tribal Trust Historical Accounting**

At the end of FY 2006 and beginning of FY 2007, OHTA was addressing Tribal litigation filed by 34 Tribes in the Court of Federal Claims and in Federal District Courts around the country. Although only a few of the 34 cases were being actively litigated, OHTA was engaged in negotiations with or conducting analysis of Tribal claims for most of the Tribal cases. By supporting Tribal document production and exploring settlement options with Tribes, most of the original 34 Tribal cases were stayed in their respective District Courts.

Just prior to the end of calendar year 2006, many additional Tribes filed lawsuits. There are currently over 100 cases pending (with 28 different judges presiding), including a class action case seeking certification of a class of over 250 Tribes. OHTA intends to continue its strategy for FY 2009 of satisfying the critical information needs of the litigating Tribes through OHTA's document production and organization, digitization, and analysis of Tribal accounts. OHTA will also support active litigation and settlement negotiations working with DOJ and SOL. Progress on Tribal historical accountings and analysis of Tribal claims are essential to continuing this approach.

Just as OHTA is relying on statistical sampling to check the accuracy of the IIM historical accountings, OHTA plans to use sampling approaches to comprehensively examine specific Tribal accounting and related claim issues on a system-wide basis. For example, because funds from multiple Tribes may relate to a shared investment instrument, the proper allocation of the principal and earnings can be tested by statistical methods and applied generally to Tribal Trust Fund accounts. Such system testing could reliably quantify results and greatly reduce the uncertainty over alleged trust fund accounting and related shortcomings, including alleged problems with the Twenty-Year Tribal Reconciliation Project. Such system tests will provide meaningful information and broadly applicable results in a manner that is both timely and cost efficient. At the same time, however, OHTA is exploring more Tribe specific analysis to address Tribes' trust fund management claims.

Based on past experience, OHTA believes that using statistical methods to test and assess certain aspects of Tribal Trust Fund accounts and management will be, in the long run, significantly less costly and time consuming than tribe-level testing at \$2 to \$6 million per tribe. Statistical methods have proven to be an accurate measure of the reliability of information within a population. Additionally, developing system-wide results will inform and facilitate settlement negotiations with Tribes and provide a potential information tool for legislative settlement.

### Office of the Special Trustee for American Indians

(Dollars in millions)

	Treasury Account ID: 14 – 0120 – 0	2007 Actual	2008 Estimate	2009 Estimate
	Obligations by program activity			
0001	Program operations, support, and improvements	203	190	191
0002	Executive direction	2	2	2
0900	Reimbursable Program	2	5	2
1000	Total new obligations	207	197	195
	Budgetary resources available for obligation			
2140	Unobligated balance available, start of year	17	21	10
2200	New budget authority (gross)	196	184	183
2210	Resources available from recoveries of prior year obligations	15	2	2
2390	Total budgetary resources available for obligation	228	207	195
2395	New obligations	-207	-197	-195
2440	Unobligated balance available, end of year	21	10	0
	New budget authority (gross), detail			
	Discretionary			
4000	Appropriation	189	182	182
4033	Appropriation permanently reduced (H.R. 2764)		-3	
4200	Transferred from other accounts [14 X 2103]	2	0	0
4300	Appropriation (total discretionary)	191	179	182
5800	Spending Authority from Offsetting Collections	4	5	1
5810	Change in uncollected customer payments from Federal sources (unexpired)	1	0	0
5890	Spending authority from offsetting collections (total discretionary)	5	5	1
7000	Total New Budget Authority	196	184	183
	Change in obligated balances			
7240	Obligated balance, start of year	57	36	51
7310	Total new obligations	207	197	195
7320	Total outlays (gross)	-212	-180	-175
7345	Recoveries of prior year obligations	-15	-2	-2
7400	Change in uncollected customer payments from Federal sources (unexpired)	-1	0	0
7440	Obligated balance, end of year	36	51	69
	Outlays (gross), detail			
8690	Outlays from new discretionary authority	176	123	121
8693	Outlays from discretionary balances	36	57	54
8700	Total outlays (gross)	212	180	175
	Offsets			
	Against gross budget authority and outlays			
8800	Offsetting collections (cash) from Federal sources	4	5	1
	Against gross budget authority only			
8895	Change in uncollected customer payments from Federal sources (unexpired)	1	0	0
	Net budget authority and outlays			
8900	Budget authority	191	179	182
9000	Outlays	208	175	174

Note: Table may not add due to rounding.



**Object Classification**

(Dollars in millions)

	Treasury Account ID: 14 – 0120 – 0	2007 Actual	2008 Estimate	2009 Estimate
	<b>Object Classification</b>			
	Direct obligations			
	Personnel compensation			
1111	Full time permanent	39	41	44
1113	Other than full-time permanent	1	1	1
1115	Other personnel compensation	1	1	1
1119	Total personnel compensation	41	43	46
1121	Civilian personnel benefits	11	13	13
1210	Travel and transportation of persons	4	4	4
1231	Rental Payments to GSA	1	1	1
1232	Rental Payments to others	3	4	4
1233	Communications, utilities	2	2	2
1251	Advisory and assistance services	2	2	2
1252	Other services	37	85	83
1253	Purchases of goods and services from government accts	20	21	21
1260	Supplies and Materials	1	1	1
1310	Equipment	4	3	3
1990	Direct obligations	126	179	180
2990	Reimbursable obligations	2	5	2
	Allocation Account			
	Personnel compensation			
3111	Full-time permanent	8	5	5
3113	Other than full-time permanent	2	2	2
3119	Total personnel compensation	10	7	7
3121	Civilian personnel benefits	2	1	1
3210	Travel and transportation of persons	1	1	1
3231	Rental payments to GSA	1	1	1
3233	Communications, utilities, and miscellaneous charges	1	1	1
3252	Other services	63	2	2
3990	Allocation Account - direct	78	13	13
9995	Below Reporting Threshold	1	0	0
9999	Total new obligations	207	197	195

Note: Table may not add due to rounding.

**Office of the Special Trustee for American Indians**

<b>Personnel Summary</b>	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Estimate</b>
<b>Direct</b>			
Civilian full-time equivalent employment	629	634	669
<b>Allocation</b>			
BIA and OS	[85]	[54]	[0]

**Employee Count by Grade  
(Total Employment)**

	2007 Actual	2008 Estimate	2009 Estimate
Executive Level V .....	1	1	1
SES .....	13	13	14
Subtotal.....	14	14	15
SL - 00.....	0	0	0
ST - 00.....	0	0	0
Subtotal.....	0	0	0
GS/GM -15.....	29	29	33
GS/GM -14.....	98	100	105
GS/GM -13.....	81	87	94
GS -12 .....	67	66	75
GS -11 .....	20	15	20
GS -10 .....	0	0	0
GS - 9 .....	30	30	33
GS - 8 .....	25	22	30
GS -7 .....	142	140	150
GS - 6 .....	37	45	40
GS - 5 .....	66	70	61
GS - 4 .....	19	15	12
GS - 3 .....	0	0	0
GS - 2 .....	0	0	0
GS -1 .....	0	0	0
Subtotal.....	614	619	653
Other Pay Schedule Systems.....	1	1	1
Total employment (actual/estimate) .....	629	634	669

**Appropriation Language Sheet****Office of the Special Trustee for American Indians**

## Indian Land Consolidation

[For consolidation of fractional interests in Indian lands and expenses associated with redetermining and redistributing escheated interests in allotted lands, and for necessary expenses to carry out the Indian Land Consolidation Act of 1983, as amended, by direct expenditure or cooperative agreement, \$10,000,000, to remain available until expended, and which may be transferred to the Bureau of Indian Affairs and Office of the Secretary accounts.] (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2008.*)

**Justification of Proposed Language Change**

The program is being proposed for elimination while the Department works with OMB, Indian Tribes, and Congress to develop an alternative approach.

**Activity: Indian Land Consolidation Program**

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Indian Land Consolidation Program	34,006	9,844	0	-9,844	0	-9,844
<b>Total</b>	<b>34,006</b>	<b>9,844</b>	<b>0</b>	<b>-9,844</b>	<b>0</b>	<b>-9,844</b>

**Summary of 2009 Program Changes for Indian Land Consolidation Program**

Request Component	\$0	FTE
Indian Land Consolidation Program	-9,844	0
<b>TOTAL, Program Changes</b>	<b>-9,844</b>	<b>0</b>

**Justification of 2009 Program Changes**

The 2009 budget request for Indian Land Consolidation Program (ILCP) is \$0, a program decrease of -\$9,844,000 from the 2008 Enacted.

**Indian Land Consolidation**

**(-9,844,000/0 FTE Positions)**

The Indian Land Consolidation Program is being proposed for elimination while the Department focuses on developing alternative strategies to consolidate interests. Since 1999, ILCP has spent nearly \$170 million to purchase over 360,000 interests, yet this has done little to reduce trust management costs. Interior remains committed to focusing on this critical issue and is currently exploring other options for Indian land consolidation. A working group has been created to explore viable options and develop a strategy that will be beneficial to both Individual Indian land owners and Tribes.

**Performance Change**

<b>Measure</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Plan</b>	<b>2009 Base Performance (2008 Enacted + Fixed Costs)</b>	<b>2009 President's Budget</b>	<b>Program Change Accruing In 2009</b>	<b>Program Change Accruing In Outyears</b>
Number and acreage of land acquisitions to increase land use capabilities and reduce fractionation of land interests. <b>(SP), (PART) Annual</b>	72,547 interests; 114,528 acres	77,577 interests; 160,049 acres	99,840 interests; 168,683 acres	16,700 interests; 13,250 acres		0	-16,700 interests; -13,250 acres	N/A
Reduce number of open IIM accounts through acquisition <b>(PART) (IIM accounts eligible for closure) Annual</b>	606	1,019	954	175		0	-175	N/A

**Office of the Special Trustee for American Indians**  
**Indian Land Consolidation**  
(Dollars in millions)

	Indian Land Consolidation (14-2103)	2007 Actual	2008 Estimate	2009 Estimate
	Obligations by program activity			
0001	Direct Program Activity	31	15	0
0949	Reimbursable Program	2	2	0
1000	Total new obligations	33	17	0
	Budgetary resources available for obligation			
2140	Unobligated balance available, start of year	4	5	0
2200	New budget authority (gross)	33	12	0
2210	Resources available from recoveries of prior year obligations	1	0	0
2390	Total budgetary resources available for obligation	38	17	0
2395	New obligations	-33	-17	0
2440	Unobligated balance available, end of year	5	0	0
	New budget authority (gross), detail			
	Discretionary			
4000	Appropriation	34	10	0
4100	Transferred to other accounts [14-0120]	-2	0	0
4300	Appropriation (total discretionary)	32	10	0
5800	Offsetting collections	2	2	0
5810	Change in uncollected customer payments from Federal Sources	-1	0	0
5890	Spending authority from offsetting collections (total discretionary)	1	2	0
7000	Total new budget authority (gross)	33	12	0
7240	Obligated balance, start of year	2	3	6
7310	Total new obligations	33	17	0
7320	Total outlays (gross)	-32	-14	-1
7345	Recoveries of prior year obligations	-1	0	0
7400	Change in uncollected customer payments from Federal sources	1	0	0
7440	Obligated balance, end of year	3	6	5
8690	Outlays from new discretionary authority	31	11	0
8693	Outlays from discretionary balances	1	3	1
8700	Total outlays (gross)	32	14	1
	Offsets:			
8800	Offsetting collections (cash) from: Federal sources	2	2	0
8895	Change in uncollected customer payments from Federal sources	-1	0	0
8900	Budget authority	32	10	0
9000	Outlays	30	12	1
9502	Unpaid obligation, end of year	3	0	0

**Object Classification**  
(Dollars in millions)

Indian Land Consolidation (14-2103)		<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Estimate</b>
2990	Reimbursable obligations	2	2	0
	Allocation Account-direct:			
3111	Full-time permanent	2	2	0
3113	Other than full-time permanent	1	0	0
3119	Total personnel compensation	3	2	0
3121	Civilian personnel benefits	1	0	0
3252	Other Services	4	3	0
3320	Land and structures	23	10	0
		31	15	0
9999	Total obligations	33	17	0



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## Office of the Special Trustee for American Indians

### Tribal and Other Trust Funds

*(Dollars in Thousands)*

	2007 Enacted	2008 Enacted	2009			Change From 2008 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Tribal Special Fund	172,864	180,678	0	+8,745	189,423	+8,745
Tribal Trust Fund	47,545	49,695	0	+2,405	52,100	+2,405
<b>Total</b>	<b>220,409</b>	<b>230,373</b>	<b>0</b>	<b>+11,150</b>	<b>241,523</b>	<b>+11,150</b>

#### Summary of 2009 Program Changes for Trust Funds

Request Component	(\$000)	FTE
<ul style="list-style-type: none"> <li>• Tribal Special Fund</li> <li>• Tribal Trust Fund</li> </ul>	<ul style="list-style-type: none"> <li>+8,745</li> <li>+2,405</li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li>0</li> </ul>
<b>TOTAL, Program Changes</b>	<b>+11,150</b>	<b>0</b>

#### Justification of 2009 Program Changes

The 2009 budget request for the Tribal Special Fund and Tribal Trust Fund totals \$241,523,000, a program increase of +\$11,150,000 from the 2008 estimated receipts and outlays.

Budget authority for the Tribal Special Fund and Tribal Trust Fund is equal to the receipts of such funds. Receipts generally include settlements and/or judgements from the Judgement Fund, investment income, and proceeds (i.e., maturities, sales) from investments in government sponsored entity securities. Investments in non-Treasury and non-federal agency securities are recorded as an outlay upon purchase.

#### Budgetary Classification of Tribal Trust Funds

Tribal trust funds are deposited into consolidated accounts in the U.S. Treasury pursuant to: (1) general or specific acts of Congress and (2) Federal management of tribal real properties, the titles to which are held in trust for the tribes by the United States. These funds are available to the respective tribal groups for various purposes, under various acts of Congress, and may be subject to the provisions of tribal constitutions, bylaws, charters, and resolutions of the various tribes, bands, or groups.

Commencing with FY 2000, most tribal trust funds, including special funds, managed by the Office of Special the Trustee were reclassified as non-budgetary. Ownership of these funds did not change, nor did the federal government's management responsibilities; changes were made for presentation purposes only. Some tribal trust funds will remain budgetary, in the Tribal Special or Tribal Trust Funds.

The budgetary funds are included in either a budgetary special fund account or trust fund account. The distinction between a special and a trust fund is purely technical from a budgetary standpoint; if the law creating the fund delineates it as a "trust fund," it is included in the trust fund account. If the law delineates the fund as something other than a trust fund (e.g., a "development fund") it is included in the special fund account.

### **Tribal Special Fund**

This fund includes activities associated with the following accounts:

- *Tribal Economic Recovery Fund*. This fund is authorized by the *Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act of 1992* (P.L. 102-575) and holds funds which have been appropriated pursuant to the Act. Beginning in 1998, interest earned on the principal of this fund is available for both Tribes for economic development, education, and social services programs.
- *Three Affiliated Fort Berthold* (P.L. 102-575). The fund is not designated by law as a trust fund. The act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of tribal lands related to the Garrison Dam and Reservoir project. The tribes are only entitled to the interest earnings, not the corpus (Sec. 3504(a) (4)).
- *Standing Rock* (P.L. 102-575, Title XXXV). The Act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of tribal lands related to the Garrison Dam and Reservoir project. The Tribes are only entitled to the interest earnings, not the corpus (Sec. 3504(a) (4)).
- *Papago Cooperative Fund* (P.L. 97-293). The fund was established for the tribe to obtain services that are financed by earnings on investment of the fund.
- *Ute Tribe* (P.L. 102-575, Title V). The fund was established for certain environmental and developmental purposes. One of the expressed purposes of this act is to put the Tribe in the same economic position it would have been had features contemplated by a September 20, 1965 agreement with the United States and others been constructed and thus, resolve tribal claims arising out of the agreement. In addition, the Act qualifies the Tribe's reserved rights and provides for the waiver of tribal claims related to this issue. The funds provided for by Section 504, like all funds provided for by the Act, with the exception of those funds provided for under Section 505, are intended to resolve legal claims related to the Tribe's water rights.
- *Pyramid Lake Indian Reservation* (P.L. 101-618). (Specifically, the Lahonta Valley and Pyramid Lake Fish and Wildlife Fund). The Lahonta Valley and Pyramid Lake Fish and Wildlife Fund consist of payments for the use of certain water and transfers from the Fisheries Fund. Except for the transfers, the use of the funds is subject to appropriations for fish and protection.

- *San Luis Rey Water Authority* (P.L. 100-675). This is settlement legislation that resolves pending water rights litigation between the United States, the Bands local entities. The Act established the San Luis Rey Tribal Development Fund and authorized appropriations of \$30 million to the Fund. Following execution of the proposed settlement agreement, the Secretary of the Treasury is directed to make the funds available upon the request of the Indian Water Authority.
- *Cochiti Wetfields Solution*. In 1994, the Army Corps of Engineers transferred \$4 million pursuant to P.L. 102-358 to fund the Department's responsibilities under the settlement agreement between Cochiti Tribe, the Corps, and the Department. The Secretary of the Interior is responsible for maintenance, repair, and replacement of a drainage system constructed by the Corps for the Cochiti Pueblo.
- *Southern Arizona Water Rights Settlement Act*. This Cooperative Fund was established to provide a source of funds to carry out the obligations of the Secretary under sections 303, 304, and 305 of the Act (Title III, P.L. 97-293, 96 Stat. 1274-1285). Only interest accruing to the fund may be expended.

### **Tribal Trust Fund**

This fund includes activities associated with the following accounts:

- *Funds Contributed for the Advancement of the Indian Race*. This fund accounts for any contributions, donations, gifts, etc., which are to be used for the benefit of American Indians in accordance with the donors' wishes (82 Stat. 171).
- *Bequest of George C. Edgeter*. This fund includes a donation made by George C. Edgeter; income is available according to the terms of the bequest for the expenditure as determined by the Assistant Secretary, Indian Affairs for the relief of American Indians.
- *Ella M. Franklin Fund*. This fund consists of a bequest, the principal of which is invested in U.S. Treasury securities, and the interest is to be used for the relief of American Indians as specified by the donors' wishes (82 Stat. 171).
- *Josephine Lambert Fund*. This fund includes a donation made by Josephine Lambert, income to be used for the health or education of underprivileged Indian children.
- *Orrie Shaw Fund*. This fund includes a donation made by Dr. Orrie Shaw, income used only for the training or education of American Indians.
- *Welmas Endowment Fund*. This fund was established to receive revenue generated by land owned by the decedent for the period of ten (10) years whereby the annual interest earnings of the endowment can be distributed by the Assistant Secretary- Indian Affairs for the education of members of federally recognized tribes; provided that 20% of the annual interest serves to benefit the education of Agua Caliente Tribal members. The Tribe has the option of obtaining complete control of the land, prior to the end of the endowment period, if it elects to fund the endowment so that the principal amount reaches \$750,000.
- *Arizona Intertribal Fund* (P.L. 100-696). The fund represents an exchange agreement for privately held lands in Florida for publicly held land in Arizona. Use of the money is subject to appropriations and is available to pay for supplemental education and child welfare programs.
- *Navajo Trust Fund* (P.L. 100-696). The fund ratifies an exchange of Federal land in Arizona.

- *Crow Creek* (P.L. 104-223). The Act established a corpus that is to be invested and makes the interest earnings available without appropriation for the various activities under Section 5. However, the Act does not appear to transfer ownership of the money to the Tribe or create a legal claim to the funds, until it is paid to them.
- *So Ute Tribal Resource Fund* (P.L. 106-554). This fund was established in FY 2002. As part of the requirements under Section 18 of the Act for disbursing the tribal resource funds, the Colorado Ute are required to submit a resource acquisition and enhancement plan or an investment plan to the Secretary for approval.
- *Ute Mtn Tribal Resource Fund* (P.L. 106-554). The fund was established in FY 2002. As part of the requirements under Section 18 of the Act for disbursing the tribal resource funds, the Colorado Ute are required to submit a resource acquisition and enhancement plan or an investment plan to the Secretary for approval.
- *Chippewa Cree Tribal Compact ADM/Chippewa Cree Future Water Supply* (P.L. 106-163). The fund was established in FY 2001. The trust fund is established under Title I, Sec. 104, Chippewa Cree Indian Reserved Water Rights Settlement Trust Fund. The ownership of the trust fund does not convey to the Tribe until such time as the Tribe waives all claims and meets the underlying settlement requirements.
- *Shivwits Band of Paiute Indians* (P.L. 106-263). The fund was established in FY 2002. Ownership of the trust fund does not convey to the Tribe until such time as funds have been appropriated and deposited into the Trust fund; the St. George Water Reuse Project Agreement, the Santa Clara Project Agreement and the Settlement Agreement are approved and in effect; the State Engineer of Utah has approved all applications necessary to implement the provision of the Santa Clara Project Agreement, St. George Water Reuse Agreement and the Settlement Agreement; the Court has entered a judgment and decree confirming the Shivwits Water Rights and is final as to all parties to the Santa Clara Division and the Virgin River Adjudication.
- *Northern Cheyenne Indian Reserved Water Rights Settlement Trust Fund*. This fund established a \$21.5 million trust fund for the Northern Cheyenne Indian Tribe. These funds may be used by the Tribe to make \$11.5 million available to the State of Montana as a loan to assist in financing Tongue River Dam project costs; land and natural resources administration, planning, and development; land acquisition; and any other purpose determined by the Tribe. In addition, this fund holds \$31.5 million for the enlargement and repair of the Tongue River Dam project.
- *The Crow Creek Sioux Tribe Infrastructure Development Trust Fund of 1996* (P.L. 104-223, 110 Stat 3026). The fund establishes a Crow Creek Sioux Tribe Infrastructure Development Trust Fund. In 1997, \$27.5 million was deposited into the Fund. The interest earned from the invested principal is available for payment to the Tribe for tribal educational, health care, recreational, and other projects.

**Tribal Special Fund**  
(Dollars in millions)

	Treasury Account ID: 14 – 5265 – 0	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Estimate</b>
	<b>Obligations by program activity</b>			
0001	Direct Program Activity	154	180	189
1000	Total new obligations	154	180	189
	<b>Budgetary resources available for obligation</b>			
2140	Unobligated balance carried forward, start of year	61	80	80
2200	New budget authority (gross)	173	181	189
2390	Total budgetary resources available for obligation	233	261	269
2395	Total new obligations	-154	-181	-189
2440	Unobligated balance carried forward, end of year	80	80	80
	<b>New budget authority (gross) detail</b>			
	<b>Mandatory:</b>			
6020	Appropriation (Special fund)	173	180	189
	<b>Change in obligated balances:</b>			
7310	Total new obligations	154	180	189
7320	Total outlays (gross)	-154	-180	-189
	<b>Outlays (gross) detail:</b>			
8697	Outlays from new mandatory authority	154	180	189
	<b>Net budget authority and outlays:</b>			
8900	Budget authority	173	180	189
9000	Outlays	154	180	189
	<b>Memorandum (non-add) entries:</b>			
9201	Total Investments, start of year: Federal securities: Par Value	61	80	80
9202	Total Investments, end of year: Federal securities: Par Value	80	80	80
9203	Total Investments, start of year: Federal securities: Market Value	460	438	438
9204	Total Investments, end of year: Federal securities: Market Value	438	438	438

Note: Table may not add due to rounding.

**Tribal Trust Fund**

(Dollars in millions)

	Treasury Account ID: 14 – 8030 – 0	2007 Actual	2008 Estimate	2009 Estimate
	<b>Obligations by program activity</b>			
0001	Direct Program Activity	32	50	52
1000	Total new obligations	32	50	52
	<b>Budgetary resources available for obligation</b>			
2140	Unobligated balance carried forward, start of year	53	69	69
2200	New budget authority (gross)	48	50	52
2390	Total budgetary resources available for obligation	100	119	121
2395	Total new obligations	-32	-50	-52
2440	Unobligated balances carried forward, end of year	69	69	69
	<b>New budget authority (gross), detail</b>			
	Mandatory			
6026	Appropriation (trust fund)	48	50	52
	<b>Change in obligated balances</b>			
7310	Total new obligations	32	50	52
7320	Total outlays (gross)	-32	-50	-52
	<b>Outlays (gross), detail</b>			
8697	Outlays from new mandatory authority	32	50	52
8700	Total outlays (gross)	32	50	52
	<b>Net budget authority and outlays</b>			
8900	Budget authority	48	50	52
9000	Outlays	32	50	52
	<b>Memorandum (non-add) entries</b>			
9201	Total Investments, start of year: Federal securities: Par Value	53	69	69
9202	Total Investments, end of year: Federal securities: Par Value	69	69	69
9203	Total Investments, start of year: Federal securities: Market Value	108	93	93
9204	Total Investments, end of year: Federal securities: Market Value	93	93	93

Note: Table may not add due to rounding.