



NEWS

U.S. DEPARTMENT OF THE INTERIOR

Office of the Special Trustee for American Indians

Telephone: (202) 208-4866

Fax: (202) 208-7545

Contact: Carrie Moore

HISTORIC INCREASE IN FY 2004 BUDGET FOR INDIAN TRUST MANAGEMENT REFORMS

The President's FY 2004 request for the Office of the Special Trustee for American Indians (OST) is \$274.6 million, an increase of \$123.6 million, or 82 percent, above the FY 2003 budget level.

Secretary Norton applauded this significant budget enhancement to support aggressive improvements in Indian trust programs.

The \$123.6 million increase will support on-going and new trust operations, and trust management reforms administered by OST, expand historical accounting activities for tribal and individual Indian accounts, and implement reorganization initiatives.

Secretary Norton stated, "Increasing efforts to fulfill responsibilities for trust management and improving services to Tribes and individual Indians is one of our greatest challenges, and a key mission of the Department. We inherited a legacy of inadequate management of trust accounts. We propose major investments to reverse that legacy. And, going forward, we need to create a more manageable portfolio by consolidating land ownership, where feasible. Our budget lays the ground work for this better future."

The budget includes \$130.0 million for historical accounting activities, an increase of \$112.5 million. These funds are requested to complete the reconciliation of more than 15,000 Individual Indian Money (IIM) accounts, reconcile more than 200,000 transactions related to IIM accounts, and resolve the ownership of special deposit accounts. Funds also will be used to provide for historical accounting activities related to tribal accounts.

(more)

An increase of \$15.0 million will provide for additional services to Indians and improved trust accountability through an OST reorganization, which includes the establishment of new Trust Officer positions. Trust Officers will be skilled trust administrators who will bring professional expertise to field locations to ensure that Departmental trust transactions are conducted in conformity with accepted protocols and in the best interest of the beneficiaries. These personnel will be dedicated as the first line of contact for trust beneficiaries on all questions related to their assets.

The request includes \$20.4 million, an increase of \$6.8 million, to accelerate efforts in trust records administration, management, storage and accessibility, and to meet document production and related litigation costs. The request also includes a total of \$18.9 million to continue operation of, and provide improvements to, the Trust Funds Accounting System.

The FY 2004 request supports ongoing efforts to reengineer the Department's trust business processes. A draft "As-Is" analysis of current trust activities was provided in December 2002. That analysis is being reviewed to identify improvements for incorporating into the "To-Be" process model that will provide the foundation for lasting trust reform. The business process modeling is necessarily detailed to allow for the development of standardized and improved Indian trust policies, procedures and business processes nationwide.

The Office of the Special Trustee for American Indians continues to make progress in the President's management agenda for improving management and performance of the Federal government, practicing the Secretary's vision for citizen-centered management excellence. The 2004 budget for OST supports the Department's new strategic plan goal for serving communities by fulfilling trust responsibilities to beneficiaries through oversight of trust programs and implementing of trust reform efforts department-wide. The OST programs will continue to work to integrate the budget with the performance goals in the Department's new unified strategic plan.

The Office of the Special Trustee is responsible for the oversight and coordination of the Department's trust asset reform and daily efforts to ensure the establishment of policies, procedures, systems and practices that allow the Department to effectively discharge its trust responsibilities. OST has operational responsibility for financial trust fund management, including the investment, receipt and disbursement of Indian trust funds. Additional trust functions are carried out by other Bureaus and Offices within the Department.

For example, the President's FY 2004 budget request for the Bureau of Indian Affairs similarly includes a substantial increase of \$44.9 million to fulfill its fiduciary trust responsibilities. These additional funds will provide for enhanced resource management programs, modernized information technology systems and security, and expanded efforts to reduce fractionated ownership of individual Indian land interests.

###