

Goal 5: Meet Our Trust Responsibilities to American Indians and Our Commitments to Island Communities

“As the trustee, I clearly recognize the important obligations of the Department to put in place those systems, procedures, and people to fulfill our obligations to the trust beneficiaries, both individual Indians and tribes.”

Secretary Gale A. Norton, February 28, 2001.

Today there are 559 federally recognized American Indian and Alaska Native tribal governments in the United States. Each possesses inherent governmental authority deriving from its original sovereignty, a long-recognized principle of U.S. Constitutional law. The federal Indian trust responsibility is a legal duty on the part of the United States to protect Indian land and resources, fulfill treaty obligations, and carry out the mandates of federal law for the benefit of American Indian and Alaska Native tribal members.

The Bureau of Indian Affairs (BIA) is the primary agency of the federal government charged with the responsibility for administering federal Indian policy and discharging the federal trust responsibility for American Indian tribes, Alaska Native villages, and tribal organizations. The BIA provides services directly, or through agreements with tribes, to approximately 1.4 million American Indians and Alaska Natives. The extensive scope of BIA programs covers virtually the entire range of state and local government services, including:

- elementary, secondary, and post-secondary education
- social services
- law enforcement
- judicial courts
- business loans
- land and heirship records
- tribal government support
- forestry, agriculture, and rangeland development
- water resources
- fish, wildlife, and parks
- roads and housing
- adult and juvenile detention facilities
- irrigation and power systems

BIA programs are funded and operated in a highly decentralized manner. Over 90 percent of all appropriations now are expended at the local level, increasingly by tribes and tribal organizations operating under contracts or self-governance compacts. In addition, the BIA administers approximately 46 million acres of tribally owned land, approximately 10 million acres of individually owned land held in trust status, and about 205,000 acres of federally owned land.

The Office of the Special Trustee for American Indians (OST) has oversight responsibility for the improvement of the accountability and management of Indian funds held in trust by the federal government. As trustee, the Department of the Interior has the primary fiduciary responsibility to manage both tribal trust funds and Individual Indian Monies (IIM) accounts. Currently, the OST manages approximately \$3.2 billion held in trust for Indian tribes and individuals. Approximately \$2.8 billion is held in about 1,400 tribal accounts for about 290 tribes. The balance of approximately \$400 million is held on behalf of individual Indians in over 248,000 accounts and other special trust funds, including the Alaska Native Escrow Fund.

Interior also provides services related to energy and mineral development to tribes. The Bureau of Land Management is responsible for the inspection and enforcement of mineral leasing operations on tribal lands. The Minerals Management Service collects, accounts for, and distributes mineral revenues to tribes and allottees.

The Department employs the following strategies to meet its responsibilities to American Indians:

- Strengthen the trust relationship with Indian tribes, enhancing self-determination, encouraging self-governance, and supporting tribal efforts to improve economic opportunities for Native Americans.
- Resolve tribal and individual Indian trust asset management issues through the Department's High Level Implementation Plan.
- Facilitate the transition of Indian programs and services from federal to tribal delivery systems by implementing self-determination and self-governance policies.
- Consult on a sovereign-to-sovereign basis with tribal officials to ensure that the Department is an effective and responsive trustee.
- Support policies that favor the principles of negotiation and mutual cooperation within the context of the sovereign-to-sovereign relationship.
- Facilitate coordination of the federal role in Indian affairs to help interdepartmental initiatives improve the quality of life in tribal communities as much as possible.
- Foster increased tribal and parental direction of Indian education and facilitate increased overall quality of education for Indian children.
- Support private and public partnership initiatives to enhance tribal economic growth and opportunity.
- Reduce barriers and impediments to contracting and/or compacting of BIA programs.
- Provide the support necessary to improve the economic status of tribes through improved human capital and the promotion of self-sustaining businesses.
- Improve public safety in Indian communities through improved law enforcement services that reduce crime rates.
- Develop conservation and management plans to protect and preserve the natural resources on tribal lands.
- Teach and preserve Indian language, history, and culture.

The Department also has administrative responsibility for coordinating federal policy in the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for overseeing federal programs and funds in the freely associated states of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Interior's objective is to develop more efficient and effective government in the insular areas by recommending policies, providing financial and technical assistance, and strengthening federal-insular relationships.

The Department employs the following strategies to meet its commitments and responsibilities to island communities:

- Streamline internal procedures and create external incentives to accelerate the award of grant monies.
- Provide project management and other technical assistance to help island communities initiate and complete infrastructure construction.
- Provide financial and technical assistance to support long-term financial planning by island governments to improve fiscal management.
- Promote effective communication between island communities and other federal agencies to improve governmental relations.

The major departmental activities to achieve the goal of meeting responsibilities and commitments to American Indians and island communities are summarized in *Figure 9*.

Figure 9

Goal 5 – Meet Our Trust Responsibilities to American Indians And Our Commitments to Island Communities		
Subgoal and GPRA Program Activity	2001 Expenses (in millions)	2000 Expenses (in millions)
A. Improve the Indian Quality of Life		
A1. Tribal Government	\$196	\$183
A2. Economic and Technical Assistance	333	280
A3. Public Safety and Justice	144	139
A4. Community Development	1,256	1,137
A5. Administrative and Support Services *	0	0
A6. Education	716	705
<i>Subtotal 5.A</i>	<i>2,645</i>	<i>2,444</i>
B. Protect Indian Trust Assets		
B1. Resources Management	286	300
B2. Trust Lands and Resources	161	140
B3. Trust Management	67	86
<i>Subtotal 5.B</i>	<i>515</i>	<i>525</i>
C. Improve Management of Island Communities		
C1. Serving Island Communities	380	482
<i>Subtotal 5.C</i>	<i>380</i>	<i>482</i>
Total – Goal 5	\$3,539	\$3,451

* BIA allocates Administrative and Support Services expenses to other GPRA program activities.

Subgoal 5.A: Improve the Indian Quality of Life

GPRA Program Activity 5.A.1: Tribal Government *(Provide tribes with the resources they need to foster strong and stable tribal governments and to exercise their rights as sovereign nations)*

Background: The Bureau of Indian Affairs provides tribal government support under several broad and specific authorities that authorize the Secretary of the Interior to provide services to American Indians and Alaska Natives.

Performance Measure - Number of P.L. 93-638 Training Sessions Held and Number of P.L. 93-638 Technical Assistance Sessions Held. The Indian Self-Determination and Education Assistance Act, P.L. 93-638, authorizes tribes to enter into contracts, grants, cooperative agreements, or compacts with the BIA. The self-determination authority allows tribes to operate programs and provide services to Indian people that were at one time provided only by the BIA. This gives contracting or compacting tribes the authority and the flexibility to move funds from one program to another to meet the needs of their constituents.

2001 Results: The BIA exceeded its performance targets by conducting 65 P.L. 93-638 training sessions and 2,189 P.L. 93-638 technical assistance sessions. The technical assistance measure was redefined to include any assistance provided to Indian tribes in the area of self-determination, including, but not limited to, telephone conversations, e-mail messages, and written correspondence. It was originally defined as an official group meeting with Indian tribes.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Number of P.L. 93-638 training sessions held	N/A	2	4	22	22	65	70
Number of P.L. 93-638 technical assistance sessions held	N/A	0	45	57	200	2,189	2,200

GPRA Program Activity 5.A.2: Economic and Technical Assistance *(The Bureau of Land Management (BLM) will meet its trust responsibilities while providing economic and other assistance to federally funded tribes)*

Background: The BLM has a wide range of responsibilities in government-to-government relationships with Indian tribes and Alaska Native communities. These include:

- Disbursing payments of shared revenues derived from activities on the public lands;
- Disbursing payments-in-lieu of taxes (PILT);
- Conveying land to Alaska Native people, Native corporations, and the State of Alaska;
- Settling Alaska Native and American Indian allotment land claims;
- Providing tribes with technical assistance to develop leased energy and mineral resources;
- Providing fire suppression services on all federal and Native lands in Alaska; and
- Adjusting land tenure between federal agencies and states.

Performance Measures - Number of Post-Lease Actions Processed and Number of Compliance, Inspection, and Enforcement Actions Taken. The BLM provides technical assistance to tribes by supervising post-lease operations on 56 million acres of Indian trust

lands. Upon the issuance of leases and permits by the tribes/BIA, BLM carries out the Secretary's trust obligation in terms of supporting activities on Indian lands while protecting/enhancing environmental values and minimizing future liabilities.

2001 Results: The BLM processed 4,692 energy and mineral post-lease actions (target achieved) and 3,086 energy and mineral compliance, inspection, and enforcement actions on Indian lands (target not met). Although the results for the second performance measure were short of the target, the BLM satisfied the Secretary's Indian trust responsibilities related to energy and minerals management and development because actual demand levels were fully met.

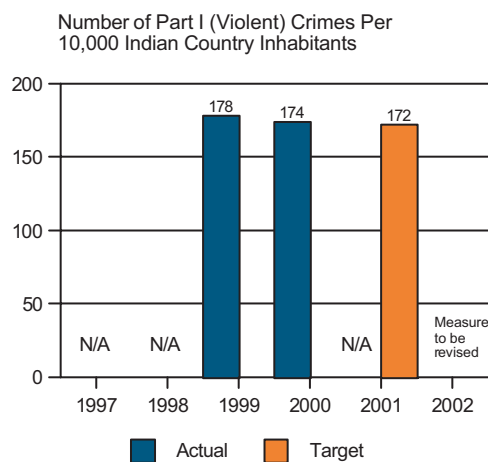
Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Number of post-lease actions processed	N/A	N/A	N/A	4,100	4,500	4,692	5,000
Number of compliance, inspection, and enforcement actions taken	N/A	N/A	N/A	3,400	3,500	3,086	3,800

GPRA Program Activity 5.A.3: Public Safety and Justice *(Provide quality investigative and police services and technical expertise to Indian tribes)*

Background: A reported crime in Indian country is twice as likely to be a violent crime as a crime reported elsewhere in the United States. An estimated 1 in 25 American Indians age 18 or older is under the jurisdiction of the criminal justice system. In contrast, there are fewer than half as many law enforcement officers and significantly fewer detention centers per capita in Indian country than elsewhere in the United States.

Performance Measure - Number of Part I (Violent) Crimes per 10,000 Inhabitants in Indian Country. The BIA strives to reduce the rate of violent crime in Indian country through the hiring of well-trained law enforcement personnel and strengthened efforts to increase clearance rates for crimes.

2001 Results: Data were not available at time of report publication. During 2001, 644 new officers were hired and crime prevention activities were instituted in many communities to reduce violent crime. In 2002, the methodology for collecting crime rate statistics will be revised to ensure consistency with the methodology used by the Department of Justice.



GPRA Program Activity 5.A.4: Community Development (*Strengthen tribal communities by developing self-sustaining economies and improving human and physical infrastructure*)

Background: The BIA strives to address major obstacles to economic stability in Indian communities such as unemployment, misrepresentation of Indian art and craftwork, and nonmaintained roads. These issues are all barriers to developing self-sustaining economic bases and the BIA is strongly committed to their reform.

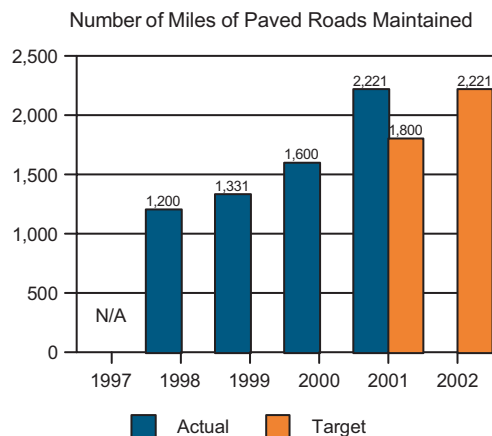
Performance Measure - Number of Schools on the Priority List Receiving Replacement Construction. Eighty-two percent of BIA’s building square footage is educational space. Two percent of these buildings are more than 100 years old, 20 percent are more than 50 years old, and 50 percent are more than 30 years old. School replacement priorities are based on a priority list of 20 schools. In January 2001, the BIA published a new Educational Facilities Replacement Construction Priority List that added seven schools to the January 2000 list of 13 schools.

2001 Results: The BIA met its performance target by providing for replacement construction of six schools in 2001. Six additional schools on the 2001 Educational Facilities Replacement Construction Priority List are targeted for replacement construction during 2002.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Cumulative number of schools on the 2001 priority list that began replacement construction	N/A	N/A	N/A	1993 List 3	2000 List 6	2000 List 6	2001 List 6

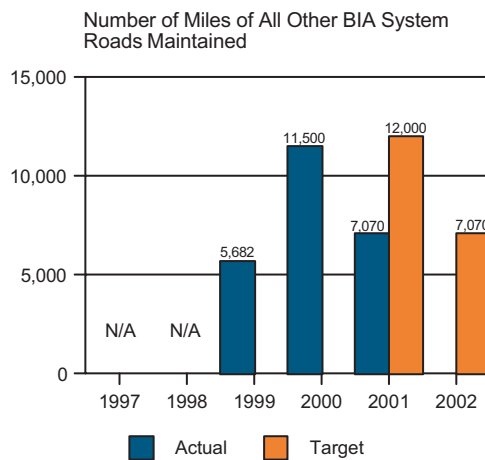
Performance Measure - Number of Miles of Paved Roads Maintained. The Transportation Equity Act of the 21st Century requires that BIA roads and bridges constructed using funds from the Department of Transportation’s Highway Trust Fund (HTF) be adequately maintained to protect the public investment. BIA uses the HTF to fund the construction and improvement of unsafe roads. BIA funds are used for maintenance activities, including smoothing roadway surfaces, cleaning ditches, removing snow and ice, filling potholes, and repairing pavement.

2001 Results: The BIA exceeded its performance target by maintaining 2,221 miles of HTF-funded roads. The BIA has improved data collection methods for this performance measure.



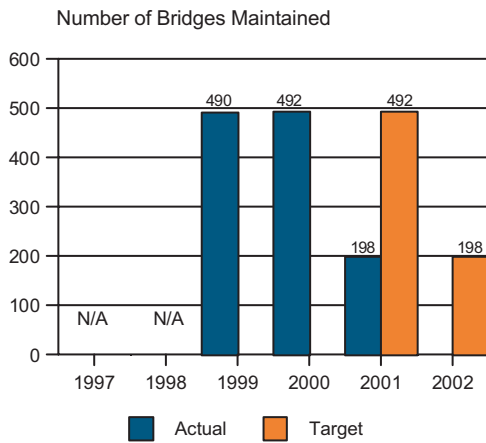
Performance Measure - Number of Miles of All Other BIA System Roads Maintained. BIA is responsible for maintaining 24,000 miles of BIA system roads in a condition that provides safe and adequate transportation to and within Indian reservations, Indian lands, and Indian communities for the development of economic bases and the enhancement of self-determination. Of these roads, 5,900 are paved miles and 18,100 are unpaved. The 24,000 miles fall within the 49,000 miles of roads covered by the Indian Reservation Roads program jointly administered by BIA and the Department of Transportation’s Federal Highway Administration (FHWA).

2001 Results: The BIA maintained 7,070 miles of other systems roads, falling short of its target of 12,000 miles. The 2001 performance target was miscalculated due to faulty data collection methods used in previous years. In prior years, the data reported were for miles of road that received maintenance, regardless of overall road condition. The revised data collection method will include only those miles of roads that are safely passable.



Performance Measure: - Number of Bridges Maintained. The BIA and the Federal Highway Administration (FHWA) provide the technical knowledge required to inspect half of all system bridges each year. Funds are used to address bridge safety deficiencies and conduct routine and preventive maintenance activities.

2001 Results: The BIA maintained 198 bridges, falling short of its target of 492 bridges. The 2001 performance target was miscalculated due to faulty data collection methods used in previous years. In prior years, the data reported was for any bridge that received maintenance, regardless of overall bridge condition. The revised data collection method will include only those bridges that have been fully maintained.

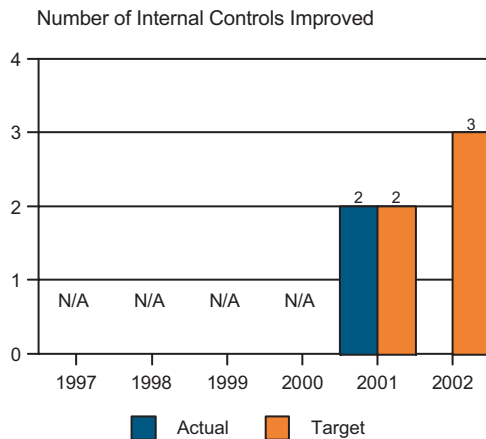


GPRA Program Activity 5.A.5: Administrative and Support Services *(Improve fiscal integrity and internal controls in the areas of property management, procurement, and finance, and improve processes for management and employee improvement)*

Background: The Bureau of Indian Affairs has deficiencies in several areas of administration that have resulted in material weaknesses in and qualifications of its Annual Financial Report.

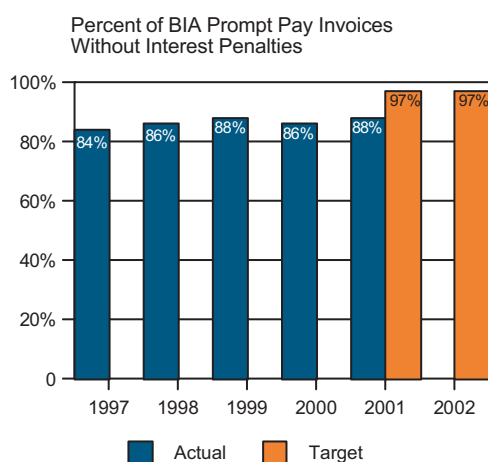
Performance Measure - Number of Internal Controls Improved. Although the BIA received an unqualified audit opinion in 2000, the OIG noted seven internal control weaknesses that should be addressed to preclude qualified audit opinions on future financial reports.

2001 Results: The BIA met its performance target by addressing internal control issues for deferred maintenance and providing stewardship and performance reporting.



Performance Measure - Percent of Prompt Pay Invoices without Interest Penalties. The Prompt Payment Act requires that payments be made within 30 days of receipt of invoice; otherwise, the federal government is required to pay interest. The BIA is striving to achieve the departmentwide standard of 97 percent.

2001 Results: The BIA paid 88 percent of its invoices without incurring Prompt Pay interest penalties. Although short of the 97 percent target rate, the 88 percent represents an improvement over the prior year. Regional offices achieved a 94 percent payment rate, while invoices processed centrally through contracted services in Denver, Colorado, reflected a 78 percent payment rate. The major reasons for the low performance rate include (1) delays in receiving proper invoices; (2) delays in receiving reports; (3) delays in executing purchase orders and contracts; and (4) computer system problems. As a result of the improved payment performance by regional offices, the dollar threshold for processing payments regionally has been raised for 2002. This is expected to reduce the number of payments processed centrally by the contractor in Denver, thereby increasing the overall performance rate.



GPRA Program Activity 5.A.6: Education *(Provide quality education opportunities from early childhood throughout life in accordance with tribal needs for cultural and economic well-being)*

Background: The federal government has a special, historic responsibility for the education of Indian children. The BIA strives to provide quality education opportunities from early childhood throughout life in accordance with tribes’ needs for cultural and economic well-being in keeping with the wide diversity of Indian tribes and Alaska Native villages as distinct cultural and governmental entities.

Performance Measure - Percent of Students Proficient in Math and Percent of Students Proficient in Language Arts. The implementation of the Educate America Act and the Improving America’s Schools Act of 1994 have enhanced BIA reform efforts. BIA schools are the only “state” in the union where all schools have developed School Reform Plans. These plans include student achievement and behavioral goals, parental involvement goals, and staff development strategies to improve teaching and learning.

2001 Results: Approximately 50 percent of students were proficient in math, short of the target of 54 percent. In language arts, approximately 50 percent of students were proficient, short of the target of 52 percent. In 2001, the passage of legislation required that new state assessments be approved and in use for the school year. Approximately 70 percent of BIA/tribal schools were located in states that did not have fully approved statewide assessments in place. A policy was developed that required these states to report only the norm-referenced portions of their statewide assessments. It is believed that this reporting variance may have impacted the statistical data used for these performance measures.

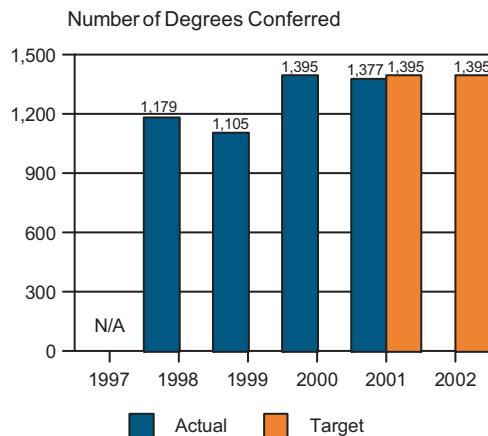
Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Percent of students proficient in math	N/A	41%	43%	50%	54%	50%	54%
Percent of students proficient in language arts	N/A	41%	41%	48%	52%	50%	54%

Performance Measure - Number of Degrees Conferred. The BIA is working toward full implementation of Executive Order 13021, Tribal College and Universities, for all tribal colleges by coordinating activities designed to increase partnerships among tribal colleges, elementary and secondary schools, and their respective communities. The BIA will provide for key requirements in the tribal colleges' funding priorities such as maintenance of accreditation, fiscal management, instructional capability, library services, student support services, staff and curricula development, and improved facility maintenance and construction.

2001 Results: Based on reports submitted by 24 of 25 Tribally Controlled Community Colleges, a total of 1,377 degrees were conferred, just short of the target of 1,395 degrees.



The BIA is one of only two agencies in the federal government that manages a school system. Over 48,000 students in 23 states attend 185 elementary and secondary schools that form the BIA school system (photo by Interior).



Subgoal 5.B: Protect Indian Trust Assets

GPRA Program Activity 5.B.1: Resources Management *(Assist American Indians and Alaska Natives in protecting and preserving their natural resources on trust lands and shared off-reservation resources)*

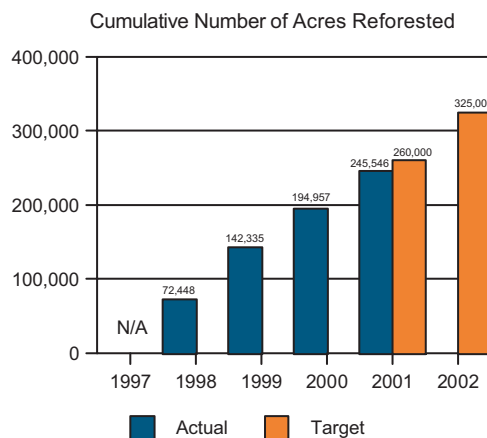
Background: The BIA's trust lands and resources management programs protect and develop, and enhance the management of nearly 56 million acres of Indian trust lands, including all ownership interests and rights to surface and subsurface resources, to benefit tribes and their members. The BIA works closely with Indian tribes to support the protection and prudent and integrated management of natural resources located on Indian lands and the meaningful exercise of off-reservation treaty hunting, fishing, and gathering rights. Key resource areas receiving support on Indian lands include reforestation, rangeland management, and fish and wildlife management. Key off-reservation resources providing for the exercise of treaty rights include Pacific salmon and Great Lakes fisheries.



The BIA assists tribes in developing conservation and management plans to protect and preserve their water resources (photo by Interior).

Performance Measure - Number of Acres Reforested. The BIA promotes forestry management and development through tree planting and precommercial thinning of areas identified in the annual inventory of forest development needs.

2001 Results: The BIA reforested 50,589 acres in 2001 for a cumulative total of 245,546 acres, just short of the target of 260,000 acres. Extreme fires at Mescalero and Colville and a large amount of rehabilitation on areas that burned during the 2000 fire season affected the amount of restoration and thinning that was completed in other regions.

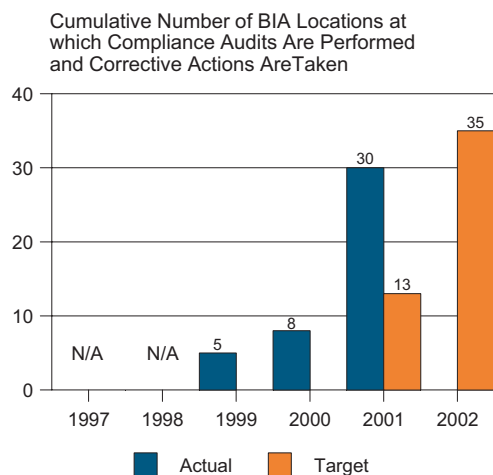


GPRA Program Activity 5.B.2: Trust Lands and Resources *(Ensure the trust responsibility to protect and preserve trust lands and trust resources)*

Background: The BIA is responsible for promoting the protection and preservation of trust resources through tribal litigation and negotiation of land and water settlements, environmental management, improved real estate transactions, and dam repair construction. BIA strategies for meeting these responsibilities include funding Interior water rights negotiation teams and tribal teams to conduct the legal and technical research needed to settle tribal water rights claims; funding historical and technical studies to support tribal land claims; conducting environmental audits in cooperation with tribes; developing and reviewing existing real estate manuals and handbooks regarding trust resource management to allow for efficient implementation of the BIA's trust responsibility to owners of trust resources; and completing dam repairs in accordance with the Department's Technical Priority Ranking list.

Performance Measure - Number of Locations at which Compliance Audits Are Performed and Corrective Actions Are Taken. The BIA has implemented an environmental auditing program that audits 100 percent of BIA facilities and operations every five years. The purpose of the audits is to identify possible areas where the BIA is not complying with environmental, cultural resources, and endangered species requirements. The BIA corrects any identified problems by providing compliance assistance training to BIA staff, improving recordkeeping, and, where budgetary resources allow, by funding corrective actions.

2001 Results: The BIA conducted compliance assistance audits and performed corrective actions at 30 locations in 2001, exceeding the target of 13 locations.



GPRA Program Activity 5.B.3: Trust Management *(Protect and preserve Indian trust assets and collect and accurately account for income due beneficiaries)*

Background: The Office of the Special Trustee for American Indians (OST) has oversight responsibility for the improvement of the accountability and management of Indian funds held in trust by the federal government. As trustee, the Department of the Interior has the primary fiduciary responsibility to manage both tribal trust funds and Individual Indian Monies (IIM) accounts. Currently, the OST manages approximately \$3.2 billion held in trust for Indian tribes and individuals. Approximately \$2.8 billion is held in about 1,400 tribal accounts for about 290 tribes. The balance of approximately \$400 million is held on behalf of individual Indians in over 248,000 accounts and other special trust funds, including the Alaska Native Escrow Fund. Most assets held in trust for Native Americans are owned by the trust beneficiaries and therefore are not federal assets.

Performance Measures - Number of Trust Transactions Processed and Number of HLIP Subproject Milestones Completed. The Bureau of Indian Affairs facilitates the growth of trust income by processing trust transactions for tribal and individual Indian land owners. The High Level Implementation Plan (HLIP) for Trust Management Improvement lays out the major steps that need to be taken to resolve trust management issues. Specific details are provided in the 11 subprojects and 309 milestones encompassed by the HLIP.

2001 Results: The Department processed 37,000 trust transactions in 2001, meeting the performance target. The Department also completed 47 HLIP milestones in 2001, falling short of the target of 62 milestones. Many of the milestones proved to be more complex and time-consuming than originally anticipated. More detailed explanations for milestone delays are provided in the 4th, 5th, 6th, and 7th quarterly status reports to the U.S. District Court for the District of Columbia (available at <http://www.ost.doi.gov>).

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Number of trust transactions processed (BIA)	N/A	33,000	35,000	35,400	37,000	37,000	37,000
Number of HLIP milestones completed (OST)		48	36	99	62	47	TBD *

* To be determined. The Department has concluded that HLIP milestones have become increasingly disconnected from the overall objectives of trust reform. In 2002, a new strategic plan will be developed to replace HLIP.

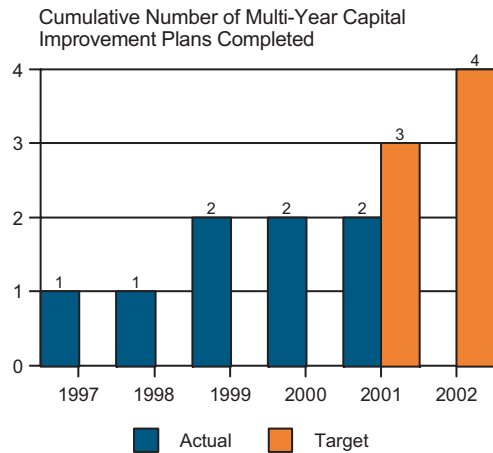
Subgoal 5.C: Improve Management of Island Communities

GPRA Program Activity 5.C.1: Serving Island Communities *(Assist island communities in developing more efficient and effective governments by providing financial and technical assistance, and to help manage federal-islands relations by promoting appropriate federal policies)*

Background: Interior has had a long relationship with the four U.S. territories and three affiliated, autonomous nations. The insular governments include American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia. The Secretary of the Interior has responsibilities to the islands that are mandated in law and through Executive orders. These are carried out by the Office of Insular Affairs (OIA).

Performance Measure - Number of Multi-Year Capital Improvement Plans Completed. The OIA believes it is very important to have long-term plans in place for capital improvements in the insular areas, particularly given the high dependence on federal funding for these improvements. Although plans were mandated under the Compact of Free Association Act of 1985, they have not been rigorously enforced or updated.

2001 Results: The OIA did not complete the capital improvement plan that was planned for the Federated States of Micronesia. Delays resulted from a change in leadership due to a Presidential election and a need for the Federated States of Micronesia to identify a source of matching funds for the technical assistance grant offered by the OIA. A draft plan was near completion as 2001 closed. The plan should be completed in early 2002.



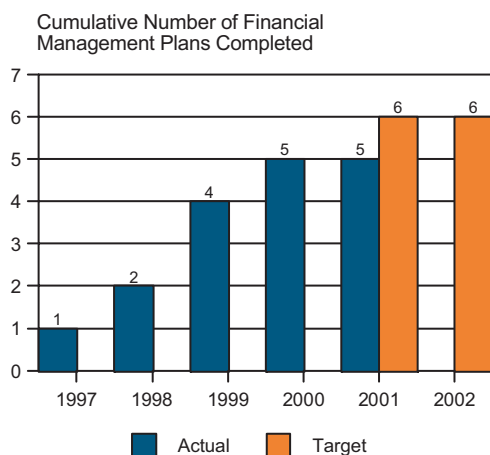
Performance Measures - Ratio of Capital Projects Completed to Capital Projects Started and Average Time of Grant Award to Project Completion. The OIA believes that the ability of insular areas to spend money quickly and effectively is an indicator of good governance. The OIA uses incentives to quickly move grants from award to project completion.

2001 Results: The OIA did not meet its performance targets as the ratio of capital projects completed to projects started was .8 and the average time from grant award to project completion was 43 months. Although the Commonwealth of the Northern Marianas (CNMI) has increased its pace in starting and completing projects, the local government is still working on a backlog of project funding that goes back several years. CNMI projects require a 50 percent local funding match. This requirement slowed progress for several years as the effects of a depressed economy made it difficult to find local funding. The rate of reduction in project completion time is likely to remain slow as there continues to be a backlog of unfinished projects in the CNMI.

Performance Measures	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Ratio of capital projects completed to capital projects started	N/A	N/A	.29	.56	1.0	.8	1.1
Average time (in months) from grant award to project completion	N/A	N/A	32	31	28	43	27

Performance Measure - Number of Financial Management Plans Completed. Good management in the insular governments, as demonstrated by sound financial management practices, is essential to achieving developmental goals and protecting taxpayers' money. The OIA cannot force the governments to develop plans, but it can offer expertise and other incentives if the governments will make the effort. In conjunction with the U.S. Department of Agriculture Graduate School, the OIA has gathered a team of experts with significant experience in the federal government, governmental and public auditing, and island financial systems and practices. To date, the program has been successful, specifically in terms of cooperation from the insular governments.

2001 Results: The OIA did not complete the financial management plan that was targeted in 2001. However, a draft financial management improvement plan for Pohnpei was submitted on October 2, 2001. Financial management improvement plans have been completed for the governments of the Virgin Islands, American Samoa, the Republic of Palau, the Commonwealth of the Northern Marianas, and Guam.



Performance Measures - Ratio of Technical Assistance Projects Completed to Technical Assistance Projects Started and Average Time of Grant Award to Project Completion. The OIA provides both financial and technical assistance to help ensure the insular governments are providing adequate public service and efficient governmental operations. Financial assistance is provided in several forms, including discretionary grants for operations to American Samoa and Enewetak; tax carryovers to Guam and the U.S. Virgin Islands; and guaranteed assistance for general operations and health and education to the freely associated states.



The insular governments for which the Department has varying responsibilities include American Samoa (above), Guam, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands, all of which are U.S. territories; as well as the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia, which are sovereign nations linked with the U.S. through Compacts of Free Association (photo by Interior).

2001 Results: The OIA's ratio of technical assistance projects completed to projects started was .78, falling short of the target of 1.0. A lack of comparative history made it difficult to establish a realistic target for this performance measure. The OIA believes that a large number of projects will be completed in 2002 as older projects are terminated and cleared out. The average time from grant award to project completion for technical assistance projects was 24 months, which exceeded the target of 28 months. Coral Reef, Brown Tree Snake, and American Samoa operations grants were completed in a shorter time than initially anticipated.

Performance Measures	1997	1998	1999	2000 *	Plan 2001	2001	Plan 2002
Ratio of technical assistance projects completed to technical assistance projects started	N/A	N/A	.39	.51	1.0	.78	1.1
Average time (in months) from grant award to project completion	N/A	N/A	61	11	28	24	27

* The data for 2000 has been revised to reflect information that was not available during last year's data call. The 2000 Accountability Report showed a ratio of .50 and an average time of 9 months.

Performance Measure - Customer Satisfaction Survey. Effective communication and the ability to clarify federal and insular positions is critical to the OIA's mission of serving the insular governments. The OIA will use customer surveys to measure insular governments' satisfaction with OIA communications.

2001 Results: The OIA met its performance target by conducting a survey and developing a baseline of insular governments' satisfaction with OIA communications. A baseline of 8.2 has been established.

Performance Measure	1997	1998	1999	2000	Plan 2001	2001	Plan 2002
Customer Satisfaction Survey	N/A	N/A	N/A	Baseline not completed	Complete baseline	8.2	8.3