

**DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS  
BUDGET JUSTIFICATION FOR FISCAL YEAR 2005**

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**OVERVIEW OF FY 2005 BUDGET REQUEST***(Dollars in Thousands)*

Budget Authority	2003 Actual	2004 Enacted	2005 Request	2005 Request Change from 2004	
				Amount	Percent
Current	148,287	209,013	322,666	+113,653	+54%
Permanent	357,235	378,600	401,316	+22,716	+6%
<b>Total</b>	<b>505,522</b>	<b>587,613</b>	<b>723,982</b>	<b>+136,369</b>	<b>+23%</b>
<i>FTEs</i>	<i>437</i>	<i>550</i>	<i>581</i>	<i>+31</i>	<i>+6%</i>

**GENERAL STATEMENT**

The Department of the Interior is committed to fulfilling its trust responsibilities to American Indians and Alaska Natives effectively and efficiently. Interior also is committed to providing excellent service to the beneficiaries of the fiduciary trust. In FY 2005, the Office of the Special Trustee for American Indians (OST) will continue activities associated with trust reform and improvement that will ultimately enhance service and accountability to trust beneficiaries. The primary focus will be to continue implementation of the Comprehensive Trust Management Plan (CTM), continue to reengineer and improve trust processes, and complete the implementation of a more effective and efficient trust organization. In FY 2005, the Office of Historical Trust Accounting will begin full implementation of its five year plan to reconcile Individual Indian Money and tribal accounts and the Bureau of Indian Affairs - Indian Land Consolidation Office will continue its further expansion of its pilot program nationwide. All requested funding supports the Department of the Interior Strategic Plan under the goal Serving Communities-Fulfill Indian Fiduciary Trust Responsibilities, and supports the Secretary of Interior's key initiatives; trust reform, historical accounting, land consolidation and improving services to Native Americans.

Interior has responsibility for what may be the largest land trust in the world, approximately 56 million acres. OST oversees the management of trust assets as well as maintains, invests, disburses, and reports on financial assets generated from leasing and other commercial activities on these lands. Through implementation of the CTM goals improvements in trust beneficiary services, ownership information, management of trust fund assets, and self governance activities will be realized and will further the Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities end outcome goal.

## Trust Management Reform

The CTM, which was completed in March 2003, contains goals and objectives that Interior must achieve in performing its fiduciary trust responsibilities. The CTM articulates Interior's strategy for managing and reforming its trust responsibilities and will guide the implementation of this strategy. The budget request provides necessary funding to support fiduciary trust management reform.

**Vision:** The Department of the Interior's performance of its fiduciary trust responsibilities will be reliable, successful, and beneficiary focused.

The CTM defines and describes the vision, goals and objectives of trust reform and of operating the trust program. It begins by establishing a strategic framework that focuses Interior's strategic planning on the following key areas;

- beneficiaries,
- business processes,
- organization-workforce, and
- technology and data.

The major goals of the CTM that support the strategic framework are:

- Beneficiary services that are trusted, accurate, and responsive.
- Tribal self-governance and self-determination that increase participation in managing assets.
- Ownership information that is accurate, timely and reliable.
- Land and natural resource management that maximizes return while meeting desires of beneficiaries.
- Trust fund assets management that meets fiduciary principles.
- Administrative services that:
  - Enable and empower the organization and workforce to be an effective fiduciary trustee; and
  - Provide modern, appropriate systems and tools to manage the fiduciary trust.

The CTM will act as a roadmap to guide implementation of trust business processes and will be routinely evaluated to ensure Interior's responsiveness to beneficiaries and to fiduciary trust operations. The CTM may be updated and revised as required by the development of reengineered business processes and organizational requirements. As the CTM is executed, continual performance monitoring will be conducted to ensure CTM goal achievement. Performance measurements are expected to be incorporated in the execution of this plan. This information will be used to refine business processes and to refine the CTM, when and where appropriate.

## **Reengineering**

An integral part of Interior's trust reform is the development of standardized trust business processes. Interior reviewed current business processes to determine those that need to be reengineered and/or integrated with other processes. The results of this review will help achieve meaningful trust reform and improve the overall management of the fiduciary trust program. The review of current business processes (the "As-Is" model) was finalized in March 2003.

The next step, currently underway, is the construction of a "To-Be" model. The draft "To-Be" model has been shared with the tribes and Interior agencies and comments requested. The final model was expected to be completed by March 30, 2004. However, as a result of the consultation sessions with the tribes, the tribes requested an additional consultation period of 60 days to March 30, 2004. This advanced the date for the final "To-Be" model to May 31, 2004, with an implementation plan expected to be completed by June 30, 2004. This model is expected to take into consideration commercial sector trust business practices, as well as lessons learned during the "As-Is" studies.

As a result of the reengineering effort, Interior expects to make significant changes in the way business is currently conducted in all bureaus and offices involved in providing fiduciary trust services to beneficiaries. Changes will streamline activities and address only those functions that are essential to effectively and efficiently managing trust assets. The implementation of the reengineering will be fully underway in FY 2005.

## **Trust Organization**

On April 21, 2003, Secretary Norton signed a revised Department of the Interior Manual establishing a clear line of responsibility for trust operations within Interior. Trust responsibilities were realigned as part of the reorganization of OST and the Bureau of Indian Affairs (BIA).

The reorganization was developed after detailed analysis of the prior organization and a year-long consultation process with tribal leaders. It meets fiduciary standards, is accountable at every level and is to be staffed with people trained in the principles of fiduciary trust management. The new organization places a particular focus on Interior's fiduciary responsibilities to individual Indian and tribal beneficiaries. In addition to its statutory oversight duties and financial management, OST will expand its local agency presence to ensure that trust standards are followed in the management of both natural resources and financial assets.

Interior's current organizational approach is closely aligned with, and is a product of, the insight gained from an extensive consultation process with Indian country. The reorganization complies with concepts determined during the consultation process to be instrumental to the reorganization.

Under this reorganization, OST continues to be responsible for management of financial assets and certain reform projects, and maintains its statutory oversight responsibilities. Operating authority, including line authority over Regional Fiduciary Trust Administrators and Trust Officers has been delegated to OST by the Secretary. A staff of six Regional Fiduciary Trust Administrators will oversee a staff of Trust Officers, Trust Account Managers and support staff at BIA field locations.

The reorganization for the Office of Field Operations in OST focuses on putting the staff at the local level in the organization where the beneficiaries have the greatest access to the staff. As previously stated, this staff will consist of Regional Fiduciary Trust Administrators and Trust Officers and support staff at the local level. This new staff together with existing field staff will focus primarily on beneficiary services. This will encompass such things as: cash management through the use of such mechanisms as lock boxes; lease compliance in conjunction with an accounts receivable system; and face-to-face discussions with the beneficiaries.

Trust Officers will be co-located with BIA agency personnel, or in close proximity to these offices. Trust Officers also will be located in urban centers that have large beneficiary populations. Trust Officers will work closely with BIA Deputy Agency Superintendents, and will eventually become the first line of contact for tribal and individual Indian beneficiaries for issues related to their ownership of trust assets. Trust Officers will serve as a resource to agency personnel in the performance of trust transactions and will review those transactions that meet the criteria of having an increased risk associated with them (e.g., conflicts of interest). They also will serve as a primary point of contact for local collections, and ensure that proper documentation for trust transactions and internal controls are followed. The majority of Trust Officers' time is expected to be spent with beneficiaries answering inquiries and coordinating submission of transactions to accounting.

This reorganization places additional emphasis on the implementation of comprehensive and coordinated audit and risk management functions to improve overall fiduciary trust accountability. The Office of Trust Review and Audit will develop a trust asset management rating system which identifies agencies and tribal contractors requiring improvement in their fiduciary trust controls and management systems. It also will designate those areas where additional oversight will be required.

Many aspects of the reorganization will be completed in FY 2004, but additional resources are requested for FY 2005 to complete the staffing required for implementation of the reorganization and the "To-Be" business process model.

### **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. 162a)."

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The Department is currently involved in a major class action lawsuit *Cobell v. Norton*, and 25 tribal lawsuits associated with the Department's management of Indian trust funds.

On January 6, 2003, as ordered by the court in the *Cobell* litigation, the Department filed *The Historical Accounting Plan for Individual Indian Money Accounts*. The Department's accounting plan provides for a historical accounting for about 260,000 IIM accounts over a five-year period at a cost of approximately \$335 million. The accuracy of the transactions was to be verified by reviewing support documentation on a transaction-by-transaction basis for all transactions over \$5,000 and by statistically sampling transactions under \$5,000. The sampling methodology would be designed to provide a 99 percent confidence level of any error rate.

The FY 2005 budget for IIM accounting is based on an estimate of the Department's costs to begin full implementation of the *Historical Accounting Plan for Individual Money Accounts* after December 31, 2004. This amount may be revised depending on how the Court of Appeals for the District of Columbia Circuit rules with regards to the structural injunction in the *Cobell* case and on whether Congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in FY 2004 Interior and Related Agencies Appropriation Act. The Department will continue to work with Congress and trust beneficiaries to reach a settlement on the historical accounting and related issues.

The FY 2005 request for IIM accounting will continue efforts described in the plan and reconcile 200,000 transactions in land-based IIM accounts. It will also resolve the proper ownership of approximately \$8 million of residual funds in special deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts. In addition, OHTA plans to image approximately five million pages of trust records and code more than one million documents.

The FY 2005 request for tribal accounting will support work by OHTA on potential settlement negotiations with tribes. It will also provide funding to conduct historical accountings for tribes, administer settlements, and present tribal briefings, as requested. In FY 2005, OHTA expects to complete reconciliation for five tribes' trust fund accounts, image an additional three million pages of tribal documents, and code 1.3 million tribal documents.

### **Indian Land Consolidation Act (ILCA)**

One of the greatest challenges facing the government regarding fiduciary trust management is the fractionation or continuing subdivision of individual Indian interests in the land that the Federal government holds in trust. The Indian Land Consolidation Program (ILCP), which acquires small ownership shares in allotted lands, is a key component in trust reform and management. Over time, the system of allotments established by the General Allotment Act of 1887 and subsequent inheritance by multiple generations of descendants has resulted in the ownership fractionation of Indian lands. As original allottees died, their heirs received an equal, undivided interest in the allottees' lands. Approximately 27 million acres passed from Indian allottees by sale between 1887 and 1934, when the Indian Reorganization Act stopped the

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allotment program. An additional 60 million acres of Indian land were ceded or sold to homesteaders and corporations. In successive generations, smaller undivided interests descended to the next generation. Because of fractionation, the operation of the Indian trust on behalf of individual Indian beneficiaries became increasingly complex. The number of heirs to the original allotments ballooned and the size of the individual shares correspondingly decreased, resulting in hundreds of individuals owning those original allotments. Today, there are millions of owner interests in the 10 million acres of individually owned trust lands, a situation the magnitude of which makes management of trust assets extremely difficult and costly. These millions of interests will continue to expand exponentially, unless an aggressive approach to reduce fractionation is taken.

Addressing the rapidly increasing fractionation on Indian lands is critical to improving management of trust assets. Purchase and consolidation of fractional interests increases the likelihood of more productive economic use of the land, reduces record keeping and large numbers of small dollar financial transactions, and decreases the number of interests subject to probate.

In April 2003, BIA established the Indian Land Consolidation Office to purchase and consolidate fractionated interests and return the land to productive use. The ILCP program is managed by BIA, but it significantly impacts OST's operations and OST will continue to provide oversight of the program in FY 2005.

### **FY 2005 Budget Request**

The FY 2005 request addresses the following issues: fractionation, historical accounting, trust management reform, reengineering, and trust organization. The request also addresses litigation commitments, the Comprehensive Trust Management Plan, the Fiduciary Obligations Compliance Plan, identified audit weaknesses, and the Secretarial initiatives related to improving services to American Indians. These reform initiatives also support the Interior's strategic goal for fulfilling the Indian fiduciary trust responsibility, and will be implemented in a manner to promote and support the President's Management Agenda through utilization of the Secretary's four C's—Conservation through Cooperation, Consultation, and Communication. Performance measures are developed and will be continually refined to support activity planned in FY 2005, and will be used to assess performance results.

The FY 2005 request for OST accounts totals \$322.7 million, including \$247.7 million for Federal Trust Programs and \$75 million for Indian Land Consolidation. The request for the OST accounts reflects a net \$113.6 million or 54 percent increase in funds above the FY 2004 enacted level, including a 245 percent increase in Indian Land Consolidation. This robust increase provides additional funding for trust operations, reform activities, and significant increases for historical accounting and land consolidation. The FY 2005 request for the Office of Historical Trust Accounting is \$109.4 million, an increase of \$65.0 million over the FY 2004 level. This substantial increase provides the added resources to conduct historical accounting in accordance with the five-year historical accounting plan filed with the court, and addresses tribal

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accountings. These funds will provide for the reconciliation of an additional 200,000 transactions related to land-based IIM accounts; and resolve the proper ownership of the balances of approximately \$8 million in inactive special deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts.

Included within the increase is \$1.7 million in funding to provide additional support staff to the new Trust Officers in field locations that will provide oversight of fiduciary trust responsibilities as part of the overall fiduciary trust reorganization. These regional and agency staff will ensure that trust standards are followed in the management of these assets and will retain the responsibility for financial asset management.

Integral to the implementation of the Comprehensive Trust Management Plan is an increase of \$1.6 million for the expansion of third party audit coverage of fiduciary trust asset management activities that impact the adequacy of income (appraisals, leasing, collection and lease compliance). This is a shared program among the major Departmental bureaus and offices involved in fiduciary trust activities. This is critical to trust reform to ensure that the Department can attest to the adequacy of trust resource income. In addition, an increase of \$250,000 is requested to provide for additional review of self-governance trust asset management activities.

The FY 2005 request provides a total of \$21.7 million, an increase of \$1.6 million above the FY 2004 level, for records management activities. This increase provides \$1.3 million for additional litigation support and \$250,000 for establishment of a trust records training program with Haskell Indian Nations University. The \$1.3 million increase for litigation support is needed to address the growing court mandated and related costs for example; production of voluminous amounts of documents; contractors to index, image and sort documents; and attorneys to assist the Department in ongoing trust related litigation. It is expected that *Cobell v. Norton* and 25 tribal lawsuits alleging mismanagement and accounting errors will continue in FY 2005.

The FY 2005 budget request reflects full ongoing operational status of the trust funds accounting system. Included within the total are decreases of \$1.7 million as a result of the adjustment of the Interior-wide effort to address the requirements of information technology security, and trust systems architecture; \$2.5 million to reflect completion of tasks under the trust policy and procedures program; and \$4.0 million to reflect the reduction of one-time costs of establishing the trust administrators and trust officers in FY 2004.

Other changes for OST include increases of: \$398,400 for implementing a Department-wide Enterprise Services Network; \$184,000 for changes in WCF central billing to direct billing; \$53,200 for costs of consolidated financial statement and individual OST financial statement; and \$30,000 to support implementation of the Administration's high-payoff E-Government Initiatives to integrate agency operations and information technology investments.

Technical adjustments and transfers between OST and BIA accounts occurred as a result of the reorganization. Transfers to BIA from OST include funding of \$5,531,000 for the TAAMS title system and \$9,057,000 for the reality system modules. Program responsibilities for these

systems currently reside in BIA. Transfers to OST from BIA include funding for the appraisal program of \$10,922,000, space costs associated with the appraisal program of \$346,000, and the function of the Office of American Indian Trust for \$395,000.

Total uncontrollable costs are \$1,111,000 of which \$751,000 are budgeted and \$360,000 are absorbed.

The FY 2005 request includes an increase of \$53.3 million for ILCA. As of December 31, 2003, ILCA was active in four states on seven reservations, and had purchased 68,938 interests in tracts, totaling 42,075 acres. The increase of \$53.3 million will be utilized to expand the program through contractual arrangements with Tribes or private entities to assist in purchasing individual interests on behalf of the Department. It is estimated that approximately 60,000 additional interests can be acquired with the \$75 million. These are preliminary target numbers that could change based on the experience with the program and variances in the appraised values.

Budget Request by DOI Mission Component

(Dollars in Thousands)

	<b>2004 Enacted</b>	<b>2005 Request</b>	<b>Change From 2004</b>
Resource Protection			
Resource Use			
Recreation			
Serving Communities	209,013	322,666	+113,653
Management			
<b>Total</b>	209,013	322,666	+113,653

Section 343 Compliance

OST adheres to the requirements of Section 343 contained in the Department of the Interior and Related Agencies Appropriations Act, 2004, 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 governmentwide, departmental, and OST administrative functions or headquarters, regional or central office operations. Changes to such estimates will be reported by OST to Congress for approval.

Methodology – Generally, OST budgets for these costs in the Budget, Finance and Administration (BFA) program within the Program Operations and Support activity. Details of these costs are included in the BFA section. These centralized costs include funding requests for personnel, EEO, rent, telephone and working capital fund activities. Any exceptions to this practice will be reported to Congress.

## President's Management Agenda

### Management Excellence

OST continues to support the President's Management Agenda by encouraging competitive sourcing of non-inherently federal functions, promoting better integration of budget and performance, developing a workforce plan that will ensure a skilled workforce in the future, and proper accounting for financial resources. Due to the continued court ordered disconnection from the internet the Special Trustee has been unable to fully implement the President's e-government initiative.

### Budget Performance Integration

For the FY 2005 budget request, OST did not complete a Program Assessment Rating Tool (PART) review. During the latter half of FY 2003 OST began implementation of a major organizational realignment/reorganization to improve effectiveness and accountability of trust management. Implementation of the reorganization will continue in FY 2004. The new organization better supports achievement of the goals and objectives in the CTM and furthers accomplishment of the Serving Communities mission goal – Fulfill Indian Fiduciary Trust Responsibilities.

In preparing the FY 2005 budget submission, OST personnel worked close to link resource requests to the new Interior Strategic Plan mission goals. Interior performance data is integrated with detail program budget requests with established targets for FY 2004, FY 2005, and long-term FY 2008. The current suite of performance measures were developed as part of Interior's Strategic Plan revision in alignment with the CTM completed in March 2003. The measures went into effect in FY 2004, the first year covered by the new Strategic Plan. In FY 2003, Program Managers worked with the planning staff to identify availability of data elements to support the new measures. Therefore, limited performance data existed upon which to base management decisions for the FY 2005 budgetary process. As performance information is accumulated over FY 2004 and FY 2005, OST will be better able to factor this data into future budgetary decisions. For FY 2005, funding levels were based upon management knowledge of programs, and a detailed analysis of existing programs and operations as contained within the "As-Is" report.

During the second and third quarters of FY 2003 OST began development of an Activity Based Cost Management (ABC/M) system in line with the Interior mandate to implement ABC/M by October 1, 2003. The effort cost approximately \$224,000. Implementation of ABC/M will provide managers with cost information and time required to deliver products and services to beneficiaries. This information will be invaluable in the development of future budget requests and increasing efficiency of operations. OST has completed work on the development of an activity data dictionary which is the foundation of the ABC/M system. The activity codes are incorporated into the Federal Financial System (FFS) to ensure the credibility of information produced. Training was developed and provided to educate employees about ABC/M. Training will continue as the ABC/M is refined. ABC/M is in effect in OST for FY 2004.

As part of the detailed analysis of current trust management business processes, the “As-Is” team conducted studies of private organizations that manage trust to identify best practices and efficiencies. The team identified the use of a single point of contact in the private sector as a cost efficient business practice for implementation in Interior. In private industry, customer inquiries are handled through a single point of contact (e.g., Call Center and Trust Officers) supported by interrelated database systems. Private trust companies are able to provide efficient, high quality service with minimum inconvenience to the customer and minimal interruptions to operations staff. The management of trust assets in Interior has been highly decentralized creating an inefficient system for responding to tribal and individual Indian beneficiary inquiries. It is anticipated the implementation of a single point of contact will create a more efficient and effective trust organization and provide improved service to beneficiaries.

Field Operations staff will serve as the primary contact between Interior and beneficiaries with the introduction of Trust Officers in the field, many co-located in BIA agency offices. The initial Trust Officers were hired in early FY 2004 in the Concho and Anadarko BIA Agency Offices. It is anticipated that with the hiring of additional Trust Officers in field offices, account technicians and natural resource management staff who currently respond to beneficiary inquiries will be able to devote more time to processing transactions thereby improving fiduciary operations.

#### Strategic Management of Human Capital

OST formed a workforce planning group that completed developing the initial OST Workforce Plan, a road map for integrating human capital initiatives with program goals and objectives. The effort cost approximately \$244,000. The initial OST Workforce Plan was facilitated and assisted by the Interior Strategic Human Capital Management Plan for FY 2003-2007, the CTM, and by the staff of the Assistant Secretary for Policy, Management and Budget (PMB) as part of the overall Interior initiative to respond to cross-cutting workforce initiatives. The plan captures the analysis of workforce supply, demand and gaps based on historical trends, future projections and expected work demands and reflects the goals and objectives in the CTM to increase critical skills to carry out the mission in support of the Interior Serving Communities - Fulfill Indian Fiduciary Trust end outcome goal.

While effective workforce forecasting for out years, workload and budget cannot be fully substantiated until a historical baseline for the reform of trust asset management work can be established, the workforce numbers and skills as of May 2003 were compared with estimates of requirements for the future during the start up of the “To-Be” model process. This analysis formed the basis for identifying several workforce-planning challenges. These include:

1. In depth knowledge of trust funds management will continue to be critical to the delivery of services to the beneficiary. Key program delivery areas include beneficiary trust representation, trust financial management and the oversight of trust asset management. Adequate training and employee development will be critical to success.
2. With the performance focus on customer satisfaction with communications on trust issues, OST developed a recruiting plan to establish and fill positions in 45 pilot agencies.

Together with establishment of performance matrices, this staffing initiative is designed to achieve greater accountability to beneficiaries and to reduce the need for rework by account holders and field staff by ensuring thorough and accurate information and data gathering.

3. Approximately 25 percent of OST's current staff could retire by FY 2008, with nearly half of those eligible to retire during FY 2004.
4. In general, OST must focus on the renewal of its workforce and succession planning for supervisory and managerial positions.
5. Reorganization efforts and reengineering as guided by the CTM will affect the workforce skills analysis and planning strategies.

Most importantly, the Workforce Plan is a tool for identifying human capital needs, developing and implementing solutions, and evaluating progress and determining the need for revised or new strategies. The plan will be updated annually and used in conjunction with the performance plan to ensure that OST is strategically managing its human capital to meet the mission, vision, and goals.

#### Competitive Sourcing

OST continues to contract out work wherever it is identified to be more cost effective to have the work performed by contract rather than internal personnel. Much of the organization's administrative functions (i.e. personnel, finance, etc.) are performed by contract. In FY 2003, OST completed an in-depth study of the acquisition group comparing the costs of maintaining an internal contract group versus having the same work contracted out. The in-house study cost an estimated \$15,000. It was determined that the work could be performed more efficiently by contract. In Fiscal Year 2004, the acquisition work for OST will be performed by the National Business Center, which already provides financial services. OST acquisition staff were reassigned to other administrative functions.

Trust Services contracts for the trust fund encoding and post quality assurance processes. The centralized custodian function is contracted as well as the trust funds accounting system and the maintenance of the accounting system (referred to as a service bureau environment). Trust Services contracts the statement printing and mailing as well as the research and development of several reconciliation processes and certain special projects related to asset accounting research for several tribal trust accounts. Beginning in Fiscal Year 2004, Trust Services will contract for the "back room" investment accounting operations and explore the contracting of the investment security selection and execution function. The analysis for contracting out "back room" investment accounting operations cost OST \$1,100. Existing staff for investment accounting will be reassigned to other accounting functions. Other processes or functions contracted include the returned check lockbox and the investment performance measurement system.

In addition, Trust Accountability has transferred responsibility for oversight of the probate backlog contract work to the BIA together with a contract to perform a number of tasks to assist in the reduction and elimination of the probate backlog: researching information needed for probate cases, preparing probate cases for adjudication, and updating financial distribution and

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ownership records following probate. Another contractor obtains death certificates for probate cases from state vital records offices.

In Fiscal Year 2005, OST will continue to seek out opportunities for further contracting of non-inherently federal work.

#### Electronic Government

As noted previously, 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 central repository of trust reform projects did not exist, making it difficult to monitor and report progress. The CTM identifies a number of actions to be accomplished for trust reform to occur. In FY 2003, OST began development of a trust management tracking tool (TRAC – Trust Tracking and Coordination System). As of the end of the first quarter FY 2004, TRAC was completed and implementation is underway. TRAC is a web based application (intranet) that will provide tracking and reporting capability, to Interior personnel, on the status of the implementation of the CTM.

Bureau budget requests for information technology investments are included in the Interior-wide Exhibit 53, which has been submitted to OMB electronically, consistent with OMB Circular A-11 requirements. Capital Asset Plan and Business Case Exhibit 300s supporting bureau major investments are also transmitted to OMB electronically via I-TIPs. The Department and Bureaus have worked extensively this past year on improving the Exhibit 53, including a standard methodology for identifying funding sources in a manner that is meaningful for budget review and an updated UPI coding to align with the Interior's Strategic Plan as well as the Federal Enterprise Architecture.

Interior is moving towards an enterprise approach to managing information technology throughout Interior. As such, a significant number of investments in information technology that benefit OST are described in Interior's summary FY 2005 budget.

The FY 2005 budget reduces funding for OST's share of the Interior-wide Certification and Accreditation (C&A) program by \$483,000, as detailed in the supporting Exhibit 300 business case. Funding has been redistributed to bureaus consistent with milestones established and agreed to by the Department's Chief Information Officer for (C&A) systems, and average costs of performing C&A as determined based on market research. The Department's schedule for C&A requires that bureaus conduct C&A on their IT systems based on a risk-based approach concentrating on the most important (high risk) systems first. All high-risk systems are required to obtain full accreditation by December 2004, with all remaining systems obtaining accreditation by the end of CY 2006.

The following table summarizes OST investments in information technology:

**Summary of Information Technology Investments**  
(Dollars in Thousands)

		<b>2004 Enacted</b>	<b>2005 Request</b>	<b>Change from 2004</b>
<b>Bureau Major Investments</b>				
TFAS	Trust Funds Accounting System	14,238	14,238	0
GSS	General Support System		5,932	+5,932
	<b>Total</b>	14,238	20,170	+5,932

This is the first year that OST has reported the costs associated with its General Support System. This does not reflect a change in the budget, only enhanced reporting. OST has two major IT investments. They are Trust Funds Accounting System (TFAS) and the OST General Support System (GSS).

TFAS supports the Interior mission of Serving Communities - Fulfill Indian Fiduciary Trust Responsibilities by providing a commercial off-the-shelf trust accounting system that incorporates private sector system standards. Further, OST supports the Strategy to "Manage Trust Fund Assets for Timely and Productive Use" to ensure that 100 percent of beneficiaries who have valid addresses on TFAS receive a statement of performance. TFAS is currently being used to account for approximately \$3.3 billion in trust funds in approximately 260,000 IIM and approximately 1400 tribal accounts.

OST has been able to standardize the input to TFAS and has incorporated both pre and post quality assurance procedures to ensure adherence to fiduciary trust policies and procedures. This effort has allowed OST to follow a best practices approach and maintain continuity.

Stakeholder benefits include increased assurance through utilization of a commercial off-the-shelf (COTS) system that is currently used by approximately 70 percent of the U.S. trust departments. The COTS product undergoes a yearly independent audit at the request of the vendor's user group. The results are reported in a Statement of Auditing Standards (SAS) 70 report.

TFAS is owned and operated by a non-government company and in FY 2003 OST awarded a firm fixed price contract for a base year, FY 2003, and four option years.

The OST GSS is comprised of a variety of components and personnel support. OST has prepared OMB Exhibit 300-1's and Exhibit 53's for the following items:

*(Dollars in Thousands)*

<b>Item</b>	<b>FY 2005</b>
FFS	468
Data Portal	1,750
FPPS	110
GPEA	9
C & A	77
GSS	1,550
IEA	1,048
IT Security	920
<b>Total</b>	<b>5,932</b>



**PERFORMANCE BUDGET**

**Serving Communities Goal**

*(Dollars in Thousands)*

	<b>2004 Enacted</b>	<b>2005 Request</b>	<b>Change From 2004</b>
Fulfill Indian Fiduciary Trust Responsibilities	209,013	322,666	+113,653

In serving the Nation’s citizens and communities, Interior is responsible for fulfilling the Government’s fiduciary Indian trust responsibilities to American Indians, Alaska Natives and affiliated Island Communities. Among Interior’s fiduciary Indian trust responsibilities is collecting, investing and disbursing to tribal beneficiaries the revenues generated from commercial activities on trust lands. In order to achieve its goal for serving communities, Interior must collaborate with its many constituents. To accomplish this, the Department applies the Secretary’s Four C’s Vision - “Conservation through Cooperation, Consultation, and Communication.” The Four C’s not only communicate the Secretary’s vision for effective program management in Interior, they clearly reflect the Secretary’s goal of involving others in carrying out Interior’s mission. By actively working with communities, partners, customers, contractors, volunteers, and stakeholders to obtain their input and feedback, we are confident that our delivery of services and products will improve and the public’s confidence in our ability to serve them will correspondingly increase.

**Trust Management Mission:**  
 To perform our fiduciary trust responsibilities to American Indian tribes, individual Indians, and Alaska Natives by incorporating a beneficiary focus and beneficiary participation while providing effective, competent stewardship and management of trust assets.

The Office of the Special Trustee for American Indians contributes to the accomplishment of the Serving Communities mission goal, through the implementation of the CTM plan for trust reform that supports fulfillment of the Interior’s trust responsibilities. OST and BIA are the two primary entities in Interior responsible for the administration of the Secretary’s fiduciary trust responsibilities. The role of OST is to oversee Interior’s performance of trust asset management, management of financial assets, and to provide

beneficiary services for tribes and individual Indians. OST manages trust accounts that total approximately \$3.3 billion. These funds are maintained, invested, and reported by OST in compliance with Congressional and other legislative mandates. OST’s oversight role for trust management and management of financial assets is a critical component in carrying out Interior’s fiduciary responsibilities to tribes, individual Indians, and Alaska natives.

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

**Improve Indian Trust Beneficiary Services** by routinely providing timely, accurate, understandable statements; providing convenient access to trust account services and information; developing and maintaining effective communications and facilitating beneficiary involvement in trust management; providing assistance to tribes in the management of trust assets; and working to increase the number of tribes that participate in cooperative audit programs for mineral leases.

**Improve Indian Trust Ownership and Other Information** through distribution of trust assets to heirs after BIA or OHA renders probate decisions; and ensuring accuracy and integrity of data maintained in agency offices and account systems.

**Improve Management of Land and Natural Resources** by obtaining appraisal information, as needed on trust and restricted lands for tribal and individual Indian owners; and overseeing implementation of the Indian Land Consolidation program to reduce the number of fractionated interests in land.

**Manage Trust Fund Assets for Timely and Productive Use** through managing and investing funds held in accounts on behalf of individual Indians and tribes; and, collecting, disbursing, and accounting for funds quickly and accurately.

**Support Indian Self Governance and Self Determination** by fostering expansion of self-governance compacts and self-determination contracts in a manner consistent with Interior's fiduciary responsibilities.

OST's role and responsibilities encompass all of the above trust reform strategies, actual program management is limited primarily to beneficiary services and management of trust fund assets. In the other three strategies OST's role is primarily oversight, evaluation and establishment of policy and procedures to ensure compliance with applicable laws and regulations which govern Interior's fiduciary trust responsibilities. As part of the trust reorganization the Special Trustee's oversight role was expanded, a key component was the installation of Trust Officers and Regional Trust Administrators mainly in BIA Agency Offices to ensure adherence to laws and regulations that pertain to management of the trust.

The OST's programs further the accomplishment of Interior's fiduciary trust responsibilities through the following program activities:

- **Trust Services** – \$9.1 million is provided to carry out financial activities that pertain to the maintenance, investment, and reports on approximately \$3.3 billion of funds held in trust for Indian tribes and individuals.

- **Field Operations** - \$33.8 million is provided to improve beneficiary services, and for oversight of trust management activities in the field to ensure that standards are followed in the management of both natural and financial assets on behalf of beneficiaries. Funds will support implementation of the 'To-Be' beneficiary services delivery model.
- **Trust Accountability** - \$33.7 million is provided for development and delivery of trust training; review and development of trust policies, regulations, and procedures; and implementation of special projects, including the 'To-Be' process redesign to ensure proper organizational structure to effectively carry out the Interior trust responsibilities.
- **Office of Historical Trust Accounting** - \$109.4 million is provided for the implementation of the five-year historical accounting plan.
- **Indian Land Consolidation** - \$75 million for the acquisition of small individual interests in trust lands for more efficient and cost effective management of assets. Although, requested in OST's budget, the program work is conducted by BIA. Purchase of fractional interests increases the likelihood of more productive economic use of the land, reduces record keeping and large numbers of small dollar financial transactions, and decreases the number of interests subject to probate. The pilot purchase program in the Great Lakes Region demonstrated that large numbers of owners are willing to sell and a purchase program can be administered at reasonable cost.

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

Interior has had major challenges in meeting its Indian trust management responsibilities. This includes managing financial accounts for approximately 300 tribes and well over 230,000 individuals; natural resource trust assets such as potential energy and non-energy mineral deposits, timber, and grazing land; and cultural heritage resources. Considerable effort and dollars will be devoted to managing all these assets and to correcting problems and improving performance. Interior has been working with tribal governments to ensure that mineral revenue receipts are distributed in a timely manner, that technical and economic assistance are 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 will require Interior to work in partnership with the tribes to ensure that we become more effective and efficient in meeting our trust responsibilities.

The Interior Strategic Plan measures in the following tables were derived from the CTM goals and objectives to gauge progress toward improving beneficiary services, ownership information, management of trust land and natural assets, and support for self governance and self determination compacts and contracts. Progress in each of these identified strategies will move Interior closer to reforming the management of trust. Once the new 'To-Be' business process model is completed, OST will be able to develop additional performance measures indicative of work performed and results to be achieved.

**Performance Summary**

End Outcome Measures	2002 Actual	2003 Actual	2004 Plan	2005 Plan	Change in Performance 2004 to Planned 2005	Long-term Target (2008)
<b>End Outcome: Fulfill Indian Fiduciary Responsibilities</b>						
<b>Beneficiary Services:</b> Percent accuracy of financial account information provided to beneficiaries (SP) <sup>1</sup>			26%	27%	+1%	95%
<b>Timeliness:</b> Percent timeliness of financial account information provided to trust beneficiaries. (SP) <sup>1</sup>			100%	100%	0%	100%
<b>Trust Fund Accountability:</b> Percent of Federal Managers Financial Integrity Act management control plans with corrective action plans in place. (SP) <sup>1</sup>			80%	90%	+10%	98%
<b>Self-Governance/Self-Determination:</b> Number of trust funds under tribal management by tribes that seek to do so (SP).			5	5	0	8
<b>Historical Accounting:</b> Percent of land based IIM transactions, as identified in the 1/6/03 Plan for Historical Accounting that will be reconciled. (SP) (see information below) <sup>2</sup>						
Judgment Accounts <sup>2</sup>	13,300	4,050	35,000	28,150	-6,850	NA
Per Capita Transactions <sup>2</sup>	88,000	35,000	35,000	35,000	0	NA
SDA Dollars <sup>2</sup>	NA	\$10 million	\$30 million	\$8 million	-\$22 million	NA
IIM Transactions	0	2%	N/A <sup>3</sup>	40%	+40%	100%
Tribal Accountings <sup>2</sup>	NA	0	3	5	+2	25

1\ FY 2003 MMS revenue reported, beneficiary statements mailed, and management control weaknesses used as static basis for '04 and '08 targets.

2\Due to constant change in the denominator a percent measure is not possible.

3\ Reconciliation work temporarily suspended pending Congressional decision on accounting method.

Intermediate Outcome Measures	2002 Actual	2003 Actual	2004 Plan	2005 Plan	Change in Performance 2004 to Planned 2005	Long-term Target (2008)
<b>Intermediate Outcome: Improve Indian Fiduciary Trust Beneficiary Services</b>						
<b>Intermediate Outcome Measures (Key (SP) and Non-key (NK))</b>						
<b>Communication:</b> Tribal leadership and individual account holder satisfaction with consultation and communication on trust issues. (NK)			65%	70%	+5%	85%
<b>Intermediate Outcome: Improve Indian Fiduciary Trust Beneficiary Services</b>						
<b>Intermediate Outcome Measures (Key (SP) and Non-key (NK))</b>						
<b>Responsiveness:</b> Responsiveness of OST to tribal and individual trust concerns and needs. (NK)			70%	75%	+5%	90%
<b>Intermediate Outcome: Improve Indian Trust Ownership and Other Information</b>						
<b>Intermediate Outcome Measures (Key (SP) and Non-key (NK))</b>						
<b>Ownership information:</b> Percent of missing owner information recovered. (SP) <sup>4</sup>			25%	25%	0%	TBD
<b>Records Management:</b> Percent of BIA/OST programs reviewed to identify improvements needed in their Records Management Program. (NK)			N/A	33%	+33%	100%
Number and acreage of land acquisitions to increase land use capabilities and reduce fractionation of land interests			23,500 interests 18,500 acres	60,000 interests 42,000 acres	+36,500 interests +23,500 acres	TBD
<b>Intermediate Outcome: Improve the Management of Land and Natural Resource Assets</b>						
<b>Intermediate Outcome Measures (Key (SP) and Non-key (NK))</b>						
<b>Appraisals:</b> Percent of appraisal reports completed within requestor business requirements. (NK)			80%	80%	0%	90%

<sup>4</sup> When OST starts reporting assets for accounts with no income to the individual beneficiaries OST will be using addresses provided by BIA. It is anticipated the 'Whereabouts Unknown' base will increase significantly. At this time OST does not know what the pool of 'Whereabouts Unknown' will be for FY 2005 and 2008.

Intermediate Outcome Measures	2002 Actual	2003 Actual	2004 Plan	2005 Plan	Change in Performance 2004 to Planned 2005	Long-term Target (2008)
<b>Intermediate Outcome:</b> Improve Management of Trust Assets for Timely and Productive Use						
Intermediate Outcome Measures (Key (SP) and Non-key (NK))						
Percent of revenue recorded in the Trust Financial Accounting System within 24 hours of receipt (SP) <sup>5</sup>			95%	96%	+1%	99%
<b>Intermediate Outcome:</b> Support Self Governance and Self Determination						
Intermediate Outcome Measures (Key (SP) and Non-key (NK))						
<b>Technical Assistance:</b> Percent of technical assistance requests for tribal management of trust assets met in timeframe requested. (NK)			100%	100%	0%	100%
<b>Cooperative Programs:</b> Percent of risk management/ internal control programs cooperatively implemented by OST and Self Governance and Self Determination tribes. (NK)			50%	80%	+30%	98%

5\ FY 2003 MMS revenue reported used as static basis for '04 and '08 targets.

### Performance Accomplishments

To further achievement of the Secretary's Serving Communities - Fulfill Indian Trust end outcome goal OST will continue efforts to ensure the accuracy of account information provided to beneficiaries. Until completion of the historical accounting, OST can only attest to the accuracy of balances for per capita and judgment accounts established by OST or reconciled by OHTA. This represents 26 percent of accounts in FY 2004 and 27 percent of accounts in FY 2005. OST will provide account 'performance,' statements to 100 percent of beneficiaries with a valid address on file. In FY 2003, 580,000 performance statements were mailed to beneficiaries. OST will continue to provide technical assistance to tribes that request to manage their trust assets. In FY 2005, it is anticipated that five tribes will request to manage assets. OHTA will continue reconciliation work to verify the accuracy of the account balances held in trust on behalf of beneficiaries. The accounting is scheduled to be completed by 2008.

OST will achieve the following intermediate program accomplishments:

**Improve Indian Fiduciary Trust Beneficiary Services:** Introduction of the Trust Officers and Regional Trust Administrators in FY 2004 will enable improved customer satisfaction with communication and improved responsiveness to individual and tribal concerns in FY 2005 and beyond. OST will become more proactive in soliciting feedback from beneficiaries on products and services. The current response rate is extremely low, largely from beneficiaries satisfied with the service received. It is anticipated increased feedback will result in lower customer satisfaction rates for FY 2004 and FY 2005, with a long-term goal of 85 percent customer satisfaction. The new Trust Officers will increase the number of staff in the field available to provide service and assistance to beneficiaries.

For FY 2004, the target is to achieve 65 percent customer satisfaction on communications on trust issues, through responses on a 'Quality Service Survey'. For the period FY 2004 through FY 2008 Field Operations is planning on a metric increase of customer satisfaction per year of five percent each FY (i.e. FY04-65%, FY05-70%, FY06-75%, FY07-80%, and FY08-85%). The initial barometer for determining if these objectives are met is through customer surveys and outreach meetings. Another target in FY 2004 is to respond to tribal and individual inquiries within two business days, 70 percent of the time and to respond to all other inquires within 30 days. Once again the projected increase per FY is five percent (i.e. FY04-70%, FY05-75%, FY06-80%, FY07-85%, and FY08-90%). This metric will be tracked through the beneficiary call center via logs and ultimately automated software.

**Improve Indian Trust Ownership and Other Information:** The Office of Trust Records (OTR) will conduct assessments of 33 percent of the BIA and OST programs to identify improvements needed in the records program. In FY 2004, the Office will provide training to field personnel on the criteria developed in FY 2003 for the proper maintenance of trust records.



The long-term goal is to assess 100 percent of records programs by fiscal year 2008. The review will be an ongoing effort with the goal of reviewing 100 percent of programs every three years.

The Indian Land Consolidation Program will acquire approximately 60,000 interests and 42,000 acres of allotted lands. These are preliminary target numbers that could change based on the experience with the program and variances in the appraised values. Consolidation of these lands will help reduce future probate workload by reducing the number of heirs to trust lands. This increase will expand the number of existing program sites to thirteen reservations. With less sub-divided interests in trust lands, management of the land on behalf of beneficiaries will be more efficient and effective.

**Improve the Management of Land and Natural Resource Assets:** Appraisal Services will provide a report in response to a request from BIA within 90 days, 80 percent of the time in FY 2004 and 2005 with anticipated resources. The long-term goal is to provide a report within 90 days 90 percent of the time. 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 is critical information in their decision making on leasing activities on trust lands.

**Improve Management of Trust Assets for Timely and Productive Use:** Trust Services will maintain a high rate of revenue collections for oil and gas revenue recorded in the Trust Funds Accounting System (TFAS) within 24 hours of notification. By 2008 the goal is for 99 percent of funds to be recorded in TFAS within 24 hours of notification.

**Support Self Governance and Self Determination:** In FY 2005 the Office of External Affairs goal is to maintain 100 percent response rate to tribes seeking technical assistance within requested timeframe. Also, as a result of outreach initiatives it is estimated that five tribes will formally request to manage their own trust assets.

OST prior year accomplishments include: completion of the CTM plan that outlines the Secretary's vision for trust reform (The CTM document is the blue print for Interior's trust reform effort and ultimate accomplishment of the fulfill Indian trust strategic plan goal); implementation of the trust reorganization to a more performance-based accountable organization; and completion of the 'As-Is' study of existing trust business processes and incorporation of the information into the new 'To-Be' trust model.

Additionally, in the beginning of FY 2004, OST implemented ABC/M and performance measurement. The resulting data will provide management with information for use in future resource allocation, workload analysis, and budget formulation decisions.

#### Data Verification and Validation

The Office of the Special Trustee for American Indians data verification and validation (V&V) procedures will utilize a three prong approach using the *'Data Validation and Verification*

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*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 quarterly for all performance measures, (2) periodic rating coordinated by the Office of Trust Review and Audit, and (3) audits by external staff from the Office of the Inspector General, General Accounting Office, or Independent Audit firm.

Primary responsibility for data quality will reside 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 Interior V&V assessment guidance. The senior manager has ultimate responsibility for data quality, and annually will submit certification.

Data for measuring program accomplishments will come primarily from the Trust Funds Accounting System (TFAS) - a commercial trust accounting application, the Status Report to the Court, and work logs maintained by offices.

## Unified Trust Budget

In FY 2004 Interior implemented a new approach to displaying the information budgeted for Indian trust programs, a Unified Trust Budget incorporating all of the fiduciary Indian trust programs of BIA and OST. The Unified Trust Budget totals \$614.4 million and includes net increases totaling \$161.1 million in FY 2005. This is an increase of 36 percent above the FY 2004 enacted level. The Unified Trust Budget is developed around the trust management goal structure in the new strategic plan. The Unified Trust Budget request includes \$322.7 million for OST and \$291.8 million for BIA trust asset management programs, an increase of \$113.6 million, and \$42.0 million respectively, above the FY 2004 request.

### Unified Trust Budget – BIA Programs

Management of trust assets for tribes and individual Indians has been a key component of the BIA mission for well over a century. BIA is working closely with OST on the Secretary's ongoing efforts to reform current trust systems, policies, practices, and procedures. The BIA budget proposes a net program increase of \$42.0 million for trust improvements, mainly in the area of information technology, trust services, probate, forestry, and workforce improvements.

### Land and Natural Resources Assets

Natural resource programs play a critical role in the delivery of trust responsibilities and the ability of BIA to manage trust assets. The BIA budget includes an increase of \$1.0 million to improve management of Indian forests, which cover 17.9 million acres located on 275 reservations in 26 States. The request will increase the number of reservations covered by forest management plans (FMP), a key component for comprehensive management of a reservation's resources. Used for strategic planning purposes, plans are designed to optimize benefits, including sustainable increases in revenue, as well as address best management practices on reservation forests. Currently, only 44 percent of forested lands on reservations are covered by FMPs.

### Improving Trust Management

In FY 2003, the Department began reorganizing trust functions in the BIA and OST. The reorganization synchronizes and increases BIA and OST focus on the fiduciary trust responsibilities to individual Indian and tribal beneficiaries. It greatly expands the number of personnel available to execute trust-related programs. The FY 2005 BIA budget requests an increase of \$5.5 million to support 25 new trust-related positions at the local level to oversee daily trust transactions and operations.



Other FY 2005 requests which will enhance trust management are a \$2.0 million increase for training to develop a workforce geared toward the unique execution of trust operations across the nation and \$1.1 million to establish a permanent Office of Tribal Consultation which will promote greater Federal consultation with tribes on issues effecting trust reform.

### **Improve Indian Trust Ownership and Information Technology**

Over the past several years, the Department has invested millions of dollars in efforts to correct outdated and inaccurate ownership information reflected on Indian trust records, and improving the information technology systems needed to manage and report this data. In FY 2005, an additional \$33.1 million will be used to improve Indian trust ownership and other information. An increase of \$29.1 million to continue the ground-up rebuilding of the BIA IT infrastructure to support trust reform and other ongoing programs. This IT increase will allow BIA to strengthen life cycle management for systems including improving practices in IT investment management, IT portfolio management, business case development, configuration management, asset management, architecture development, and systems replacement for security and e-government capabilities.

Funding allows BIA to continue to transition from the existing BIA IT network to TrustNet, a standards-based network that provides secure, timely, and controlled access to trust data. TrustNet supports all bureaus that process trust data to ensure the confidentiality, integrity, availability, and accountability of trust data. The increase also supports the certification and accreditation of all BIA high risk systems by December 2005 and all remaining systems by 2006.

The FY 2005 request also provides an increase of \$4.0 million for an additional 35 probate specialists and attorney decision-makers to quicken the pace at which current probate cases are processed and resolved. There are currently over 18,000 probate cases currently pending.

**FY 2005 UNIFIED TRUST BUDGET**

	FY 2003 Enacted	FY 2004 Enacted	Uncontroll/Transf ers	Program Change	Total Change	FY 2005 Request
<b>Beneficiary Services</b>	<b>13,331</b>	<b>9,722</b>	<b>-29</b>	<b>5,484</b>	<b>5,455</b>	<b>15,177</b>
BIA TPA Trust Services	4,068	4,027	-377	5,491	5,114	9,141
BIA COO Trust Services	6,819	3,316	-4	0	-4	3,312
BIA ROO Trust Services	2,444	2,379	352	-7	345	2,724
<b>Ownership Information</b>	<b>86,940</b>	<b>99,403</b>	<b>9,914</b>	<b>56,964</b>	<b>66,878</b>	<b>166,281</b>
OST TMP- Probate Cleanup	9,935	8,914	0	0	0	8,914
OST-Indian Land Consolidation	7,928	21,709	0	53,291	53,291	75,000
BIA TPA Real Estate Services	30,297	30,143	691	-167	524	30,667
BIA TPA Probate	7,611	7,572	68	3,959	4,027	11,599
BIA NRP Real Estate Services	10,978	10,903	-3	-7	-10	10,893
BIA COO Real Estate Services	931	926	9,061	0	9,061	9,987
BIA ROO Real Estate Services	7,181	7,172	15	-30	-15	7,157
BIA ROO Land Titles & Records	12,079	12,064	82	-82	0	12,064
<b>Land &amp; Natural Resource Assets</b>	<b>123,073</b>	<b>127,620</b>	<b>-4,403</b>	<b>707</b>	<b>-3,696</b>	<b>123,924</b>
BIA TPA Real Estate Appraisals	10,473	10,420	-10,420	0	-10,420	0
BIA TPA Environmental Quality Services	2,311	2,430	7	-8	-1	2,429
BIA COO Real Estate Appraisals	505	502	-502	0	-502	0
BIA COO Land Records Improvement	511	508	5,533	0	5,533	6,041
BIA ROO Land Records Improvement	2,069	2,067	-9	0	-9	2,058
BIA ROO Environmental Quality Services	219	218	1	-1	0	218
BIA TPA Resource Management	61,117	62,252	844	-224	620	62,872
BIA ORP Hatchery O&M	1,528	1,589	24	-2	22	1,611
BIA NRP Resources Management	24,421	27,815	85	975	1,060	28,875
BIA NRP Trust Services/Environmental Mgt	9,741	9,676	14	-15	-1	9,675
BIA COO Resources Management	3,465	3,445	19	0	19	3,464
BIA ROO Resources Management	5,414	5,408	4	-18	-14	5,394
BIA SPPO Indian Integ. Res. Info Prog	1,299	1,290	-3	0	-3	1,287
<b>Trust Fund Assets</b>	<b>19,605</b>	<b>34,144</b>	<b>11,092</b>	<b>-2,251</b>	<b>8,841</b>	<b>42,985</b>
OST Trust Services	9,017	9,101	48	0	48	9,149
OST Field Operations	10,588	25,044	11,044	-2,251	8,793	33,836
<b>Administrative Services</b>	<b>127,255</b>	<b>182,479</b>	<b>-13,346</b>	<b>96,938</b>	<b>83,592</b>	<b>266,071</b>
<b>DOI Trust Organization</b>	<b>27,895</b>	<b>29,005</b>	<b>1,274</b>	<b>2,633</b>	<b>3,907</b>	<b>32,912</b>
OST Executive Direction	2,333	2,247	0	0	0	2,247
OST -Budget Finance & Adm	7,169	7,724	849	183	1,032	8,756
OST External Affairs	547	542	2	0	2	545
OST Trust Review & Audit	3,333	3,343	404	1,850	2,254	5,597
OST Trust Accountability- Deputy	250	247	0	0	0	247
OST Trust Accountability- Trust Regulations	5,887	5,847	5	-2,500	-2,495	3,352
OST Trust Accountability- TPMC	8,376	9,055	14	0	14	9,069
BIA COO A/S Support-consultation office	0	0		1,100	1,100	1,100
BIA COO A/S Support-Workforce	0	0		2,000	2,000	2,000
<b>Historical Accounting</b>	<b>15,896</b>	<b>44,446</b>	<b>0</b>	<b>64,955</b>	<b>64,955</b>	<b>109,400</b>
OHTA	15,000	44,446	0	64,955	64,955	109,400
Collecting Information	896	0		0	0	0
<b>Human Resources</b>	<b>5,187</b>	<b>4,660</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>4,663</b>
OST Trust Accountability-Training	4,690	4,660	3	0	3	4,663
OST TPMC- Workforce Planning	497	0		0	0	0
<b>Information Technology</b>	<b>53,211</b>	<b>76,763</b>	<b>-14,653</b>	<b>27,801</b>	<b>13,148</b>	<b>89,911</b>
OST - CIO IT Services	36,775	38,530	-14,574	-1,250	-15,824	22,706
BIA Information Technology	16,436	38,233	-79	29,051	28,972	67,205
<b>Business Practices</b>	<b>11,652</b>	<b>7,503</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,503</b>
OST TPMC- Trust Systems/Projects	8,959	4,839	0	0	0	4,839
OST TPMC- Risk management	2,693	2,665	0	0	0	2,665
<b>Records Management</b>	<b>13,414</b>	<b>20,102</b>	<b>30</b>	<b>1,550</b>	<b>1,580</b>	<b>21,682</b>
OST CIO -Trust Records	13,414	20,102	30	1,550	1,580	21,682
<b>Unified Budget</b>	<b>370,204</b>	<b>453,369</b>	<b>3,229</b>	<b>157,842</b>	<b>161,070</b>	<b>614,439</b>

Notes:  
May not add due to rounding

## STATUS OF THE IMPLEMENTATION OF OST'S REORGANIZATION

In FY 2004, OST will make significant progress in implementing its reorganization to improve the delivery of services and the accountability of trust operations. Funding provided in FY 2004 is being used to enhance oversight of fiduciary trust asset management and to install an organization that focuses on beneficiary services by substantially increasing the number of field personnel in order to provide tribal and Indian trust accountholders with on-site services. Hiring efforts are underway and will continue through FY 2005.

The following summarizes the status and the impact of the reorganization on OST's organizational entities.

### Field Operations

The reorganization had a substantial impact on OST's Field Operations, which is the centerpiece of the enhancement of service delivery to beneficiaries. Two Trust Officers and two BIA superintendents have been hired at the pilot agencies of Anadarko and Concho as part of the reorganization effort.

OST has established six Regional Trust Administrators positions. Job offers have been made to five individuals and it is expected that the remaining vacancy will be filled shortly. These six Senior Executive Service positions will cover the 12 BIA regions, with two regions assigned to each Administrator. In addition, during FY 2004, a total of 60 Fiduciary Trust Officers and related staff positions will be filled (see FY 2004 hiring schedule at the end of this section).

Fiduciary Trust Officers must have demonstrated experience in conducting reviews that provide for the prevention, identification, and resolution of problems in the management of trust assets and trust fund programs, including implementing controls and resolving important and complex problems covering a range of trust related issues. Applicants must possess a comprehensive knowledge of generally accepted fiduciary trust principles; knowledge of the operations and functions of Interior organizations as they relate to the management of Indian fiduciary trust assets; in-depth knowledge of trust fund creation, funding, management, investment, collection, disbursement, and termination, and the ability to apply principles of Indian fiduciary trust responsibilities to specific situations. Incumbents will exercise an authoritative knowledge of Public Law 103-412, the *American Indian Trust Fund Management Reform Act of 1994*, other Federal statutes, use and distribution plans, regulations, and policies as they apply to the Secretary's fiduciary trust obligations to Indian tribes, individual Indians and Alaska Natives.

There currently are approximately 60 agency offices and field offices that house OST financial trust operations staff. The FY 2004 rollout of Fiduciary Trust Officers and related staff is being coordinated with BIA, Director Field Operations. OST and BIA are continually communicating and working cooperatively to bring the Fiduciary Trust Officers and BIA's Deputy Agency Superintendent-Trust Operations on at the same time at the proposed locations. Officers and

related positions will be hired during FY 2004. An additional 25 positions will be filled in FY 2005. The location of these positions will also be finalized during FY 2004.

Positions are being filled at selected agencies based on:

1. the volume of fiduciary trust work,
2. number of Indian individual Indian money account holders, and
3. dollar volume of business.

These new positions, coupled with additional trust field positions in BIA, will result in much better communication between BIA and OST and permit more decisions to be made at the local level, allowing for more timely responses to beneficiaries and more efficient management of trust assets.

#### Trust Accountability

The reorganization of OST resulted in the establishment of a Deputy Special Trustee for Trust Accountability. Trust Accountability directs the Office of Trust Regulations, Policy and Procedures, Office of Trust Training and Trust Program Management Center. The Office of Trust Regulations, Policy and Procedures was expanded to include work on policies and procedures involving all Interior offices and bureaus that handle fiduciary trust management. Trust Training responsibilities have expanded to ensure training for all trust activities within the Department. The Trust Program Management Center works on trust reform and coordination of Interior's trust reform efforts.

#### Trust Services

The reorganization effort for Trust Services program is substantially complete. The core operations of Trust Services remained materially intact after the reorganization, which helped to prevent service interruptions as the reorganization transition took place. Work continues to realign the various program delegations with the new organization.

#### Budget, Finance and Administration

The reorganization in Budget Finance and Administration included, in the Washington Office, an expansion of responsibilities, primarily in the area of planning and CTM implementation. Additional positions for planning, tracking and reporting of CTM implementation activities and overall management of the office were established.

As a result of the reorganization and the move to a new office location, BFA activities in the Albuquerque Office were also expanded to include budget support, facilities management and nationwide responsibility for administrative and property functions. All major new positions in Budget Finance and Administration in Albuquerque have been established and filled.

### Chief Information Officer

The reorganization of OST resulted in the establishment of a separate OST Office of the Chief Information Officer (OCIO) with two supporting offices: the Office of Information Technology Services and the Office of Trust Records (OTR). The Office of the Secretary currently has oversight responsibilities for OTR. The reorganization has had a positive effect on the management of information technology services by separating the day-to-day tactical operational support from the strategic planning and policymaking and enhanced OST's ability to participate in Departmental IT initiatives.



### External Affairs

The Office of External Affairs has developed a proactive and comprehensive Operations Plan. This beneficiary-focused Operations Plan was created to define the diverse responsibilities of the Office and guide its successful communication, self-determination and self-governance efforts.

### Trust Review and Audit

Trust Review and Audit includes the former Office of American Indian Trust, transferred from BIA, including responsibility for evaluating tribally managed trust programs. The Office is in the process of developing a comprehensive Trust Compliance Rating System.

**FY 2004 OST-FIELD OPERATIONS - Hiring Schedule - ALL**

	Trust Administrators	Trust Officers	Related Staff	Hires in Qtr.
QUARTER 1 (October 01 - December 31, 2003)	1	2	2	5
QUARTER 2 (January 01 - March 31, 2004)	5	17	4	26
QUARTER 3 (April 01 - June 30, 2004)		14	7	21
QUARTER 4 (July 01 - September 30, 2004)		12	2	14
<b>Total</b>	<b>6</b>	<b>45</b>	<b>15</b>	<b>66</b>

**FY 2004 OST-FIELD OPERATIONS - Trust Officers Hiring Locations**

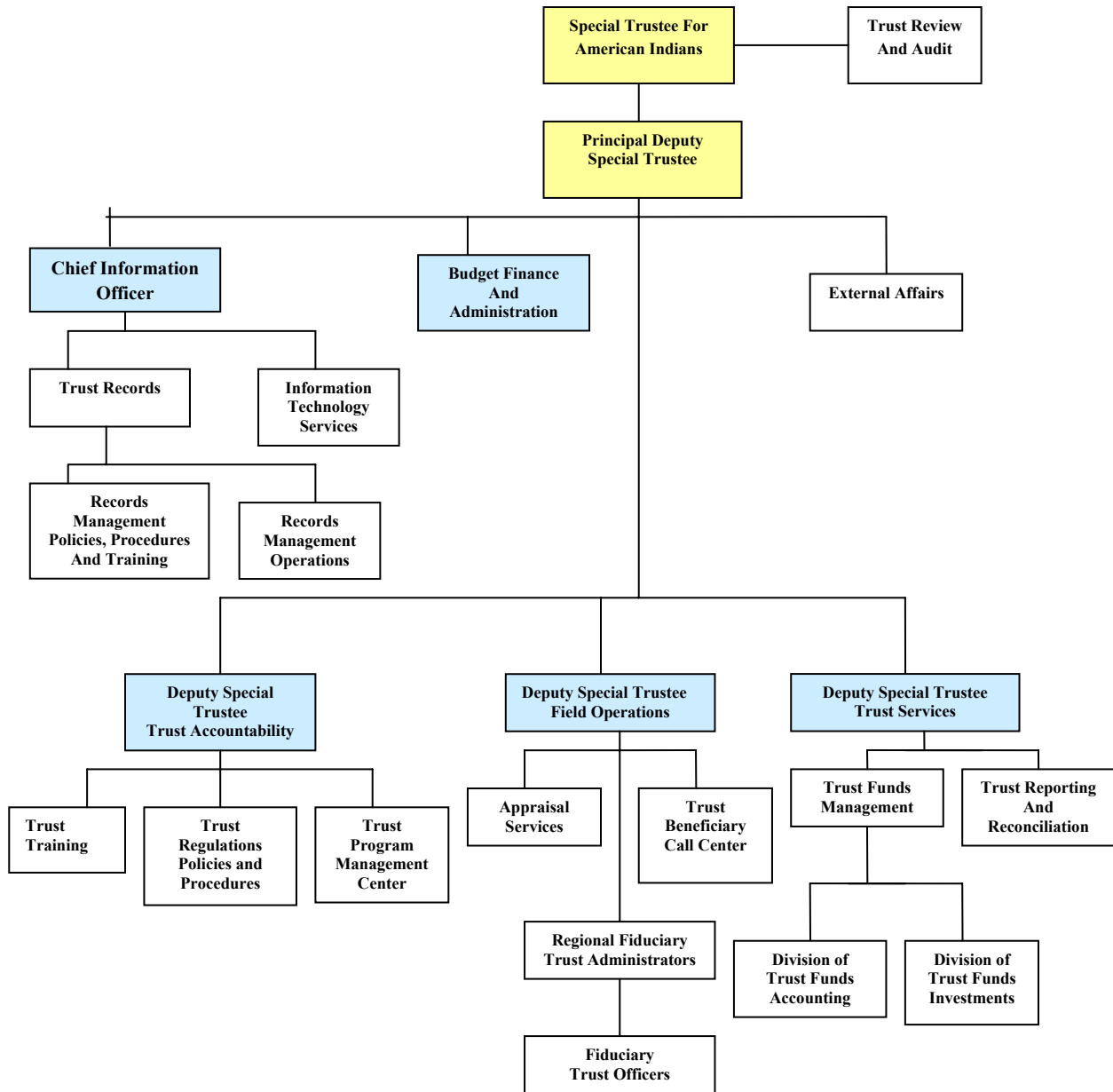
	Trust Officers	Locations
QUARTER 1 (October 01 - December 31, 2003)	2	Anadarko, Concho
QUARTER 2 (January 01 - March 31, 2004)	17	Palm Springs, Pima, Pine Ridge, Eastern Navajo, Southern California, Uintah & Ouray, Fort Hall, Yakama, Fort Peck, Crow, Taholah, Papago/Tohono O'odham, Southern Ute, Fort Defiance, Talihina, Blackfeet, Salt River
QUARTER 3 (April 01 - June 30, 2004)	14	Colville, Puget Sound, Northern Idaho, Standing Rock, Winnebago, Fort Berthold, Rosebud, Wind River, Alaska Region, Shiprock, Southern Plains Region, Okmulgee, Pawnee, Sisseton
QUARTER 4 (July 01 - September 30, 2004)	12	Turtle Mountain, Fort Belknap, Osage, Cheyenne River, Northern Cheyenne, Olympic Peninsula, Chickasaw, Great Lakes, Eastern Region, Tulsa/Oklahoma City, Seattle-Tacoma, Rapid City
<b>Total</b>	<b>45</b>	



<b>Office of the Special Trustee for American Indians - FY 2005 President's Budget</b>					
<b>Activity/Subactivity/Program</b>	<b>FY 2004 Enacted</b>	<b>Uncontrollables / Transfers</b>	<b>Program Changes</b>	<b>Total Changes</b>	<b>FY 2005 Request</b>
<b>FEDERAL TRUST PROGRAMS</b>					
<b>EXECUTIVE DIRECTION</b>					
Immediate Office of the Special Trustee	2,247.0	0.0	0.0	0.0	2,247.0
Executive Direction total	2,247.0	0.0	0.0	0.0	2,247.0
<b>PROGRAM OPERATIONS &amp; SUPPORT</b>					
<b>PROGRAM OPERATIONS</b>					
Information Technology					
Office of the Chief Information Officer/Office ST	172.8	0.5	0.0	0.5	173.3
Information Technology Services	38,357.5	-14,574.8	-1,250.0	-15,824.8	22,5332.7
Records	20,102.2	30.0	1,550.0	1,580.0	21,682.3
Information Technology total	58,632.5	-14,544.3	300.0	-14,244.3	44,388.2
Budget Finance & Administration	7,723.6	849.4	182.6	1,032.0	8,755.6
External Affairs	542.2	2.3	0.0	2.3	544.5
Trust Review & Audit	3,343.3	404.1	1,850.0	2,254.1	5,597.4
Program Operations total	70,241.7	-13,288.5	2,332.6	-10,955.9	59,285.7
<b>TRUST ACCOUNTABILITY</b>					
Office of the Deputy Special Trustee	246.9	1.4	0.0	104	248.3
Trust Training	4,659.9	2.7	0.0	2.7	4,662.6
Trust Regulations, Policies & Procedures	5,847.1	4.6	-2,500.0	-2,495.4	3,351.6
Trust Program Management Center					
Office Director TPMC	172.8	0.5	0.0	0.5	173.3
Risk Management	2,664.8	3.2	0.0	3.2	2,667.9
Reengineering	4,838.6	5.9	0.0	5.9	4,844.6
Probate Clean up	8,913.8	0.5	0.0	0.5	8,914.3
Data Clean up	3,361.1	1.8	0.0	1.8	3,362.9
ITS/Data Quality	5,521.1	1.8	0.0	1.8	5,522.9
TPMC total	25,472.2	13.7	0.0	13.7	25,485.9
Trust Accountability total	36,226.1	22.3	-2,500.0	-2,477.7	33,748.4
<b>FIELD OPERATIONS</b>	25,043.6	11,044.0	-2,251.4	8,792.6	33,836.2
<b>TRUST SERVICES</b>					
Office of the Deputy Special Trustee	839.5	2.7	0.0	2.7	842.2
Trust Funds Management	7,075.7	39.6	0.0	39.6	7,115.3
Reporting & Reconciliation	1,185.2	5.9	0.0	5.9	1,191.1
Trust Services total	9,100.5	48.2	0.0	48.2	9,148.7
<b>HISTORICAL ACCOUNTING</b>	44,445.5	0.0	64,954.5	64,954.5	109,400.0
<b>TOTAL PROGRAM OPERATIONS &amp; SUPPORT</b>	185,057.3	-2,174.0	62,535.7	60,361.7	245,419.0
<b>TOTAL FEDERAL TRUST PROGRAMS</b>	187,304.3	-2,174.0	62,535.7	60,361.7	247,666.0
<b>INDIAN LAND CONOLIDATION</b>	21,709.2	0.0	53,290.8	53,290.8	75,000.0
<b>TOTAL OFFICE OF THE SPECIAL TRUSTEE</b>	209,013.5	-2,174.0	115,826.5	113,652.5	322,666.0

Office of the Special Trustee for American Indians - FY 2005 President's Budget								
Activity/Subactivity/Program	FY 2003 Actual	FY 2004 FTE	FY 2004 Enacted	Uncontrollables / Transfers	Program Changes	Total Changes	FY 2005 Request	FY 2005 FTE
<b>FEDERAL TRUST PROGRAMS</b>								
<b>EXECUTIVE DIRECTION</b>								
Immediate Office of the Special Trustee	2,333	12	2,247.0	0.0	0.0	0.0	2,247.0	12
<b>EXECUTIVE DIRECTION total</b>	<b>2,333</b>	<b>12</b>	<b>2,247.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2,247.0</b>	<b>12</b>
<b>PROGRAM OPERATIONS &amp; SUPPORT</b>								
<b>PROGRAM OPERATIONS</b>								
Information Technology								
Office of the Chief Information Officer/Office ST	74	1	172.8	0.5	0.0	0.5	173.3	1
Information Technology Services	36,701	29	38,357.5	-14,574.8	-1,250.0	-15,824.8	22,532.7	29
Records	13,414	66	20,102.2	30.0	1,550.0	1,580.0	21,682.3	66
<b>Information Technology total</b>	<b>50,189</b>	<b>96</b>	<b>58,632.5</b>	<b>-14,544.3</b>	<b>300.0</b>	<b>-14,244.3</b>	<b>44,388.2</b>	<b>96</b>
Budget Finance & Administration	7,169	25	7,723.6	849.4	182.6	1,032.0	8,755.6	25
External Affairs	547	5	542.2	2.3	0.0	2.3	544.5	5
Trust Review & Audit	3,333	14	3,343.3	404.1	1,850.0	2,254.1	5,597.4	20
<b>Program Operations total</b>	<b>61,238</b>	<b>140</b>	<b>70,241.7</b>	<b>-13,288.5</b>	<b>2,332.6</b>	<b>-10,955.9</b>	<b>59,285.7</b>	<b>146</b>
<b>TRUST ACCOUNTABILITY</b>								
Office of the Deputy Special Trustee	250	3	246.9	1.4	0.0	1.4	248.3	3
Trust Training	4,690	6	4,659.9	2.7	0.0	2.7	4,662.6	6
Trust Regulations, Policies & Procedures	5,887	10	5,847.1	4.6	-2,500.0	-2,495.4	3,351.6	10
Trust Program Management Center –Directo	36	1	172.8	0.5	0.0	0.5	173.3	1
Breaches-Workforce Planning	497	0	0.0	0.0	0.0	0.0	0.0	0
Risk Management	2,693	7	2,664.8	3.2	0.0	3.2	2,667.9	7
Reengineering	8,959	13	4,838.6	5.9	0.0	5.9	4,844.6	13
Probate Clean up								
BIA	5,335		4,370.5	0.0	0.0	0.0	4,370.5	
OHA	3,500		3,456.9	0.0	0.0	0.0	3,456.9	
OST	1,100		1,086.4	0.0	0.0	0.0	1,086.4	
<b>Probate total</b>	<b>9,935</b>	<b>1</b>	<b>8,913.8</b>	<b>0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>8,914.3</b>	<b>1</b>
Data Clean up								
Special Deposit Accounts	2,093		2,083.9	0.0	0.0	0.0	2,083.9	
Whereabouts Unknown	1,279		1,277.2	0.0	0.0	0.0	1,277.2	
<b>Data Clean up total</b>	<b>3,372</b>	<b>4</b>	<b>3,361.1</b>	<b>1.8</b>	<b>0.0</b>	<b>1.8</b>	<b>3,362.9</b>	<b>4</b>
ITS/Data Quality	4,968	4	5,521.1	1.8	0.0	1.8	5,522.9	4
<b>TPMC total</b>	<b>30,460</b>	<b>30</b>	<b>25,472.2</b>	<b>13.7</b>	<b>0.0</b>	<b>13.7</b>	<b>25,485.9</b>	<b>30</b>
<b>Trust Accountability total</b>	<b>41,287</b>	<b>49</b>	<b>36,226.1</b>	<b>22.3</b>	<b>-2,500.0</b>	<b>-2,477.7</b>	<b>33,748.4</b>	<b>49</b>
<b>FIELD OPERATIONS</b>								
Office of the Deputy Special Trustee	175	1	172.8	0.5	0.0	0.5	173.3	1
Field Operations- Call center	116	2	114.6	0.9	0.0	0.9	115.5	2
Field Operations	10,297	185	24,756.2	95.6	-2,251.4	-2,155.8	22,600.4	210
Appraisal program	0	0	0.0	10,947.0	0.0	10,947.0	10,947.0	55
<b>Field Operations total</b>	<b>10,588</b>	<b>188</b>	<b>25,043.6</b>	<b>11,044.0</b>	<b>-2,251.4</b>	<b>8,792.6</b>	<b>33,836.2</b>	<b>268</b>
<b>TRUST SERVICES</b>								
Office of the Deputy Special Trustee	850	6	839.5	2.7	0.0	2.7	842.2	6
Trust Funds Management	6,967	87	7,075.7	39.6	0.0	39.6	7,115.3	87
Reporting & Reconciliation	1,200	13	1,185.2	5.9	0.0	5.9	1,191.1	13
<b>Trust Services total</b>	<b>9,017</b>	<b>106</b>	<b>9,100.5</b>	<b>48.2</b>	<b>0.0</b>	<b>48.2</b>	<b>9,148.7</b>	<b>106</b>
<b>HISTORICAL ACCOUNTING</b>	<b>15,896</b>	<b>0</b>	<b>44,445.5</b>	<b>0.0</b>	<b>64,954.5</b>	<b>64,954.5</b>	<b>109,400.0</b>	<b>0</b>
<b>TOTAL PROGRAM OPERATIONS &amp; SUPPORT</b>	<b>138,026</b>	<b>483</b>	<b>185,057.3</b>	<b>-2,174.0</b>	<b>62,535.7</b>	<b>60,361.7</b>	<b>245,419.0</b>	<b>569</b>
<b>TOTAL FEDERAL TRUST PROGRAMS</b>	<b>140,359</b>	<b>495</b>	<b>187,304.3</b>	<b>-2,174.0</b>	<b>62,535.7</b>	<b>60,361.7</b>	<b>247,666.0</b>	<b>581</b>
<b>INDIAN LAND CONOLIDATION</b>								
	7,928	0	21,709.2	0.0	53,290.8	53,290.8	75,000.0	0
<b>TOTAL OFFICE OF THE SPECIAL TRUSTEE</b>	<b>148,287</b>	<b>495</b>	<b>209,013.5</b>	<b>-2,174.0</b>	<b>115,826.5</b>	<b>113,652.5</b>	<b>322,666.0</b>	<b>581</b>
Reimbursable - FTE		55						0
<b>Total FTE</b>		<b>550</b>						<b>581</b>

## Office of the Special Trustee for American Indians



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## Appropriation Language Sheet

### Office of the Special Trustee for American Indians

#### Federal Trust Program

For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, [~~\$189,641,000~~] **\$247,666,000**, to remain available until expended, of which not to exceed [~~\$15,896,000~~] **\$109,400,000** shall be available for historical accounting: [~~Provided, That of the amounts available under this heading not to exceed \$45,000,000 shall be available for records collection and indexing, imaging, and coding, accounting for per capita and judgment accounts, accounting for tribal accounts, reviewing and distributing funds from special deposit accounts, and program management of the Office of Historical Trust Accounting, including litigation support: Provided further, That nothing in the American Indian Trust Management Reform Act of 1994, Public Law 103-412, or in any statute, and no principle of common law, shall be construed or applied to require the Department of the Interior to commence or continue historical accounting activities with respect to the Individual Indian Money Trust until the earlier of the following shall have occurred: (a) Congress shall have amended the American Indian Trust Management Reform Act of 1994 to delineate the specific historical accounting obligations of the Department of the Interior with respect to the Individual Indian Money Trust; or (b) December 31, 2004: Provided [further], 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 Departmental Management, "Salaries and Expenses" account: Provided further, That funds made available to Tribes and Tribal organizations through contracts or grants obligated during fiscal year [2004] **2005**, 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 \$1.00 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. (Department of the Interior and Related Agencies Appropriations Act, 2004.)~~

**Justification of Proposed Language Change**

Office of the Special Trustee

**Deletion:**

**“That of the amounts available under this heading not to exceed \$45,000,000 shall be available for records collection and indexing, imaging, and coding, accounting for per capita and judgment accounts, accounting for tribal accounts, reviewing and distributing funds from special deposit accounts, and program management of the Office of Historical Trust Accounting, including litigation support: Provided further, That nothing in the American Indian Trust Management Reform Act of 1994, Public Law 103-412, or in any statute, and no principle of common law, shall be construed or applied to require the Department of the Interior to commence or continue historical accounting activities with respect to the Individual Indian Money Trust until the earlier of the following shall have occurred: (a) Congress shall have amended the American Indian Trust Management Reform Act of 1994 to delineate the specific historical accounting obligations of the Department of the Interior with respect to the Individual Indian Money Trust; or (b) December 31, 2004:”**

**Justification for deletion:**

This provision is proposed to be deleted from the language as it was a one-time event. Congress will have acted to clarify the American Indian Trust Management Reform Act of 1994, Public Law 103-412, or December 31, 2004, will occur in FY 2005.

## Appropriation Language Citations

### Appropriation: OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

**1. For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants,**

25 U.S.C. 13 provides for direct operation of various federal programs for Indians throughout the United States.

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.

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. 13(a) 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 the 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 2001, 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(l)(c) authorizes funds obligated for tribal contracts to remain available until expended.

5. **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, 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;**

Interior and Related Agencies Appropriation Act, FY 1991. Annual Appropriations Acts have continued this provision each year since FY 1991.

6. **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 his 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.

7. **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.

8. **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.



### Summary of Requirements

(Dollars in Thousands)

Comparison by Activity	2003 Actual		2004 Enacted*		Uncontrollable & Related Changes (+/-)		Program Changes (+/-)		2005 Budget Request		Inc (+) Dec (-) From 2004	
	FTE	Amt	FTE	Amt	FTE	Amt	FTE	Amt	FTE	Amt	FTE	Amt
<b>Executive Direction</b>	10	2,333	12	2,247	0	0	0	0	12	2,247	0	0
<b>Program Operations and Support</b>	450	138,026	483	185,057	+55	-2,174	+31	+62,536	569	245,419	+86	+60,362
<b>Appropriation Total</b>	460	140,359	495	187,304	+55	-2,174	+31	+62,536	581	247,666	+86	+60,362
<b>Indian Land Consolidation</b>	0	7,928	0	21,709	0	0	0	+53,291	0	75,000	0	+53,291
<b>Reimbursable FTE</b>	55	0	55	0	-55	0	0	0	0	0	0	0
<b>Total OST</b>	535	148,287	550	209,013	0	-2,174	0	+115,827	581	322,666	+31	+113,653

\* Includes the 0.59% across the board reduction contained in the 2004 Consolidation Appropriations Act. May not add due to rounding.

**Uncontrollable and Related Changes**

**Additional Operational Costs from 2004 and 2005 January Pay Raises**

	<b>2004 Budget Change</b>	<b>2004 Revised Change</b>	<b>2005 Change</b>
2004 Pay Raise.....	+\$559	+\$555	+\$143
Amount of pay raise absorbed.....	[+\$552]	[+\$1,270]	[+\$139]
			<b>2005 Change</b>
2005 Pay Raise.....			+\$155
Amount of pay raise absorbed.....			[+\$155]

These adjustments are for an additional amount needed in FY 2005 to fund the remaining 3-month portion of the estimated cost of the, on average, 4.1 percent pay increases effective in January 2003 and the additional costs of funding for an estimated 1.7 percent January 2004 pay increase for GS-series employees and the associated pay rate changes made in other pay series. OST is to absorb approximately half the estimated amount of the pay raise.

**Other Uncontrollable Cost Changes:**

	<b>2004 Budget</b>	<b>2004 Revised</b>	<b>2005 Change</b>
Rental payments to GSA and others .....	\$2,688	\$3,805	+\$362

The adjustment is for changes in the costs payable to General Services Administration 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. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.

The estimate for FY 2004 increased due to the Office of Trust Records (OTR) not being able to occupy space in the new OST Albuquerque building. This was due to unanticipated increased records volume. Therefore, rent is still being paid for their existing space in addition to the new building. A reprogramming will be submitted to utilize unobligated balances to provide for the additional costs. When OTR is able to move some of its records to storage facilities after indexing, the new OST building will be able to house them with the primary financial operations.

	<b>2004 Budget</b>	<b>2004 Revised</b>	<b>2005 Change</b>
Department Working Capital Fund Changes .....	\$933	\$1,755	+\$130

The change reflects expected changes in the charges for Department services and other services through the working capital fund. These charges are displayed in the Budget Justification for Department Management.

	<b>2004 Budget</b>	<b>2004 Revised</b>	<b>2005 Change</b>
Employer Share of Federal Health Benefit Plans.....	\$75	\$1,334	+\$67
Amount to be absorbed			[66]

The adjustment is for changes in the Federal government’s share of the cost of health insurance coverage for Federal employees.

	<b>2005 Change</b>
One Less Payday .....	-\$106

This adjustment reflects the decreased costs resulting from the fact that there is one less payday in 2005 than in 2004.

**Related Changes / Technical Transfers**

	<b>2005 Change</b>
TAAMS.....	-\$5,531

This adjustment reflects the decreased costs associated with the transfer of the TAAMS title project to BIA which assumes ownership, project management, implementation, and maintenance of TAAMS and TAAMS v 1.49. The reduction is in the Information Technology program.

	<b>2005 Change</b>
Real property system.....	-\$9,057

This adjustment reflects the decreased costs associated with the transfer to BIA to acquire, test, and implement “To Be” real property system(s). The reduction is in the Information Technology program. The reduction is in the Information Technology program.

	<b>2005</b>
	<b>Change</b>
Space/admin – appraisal program.....	<u>+\$346</u>

This adjustment reflects the increase necessary to cover the space and administrative costs associated with the transfer of the Office of Appraisal Services from BIA to OST.

	<b>2005</b>
	<b>Change</b>
Office of American Indian Trust.....	<u>+\$395</u>

This adjustment reflects the increased costs resulting from the transfer of OAIT from BIA to OST for trust functions assumed under the provisions of the Self Governance Act of 1994. These duties include ensuring that the Secretary’s obligations under Indian trust are performed in accordance with the standards required by the law and policy, conducting reviews of tribal performance under the provisions of the *Self Governance Act of 1994* and preparing trust protection standards and guidelines.

	<b>2005</b>
	<b>Change</b>
Office of Appraisal Services.....	<u>+\$10,922</u>

This adjustment reflects the increased costs resulting from the transfer of OAS from BIA to OST. OAS provides impartial estimates of value for a variety of specific real property interests on land owned in trust or restricted status.

## JUSTIFICATION OF PROGRAM AND PERFORMANCE

**Activity:** Executive Direction  
**Sub-activity:** Immediate Office of the Special Trustee

(Dollars in Thousands)

		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Immediate Office of the Special Trustee	\$(000)	2,333	2,247	0	0	2,247	0
	FTE	10	12	0	0	12	0

### Program Overview:

The Special Trustee is charged with general oversight of Indian trust asset reform efforts Interior-wide to ensure proper and efficient discharge of the Secretary's trust responsibilities to Indian tribes and individual Indians. The Office of the Special Trustee for American Indians (OST) was created to ensure that Interior establishes appropriate policies and procedures, develops necessary systems, and takes affirmative actions to reform the management of Indian trust funds. The mission of OST is to provide oversight, reform, and coordination of the policies, procedures, systems, and practices used by the various agencies to manage Indian trust assets. In carrying out the management and oversight of the 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 other applicable laws. Funds provided for OST directly contribute to the appropriate oversight needed to further Interior's Strategic Plan goal – Fulfill Indian Fiduciary Trust Responsibilities as outlined in the Comprehensive Trust Management Plan.

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 Interior carries out 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 will ensure a skilled workforce in the future, and properly accounting for financial resources. Due to the continued court ordered disconnection from the internet, the Special Trustee has been unable to fully implement the President's e-government initiative.

FY 2003 Program Performance Accomplishments

- Oversight of Interior efforts to implement trust reform including the reengineering of the fiduciary trust business processes.
- Ensured that Reports to the Court were done timely and accurately.
- Participated in evaluating all new systems throughout Interior affecting fiduciary trust management.
- Planned, managed and began implementation of the OST organization realignments approved in FY 2003.
- Approved and monitored systems put in place to protect and preserve Indian trust assets and to collect and accurately account for income by implementing a full risk assessment program.
- Continued outreach efforts to tribes, Congress, other government Agencies and Interior bureaus and offices.
- Worked to meet the requirements of the CTM and the *American Indian Trust Fund Management Reform Act of 1994*.

OST provides leadership and guidance to promote ‘best practices’ in Interior’s management of trust assets. In FY 2003, a comprehensive study of existing fiduciary trust business processes was completed (the “As-Is”). The purpose was to identify and document the major work processes supporting the management of the Indian fiduciary trust throughout Interior. Opportunities were identified to improve and standardize business practices to achieve best results. The “As-Is” findings form the basis of the “To-Be” reengineering phase currently underway to build a highly effective fiduciary trust services delivery organization. The “To-Be” reengineering phase is a process redesign activity intended to transform the current trust business processes into a more efficient, consistent, integrated and fiscally sound business processes that meet the needs and priorities of the beneficiaries.

FY 2004 Planned Program Performance

Within existing funds the Office will:

- Identify, initiate, prioritize, evaluate and monitor reform activities;
- Ensure Quarterly Reports to the Court are done timely and accurately;
- Oversee trust activities throughout Interior – skilled staff is needed to advise management on a number of complex and sensitive issues relating to reorganization, reengineering, ongoing litigation and other trust activities;
- Foster greater cooperation and communication with other bureaus and offices within Interior who have trust responsibilities; and
- Support the work of the Special Trustee’s Advisory Board.

**Executive Direction Program Performance Summary**

<b><u>End Outcome Measures</u></b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Plan/Budget</b>	<b>2004 Revised Final Plan</b>	<b>2005 Plan</b>	<b>Change in Performance 2004 to Planned 2005</b>	<b>Long-term Target (2008)</b>
<b>End Outcome Goal:</b> Fulfill Indian Fiduciary Trust Responsibilities							
<b>Beneficiary Services:</b> Percent accuracy of financial account information provided to beneficiaries (SP) <sup>1</sup>			26%	26%	27%	+1%	95%
<b>Beneficiary Services:</b> Percent timeliness of financial account information provided to trust beneficiaries.			100%	100%	100%	0	100%
<b>Self Governance/Self Determination:</b> Number of trust funds under tribal management by tribes that seek to do so.			5	5	5	0	8
<b>Trust Fund Accountability:</b> Percent of Federal Managers Financial Integrity Act (FMFIA) management control plans with corrective plans in place.			80%	80%	90%	+10%	98%

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**Activity: Program Operations & Support**

(Dollars in Thousands)

Subactivities		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Program Operations	\$(000)	61,238	70,242	-13,289	+2,333	59,286	-10,956
	<i>FTE</i>	<i>129</i>	<i>140</i>	<i>+6</i>	<i>0</i>	<i>146</i>	<i>+6</i>
Trust Accountability	\$(000)	41,287	36,226	+22	-2,500	33,748	-2,478
	<i>FTE</i>	<i>52</i>	<i>49</i>	<i>0</i>	<i>0</i>	<i>49</i>	<i>0</i>
Field Operations	\$(000)	10,588	25,044	+11,044	-2,251	33,836	+8,793
	<i>FTE</i>	<i>167</i>	<i>188</i>	<i>+55</i>	<i>+25</i>	<i>268</i>	<i>+80</i>
Trust Services	\$(000)	9,017	9,101	+48	0	9,149	+48
	<i>FTE</i>	<i>112</i>	<i>106</i>	<i>0</i>	<i>0</i>	<i>106</i>	<i>0</i>
Historical Accounting	\$(000)	15,896	44,446	0	+64,955	109,400	+64,955
	<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Program Operations &amp; Support Total</b>	<b>\$(000)</b>	<b>138,026</b>	<b>185,057</b>	<b>-2,174</b>	<b>+62,536</b>	<b>245,419</b>	<b>+60,362</b>
	<b><i>FTE</i></b>	<b><i>460</i></b>	<b><i>483</i></b>	<b><i>+61</i></b>	<b><i>+25</i></b>	<b><i>569</i></b>	<b><i>+86</i></b>

Note: May not add due to rounding.

**Activity: Program Operations & Support**  
**Sub-activity: Program Operations**

*(Dollars in Thousands)*

Programs		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Information Technology	\$ (000) FTE	50,189 89	58,633 96	-14,544 0	+300 0	44,388 96	-14,244 0
Budget, Finance and Administration	\$ (000) FTE	7,169 25	7,724 25	+849 0	+183 0	8,756 25	+1,032 0
Office of External Affairs	\$ (000) FTE	547 2	542 5	+2 0	0 0	545 5	+2 0
Office of Trust Review and Audit	\$ (000) FTE	3,333 13	3,343 14	+404 +6	+1,850 0	5,597 20	+2,254 +6
<b>Program Operations Total</b>	<b>\$ (000) FTE</b>	<b>61,238 129</b>	<b>70,242 140</b>	<b>-13,289 +6</b>	<b>+2,333 0</b>	<b>59,286 146</b>	<b>-10,956 +6</b>

Note: May not add due to rounding.

**PROGRAM OPERATIONS**

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 the Program Operations help further accomplishment of the Fulfill Indian Trust goal through ensuring the necessary infrastructure to provide administrative services that enable and empower the organization and workforce to be an effective fiduciary trustee; and provide modern, appropriate systems and tools to manage the fiduciary trust responsibilities. The program elements include the Office of Information Technology, Office of Budget Finance and Administration, Office of External Affairs, and Office of Trust Review and Audit.

In FY 2004, OST implemented activity based cost management. In the future BFA will use cost information to analyze the efficiency of operations, allocate resources and develop budget projections and funding requests.

The Acquisition function was contracted out to the National Business Center after a study of the operations determined it would be more efficient and cost effective to contract for these services rather than continue to provide in-house.

Office of Trust Review and Audit will develop a trust asset management rating system that will provide information to programs to help them achieve significant cost savings and program efficiencies. OTRA will identify causes of poor performance and identify best practices to use for correcting the condition.

**Information Technology:** develops, maintains, and operates the trust enterprise architecture; provides day-to-day computer support to OST personnel; and implements the trust records management program.

**Budget, Finance and Administration:** provides budget, planning and analysis support; oversees the administration of the personnel, acquisition, finance, and GSA space contracts.

**External Affairs:** conducts liaison activities with Congressional and tribal stakeholders, media, and other organizations; provides technical assistance to tribes seeking to compact/contract for program activities; and produces information materials related to trust issues.

**Trust Review and Audit:** conducts audits of internal and external trust management activities to ensure compliance with applicable laws, oversees expanded trust financial audit contract, and conducts beneficiary special investigations.

### **Information Technology (96 FTE / \$44,388,200)**

The Office of the Chief Information Officer (1 FTE / \$173,300): (OCIO) is responsible for Information Technology (IT) for OST nationwide and oversees and directs IT support services including technical support, capital planning and procurement of IT equipment, security management (system and site certification and accreditation, access control, policies, procedures, guidelines and compliance) and electronic and hard records management activities.

OCIO manages and supervises the Office of Information Technology Services. Management of the Office of Trust Records (OTR) has been temporarily assigned to the Office of the Secretary. 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 Interior Strategic Plan 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 Office interfaces with the other Interior CIO offices and develops strategic plans to support OST business processes and manages the OST's IT services. The CIO centrally approves all IT expenditures for OST and subordinate offices to ensure adequacy of resources and compliance with Interior enterprise and trust architecture and Capital Planning Investment Control (CPIC) processes, cost savings and standardization.

The office provides systems that support trust business processes. The office will coordinate the development of the new universal IT support functions needed to support the new trust business processes as a result of the 'To-Be' model.

OST also funds, through a steady state contribution, implementation of an Interior Trust Systems Architecture program (\$898,200) effort to establish systems life cycle management. The creation of the trust architecture will support the model trust business processes. The trust

architecture will be integrated into the Interior IT and business architectures. The completion of the trust architecture is required to resolve a breach of trust in the *Cobell v. Norton* litigation.

The Trust Enterprise Architecture (TEA) is the Department of the Interior's roadmap to achieve its Indian trust management fiduciary responsibilities through optimal performance of its trust management business processes, within an efficient information management and information technology environment. The trust enterprise target architecture represents enhancements to an existing baseline architecture that adds new functionality to support and improve existing trust business operations. The intent is to continuously review and update the TEA keeping it viable by continuous improvements. This reflects the need to adjust the architecture in accordance with unforeseen changes in business directions, technology advances or its availability. The goal is to establish annual/semi-annual baseline target architectures that are fiscally and technologically achievable while being grounded in the business needs of the organization.

The TEA vision is the establishment of a secure integrated systems environment that increases the efficiency, quality and integrity of the trust business processes and trust data that instills beneficiary satisfaction and confidence by providing beneficiary focused, consistent business services and accurate trust management information. The target systems environment will consist of fewer systems that will be integrated within a unified shared data environment. The establishment of a virtual, unified trust data warehouse using portal technologies will create interoperability and data sharing among the various trust applications and systems. This will increase the business services and provide trust information to the beneficiaries in a readily available and easily accessible way. To accomplish this requirement the target systems environment will consist of Authoritative Data Sources integrated into a unified shared data environment.

Maintaining the TEA will be accomplished within the enforcement structure and configuration control mechanisms of the organization. Trust Enterprise Architecture maintenance is the responsibility of the CIO, Chief Architect, and the Trust Business and Systems Program Managers. Using a system of oversight processes and independent verification, the architecture core team periodically assesses and aligns the TEA to the ever-changing business practices, funding profiles, and technology insertion.

The Office of Information Technology Services (29 FTE / \$22,532,700): The Office of Information Technology Services 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 Bureau of Indian Affairs (BIA), Minerals Management Service (MMS), Office of Hearings and Appeals (OHA), Office of Historical Trust Accounting (OHTA), and other related offices in the Interior.

Included within the IT program are the costs to operate the Trust Funds Accounting System (TFAS). Approximately \$13.9 million is planned for costs to operate the system in FY 2005. TFAS is a commercial off-the-shelf (COTS) system owned and operated by a third party vendor. A new firm-fixed price contract was awarded in FY 2003. The new contract is based upon the

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number of accounts on the system (open+closed). A baseline (308,500) for the number of accounts has been established and any new accounts in FY 2005 on the system that exceed the base are charged at the rate of \$2.65/account/month. The government has the option of increasing the base in 20,000 account increments up to a maximum of 100,000 additional accounts. The cost for the increase of the base accounts is \$1.00/account/month. In addition to normal processing, items included in the core price are the daily pricing of securities; 500 software licenses that allow access for tribes via the Internet, (when authorized) using StrataWeb; 800 software licenses for the Computer Output to Laser Disk (C.O.L.D.) report manager, StrataVision; and 250 software licenses for the electronic work ticket product, Customer Strata Station (CSS).

Other support contracts to operate TFAS include: asset performance calculations and reporting services for 200 selected tribal accounts; secure telecommunication services between both the primary OST location and the OST disaster recovery 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.

Also, the office produces the print file for the quarterly statement of performance to ensure timely information to beneficiaries. The performance target in FY 2004 is to provide statements to 100 percent of beneficiaries with a valid address in TFAS. Performance statements are produced monthly for the tribes and quarterly for the Individual Indian Monies (IIM) account holders. This activity is in support of Fullfill Indian Trust Responsibilities – Beneficiary Services and Trust Fund accountability and the CTM section Administrative Services that includes “provide modern, appropriate systems and tools to manage the fiduciary trust.”

Estimated FY04 TFAS Total Accounts		Estimated FY05 TFAS Total Accounts	
Open	265,000	Open	280,000
Closed (no activity)	70,000	Closed	75,000
Non-Income	20,000	Non-Income	30,000
Total	342,000	Total	370,000
FY03 Contract Account Base	308,500	FY03 Contract Account Base	308,500
Cost/account/month above the base	\$2.58	Cost/account/month above the base	\$2.65
Cost/account/month to increase the base by 20,000	\$1	Cost/account/month to increase the base by 20,000	\$1

FY 2003 Program Performance Accomplishments

- Provided IT support for over 500 users
- Implemented infrastructure and security upgrades to the OST LAN/WAN
- Established a dedicated OST Security Officer position in accordance with 375 DM 19
- Developed OST IT policy and procedures

FY 2004 Planned Program Performance

- Continue service bureau operation of a commercial off-the-shelf trust accounting system TFAS, and obtain a SAS 70 Audit for TFAS
- Provide IT support for over 600 users
  - Staff the OST Chief Information Officer's office with a dedicated Capital Planning and Investment Control (CPIC) planner and Project Manager
  - Implement the use of smart card technology
  - Establish a virtual LAN, and support the implementation of a beneficiary call center
  - Investigate, acquire, test and implement software supporting the appraisal functions
  - Establish a trust data warehouse in coordination with the Department's Trust Architect

The FY 2004 accomplishments support the preliminary analysis required to achieve the development of web-enabled information management and access architecture that allows users to query and produce reports of consolidated data contained in trust information systems. The following tasks will be completed to create the foundation of a web-enabled information management and access architecture.

- *Data analysis*: Analysis of the trust systems profile, metadata, data models and data dictionaries of the Interior trust systems. Based on this analysis and other requirements, a contractor shall develop a unified data model.
- *Migrate to portal applications*: Recommendations of the applications that could be migrated to a portal application.
- *XML interfaces*: Define the interfaces between the Virtual data warehouse and the other Interior internal systems. Determine the business rules that will be applied when the data transfer occurs including the frequency of transfer and whether there will be a full or partial refresh of data.
- *WEB portal architecture*: Develop the conceptual web portal architecture for employee, end-user, and management portal environments.
- *Data security architecture concept*: Develop the data security architecture for the unified data model, trust virtual data warehouse and portal environment.
- *Data management strategy*: Develop a sustainable, long-term data management strategy for the trust enterprise architecture.

The Office of Trust Records (66 FTE / \$21,682,300):

The Office of Trust Records (OTR) is responsible for fiduciary and general trust records management within the OST and BIA. This includes all media (e.g., paper and electronic). A stable and consistent Indian Affairs records management program in OST/BIA must be maintained so that Interior will not be hindered in providing accurate and timely information to trust beneficiaries. As previously mentioned OTR has been temporarily assigned to the Office of the Secretary.



With the signing of a Memorandum of Understanding, the partnership between OTR and BIA was formalized with regard to the management of “general” trust records created, maintained, and used by the BIA. The CTM identifies Records Management as a universal support function and as such responds to the Department of the Interior Strategic Goal, “Fulfill Indian Fiduciary Trust Responsibilities.” The Records Management program also supports at least three of the Secretary’s Trust Principles that are reflected in the CTM including: protect and preserve Indian trust assets, maintain a verifiable system of records, and establish and maintain a system of records.

OTR has developed a work plan to structure and organize projects. The FY 2003 - 2004 Work Plan consists of seven major tasks listed below with numerous sub-tasks as required by the complexity of the work.

1. **Establish records retention schedules** -- National Archives Records Administration (NARA) approved Records Disposition Schedules are a critical component of a successful records management program. During FY 2003 OTR completed the update of the BIA Records Schedule (16 BIAM) for trust related records and for OST financial records. Also, Interior issued the definition (decision tree and matrix) of an Indian Fiduciary Trust Record. All bureaus and offices must use the definition to determine and identify if they create, use, or maintain Indian fiduciary trust records. During FY 2004 OTR will complete the update of the remainder of the 16 BIAM and BIA Electronic Systems. OTR will also complete the Records Disposition Schedule for non-financial OST records.
2. **Establish and implement record keeping requirements that allow for record retrieval on an as needed basis** -- OTR is progressing on several projects that will allow for improved record keeping and retrieval. In FY 2003 OTR engaged the services of a contractor to create one central database of all retired Indian Affairs records located at Lee’s Summit Federal Records Center and OTR records facilities in Albuquerque, NM. The indexing project is designed to occur in three phases. The initial phase is comprised of an estimated 75,000 boxes. During FY 2003 the contractor indexed approximately

24,800 boxes of records. OTR and the contractor acquired the necessary hardware, software and services to implement the central database. During FY 2004 it is expected that the contractor will complete indexing the remaining boxes that comprise the initial phase. The database will continue to grow at a pace with the indexing. The second phase is comprised of approximately 21,000 boxes and is expected to commence during FY 2004. The third phase will be to collect and index approximately 80,000 boxes of records currently in field offices over the next several years.

A major project under this task is the initiation of a pilot project in conjunction with the National Park Service, the Bureau of Indian Affairs and the Office of Historical Trust Accounting to test an electronic record keeping system for potential deployment to all of OST, BIA and potentially for all of Interior.

In FY 2003, OTR began the development of an Indian Affairs Records Management Manual (IARMM). The IARMM will document policies and procedures and provide guidance on establishing and maintaining an effective and efficient records management program for both the Bureau of Indian Affairs (BIA) and the Office of the Special Trustee for American Indians (OST). OTR plans to complete the IARMM in early FY 2004 and to distribute it to BIA and OST in early calendar year 2004.

3. **Safeguard records** -- Like the task described above, this task directly supports the Secretary's Trust Principle, "Establish and maintain a system of records that permits beneficiaries to obtain information regarding their Indian trust assets in a timely manner and protect the privacy of such." The most significant accomplishment during FY 2003 is the agreement with NARA and Haskell Indian Nations University. NARA and Interior have agreed to the development of an American Indian Records Repository in Lenexa, KS. All currently retired Indian records still in Interior control, as well as the backlog of inactive records in the field, will be stored at Lenexa. The Haskell Nations Indian University will develop a records management program and make use of the Lenexa facility for practical training.

During FY 2003 the Office of the Deputy Secretary issued new protocols to move records. OTR is working with field offices to implement these new procedures. During FY 2004, OTR expects to continue to implement the move procedures as records in the field are retired to Lenexa, KS.

In FY 2003 OTR ordered 378 pieces of filing equipment for active records still in the field. In FY 2004 OTR plans to purchase at least 225 units of filing equipment. During FY 2003 OTR began an effort to survey the volume and condition of records in the field that may be in jeopardy. In addition, OTR is exploring technical solutions for the best way to preserve such records. The estimate of the volume of records in potential jeopardy and options for preserving them will be completed in FY 2004. OTR has made significant improvement in its facilities security during FY 2003. Improvements include the hiring of guards to secure the entrance of each facility, the installation of a metal



detector, enhancements to the sprinkler system, and the implementation of a single card access system for all three Albuquerque facilities.

4. **Implement training program in conjunction with the Office of Trust Training --** After a brief hiatus to reevaluate and update the basic records training curriculum, OTR continued providing records training for BIA, OST and tribal employees during FY 2003. Fourteen basic records training sessions were held with 347 students attending and four management training sessions were held with 89 managers attending. During FY 2004 OTR expects to train up to 1,200 BIA and OST employees and expand the training of tribal employees to include representatives of as many as 30 tribes.
5. **Undertake continual assessment of records program --** Continual assessments are necessary to insure compliance with current OTR, BIA and NARA records management regulations, policies and procedures. Reports with recommendations for corrective actions are prepared for each location. OTR's intermediate outcome measure is the number of BIA/OST programs reviewed to identify improvements needed in the Records Management Program. These assessments will identify corrective actions and identify offices complying with Federal Records Management Regulations and DOI, BIA and OST Policies and Procedures. During FY 2003 OTR completed 12 preliminary assessments to evaluate the applicability of the assessment criteria. OTR plans to complete records training of BIA/OST staff with emphasis on assessment criteria and will begin assessments of BIA/OST offices in late FY04.
6. **Establish program to meet trust and other records retrieval needs of customers and document production requests --** Records retrieval policies and procedures have been developed. General procedures have been disseminated to potential customers in the Office of the Solicitor, the Department of Justice, the Office of Historical Trust Accounting and OST offices by memorandum. This memorandum outlined the procedures for researching records at Albuquerque facilities and at the Lee's Summit Federal Records Center with regard to notice, clearance and other requirements. In addition, each new researcher at the Albuquerque facilities is trained on the correct way to handle records while doing the research and is required to sign a statement to this effect.
7. **Cobell/Tribal litigation support --** Program provides base funding for litigation support associated with *Cobell v. Norton* and tribal lawsuits. The litigation support funds will provide for the growing court mandated and related costs for example; production of voluminous amounts of documents; contractors to index, image and sort documents; and attorneys to assist the Department in ongoing trust related litigation. It is expected that *Cobell v. Norton* and 25 tribal lawsuits alleging mismanagement and accounting errors will continue in FY 2005. These funds are in addition to the funds that bureaus and offices absorb in their day-to-day responses to the courts in these cases.

FY 2003 Program Performance Accomplishments

- Signed an MOU with BIA with regard to “general” trust records
- Updated the 16 BIAM for fiduciary trust records series and OST financial records series
- Indexed approximately 24,800 boxes of records
- Implemented Box Index Search System (BISS) index database
- Issued definition (decision tree and matrix) of an Indian Fiduciary Trust Record
- Started pilot electronic record keeping system with National Park Service
- Entered in agreement with National Archives and Record Administration and Haskell Indian Nations University for the development of an American Indian Records Repository at Lenexa, KS
- Held fourteen basic records training sessions with 347 students attending
- Held four records training sessions for managers with 89 attending
- Completed 12 preliminary records assessments to validate assessment criteria
- Substantially developed an Indian Affairs Records Management Manual

FY 2004 Planned Program Performance

- Complete update of 16 BIAM for non-trust records, complete disposition schedule for OST non-financial records, and substantially complete indexing remaining active boxes of records at OTR facilities
- Begin implementation of electronic record keeping system (based on results of pilot)
- Begin relocation of retired records to new American Indian Records Repository in Lenexa, KS
- Provide records management training, in conjunction with the Office of Trust Training, for up to 1,200 BIA/OST employees, and expand training effort, in conjunction with the Office of Trust Training to include representatives of as many as 30 tribes

**Budget, Finance and Administration (25 FTE / \$8,755,600):**

The Office of Budget, Finance and Administration (BFA) provides administrative support services (i.e., finance, personnel, procurement, property, safety, check disbursement, budget, planning and mail service) for OST, in carrying out the fiduciary trust responsibilities to American Indian tribes, individual Indians, and Alaska Natives efficiently and effectively. BFA coordinates required reporting to Interior, 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 the: formulation, execution, and presentation of the OST budget; development and maintenance of the Trust Tracking and Coordination System (TRAC) that monitors implementation of the Comprehensive Trust Management Plan (CTM); development and implementation of activity based cost management; development of performance plan documents and performance measures; processing and mailing of all daily Individual Indian Monies (IIM) account holder checks, and explanation of payments (EOP); and oversight of contracts for general support to other programs and offices within OST, such as, acquisition, personnel and finance.

In addition, the Office coordinates implementation of three of the President's management agenda (PMA) items — budget and performance integration, competitive sourcing, and financial management. Prior year accomplishments implementing the PMA includes: alignment of the FY 2004 budget request with the new Interior Strategic plan structure; integration of the annual performance plan with the budget request; implementation of Activity Based Cost Management (ABC/M); strategic use of contract resources to leverage private industry knowledge and expertise on trust management; and financial performance improvements.

The Budget, Finance and Administration program includes funding for OST's cost of government wide, Departmental and other agency services such as; personnel, EEO, rent, telephone, and working capital fund activities. Program increases justified in other sections may include funding for additional costs of these services as part of a program expansion. Transfers of base funding to centralize these costs will be reflected in the next budget. Estimates of these costs included within the BFA activity are reflected in the table that follows:

**OST Administration, Overhead and Related Costs**

Services	FY 2004 Estimate	FY 2005 Estimate	Program Change	Service Provider
Personnel	543	543	0	Minerals Management Service
EEO	54	54	0	Office of the Secretary
GSA Rent	2,655	3,363	+708	GSA
Long Distance	133	133	0	MCI
C & A security	553	70	-483	Department of the Interior
Working Capital Fund	2,043	2,838	+795	Department of the Interior
<b>Total</b>	<b>5,981</b>	<b>7,002</b>	<b>+183</b>	

Note: Acquisition is included within the working capital fund and FY 2005 estimate includes \$838,000 in uncontrollable increases.

FY 2003 Program Performance Accomplishments

The Office assisted in the development of OST's ABC/M system. The system will provide managers with information on the cost of their operations not currently available in the Federal Financial System. In the future, management cost information will be used to make resource allocations, streamline processes, develop budget projections, and realize greater efficiencies in fulfilling the fiduciary trust responsibilities.

BFA led the development and implementation of the Interior's TRAC. TRAC is the central repository for trust reform project plans and initiatives. It provides senior management with executive level information on the implementation progress of the various trust reform initiatives underway, within the context of the CTM.

BFA contracted out the acquisition support function to the National Business Center (NBC). After a study of the operations it was determined to be more efficient to contract for these services rather than continue to provide them in-house. OST reassigned staff to other administrative functions.

FY 2004 Planned Program Performance

- BFA will continue implementation of ABC/M to include identification of managerial report requirements and development of a mechanism to collect and compile output data.
- The Office will develop and deliver project management training in conjunction with the Office of Trust Training. Work with program managers to develop trust project plans that will be entered into the TRAC system.
- BFA plans to conduct an economy and efficiency review of the check, EOP, and mailing activity to identify potential process improvements.

**External Affairs (5 FTE / 544,500):**

The Office of External Affairs is responsible for the successful implementation of a coordinated public outreach plan and for supporting OST Self-Governance and Self-Determination activities. The Office is responsible for providing information about Interior trust reform activities in a variety of mediums for use by a diverse group of stakeholders.

Providing information to tribal and individual Indian trust beneficiaries about Interior activities affecting the management of trust resources is a critical element of every trustee-beneficiary relationship. Important information about new policies, procedures, practices, regulations, Public Laws and other activities must be provided to account holders in a timely manner. Such communication also opens avenues that assist OST in better responding to the individual needs and concerns of its beneficiaries.

The Office of External Affairs also is responsible for communicating with other trust reform stakeholders including the media, the U.S. Congress, other federal and state agencies, the public, and interested private organizations. To support communication efforts with these parties, staff prepare articles for publication, develop and issue press releases and respond to media inquiries. Staff research, develop and coordinate analysis of new legislative initiatives, provide information in response to congressional inquiries, and draft written testimony for appearances before the U.S. Congress. Office staff also coordinate and prepare responses to the approximately 60 requests for comment on legislative materials OST receives each year. Additional informational materials including brochures, flyers, postcards, and newsletters are regularly created, published and distributed for educational purposes and public use. Staff also provides maintenance and upkeep of OST's website to serve as an additional source of trust reform information for the public.

Staff attend and facilitate presentations at tribal meetings, including the Self-Governance conferences, to provide information to tribes on contracting and compacting opportunities. In follow-up to these meetings, staff respond to inquiries and provide technical assistance to interested tribes to encourage new compacting opportunities for trust services. Currently, three tribes have compacts for Individual Indian Monies (IIM) services, and additional tribes have expressed interest in contracting portions of the IIM trust services program as well. In FY 2005, OST will provide direct funding totaling approximately \$75,000 to two tribes performing trust funds management functions under self-governance arrangements. The third tribe established its funding methodology through the Bureau of Indian Affairs (BIA) and will continue to receive funding through BIA as long as the tribe continues to compact the financial trust services program. In support of these self-governance compacts, Office staff provides technical assistance services including negotiating annual funding agreements and annual evaluations.

Additionally, External Affairs is the principal point of contact for 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* (Reform Act). To date, five tribes have withdrawn all or a part of their trust funds under the Reform Act, and Office staff continue to work with additional tribes that are in the process of developing plans for withdrawal of their trust funds.

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Upon receipt of an application to withdraw trust funds, the Office reviews the application to ensure its completeness, and coordinates appropriate review with other Federal offices, including the Office of the Solicitor, to ensure that each application is in compliance with statutory and regulatory provisions before being recommended for approval. The Office responds to all requests by tribes for technical assistance pursuant to the Reform Act.

The Office of External Affairs supports the Interior's mission goal of Serving Communities – Fulfill Indian Fiduciary Trust Responsibilities. The Office helps Interior accomplish its trust mission through the development and maintenance of an effective public outreach program to fulfill business objectives identified in the CTM including:

- **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 Interior's fiduciary duties.
- **Technical Assistance:** Provide Indian tribes with technical assistance to develop, implement, and manage Indian trust fund investment plans, in accordance with the Reform Act.
- **Expand Self-Governance Compacts and Self-Determination Contracts:** Foster expansion of self-governance compacts and self-determination contracts in a manner consistent with Interior's fiduciary responsibilities.

External Affairs activities support the Secretary's 4 Cs vision by providing timely information on the status of trust reform activities to beneficiaries and establishing effective avenues of communication with stakeholders. Also, the Office promotes the President's e-government initiative to use technology to streamline the delivery of products and services to the American people.

#### FY 2003 Program Performance Accomplishments

- Attended approximately 25 meetings in Indian Country to provide information to beneficiaries on the progress of trust reform and to respond to beneficiary concerns.
- Supported OST reorganization efforts by attending nationwide briefings for Interior and tribal staff to ensure the success of the new organizational structure.
- Announced and coordinated tribal consultation meetings on Interior's initiative to consolidate bureau and office real estate appraisal activities into a single office.
- Provided technical assistance to tribes seeking to compact or contract OST programs.
- Drafted articles for publication in Interior's People, Land and Water newspaper and press releases on newsworthy events.

FY 2004 Planned Program Performance

- Office staff will attend approximately 50 meetings in Indian Country to provide information to beneficiaries on the progress of trust reform and to respond to beneficiary concerns.
- Office staff will attend major tribal events including tribal council meetings, Self-Governance Conferences and the National Congress of American Indians Annual Convention.
- Staff will continue to prepare articles for publication in Interior's monthly newspaper, respond to media inquiries and develop press releases on newsworthy events. Staff will create postcards for beneficiaries announcing new OST policies, a brochure on the new organizational structure, and a welcome packet with information for new account holders. Staff will create and distribute a newsletter to over 3,000 OST stakeholders each quarter, provide updated information for the OST website; prepare briefings for Congressional staff, and provide comments on testimony and legislation impacting trust management.
- Office staff will attend meetings to promote self-governance and self-determination activities, and provide information and technical assistance to tribes interested in compacting and contracting OST programs.
- Office staff will continue to negotiate annual funding agreements with tribes interested in compacting and/or contracting new OST programs.
- Office staff will continue to work closely with tribes in support of their efforts to gain approval to withdraw their trust funds pursuant to the Reform Act.

**Office of Trust Review and Audit (20 FTE / \$5,597,400):**

The Office is responsible for effective delivery of trust products and services to beneficiaries and supports senior management in the execution of their duties to carry out the Department's fiduciary responsibilities.

The Office of Trust Review and Audit (OTRA) serves as an independent oversight and audit function of trust programs and operations both internally and externally, and as a quality control for the proper management of trust funds. Through implementation of an oversight and audit program of trust activities OTRA supports the Department's end outcome goal – Fulfill Indian Trust Responsibilities.

Work activities support the underlying trust reform goals in the Comprehensive Trust Management Plan 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 will be possible through monitoring reviews of Indian trust asset management activities

department wide and providing timely reports and/or recommendations to top management on efficiency, economy, legality and effectiveness of operations at the program and field level.

#### Trust Asset Management Rating System

The Trust Asset Management Rating System (rating system) is being developed in-house, at a pace OTRA can accomplish with available resources, to provide a method for assessing the operational effectiveness of trust asset management activities Department wide. The current methods being used are fragmented and not as efficient as they could be. Also, existing methods do not always provide the necessary information timely enough to take effective corrective action. OST does not currently have sufficient information to develop concrete measures; however, OST anticipates that a successful implementation will make great strides towards a management tool that will allow a more timely identification and correction of weaknesses in the trust system. This rating system will be comprehensive in its coverage and will be applied to all asset management activities in a unified manner. It will provide a methodology for rating the (1) capability of management to identify, measure, monitor and control the activity's risk, (2) adequacy of the activity's operating systems and internal controls, (3) activity's overall compliance with applicable laws, regulations and accepted standards of fiduciary conduct, (4) risks associated with managing and overseeing the assets of others.

#### Tribal Compacts and Self Determination Contracts

As part of the Departments trust reform reorganization, the duties and responsibilities of the Office of American Indian Trust (OAIT) were transferred from BIA to OST in April of 2003. These responsibilities included: ensuring that the Secretary's obligations under the Indian trust responsibility are performed in accordance with the standards required by the laws and policies of the United States; conducting annual reviews of tribal performance of trust functions assumed under the provisions of the Self Governance Act of 1994 (25 U.S.C. §458) and the Indian Self-Determination and Education Assistance Act, as amended (25 USC); preparing and monitoring Departmental trust protection standards and guidelines; reviewing significant Departmental decisions affecting American Indian trust resources, including treaty rights; conducting Department-wide reviews of actions and policies to determine whether such actions or policies negatively impact Indian trust assets, and, where adverse findings are made, initiate corrective actions; and, assisting Departmental bureaus and offices to ensure that programs, projects, activities or proposed actions are consistent with the Department's responsibilities with respect to the management of Indian trust assets. There has been an additional requirement added in this area. Based on Section 139 of H.R. 108-330, OST has been tasked with assessing the ability of four demonstration tribes to carry out their responsibilities under the same fiduciary standards as those to which the Secretary of the Interior is held. This is an effort expected to expand to other tribes in future years.

In addition, the Office will ensure that weaknesses and identified problems are corrected timely and incorporate best practices to improve their performance rating for overall improvement of Trust operations. The Office does this as it follows up on compliance action plans with identified points of contact and tracks and reports to management the status and due dates.



FY 2003 Program Performance Accomplishments

- Completed 16 special investigation requests
- Outlined the preliminary framework of the proposed examination process for the Trust Asset Management Rating System
- Completed 72 trust evaluations
- Transitioned the risk assessment program to Trust Accountability
- Developed tracking system, procedures and a best practices inventory.

FY 2004 Planned Program Performance

- Plan development and partial implementation of a comprehensive Indian trust asset management rating system
- Funding of OST's share of the expanded Office of the Inspector General (OIG) audit of the trust program
- Transition and incorporation/implementation of the Office of American Indian Trust's (OAIT) duties and responsibilities for evaluating tribally managed trust programs (compact and contracted)
- Develop a framework for tracking audit and review findings and providing guidance on best practices to improve performance
- Coordinate findings with reengineering and process improvement functions carried out by other OST organizations, and monitoring the implementation of corrective actions for internal and external trust activities.

In addition, for FY 2004, OTRA plans to continue to review the special requests for reviews/audits submitted by employees, beneficiaries, or external parties. OTRA will expand the scope of the review of tribal compact agreements and start developing a strategy to review self determination contracts to start in FY 2005. OTRA will start developing reporting requirements for correction of identified problems and anticipate those to be completed in FY 2005. OTRA will expand evaluation of tribally managed trust programs. This effort will help prepare for a more complete effort in FY 2005.

**Program Operations - Justification of Program Changes**

		<b>2005 Budget Request</b>	<b>Program Changes (+/-)</b>
<b>Information Technology</b>	\$(000)	44,388	+300
	<i>FTE</i>	96	0
<b>Budget, Finance, and Administration</b>	\$(000)	8,756	+183
	<i>FTE</i>	25	0
<b>Office of Trust Review and Audit</b>	\$(000)	5,597	+1,850
	<i>FTE</i>	20	0
<b>Program Operations Total</b>	<b>\$(000)</b>	<b>59,286</b>	<b>+2,333</b>
	<i><b>FTE</b></i>	<i><b>146</b></i>	<i><b>0</b></i>

**Information Technology**

The FY 2005 budget request for Information Technology is \$44,388,200 and 96 FTE, a net program increase of \$300,000 and 0 FTE from the FY 2004 enacted level. The following is a list describing program changes:

**Trust Enterprise Architecture (-\$1,250,000)**: The FY 2005 \$1,250,000 decrease reflects Interior-wide efforts to address trust system architecture. In FY 2003, the Trust Enterprise Architect and Trust Enterprise Architecture Integrated Project Team (TEA-IPT), along with architectural subject matter expert contractor support initiated an accelerated enterprise architecture development schedule. The accelerated schedule will produce the required architectural products in support of the Interior's fulfill Indian fiduciary trust goal of having all of the trust systems certified and accredited by the end of FY 2004, a year ahead of schedule. The focus of the TEA-IPT activities during FY 2005 will be on performing minor updates to the business, data, and technology segments of the architecture products, with the majority of the effort on systems integration management.

**Haskell Indian Nations University records management program (+\$250,000)**: The Office of Trust Records (OTR) has entered into a Memorandum of Agreement (MOA) to support the Haskell Indian Nations University in Lawrence, Kansas in the creation of an educational program addressing records management and archival research. OTR will provide Haskell University \$250,000 to develop curriculum, hire teaching staff, including staff of the National Archives and Records Administration (NARA), conduct classes, and implement work studies programs to support archival work at the Lenexa Federal Records Center facilities operated by NARA where retired Federal Indian records will be consolidated.

Implementation of the Haskell University program will result in students receiving certification in records management. This should result in increased job opportunities for Native Americans in the area of records management with federal, state, and tribal governments as well as private

sector businesses. It is anticipated that at least twenty students a year can be certified under this program.

This project indirectly supports the Interior strategic goal to Fulfill Indian Fiduciary Trust Responsibilities, by helping to insure a professional cadre of Indian records managers. It supports the Secretary's Trust Principle, "Protect and preserve Indian trust assets from loss, damage, unlawful alienation, waste, and depletion" by helping to insure that Indian records will be managed professionally and responsibly into the future.

**Litigation support (+\$1,300,000)**: The increase is requested for litigation support associated with the *Cobell v Norton* and 25 current tribal lawsuits. These lawsuits address long standing deficiencies and alleged accounting discrepancies in trust funds. These litigation support funds will provide for the growing court mandated and related costs for example; production of voluminous amounts of documents; contractors to index, image and sort documents; and attorneys to assist the Department in ongoing trust related litigation. It is expected that these tribal lawsuits will continue in FY 2005 and that the cost is expected to increase in FY 2005.

Technical adjustments and transfers between the OST and BIA accounts occurred as a result of the reorganization. Transfers to BIA from OST include funding for the TAAMS title system (-\$5,531,00) and the reality system (-\$9,057,000) modules.

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

The FY 2005 budget request for Budget, Finance and Administration is \$8,755,600 and 25 FTE, a net program increase of \$182,600 and 0 FTE from the FY 2004 enacted level. The following is a list describing program changes:

**Working Capital Fund (+190,000)**: This amount reflects an adjustment changing from central billing to direct billing.

**IT Security (-\$483,000)**: A decrease in the amount of \$483,000 is included to reflect OST's adjusted part of the Interior-wide effort to address the expanded requirements of information technology security. These funds are needed to coordinate a multi-million dollar Department-wide effort to bring information systems into compliance with accepted security requirements.

A decrease of \$483,000 is requested for IT security for OST's share of the Departmental WCF costs for the multi-year program to test, assess, and remediate systems in order to reach a goal for certification and accreditation of all high-risk systems by December 2005. IT security is a major priority for the Department. A certification and assessment program is a critical investment to create and maintain a secure environment for systems and data and is required by the Computer Security Act of 1987, Clinger-Cohen Act of 1996, and other legislative and administrative mandates. The 2005 budget includes \$13 million overall of which \$77,000 (a reduction of \$483,000 from the 2004 level of \$560,000) is requested for OST. Amore detailed

justification for this decrease is included in the Working Capital Fund section of the Departmental Management budget.

**Reimbursable Support Agreement (RSA) (-6,000)**: The decrease reflects the transfer to the WCF of work previously funded under RSAs.

**Departmental financial statement audit (+53,200)**: This increase funds additional costs associated with OST's share of the Department financial audit.

In compliance with the Chief Financial Officers Act of 1990, the Department's consolidated financial statement and individual bureau financial statements are audited annually. The Department has benefited significantly from these independent and objective evaluations. Beginning in FY 2002, the Department began to contract with a private sector audit firm for the annual financial audits with funding specifically appropriated for this purpose in the Office of the Inspector General.

Due in large part to the Department's outdated financial system and the resultant delays in reporting, audit costs were higher than the amount appropriated. Each year the Department used credit card rebate funding and other bureau resources to fund the additional audit costs.

The FY 2005 request for audit funding identifies the anticipated full cost of the annual audit. The amount requested includes funds transferred from the OIG and amounts comparable to what the bureaus have been supporting in their budgets, exclusive of the cost of the audit relative to unanticipated, unique, bureau-specific audit issues.

**Departmental Enterprise System Network (ESN) (+398,400)**: This increase reflects OST's share of the costs for the ESN.

The ESN will provide an enterprise approach to its information technology infrastructure. Beginning with the development of a Department-wide intranet, Internet access and an operations center, the development of ESN will provide a secured, single network infrastructure that is centrally managed. The potential benefits gained by migrating to a single enterprise network include centralized, standardized and efficient network operations, enhanced accountability for network performance, a uniformly high level of security, the reduction of risks associated with the loss of knowledge capital due to high projected turnover rates for skilled staff, and improved technical support for network managers. ESN will be implemented in two phases. Phase 1 encompasses three objectives: 1) establishment of a Department-wide Intranet; 2) consolidation of all Internet connections across the Department; and 3) implementation of a Network Operations and Security Center to manage the network and provide customer support. Phase 2 will encompass the secure connection to the ESN of the bureaus' approximately 150 bureau hubs or sites that are located primarily in cities, as well as their approximately 1,500 remaining smaller sites.

**Departmental Quicksilver program (+30,000)**: This increase represents OST's share of the Quicksilver program as follows:

- **E-Travel (+4,000)**: This E-government project provides a government-wide web-based service to consolidate travel functions, provide improved services to government employees, and minimize costs. From travel planning and authorization through the employee reimbursement process, E-Travel combines administrative, financial, and information technology best practices to produce cost savings and improved employee productivity. E-Travel leverages proven industry practices with new technologies to provide a common, automated approach for managing government travel. Efficiencies are expected by eliminating paper-based processes, replacing fragmented systems, expanding travel-related services that are available to Federal employees, providing on-line transaction processing, and creating a self-service environment that is easy to use.
- **E-Authentication (+2,000)**: Federal services are available on-line, but many require some form of identify verification before a transaction can take place. The E-Authentication project will provide a secure, easy-to-use and consistent method of proving identity to the government minimizing the burden on businesses, the public, and government. The project will establish uniform processes for establishing electronic identity and allow citizens and businesses to use non-government issued credentials to conduct transactions with the government. E-Authentication will eliminate the potential development of electronic identity authentication systems by multiple agencies and allow business to use a single registration process.
- **E-Training (+8,000)**: The E-Training project creates a training environment that is more efficient and provides improved services and learning management support to the Federal government. E-Training provides learning management system functionality and a simplified process to learn about training opportunities with one-stop access to e-products and services – thus, advances the accomplishment of agency missions. The Gov Online Learning Center houses a repository of products and services and performance support tools that meet the needs of the workforce. The E-Training approach avoids the need for multiple Federal agencies to host and maintain duplicate systems.
- **Business Gateway (+16,000)**: Businesses, particularly small businesses, must comply with Federal, State, and local laws and regulations by applying for a series of permits and licenses. This can be a difficult and costly process that impacts their productivity. The Business Gateway will make it easier to find, understand, and comply with applicable laws and regulations by improving access to information, providing on-line tools, and accessible and easy-to-use forms. This project will also improve the ability of Federal agencies to automate business processes and comply with the Government Paperwork Reduction Act.

### Office of Trust Review and Audit

The FY 2005 budget request for Office of Trust Review and Audit is \$5,597,400 and 20 FTE, a net program increase of \$1,850,000 and 0 FTE from the FY 2004 enacted level. The following is a list describing program changes:

**Tribal Compacts and Self Determination Contracts (+\$250,000):** In FY 2005, the workload for this area will increase to 77 tribal compact trust evaluations due to the expansion of tribal participation in the self-governance initiative. The office will also provide the necessary oversight to ensure that Indian trust assets are being properly managed under the more than 220 contracts and grants authorized under the *Indian Self-Determination and Education Assistance Act* which contain provisions for the performance of trust functions. OTRA will also be performing assessments of tribes under the Section 139 of H.R. 108-330 and their performance under the Secretary's fiduciary standards. In addition, the office will work with the OIG, the Office of Self Governance, and the Office of Audit and Evaluation to ensure the timely and thorough resolution of any material weaknesses or corrective action measures identified that impact Indian trust assets including the coordination of any re-assumption or technical assistance activities that may be required.

This will allow the performance of an additional 4 trust evaluations of tribal compacts, the initiation/completion of approximately 70 performance/financial reviews of tribal contracts and grants.

**Expanded Trust Financial Audit (+\$1,600,000):** In order to improve oversight and accountability, as part of the Fiduciary Obligations Compliance Plan submitted to the court on January 6, 2003, Interior committed to an expansion of the annual financial audit. Indian trust assets, including the trust funds, are managed under the delegated authority of the OST and the BIA. Management of Indian trust assets on behalf of the trust beneficiaries is a process that is dependent upon the processing of trust related transactions within Interior's accounting systems, including but not limited to OST, BIA, and Minerals Management Service.

This funding will support Department costs for competitive sourcing contract costs for an audit of ownership of trust assets including, title, probate, and an inventory of trust lands and the establishment of appropriate information systems. The audit will provide Interior with findings and recommendations to address issues and concerns related to ownership of trust assets.

**Program Operations Program Performance Summary**

	2002 Actual	2003 Actual	2004 Plan	2005 Plan	Change in Perform- ance 2004 to Planned 2005	Long-term Target (2008)
<b>End Outcome: Fulfill Indian Fiduciary Trust Responsibilities</b>						
<b>Timeliness:</b> Percent timeliness of financial account information provided to trust beneficiaries.		100%	100%	100%	0%	100%
<b>Self-governance/Self-determination:</b> Number of trust funds under tribal management by tribes that seek to do so.			5	5	0	8
<b>Intermediate Outcome: Support Self-Governance and Self-Determination</b>						
<b>Technical Assistance:</b> Percent of technical assistance requests for tribal management of trust assets met in timeframe requested.			100%	100%	0%	100%
<b>Intermediate Outcome: Improve Indian Trust Ownership and Other Information</b>						
<b>Records Management:</b> Percent of BIA/OST programs reviewed to identify improvements needed in their Records Management Program.			Establish Baseline	33%	33%	100%
<b>Bureau Measures: Review of Indian Trust Asset Activities</b>						
<b>Special Projects:</b> Percent of requests responded to identifying account holder problems			70%	80%	+10%	100%
Number of tribally managed trust programs evaluated			75	77	+2	All
Track findings and provide best practices to improve performance and rating			65% of corrective action plans in place	85% of corrective action plans are in place	+20%	100% of corrective action plans are in place
Coordinate findings, monitor corrective actions for internal and external trust activities			Establish Baseline	65% of corrective plans implemen- ted within 180 days	+65%	100% of corrective actions implemen- ted or in process

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**Activity: Program Operations & Support**  
**Sub-activity: Trust Accountability**

*(Dollars in Thousands)*

Programs		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Office of the Deputy Special Trustee	\$(000) FTE	250 2	247 3	+1 0	0 0	248 3	+1 0
Trust Training	\$(000) FTE	4,690 5	4,660 6	+3 0	0 0	4,663 6	+3 0
Trust Regulations Policies and Procedures	\$(000) FTE	5,887 11	5,847 10	+5 0	-2,500 0	3,352 10	-2,495 0
Trust Program Management Center	\$(000) FTE	30,460 34	25,472 30	+14 0	0 0	25,486 30	+14 0
<b>Trust Accountability Total</b>	<b>\$(000) FTE</b>	<b>41,287 52</b>	<b>36,226 49</b>	<b>+22 0</b>	<b>-2,500 0</b>	<b>33,748 49</b>	<b>-2,478 0</b>

Note: May not add due to rounding.

**TRUST ACCOUNTABILITY**

Program Overview:

**The Office of the Deputy Special Trustee – Trust Accountability (3 FTE / \$248,300):** The

Office of the Deputy Special Trustee – Trust Accountability was created in FY 2003 as part of the trust reorganization to provide enhanced accountability for trust management reform and fiduciary trust management. The Deputy Special Trustee – Trust Accountability provides central leadership and guidance for several key functions which support Interior’s trust management reform. The Deputy manages and supervises a workforce trained to carry out Interior’s trust responsibilities; coordinate and develop policies and procedures to ensure fiduciary and legal responsibilities are fulfilled; and develop reengineered trust business processes with a beneficiary focus. This office is responsible for integrating trust reform planning and reform project execution as outlined in the CTM.

In Fiscal Year 2004, OST implemented activity based cost management. This will allow Trust Accountability management to analyze the efficiency of operations, allocate resources and develop budget projections and funding requests based upon cost data.

The office oversees the operations of three major programs -- Trust Training, Trust Regulations Policies and Procedures, and the Trust Program Management Center.

**Trust Training ( 6 FTE / \$4,662,600):** Lack of adequate training for employees who manage Indian trust assets has been recognized as a significant obstacle to effective management of and accountability for the proper discharge of the Secretary's trust responsibilities to Indian tribes and individual Indians. Training in critical skill areas is essential to the successful management of trust operations. The objective of the training program is to provide specialized skills training for Interior and tribal personnel on trust responsibilities in order to increase the job performance and inter-organizational effectiveness of Interior and tribal personnel who manage Indian trust assets. The Trust Training program provides oversight, development and coordination of training efforts for Interior and tribal staff. Training supports trust management reform by ensuring current and future personnel with trust responsibility have the necessary skills and knowledge to effectively carry out their duties.

Training is to include, but is not limited to TFAS and related desk operating procedures; Stratavision; Interagency Handbook Training; Cannon Trust School; an orientation program; and Trust Foundations.

Trust Training will be the office responsible for maintaining and tracking training records for all Interior trust staff that require accreditation.

#### FY 2003 Program Performance Accomplishments

- Provided *Interagency Procedures Handbook* training to 1,363 OST, BIA, OHA, contractor and tribal staff.
- Provided TFAS, Stratavision, and Historical Query training to 50 OST, BIA, and contractor staff.
- Coordinated with Cannon Financial Institute to present the *Fiduciary Overview Program* to 173 OST, BIA, MMS, and tribal staff.
- Coordinated with Upper Mohawk, Inc. to present the *Trust Foundations: An Introduction to Trust Reform and Change* to over 1,300 OST, BIA, MMS, BLM, contractor and tribal staff.
- Developed the *Indian Fiduciary Trust Training Program* in partnership with BIA. The *Program* is a vehicle for the orderly development and implementation of all Interior fiduciary trust-related training for employees involved in managing Indian trust assets.
- Instituted a curriculum committee for the purpose of setting priorities for the *Indian Fiduciary Trust Training Program*. Contracted with BLM to utilize their THINQ registrar system that will track attendance and course completion for employees who enroll in fiduciary trust training classes.
- Contracted the development of a computer-based version of the *Fiduciary Trust Foundations: An Introduction to Trust Reform and Change* course. The CD will provide trust personnel with a basic understanding of the Federal Government's fiduciary responsibilities.

### FY 2004 Planned Program Performance

*Trust Foundations – An Introduction to Trust Reform and Change:* This course will be converted to a computer-based course to ensure that new hires and those Interior and tribal employees who desire a refresher course will have access to the information.

The training plan outlines the types of courses offered based upon the strategic framework in the CTM. A Trust Officer certification curriculum will be developed to ensure that the new Trust Officers clearly understand their role in carrying out the fiduciary responsibilities of Interior. It is anticipated the first course leading to certification of Trust Officers, much like that given to Bank Trust Officers, will be delivered to trust managers from Interior. The course will later be modified and delivered to staff as the foundation course leading to Indian Trust Officer Certification.

Trust training will continue to include coordination and training for TFAS, Stratavision, Interagency Handbook training and review, Cannon Trust School, an orientation program and Trust Foundations as well as the new trust processes reengineered in FY 2004.

Further accomplishments planned in FY 2004 include:

- Establish Cannon “Indian Trust Officer Certification” program by end of FY 2004.
- 90% of all BIA Regional Directors, Deputy Regional Directors, Superintendents, and Deputy Superintendents complete the basic Cannon Fiduciary Trust Course.
- Provide TFAS, Stratavision, and Historical Query hands-on training to OST, BIA, tribal, and contractor staff as requested.
- Provide Interagency Handbook Training refresher courses to OST, BIA, and tribal staff.
- Provide customer service skills and basic communication skills training.
- Complete development and prepare for implementation of job specific related training including probate, tribal self-governance and self-determination, land and natural resource management, and trust accounting.
- Coordinate and/or provide system software related training as needed including but not limited to Microsoft Access, Microsoft Excel, Microsoft Word, Microsoft PowerPoint, and Microsoft Project.

**Trust Regulations, Policies and Procedures (10 FTE / \$3,351,600):** OST ensures that reforms of the policies, practices, procedures and systems of Interior which support such fiduciary trust responsibilities, are effective, consistent and integrated (25 U.S.C. 4041(2)). This program supports Interior’s effort to comply with the requirements of the Reform Act. The Office of Trust Regulations, Policies and Procedures (OTP) was created in FY 2003 to oversee, coordinate, and facilitate the adoption and implementation by Interior of consistent written policies and procedures governing the performance of the Secretary’s fiduciary trust responsibilities. OTP is responsible for ensuring organizational knowledge, access, and compliance with applicable trust regulations, policies, procedures, and practices. OTP assists in and tracks the development of appropriate trust regulations, policies, procedures, manuals and

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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 Interior's discharge of those responsibilities. OTP work activities support the Serving Communities - Fulfill Indian Trust Fiduciary Responsibilities goal by ensuring consistency in the interpretation, development, and implementation of policies and procedures for all entities in Interior with trust responsibility.

#### FY 2003 Program Performance Accomplishments

- Developed and facilitated the review and issuance of Desk Operating Procedures for Receipts.
- Renewed OMB approved forms: Tribal Withdrawal Forms and IIM Forms.
- Concurrently began development of Desk Operating Procedures for various business processes such as account maintenance, interest and disbursements.

#### FY 2004 Planned Program Performance

OTP will continue to reform the policies, practices, procedures and manuals of Interior which support fiduciary trust responsibilities to ensure they are effective, consistent and integrated (25 U.S.C. 4041(2)). The OTP staff will work closely with the Trust Program Management Center on the "To-Be" reengineering to facilitate initial policy, and procedure changes identified in the reengineering as well as facilitate the adoption of policies and procedures for the reorganized OST. The Desk Operating Procedures for account maintenance, interest, and disbursements will be finalized and issued via the Intranet.

**Trust Program Management Center (30 FTE / \$25,485,900):***(Dollars in Thousands)*

Programs		2003 Actual	2004 Estimate	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Office of the Director	\$ (000)	36	173	+1	0	173	+1
	FTE	1	1	0	0	1	0
Workforce Planning	\$ (000)	497	0	0	0	0	0
	FTE	0	0	0	0	0	0
Risk Management	\$ (000)	2,693	2,665	+3	0	2,668	+3
	FTE	9	7	0	0	7	0
Reengineering	\$ (000)	8,959	4,839	+6	0	4,845	+6
	FTE	20	13	0	0	13	0
Probate Clean Up	\$ (000)	9,935	8,914	+1	0	8,914	+1
	FTE	1	1	0	0	1	0
Data Cleanup	\$ (000)	3,372	3,361	+2	0	3,363	+2
	FTE	4	4	0	0	4	0
ITS/Data Quality	\$ (000)	4,968	5,521	+2	0	5,523	+2
	FTE	5	4	0	0	4	0
<b>Trust Program Management Center Total</b>	<b>\$ (000)</b>	<b>30,460</b>	<b>25,472</b>	<b>+14</b>	<b>0</b>	<b>25,486</b>	<b>+14</b>
	<b>FTE</b>	<b>34</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>

The Trust Program Management Center (TPMC) was created in FY 2003 as part of the trust reorganization to provide enhanced project management and coordination in trust reform efforts. TPMC will provide 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.

The TPMC defines and enforces standardized methodologies for project management and system development. Consistency can be realized in project management disciplines such as resource, schedule, scope and cost management. TPMC will enforce effective project management, as well as, monitor and report on the status of various trust reform management activities.

Office of the Director – TPMC (1 FTE / \$173,300): The Office of the Director for TPMC manages and supervises the following trust reform projects: Risk Management, Reengineering, Probate Clean-Up, Data Cleanup, and ITS/Data Quality. These projects pertain to a specific aspect of trust management identified for improvement and are also managed within TPMC.

Risk Management (7 FTE / \$2,667,900): 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.

Reengineering (13 FTE / \$4,844,600): Interior's reengineering effort is a process redesign activity that will transform the current trust business processes into more efficient, consistent, integrated and fiscally responsible business processes that better meet the needs and priorities of the beneficiaries. The next critical step toward achieving this condition requires the development and finalization of a "To-Be" trust business model.

Probate Clean Up (1 FTE / \$8,914,300): Probate Clean Up is a trust improvement project that requires the cooperative efforts of BIA, the Office of Hearings and Appeals (OHA) and OST. The immediate goal of the project is to bring the probate caseload current so that individual Indian beneficiaries have the use of their trust interests and Interior's overall management of trust assets is based on current and correct ownership information. Program funds are to be used as follows: BIA - \$4,370,500, OHA - \$3,456,900, and OST - \$1,086,400.

Data Cleanup (4 FTE / \$3,362,900): The Special Projects group within TPMC was established to work on projects that are not part of daily operational activities. Currently, the Special Projects group is working on the Special Deposit Account (SDA) pilot and Whereabouts-Unknown (WAU).

ITS/Data Quality (4 FTE / \$5,522,900): Data Quality and Integrity (DQ&I) defined the critical data elements (CDE) that provide: (1) timely and accurate payments to the beneficiaries; (2) timely and accurate transaction listing and asset inventories to beneficiaries; and (3) effective management of assets. Implementation at the agencies involves identifying, verifying for accuracy, correcting if necessary and safeguarding CDE, in order to ensure the accurate status and reporting of trust assets to the beneficiaries.

FY 2003 Program Performance Accomplishments

- Finalized the “As-Is” report and distributed. The “As-Is” report will serve as the foundation for the analysis and reengineering required to produce a beneficiary-centered trust business model. The “As-Is report:
  - Established a comprehensive understanding of how the current trust business processes are being performed
  - Documented regional variances
  - Identified opportunities for improvement
- Developed a “working model” Management Control Plan Application to aid managers in performing and establishing their internal control programs throughout the 2004 fiscal year.
- Completed Draft Probate Handbook (death to distribution).
- Completed Data Quality and Integrity (DQ&I) Project Concept of Operations document and finalized list of Critical Data Elements (CDE) to be validated/corrected.
- Conducted DQ&I on-sight assessments at five locations - Anadarko Agency, Concho Agency, Eastern Navajo Agency, Pima Agency, and Pine Ridge Agency.
- Developed and implemented database application to track the distribution of Special Deposit Account (SDA) receipts received after January 1, 2003. Provided SDA tracking system training for multiple BIA regional and agency offices.
- 16,387 Whereabouts Unknown (WAU) account holder addresses were updated. The total balance of these accounts was \$21.8 million.

FY 2004 Planned Program Performance:

Risk Management will train all BIA regions on Risk Management PLUS (RM+). Implementation of RM+ will immediately follow the training at all BIA regions. Risk Management will then begin modification of the RM+ to conform with the new reengineered processes that are derived from the “To-Be” process.

Probate Clean-Up will oversee backlog elimination efforts; ensure coordination of policies, practices and systems; and provide guidance in identifying problems and potential solutions in the process of eliminating probate backlogs. OST Probate Clean-Up will also work with the “To-Be” reengineering project to mitigate the risk of future backlogs.

Trust Business Process Reengineering will present the draft “To-Be” Trust Business Model to Interior and tribal personnel responsible for performing trust processes at selected locations. The purpose of these informational meetings will be to validate the feasibility of the reengineered trust processes, obtain input for refinement of the model and to ensure that the goals and objectives of the CTM are met. During the second and third quarter FY 2004, staff will utilize the recommendations and input from the site visits in the redesign or enhancement of the draft “To-Be” Trust Business model. This phase will also include performing a gap analysis from the “As-Is” to the “To-Be” necessary to identify the amount of enterprise-wide change activity associated with the reengineered model, integration of the universal support functions necessary

to carry out the reengineered processes and the development of an implementation strategy. The implementation of the "To-Be" Trust Business Model and integration of the universal support functions will begin during the end of the third quarter FY 2004 and pilot sites to implement and test the "To-Be" model will be identified.

The Special Deposit Account (SDA) pilot project will continue to develop work plan procedures for SDA clean up that will be used on a national level. In addition, the Special Projects group will develop a tracking system for historical clean up work that OHTA is performing on accounts created prior to December 31, 2002. In FY 2004 implementation and training on the tracking system will be conducted and moved back into daily operations. The Special Projects staff will serve as oversight for the process.

Additional accomplishments planned in FY 2004 include:

- Perform risk assessment of the "To-Be" Model and its sub-processes.
- Conduct a review and analysis of BIA's Probate Backlog Elimination Plan to assess the degree to which it is comprehensive, adequate, realistic, and achievable.
- Finalize "To-Be" Model.
- Integrate universal support functions into the "To-Be" model (automated and information systems requirements; policies and procedures; training; risk management; fiduciary standards/internal controls; records management; workforce planning).
- Develop implementation strategy to identify potential order in which reengineered trust business processes in the "To-Be" Model will be implemented across Interior. Expected implementation may begin with selected BIA pilot agencies.
- Perform monitoring and assessment activities related to the implementation of reengineered trust business processes at the select locations.
- Complete 12 field office visits in order to locate Whereabouts Unknown individuals.
- Increase emphasis on locating Whereabouts Unknown individuals in conjunction with Trust Training performed by OST. Plan to locate 13,235 out of 52,943 Whereabouts Unknown..
- Establish "Outreach" presence at tribal events to locate Whereabouts Unknown individuals
- Continue to develop agreements with other federal agencies to create and compare data to obtain current addresses.
- Implement and operate DQ&I Project at ten BIA agency locations, with high volume of recurring trust income deposited into IIM accounts.
- Establish ongoing quality assurance process at each of these agencies.
- Complete CDE validation and correction for 10 agencies. Prepare trust asset statements for beneficiaries at six of the 10 agencies.



**Trust Accountability - Justification of Program Changes***(Dollars in Thousands)*

	<b>2005 Budget Request</b>	<b>Program Changes (+/-)</b>
<b>Trust Regulations, Policies &amp; Procedures</b>	3,352	-2,500
FTE	10	0

The FY 2005 budget request for Trust Accountability is \$33,748,400 and 49 FTE, a net program decrease of \$ 2,500,000 from the FY 2004 enacted level.

**Trust Regulations, Policies & Procedures (-\$2,500,000)**: The \$2.5 million decrease is a result of one time costs associated with establishing the Office of Trust Regulations, Policy and Procedures in FY 2004; completion of an inventory of regulations, policies, and procedures throughout Interior that pertain to trust management; and realignment of responsibilities from the Office as a result of the reorganization.

FY 2005 funding will allow Trust Accountability to focus on the development of training courses for the accreditation of trust staff as well as refresher courses to maintain the accreditation. OST's ability to provide needed training for a broad range of trust asset management needs to continue if the reform of the trust management process is to be successful over the long term. An essential reform objective for trust management reform requires the creation and maintenance of suitable training curriculum for all Interior personnel who manage or administer Indian trust assets and tribes who compact or contract to manage trust assets.

Interior has a continuing responsibility to provide adequate staffing, supervision, and training for trust fund management and accounting (25 U.S.C. Sec 162 a(d)(7)). In addition, extensive research and development of tailored training programs for the management of trust assets will be required during the transition stages of the reorganization and implementation of the reengineered fiduciary trust processes. Accreditation of trust staff is one example of the requirements that Trust Training must develop and enhance in the coming years. It is projected that in FY 2005 the first set of internally trained Trust Officers will be prepared for certification. Refresher courses to maintain the accreditation will also be required and developed in FY 2005.

The requested Fiscal Year 2005 funding enables OTP to maintain the FY 2004 level of operations to ensure fiduciary and legal requirements are fulfilled in the development and maintenance of trust policies and procedures. It will support the creation and/or modification of trust regulations, policies and procedures as the reengineered processes are implemented and ensure that the new/modified regulations, policies and procedures support the reengineered processes as they were intended. OTP will continue working with the "To-Be" reengineering team to ensure that as the trust processes are designed and implemented, any changes to existing policies and procedures or establishment of new policies and procedures are coordinated.

For FY 2005, the following performance results are expected:

- Establish appropriate tracking systems for reviewing new and modified regulations, policies and procedures.
- Initiate the changes to regulations, policies and procedures identified during the “To-Be” reengineering.
- Facilitate the adoption of policies and procedures for the reorganized OST.
- Create a comprehensive library of all Interior trust regulations, policies, and procedures.
- Continue to assist in the development of consistent written policies and procedures for every phase of the Indian trust asset management process.
- Deliver the RM+ application software to all Interior bureaus and offices with fiduciary Indian trust responsibilities.
- Modify the RM+ application software as necessary to reflect the “To-Be” reengineered trust business processes.
- Continue risk assessment and mitigation training to Interior bureaus and offices with trust responsibilities.
- Provide quarterly assessments of BIA’s progress in implementing its probate backlog elimination plan.
- Provide continuing coordination of OHA and OST systems, policies and procedures with BIA to aid efficient and effective elimination of probate backlogs.
- Continue implementation of the “To-Be” Model to remainder of BIA offices.
- Expand implementation of the “To-Be” model to other Interior bureaus offices with fiduciary trust responsibilities.
- Coordinate with other Interior bureaus and offices to facilitate negotiation of reengineered business processes with compact and contract tribes and incorporate into annual funding agreements. Develop standardized negotiation methodology.
- Perform periodic monitoring and assessment of implementation progress.
- Validate and modify reengineered business processes as necessary.
- Continue to search for missing account holders and update information in the system. In addition to the current methods, Special Projects will look into expanding the methods used to locate account holders. Maintaining current addresses has been a long-standing problem as the number of missing account holders grows every year, many of which are attributable to fractionation and an increasingly mobile account holder population.
- Conduct 12 field office visits in order to locate Whereabouts Unknown individuals.
- Continue “Outreach” presence at tribal events to locate Whereabouts Unknown individuals.
- DQ&I Project implemented and operational at 10 additional BIA agency locations with high volume of recurring trust income deposited into IIM accounts.
- Ongoing quality assurance process will have been established at each of the 10 BIA agencies.
- CDE validation and correction will have been completed for 20 BIA agencies and at 17 of the 20 agencies beneficiaries will receive trust asset statements.

**Trust Accountability Program Performance Summary**

	2002 Actual	2003 Actual	2004 Plan/ Budget	2004 Revised Final Plan	2005 Plan	Change in Performance 2004 to Planned 2005	Long- term Target (2008)
<b>End Outcome:</b> Fulfill Indian Fiduciary Trust Responsibilities							
<b>Trust Fund Accountability:</b> Percent of Federal Managers Financial Integrity Act management control plans with corrective action plans in place. (SP) <sup>1</sup>				80%	90%	+10%	98%
<b>Intermediate Outcome:</b> Support Indian Self Governance and Self Determination							
<b>Cooperative Programs:</b> Percent of risk management/ internal control programs cooperatively implemented by OST and Self Governance and Self Determination tribes. (SP)				50%	80%	+30%	98%
<b>Intermediate Outcome:</b> Improve Indian Trust Ownership							
<b>Ownership Information:</b> Percent of missing owner account information recovered. <sup>2</sup>				25%	25%	0	TBD

<sup>1</sup> FY 2003 MMS revenue reported, beneficiary statements mailed, and management control weaknesses used as static basis for '04 and '08 targets.

<sup>2</sup> When OST starts reporting assets for accounts with no income to the individual beneficiaries OST will be using addresses provided by BIA. It is anticipated the 'Whereabouts Unknown' base will increase significantly. At this time OST does not know what the pool of 'Whereabouts Unknown' will be for FY 2005 and 2008.

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**Activity: Program Operations & Support**  
**Sub-activity: Field Operations**

*(Dollars in Thousands)*

Programs		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Office of the Deputy Special Trustee	\$ (000) FTE	175 1	173 1	+1 0	0 0	173 1	+1 0
Trust Beneficiary Call Center	\$ (000) FTE	116 2	115 2	+1 0	0 0	116 2	+1 0
Field Operations / Regional Trust Admin.	\$ (000) FTE	10,297 165	24,756 185	+96 0	-2,251 +25	22,600 210	-2,156 +25
Office of Appraisal Services	\$ (000) FTE	0 0	0 0	+10,947 +55	0 0	10,947 55	+10,947 +55
<b>Field Operations Total</b>	<b>\$ (000) FTE</b>	<b>10,588 167</b>	<b>25,044 188</b>	<b>+11,044 +55</b>	<b>-2,251 +25</b>	<b>33,836 268</b>	<b>+8,793 +80</b>

Note: OST currently operates the Office of Appraisal Services as a reimbursable activity for BIA. In FY 2005, the office’s funding is proposed to be transferred from BIA to OST. May not add due to rounding.

**FIELD OPERATIONS**

Program Overview:

Field Operations serves as the primary point of contact for beneficiary services in the new trust structure. Field personnel interact with beneficiaries on a daily basis at the agency and regional level. They are often the first point of contact for beneficiaries seeking trust products and services. With the institution of the Regional Administrators and Trust Officers, Field Operations provide proactive beneficiary services, coordinate information requests from beneficiaries, and oversee land management activities. Field Operations also maintains a beneficiary call center to respond to inquiries received via telephone. In FY 2005 the Appraisal Services funding is transferred from BIA to OST.

Field Operations through Activity Based Costing (ABC) will implement tracking of cost data and work load data in FY 2004 to better assess the efficiency and effectiveness of our trust operations.

This data will be used to determine resources for agencies - FTE and funding to assist with collection activities and to institute fiduciary trust officers who will serve as the primary point of contact for all beneficiary inquiries. This will improve program efficiencies by allowing program specialists to accomplish priority mission work in the areas of leasing, lease compliance, probate processing and ownership maintenance.

As a result of an in-depth analysis conducted by Interior in conjunction with tribal leaders and a contractor, the risks associated with the collection of funds at agency offices was identified as high risk, as a result OST will institute a lock box system at all agencies to reduce the risks of misplacement, mismanagement and misappropriation of trust funds.

**Office of the Deputy Special Trustee – Field Operations (1 FTE / \$173,300):** The Deputy Special Trustee manages and supervises the Trust Beneficiary Call Center, Field Operations, Regional Trust Administrators and Trust Officers, and the Office of Appraisal Services.

**Trust Beneficiary Call Center (2 FTE / \$115,500):** The Call Center is responsible for responding to inquires from trust beneficiaries. The Call Center is expected to have access to various trust systems and operations staff in order to provide comprehensive account information to beneficiaries and complement local services. A major responsibility of the Trust Beneficiary Call Center is to provide “one-stop” shopping for all beneficiary inquiries including information regarding leases, payments and other trust activities. The center is especially important to beneficiaries that do not live near Field Operations offices. **1-888-OST-OTFM, Ext. 888.**

**Field Operations / Regional Fiduciary Trust Administrators (210 FTE / \$22,600,400):** Field Operations staff is the primary contact in many instances between Interior and beneficiaries. Trust Officers and support staff hired in FY 2004 will provide beneficiaries with convenient access to trust account services and information. The goal is to provide services to beneficiaries that are trusted, accurate, and responsive to their needs. There are two key aspects to achieving the goal of beneficiary satisfaction: (1) communication on trust issues; and, (2) responsiveness of Interior to tribal and individual concerns and needs.

Administrators provide technical assistance on trust matters. Their responsibilities include coordinating trust asset management activities with the BIA in their respective geographic area, providing guidance to field staff in the examination, verification, and maintenance of accounts and accounting data for accounts. They also ensure general trust funds and judgment funds are received, recorded, disbursed and/or maintained timely and accurately, and providing leadership and oversight to ensure timely, courteous, and accurate response to account holders. Regional Fiduciary Trust Administrators provide direct line authority to the Agency Fiduciary Trust Officers (FTO).

The FTO will be co-located with or in close proximity to BIA field locations. They work directly with the BIA Deputy Agency Superintendents-Trust Operations (DAST), to ensure a smooth flowing front line operation designed to enhance services to tribes, individual Indian account holders and other stakeholders. Therefore, beneficiaries will continue to have access to the BIA in addition to an assigned trust officer within OST. FTO’s will work with the DAST to assist in the development of fiduciary trust management plans, and will review and concur with the plans, when appropriate, to ensure fiduciary trust obligations are met within the plan. FTO’s will establish, implement, and maintain controls over trust cash assets. These procedures and controls will be consistent from agency to agency and are established in consultation with the DAST. The FTO serves as a primary point of contact in local collections offices for beneficiary services, trust funds, and ensuring proper documentation is received to support financial transactions. They also provide technical assistance on trust matters. The placement of FTO’s at the agency level will ensure that beneficiary-centered (citizen-centered) delivery of services is achieved at the beneficiaries’ level.

**Office of Appraisal Services (55 FTE / \$10,947,000):** The office provides impartial estimates of value for a variety of specific real property interests on land owned in trust or restricted status. Various regulations governing Indian trust land transactions require the Secretary of Interior to obtain valuations. To meet this requirement, an appraisal or other valuation is used to ensure that fair and just compensation is received on Indian land transactions. The types of transactions are varied. Major types include commercial, industrial, recreational, agricultural and other types of leases; rights-of-way; land sales and land exchanges; grazing and range permits; and trespass.

On June 16, 2002, appraisal staff was transferred from BIA regional supervision to OST. Appraisal staff report to 12 regional appraisers, through the Chief Appraiser to the Deputy Special Trustee for Field Operations. In FY 2005, the appraisal program funding is proposed to be transferred from BIA to the OST.

#### FY 2003 Program Performance Accomplishments

- Reorganization of the OST was initiated in accordance with the Comprehensive Trust Management Plan
- Implemented pilot agencies at Anadarko and Concho agencies within Eastern Oklahoma Region
- Hired two FTO's in early FY 04 for Anadarko and Concho agencies
- Developed templates to facilitate the implementation at other agencies
- The pilot agency accomplishments were done in direct coordination with BIA staff at central, regional and agency office levels

#### FY 2004 Planned Program Performance

- Hire Six Fiduciary Trust Administrators (SES positions)
- Expand Trust Officers presence to 45 additional locations
- Implement lock box functions for improved cash management at 45 additional agencies
- Establish automated system for tracking beneficiary inquires
- Reduction in the use of special deposit accounts
- Reduction in the number of transactions that are not posted/processed in TFAS
- Reduction in the number of deposits posted to suspense accounts
- Providing beneficiaries with timely and complete fiduciary trust information and reports, and conducting meetings with tribal and individual trust beneficiaries regarding management of fiduciary trust assets.

**Field Operations - Justification of Program Changes**

The FY 2005 budget request for Field Operations is \$33,836,200 and 268 FTE, a net program decrease of \$2,251,400 and +25 FTE from the FY 2004 enacted level.

An increase of \$1,748,600 is needed for additional field staff (+25 FTE) to provide accountability at all field locations throughout Indian Country to promote better understanding, to allow Field Operations staff to provide more detailed responses to account holder inquiries and to allow for a more proactive approach to accounts maintenance. This will also decrease the need for rework by account holders, field staff, and Central office staff across the board by ensuring thorough and accurate information gathering and data entry. Field staff will provide more focus on account holder needs and processing of requests and will eliminate ongoing interruptions and the need to set tasks aside to respond to other inquiries. It provides for quicker management response to unusual and/or unique situations. Onsite managers will also promote more accountability, minimize deficiencies and maximize productivity. Additional staffing will eliminate shortfalls in beneficiary service delivery and provide for a more productive working environment.

The \$1.7 million increase includes \$1.2 million for salary and benefits \$375,000 for travel, training, supplies and communications and \$125,000 for one-time costs associated with hiring and establishing workspace for 7 Account Managers and 18 office automation positions to be added at the local level to assist the FTO with:

- Timely processing of probates.
- Resolution of audit issues.
- Special deposit cleanup and management.
- Reduction in the use of special deposit accounts.
- Location of whereabouts unknown beneficiaries.
- Reduction in the number of transactions that are not posted/processed in TFAS.
- Reduction in the number of deposits posted to a suspense account.
- Increase in the number of direct deposits.
- Increase the use of automated disbursements.
- Providing assistance at the local level to beneficiaries.
- Increasing timeliness of addressing beneficiary concerns.
- Informing beneficiaries of available services related to their trust funds.
- Providing beneficiaries with timely and complete fiduciary trust information and reports, and conducting meetings with tribal and individual trust beneficiaries regarding management of fiduciary trust assets.
- Facilitating beneficiary involvement in developing trust management plans, acquisition and disposal, and conveyances of trust assets.
- Providing Indian tribes with technical assistance to develop, implement, and manage their tribal trust fund(s).



- Allowing OST staff that currently provides oversight on transaction processing to focus solely on transaction processing.

The primary benefit is the ability to have face-to-face discussions with the beneficiaries on a daily basis where they may optimize the benefits of their trust assets. The additional funds will also ensure timely response to beneficiaries' inquiries, extensive contact between beneficiaries and trust officers in the field, beneficiaries that are better informed on trust services, less rejected transactions, and a reduction in the use of processing staff to respond to beneficiary inquiries positively impacting the number of daily transactions that are able to be processed.

These activities support the Secretary's Strategic Goal of Serving Communities-Fulfill Indian Fiduciary Trust Responsibilities, to improve Indian trust beneficiary services, manage trust fund assets for timely and productive use. Improvements in service delivery will also ensure OST's efforts support Departmental goals and objectives to promote Indian-Self Governance and Self-Determination for all Indian tribes and Alaska Natives.

The funds will ensure adequate field personnel in support of the President's Strategic Management of Human Capital initiative. More citizen-centered delivery of products and services by reducing the organizational layers beneficiaries must go through to obtain account information and services. As a result, beneficiaries will realize improved service and performance.

A decrease of \$4,000,000 for Field Operations (one time costs) is a result of one time costs associated with the hiring of trust officers and related staffing in FY 2004. These one time costs include such items as: recruitment; relocation; acquisition and setup costs for furniture; and equipment.

The Field Operations budget also includes a proposed transfer to OST from BIA for the appraisal program (+10,922,000).

**Field Operations Program Performance Summary**

	2003 Actual	2004 Plan/ Budget	2004 Revised Final Plan	2005 Plan	Change in Perfor- mance 2004 to Planned 2005	Long- term Target (2008)
<b>Intermediate Outcome: Improve Indian Trust Beneficiary Services</b>						
<b>Communication:</b> Tribal leadership and individual account holder satisfaction with consultation and communication on trust issues.		65%	65%	70%	+5%	85%
<b>Responsiveness:</b> Responsiveness of Interior to tribal and individual trust concerns and needs.		70%	70%	75%	+5%	90%
<b>Intermediate Outcome: Improve Management of Land and Natural Resource Assets</b>						
<b>Appraisals:</b> Percent of appraisal reports completed within requestor business requirements.			80%	80%	0%	90%

**Activity: Program Support & Operations**  
**Sub-Activity: Trust Services**

(Dollars in Thousands)

Programs		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Office of the Deputy Special Trustee	\$(000) FTE	850 11	840 6	+3 0	0 0	842 6	+3 0
Trust Funds Management	\$(000) FTE	6,967 83	7,076 87	+40 0	0 0	7,115 87	+40 0
Reports & Reconciliation	\$(000) FTE	1,200 18	1,185 13	+6 0	0 0	1,191 13	+6 0
<b>Trust Services Total</b>	<b>\$(000) FTE</b>	<b>9,017 112</b>	<b>9,101 106</b>	<b>+48 0</b>	<b>0 0</b>	<b>9,149 106</b>	<b>+48 0</b>

Note: May not add due to rounding.

**TRUST SERVICES**

Program Overview:

Trust Services manages financial assets held in Trust on behalf of tribes and individual Indian beneficiaries in compliance with Interior’s fiduciary responsibility. The products and services provided support the Trust Financial Management business line for comprehensive trust management. Trust Services manages approximately \$3.3 billion of funds held in trust for Indian tribes and individuals. Approximately \$2.9 billion is held in approximately 1,400 tribal accounts and other trust funds, including the Alaska Native Escrow Fund. Approximately \$400 million is held on behalf of individual Indians in over 260,000 accounts.

The program’s strategic objectives are: manage and invest fund assets to provide prudent rates of return and collect, disburse, and account for funds associated with trust assets quickly and accurately. Accomplishment of these objectives enables Interior to provide accurate timely information to trust beneficiaries. The

Trust Services implemented tracking of cost and performance data in FY 2004 and is planning to use this data to better assess the efficiency and effectiveness of our trust operations as exhibited by:

Utilizing specific cost data to analyze current manual processes, comparing their current costs to the future one-time costs, projected lower annual costs, and enhanced accuracy of automating certain intensely manual processes. For instance, certain reporting and reconciling processes will be analyzed to compare the current cost of preparing these reports/reconciliations to the one-time cost of programming automated interfaces and the projected decrease in personnel costs as a product of automation.

Working across agencies to ensure common goals related to the processing of trust financial data are performed with both process and cost effectiveness. Trust Services will be implementing a pilot program to better share information and reconcile trust data with the Minerals Management Service and the Bureau of Indian Affairs to enhance accountability for each agency that processes royalty trust data.

accuracy and timeliness of information is made up of several factors: same day processing of cash transactions, processing of file maintenance transactions, completing and posting of quality assurance transactions, and accuracy of reconciliation and report activities on trust accounts.

Further efficiencies are anticipated with the implementation of the 'To-Be' business process model. The core processes for trust management have undergone an in-depth analysis and redesign over the last 18 months in an effort to standardize and implement best practices from the commercial trust sector. Management of financial assets is one of the core processes that will be redesigned. Implementation of the new trust financial processes is scheduled to begin the summer of 2004. As a result of the implementation of the new processes, financial management of trust assets will be more efficient and effective.

Trust Services operations support accomplishment of the Administration's competitive sourcing initiative by contracting for services when shown to be competitively advantageous in the management of funds. Also, in support of the Secretary's 4 Cs Trust Services consults and communicates with tribes on the proper structuring of investment portfolios to achieve identified goals.

**Office of the Deputy Special Trustee – Trust Services (6 FTE / \$842,200):** The Office of the Deputy Special Trustee was created in FY 2003 to provide focus on the individual Indian, Alaska Native and tribal trust funds accounting, investment and reporting fiduciary responsibilities of Interior, and enhanced internal review. The Deputy Special Trustee provides leadership, guidance and oversees the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries. Funding supports staff, travel and other related costs.

The Deputy Special Trustee for Trust Services manages and supervises the Office of Trust Funds Management and Office of Trust Reporting and Reconciliation which carry out the day-to-day Trust Financial Management work activities.

**Office of Trust Funds Management (87 FTE / \$7,115,300):** The Office of Trust Funds Management (OTFM) was originally established in response to the General Accounting Office, the Inspector General, and independent accounting reports which cited significant internal control weaknesses in the management of trust funds including: inadequate training, inadequate separation of duties, and lack of standardized policies, practices and procedures.

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.

When Congress enacted the Reform Act, it affirmed the Federal Government's trust responsibilities. 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 OTFM:

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

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.

OTFM is responsible for managing trust funds, including receipting, accounting, investing, and disbursing individual and tribal trust funds. OTFM provides centralized accounting services for all trust funds management activities. Routinely, OTFM works directly with field offices to ensure cash management supporting documentation is in compliance with policies and procedures. OTFM plans, directs, operates and controls the buying, selling and trading of investment instruments.

The Division of Trust Funds Accounting (DTFA) within OTFM operates and controls accounting activities which records and reports all funds received, disbursed, invested, and held in trust for individual Indians and Indian tribes. DTFA plans, develops, and recommends policies and procedures governing trust operations. It also coordinates with other Federal agencies as necessary in the maintenance of trust accounts.

Current OTFM processing of data to TFAS is very labor intensive, since a significant amount of the BIA lease distribution data is provided to OTFM for manual processing, that is, outside of an automated system. Until all components of an automated trust asset management system are fully operational, increased BIA activity in leasing, forestry and other programs as well as initiatives such as Probate Clean-Up, Special Deposit Account Clean-Up and implementation of "To Be" processes will continue to increase the workload and the number of accounts in TFAS.

The Division of Trust Funds Investments (DTFI) within OTFM plans, develops, operates and controls the buying, selling and trading of investments in accordance with applicable laws, regulations, and policies. DTFI provides technical advice and assistance to Regional offices, agencies, and Indian tribes in developing financial plans and investment strategies for tribal trust funds.

**Office of Trust Reporting and Reconciliation (13 FTE / \$1,191,100):** The Office of Trust Reporting and Reconciliation (OTRR) is responsible for reconciling subsidiary and control accounts and monitoring trust funds activities at the OTFM and field levels. OTRR 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 funds activities include custodial management of proprietary data, compliance and interface with Treasury cash flow reports, MMS, and BIA receipt of funds and source documents. OTRR ensures that beneficiary statements of performance are prepared and issued. Reform Act duties related to OTRR include:

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

#### FY 2003 Program Performance Accomplishments

- Worked with the Department of the Treasury to resolve long-standing historical differences regarding trust asset balances in the amount of \$2,509,133 for IIM funds and \$30,659,596 for tribal funds.
- Implemented for use, on a regular basis, total return measurements on 200 of the largest and most active tribal accounts and the IIM portfolio to compare OTFM performance with industry benchmark measurements.
- Visited 79 tribes and conducted 34 investment portfolio reviews covering 235 tribes and the IIM pooled investments.
- Completed FY 2003 Fiduciary Trust Financial Audit on time.
- Exceeded FY 2003 planned goal of increasing use of electronic funds transfers by five percent.
- Competitively sourced the investment accounting function.
- Realigned duties and time frames to eliminate the need for a night shift.
- Exceeded FY 2003 planned goal of sending 120,000 quarterly statements to account holders on time.

FY 2004 Planned Program Performance

- Competitively source the investment security selection and execution function for the IIM investment pool.
- Implement journal voucher preparation process for probate processing.
- Implement amortization and accretion for selected tribal accounts.
- Complete FY 2004 Fiduciary Trust Financial Audit on time.
- Attain 26% accuracy for financial account information provided to beneficiaries. The data for this measurement is based on the number of accounts that Trust Services can expect to contain not only accurate activity, but also accurate account balances. The accounts that Trust Services expects to be accurate is limited to two populations: the judgment and tribal per capita accounts opened since conversion to the Trust Funds Accounting System where new controls have been implemented and the accounts that OHTA has worked and are prepared to issue statements for (at this time also limited to judgment and tribal per capita accounts). Therefore, the measurement itself belongs to Trust Services, but the ability to improve the percentage is materially dependent on the work performed by OHTA.
- Record 96% of the Minerals Management Service royalty revenue within 24 hours of receipt.
- Maintain 100% timeliness of financial account information provided to beneficiaries.

**Trust Services Program Performance Summary**

<b><u>End or Intermediate Outcome Measures</u></b>	<b>2003 Actual</b>	<b>2004 Plan/Budget</b>	<b>2004 Revised Final Plan</b>	<b>2005 Plan</b>	<b>Change in Performance 2004 to Planned 2005</b>	<b>Long-term Target (2008)</b>
<b>End Outcome: Fulfill Indian Fiduciary Trust Responsibilities</b>						
<b>Beneficiary Services:</b> Percent accuracy of financial account information provided to beneficiaries			26%	27%	+1%	95%
<b>Timeliness:</b> Percent timeliness of financial account information provided to trust beneficiaries.			100%	100%	0%	100%
<b>Intermediate Outcome: Improve Management of Land and Natural Resource Assets</b>						
<b>Manage Trust Funds Assets:</b> Percent of revenue recorded in the Trust Financial Accounting System within 24 hours of receipt.			95%	96%	+1%	99%



**Activity: Program Support & Operations**  
**Sub-Activity: Historical Trust Accounting**

(Dollars in Thousands)

Historical Accounting	2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Change From 2004 (+/-)
(\$000)	15,896	44,446	0	+64,955	109,400	+64,955

Note: FTE for OHTA are included in the Office of the Secretary account. May not add due to rounding.

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. 162a).” The Department is currently involved in the class action lawsuit *Cobell v. Norton*, and 25 lawsuits filed by 19 tribes associated with the Department’s management of Indian trust funds. 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 accounts and Individual Indian Money (IIM) accounts. OHTA’s management model is based on a small group 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, collection and reproduction, and trust law analysis.

OHTA is implementing an Earned Value Management (EVM) system to track and manage the performance, cost and schedule of all contractors' efforts in supporting OHTA's mission. Data collection forms will serve as the basis for the cost-performance reports that will be submitted to OHTA management on a monthly basis. The cost-performance reports will provide EVM metrics (both budget and actual) for each of the project's work breakdown structure elements.

On January 6, 2003, as ordered by the court in the *Cobell* litigation, the Department filed *The Historical Accounting Plan for Individual Indian Money Accounts*. The Department’s accounting plan provided for an historical accounting for about 260,000 IIM accounts over a five-year period at a cost of approximately \$335 million. The accuracy of the transactions was to be verified by reviewing support documentation on a transaction-by-transaction basis for all transactions over \$5,000 and by statistically sampling for transactions under \$5,000. The sampling methodology would be designed to provide a 99 percent confidence level of any error rate found.

The historical accounting will address three distinct types of IIM accounts. These types are judgment and per capita IIM accounts, land-based IIM accounts, and special deposit accounts.

**Historical Accounting Plan Summary**

<b>Type of Account</b>	<b>No. of Accounts</b>	<b>Reconciliation Approach</b>
Judgment and Per Capita	99,500 (1)	<ul style="list-style-type: none"> <li>• 100% of transactions reconciled</li> </ul>
Land-Based	200,000	<ul style="list-style-type: none"> <li>• Transactions \$5,000 and greater reconciled on a transaction-by-transaction basis.</li> <li>• Transactions less than \$5,000 reconciled through statistically valid samples.</li> </ul>
Special Deposit	21,500	<ul style="list-style-type: none"> <li>• Accounts researched to document proper owners</li> <li>• Funds distributed to owners and accounts closed where appropriate</li> </ul>

(1) Note: The January plan reported 42,000 judgment and per capita accounts open as of December 31, 2000. However, approximately 57,500 more of these type of accounts that were open as of October 25, 1994, and closed before December 31, 2000, have been added to the population of accounts to be reconciled.

As of January 2004, OHTA had reconciled more than 17,600 judgment accounts with balances totaling approximately \$50 million and reconciled over 130,000 transactions worth over \$183 million in per capita accounts. OHTA also resolved residual balances in over 3,500 special deposit accounts, identifying the proper ownership of more than \$16 million belonging to individual Indians, tribes, and private entities. In support of both IIM and tribal accounting efforts, OHTA imaged more than 1.5 million pages of trust records and coded nearly 100,000 documents. Also, OHTA completed its accounting reconciliation tool system and began using the system to reconcile land-based IIM transactions.

By the end of FY 2004, OHTA expects to resolve the proper ownership of approximately \$30 million in residual special deposit account balances, and continue the reconciliation of judgment accounts, per capita accounts, and per capita transactions in land-based accounts. As part of litigation support, OHTA will reconcile several thousand land-based IIM account transactions.

The FY 2005 funding for tribal accounting will support work by OHTA on potential settlement negotiations with tribes. It will also provide funding to conduct historical accountings for tribes, administer settlements, and present tribal briefings, as requested. In FY 2005, OHTA expects to complete reconciliation of trust fund accounts for five tribes and image an additional three million pages of tribal documents and code 1.3 million tribal documents.

In FY 2004, OHTA will work on a number of the 25 current tribal lawsuits. It has already conducted a number of briefings for tribes and tribal organizations. These briefings will be a first step in OHTA’s administrative process to address unresolved or additional accounting issues, and are a prelude to anticipated discussions and negotiations with tribes to develop tribe-specific work plans that are a means to resolve the outstanding accounting issues and the litigation. Working with Interior’s Office of the Solicitor and the Department of Justice, OHTA started implementing a settlement with one tribe, provided briefings to five tribes on the results of the 1972-1992 Tribal Reconciliation, and developed three historical accounting plans for the tribes.

The FY 2005 budget for IIM accounting is based on an estimate of the Department’s costs to begin full implementation of the *Historical Accounting Plan for Individual Indian Money Accounts* after December 31, 2004. This amount may be revised depending on how the Court of Appeals for the District of Columbia Circuit rules with regards to the structural injunction in the Cobell case and on whether Congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in P.L. 108-108. The Department will continue to work with Congress and our beneficiaries to reach a settlement on the historical accounting and related issues. These funds support the Department’s goal of Serving Communities—Fulfill Trust Responsibilities.

The following table provides additional summary data on FY 2003 accomplishments and estimates for FY 2004 and FY 2005:

Description	FY 2003		FY 2004		FY 2005	
	Accomplishments		Estimate		Estimate	
	Number	Dollars	Number	Dollars	Number	Dollars
<b>IIM Accounts</b>						
Judgment accounts completed	4,050	--	35,000	--	28,150	--
Reconciled per capita transactions	35,000	--	35,000	--	35,000	--
Reconciled Special deposit accounts	--	\$10.0m	--	\$30.0m	--	\$8.0m
Pages imaged	526,524	--	3,000,000	--	5,000,000	--
Documents coded	19,286	--	600,000	--	1,000,000	--
<b>Tribal Accounts</b>						
Pages imaged	--	--	1,800,000	--	3,000,000	--
Documents coded	--	--	360,000	--	1,300,000	--
Reconciled tribal accounts	--	--	3	--	5	--

FY 2003 Program Performance Accomplishments:

- Completed work on *The Historical Accounting Plan for Individual Indian Money Accounts* and submitted it to the U. S. District Court for the District of Columbia on January 6, 2003.
- Continued the BIA Region-by-Region examination, validation, and mapping of electronic trust accounting data received from the Office of Trust Funds Management. This effort addresses the need to identify and correct any missing transaction data relating to certain IIM accounts, resolve any discrepancies in account balance totals and in the account numbering convention, and map account posting and collection transactions to facilitate the historical accounting. This work, performed in cooperation with the Office of the Special Trustee, ensures the integrity, accuracy, and utility of the historical trust accounting data on which OHTA staff and contractors perform the reconciliation.
- Issued a revised version of the Accounting Standards Manual. The Manual provides guidance to accounting firm contractors and OHTA staff on the key documents to use in reconciling transactions in IIM accounts.
- Completed a transaction-by-transaction reconciliation of eleven IIM accounts identified with four of the named plaintiffs and three of their agreed-upon predecessors in the *Cobell* suit.
- Completed a pilot project to reconcile a statistical sample of transactions in 42 IIM accounts in BIA's Eastern Region.
- Performed extensive quality control checks on the reconciliation results of OHTA's accounting firm contractors. These quality control reviews determined that the accounting work was appropriately supported.
- Completed the development and deployment of the Accounting Reconciliation Tool (ART), a specialized data management system that will standardize and expedite the historical accounting work performed by OHTA's CPA contractor firms. ART allows users to undertake queries to link specific IIM account transactions to images of supporting documents.
- Working with the Department of Justice and Office of the Solicitor, negotiated a settlement agreement with one tribe litigating for a tribal historical accounting.
- Conducted outreach activities focused on identifying potential sources of trust-related records held by the oil and gas industry and other third parties.

FY 2004 Planned Program Performance

Funding provided for FY 2004 provides for the following activities: records collection and indexing, imaging and coding, accounting for per capita and Judgment accounts, accounting for tribal accounts, reviewing and distributing funds from special deposit accounts, and program management of the Office of Historical Trust Accounting, including litigation support. OHTA’s objectives are to:

- Reconcile an additional 35,000 judgment accounts.
- Reconcile an additional 35,000 per capita transactions.
- Resolve proper ownership of an additional \$30 million in special deposit accounts.
- Reconcile, as part of litigation support efforts, several thousand land-based IIM account transactions to provide information in support of settlement negotiations with the *Cobell* plaintiffs.
- Continue to work on settlement negotiations with tribes, administer settlements, conduct three historical accountings for tribes, and present tribal briefings, as requested.
- Establish, through notice and comment procedures and consultations, administrative procedures for tribes to follow in seeking a historical accounting.

**Historical Accounting Justification of Program Changes:**

(Dollars in Thousands)

	<b>2005 Budget Request</b>	<b>Program Changes (+/-)</b>
Historical Accounting	109,400	+64,955

The FY 2005 budget request for Historical Accounting is \$109.4 million, an increase of \$65.0 million from the FY 2004 budget level. The \$109.4 million will provide \$80.0 million for IIM accounting and \$29.4 million for tribal accounting.

The FY 2005 budget for IIM accounting is based on an estimate of the Department’s costs to begin full implementation of the *Historical Accounting Plan for Individual Money Accounts* after December 31, 2004. This amount may be revised depending on how the Court of Appeals for the District of Columbia Circuit rules with regards to the structural injunction in the *Cobell* case and on whether Congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in FY 2004 Interior and Related Agencies

Appropriation Act. The Department will continue to work with Congress and trust beneficiaries to reach a settlement on the historical accounting and related issues.

The additional funds will be used to continue efforts described in the plan and reconcile 200,000 transactions in land-based IIM accounts. These more complex accounts have revenues derived from the use of allotted lands, such as grazing, leases, and timber harvests. As noted, all transactions greater than or equal to \$5,000 in land-based IIM accounts will be reconciled. Two statistically valid samples of smaller transactions will also be reconciled. In addition, OHTA will continue the reconciliation of remaining judgment and per capita accounts. OHTA will also resolve the proper ownership of approximately \$8 million of residual funds in special deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts, as appropriate. To conduct these reconciliations, OHTA expects to image approximately five million pages of trust records and code more than one million documents.

The \$29.4 million for historical accounting of tribal trust funds supports activities related to 25 current lawsuits filed by 19 tribes. OHTA expects to be involved in a majority of these cases and has already conducted a number of briefings for these tribes and tribal organizations. These briefings will be a first step in OHTA's administrative process to address unresolved or additional accounting issues, and are a prelude to anticipated discussions and negotiations with tribes to develop tribe-specific work plans that are a means to resolve the outstanding accounting issues and the litigation. In FY 2005, OHTA expects to complete reconciliation of five tribes' trust fund accounts and image approximately three million pages and code 1.3 million tribal documents.

To support this reconciliation effort, OHTA expects to image about five million pages of trust records and code more than one million documents.

**Office of Historical Accounting Program Performance Summary**

End Outcome Measures	2002 Actual	2003 Actual	2004 Plan	2004 Revised Final Plan	2005 Plan	Change in Performance 2004 to Planned 2005	Long Term Target (2008)
<b>End Outcome: Fulfill Indian Fiduciary Trust Responsibilities</b>							
Percent of land-based Individual Indian Money transactions, as identified in the January 6, 2003, Plan for Historical Accounting, that will be reconciled. <b>(see information below)</b>							
Judgment Accounts	13,300	4,050	45,000	35,000	28,150	-6,850	NA
Per Capita Transactions	88,000	35,000	33,000	35,000	35,000	0	NA
SDA Dollars	NA	\$10 million	\$30 million	\$30 million	\$8 million	- \$22 million	NA
IIM Transactions <sup>1</sup>	0	2%	N/A	N/A	40%	+ 40%	100%
Tribal Accountings	NA	0	3	3	5	+ 2	25

<sup>1</sup> Reconciliation work temporarily suspended pending Congressional decision accounting method.

Note: The January plan reported 42,000 judgment and per capita accounts open as of December 31, 2000. However, approximately 57,500 more of these type of accounts that were open as of October 25, 1994, and closed before December 31, 2000, have been added to the population of accounts to be reconciled.

Negative changes in performance from FY 2004 to FY 2005 reflect completion of the work in those categories. Judgment accounts and resolving special deposit account residual balances are to be completed by the end of FY 2005. Accordingly, there are no long-term targets associated with these measures. Per capita account transaction reconciliation is expected to continue into FY 2006, although the total number of transactions to reconcile has not yet been determined.

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

**Summary of Obligations by Object Class**  
(Dollars in Thousands)

<b>Object Class</b>	<b>2004 Estimate</b>	<b>Uncontrollable &amp; Related Changes</b>	<b>Program Changes</b>	<b>2005 Request</b>
Full Time Permanent	7,068	(82)	2,360	9,346
Other Full Time Permanent	485	(6)	162	641
Other Personnel Compensation	27,590	(320)	9,212	36,481
<b>Total Personnel Compensation</b>	<b>35,143</b>	<b>(408)</b>	<b>11,733</b>	<b>46,468</b>
Civilian Personnel Benefits	8,955	(104)	2,990	11,841
<b>Total Personnel Benefits</b>	<b>44,097</b>	<b>(512)</b>	<b>14,723</b>	<b>58,309</b>
Travel & Transportation of Persons	3,424	(40)	1,143	4,527
Transportation of Things	222	(3)	74	293
Communications, Utilities, Misc.	7,071	(82)	2,361	9,350
Printing & Reproduction	311	(4)	104	411
Other Services	124,131	(1,441)	41,444	164,134
Supplies and Materials	1,456	(17)	486	1,925
<b>Total Contractual Services and Supplies</b>	<b>136,614</b>	<b>(1,586)</b>	<b>45,612</b>	<b>180,640</b>
Equipment	6,554	(76)	2,188	8,667
Grants, subsidies & other contrib.	38	(0)	13	50
<b>Total Budget Authority</b>	<b>187,304</b>	<b>(2,174)</b>	<b>62,536</b>	<b>247,666</b>



**Office of the Special Trustee for American Indians**  
(in millions of dollars)

	Treasury Account ID: 14 – 0120 – 0	2003 Actual	2004 Estimate	2005 Estimate
	Obligations by program activity			
0001	Executive direction	2	2	2
0002	Program operations, support, and improvements	151	198	251
0900	Reimbursable Program	5	11	0
1000	Total new obligations	158	211	253
	Budgetary resources available for obligation			
2140	Unobligated balance available, start of year	28	18	5
2200	New budget authority (gross)	145	198	248
2210	Resources available from recoveries of prior year obligations	2	0	0
2390	Total budgetary resources available for obligation	175	216	253
2395	New obligations	-158	-211	-253
2440	Unobligated balance available, end of year	18	5	0
	New budget authority (gross), detail			
	Discretionary			
4000	Appropriation	141	189	248
4035	Appropriation permanently reduced	-1	-2	0
4300	Appropriation (total discretionary)	140	187	248
6800	Spending Authority from Offsetting Collections	4	11	0
6810	Change in uncollected customer payments from Federal sources (unexpired)	-1	0	0
6890	Spending authority from offsetting collections (total discretionary)	5	11	0
7000	Total New Budget Authority	145	198	248
7240	Unpaid Obligations, start of year	49	78	71
7310	Total new obligations	158	211	253
7320	Total outlays (gross)	-127	-218	-250
7345	Adjustments in unexpired accounts	-2	0	0
7400	Change in uncollected customer payments from Federal sources (unexpired)	-1	0	0
7440	Unpaid Obligations, end of year	78	71	74
	Outlays (gross), detail			
8690	Outlays from new discretionary authority	102	142	174
8693	Outlays from discretionary balances	25	76	76
8700	Total outlays (gross)	127	218	250
	Offsets			
	Against gross budget authority and outlays			
8800	Offsetting collections (cash) from Federal sources	4	11	0
	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	140	187	248
9000	Outlays	122	207	250

Note: Table may not add due to rounding.

**Office of the Special Trustee for American Indians**  
(in millions of dollars)

Treasury Account ID: 14 – 0120 – 0		2003 Actual	2004 Estimate	2005 Estimate
	<b>Object Classification</b>			
	Direct obligations			
	Personnel compensation			
1111	Full time permanent	27	34	38
1115	Other personnel compensation	1	1	1
1119	Total personnel compensation	28	35	39
1121	Civilian personnel benefits	6	8	9
1210	Travel and transportation of persons	3	4	4
1231	Rental Payments to GSA	3	3	4
1233	Communications, utilities	2	2	2
1252	Other services	71	57	68
1253	Purchases of goods and services from government accts	0	5	5
1260	Supplies and Materials	1	1	1
1310	Equipment	2	2	2
1990	Subtotal, Direct obligations	116	117	134
	Reimbursable obligations			
2111	Full-time permanent	5	4	0
2121	Civilian personnel benefits	0	1	0
2210	Travel and transportation of persons	0	2	0
2231	Rental Payments to GSA	0	1	0
2252	Other services	0	3	0
2990	Subtotal, Reimbursable obligations	5	11	0
	Allocation Account			
	Personnel compensation			
3111	Full-time permanent	4	6	6
3113	Other than full-time permanent	1	1	1
3119	Total personnel compensation	5	7	7
3121	Civilian personnel benefits	1	2	2
3210	Travel and transportation of persons	1	2	2
3231	Rental payments to GSA	1	1	1
3233	Communications, utilities, and miscellaneous charges	0	2	2
3252	Other services	29	69	105
3990	Subtotal, Allocation account	37	83	119
9999	Total obligations	158	211	253

Note: Table may not add due to rounding.

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

<b>Personnel Summary</b>	2003 Actual	2004 Estimate	2005 Estimate
<b>Direct</b>			
Full time equivalent employment	381	491	581
<b>Reimbursable</b>			
Full time equivalent employment	56	59	0
<b>Total</b>	<b>437</b>	<b>550</b>	<b>581</b>

**Office of the Special Trustee for American Indians**  
**Employee Count by Grade**  
 (Total Employment)

Grade	2003 Actual	2004 Estimate	2005 Estimate
EX -02	1	1	1
<b>Subtotal</b>	<b>1</b>	<b>1</b>	<b>1</b>
ES-6	1	1	1
ES-5	0	1	1
ES-4	1	0	0
ES-3	2	0	0
ES-2	0	0	0
ES-1	1	13	13
<b>Subtotal</b>	<b>5</b>	<b>15</b>	<b>15</b>
GS/GM-15	25	29	29
GS/GM-14	42	102	102
GS/GM-13	78	102	108
GS/GM-12	61	83	83
GS/GM-11	30	28	41
GS/GM-10	0	0	0
GS/GM-9	25	31	31
GS/GM-8	11	17	17
GS/GM-7	98	128	140
GS/GM-6	57	50	50
GS/GM-5	49	54	54
GS/GM-4	19	19	24
<b>Subtotal</b>	<b>495</b>	<b>643</b>	<b>679</b>
<b>WG - 05</b>	<b>1</b>	<b>1</b>	<b>1</b>
Total Employment (actual/projected) at end of fiscal year	<b>502</b>	<b>660</b>	<b>696</b>

FY 2003 includes total actual personnel on board. FY 2004 and 2005 include FTE estimates.

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**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, [~~\$21,980,000~~] **\$75,000,000**, to remain available until expended, **and which may be transferred to the Bureau of Indian Affairs and Departmental Management accounts:** Provided, That funds provided under this heading may be expended pursuant to the authorities contained in the provisos under the heading "Office of Special Trustee for American Indians, Indian Land Consolidation" of the Interior and Related Agencies Appropriations Act, 2001 (Public Law 106-291). (Department of the Interior and Related Agencies Appropriations Act, FY 2004.)

**Justification of Proposed Language Change**

Office of the Special Trustee

**Addition:**

**“and which may be transferred to the Bureau of Indian Affairs and Departmental Management accounts:”**

**Justification for addition:**

The proposed appropriation language change inserts the phrase “and which may be transferred to the Bureau of Indian Affairs and Departmental Management accounts:” This will allow ILCA funds to be transferred from OST to BIA and the Department for activities they perform in support of the ILCA program.

**INDIAN LAND CONSOLIDATION**

*(Dollars in Thousands)*

	<b>2003 Actual</b>	<b>2004 Enacted</b>	<b>Uncontrollable &amp; Related Changes (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2005 Budget Request</b>	<b>Change From 2004 (+/-)</b>
Indian Land Consolidation Program						
(\$000)	7,928	21,709	0	53,291	75,000	+53,291

Note: FTE for ILCP are included in BIA account.

Program Overview:

One of the greatest challenges facing successful fiduciary trust management is the fractionation, or continuing subdivision, of individual Indian interests in the land that the Federal government holds in trust. With each successive generation, individual interests in the land have become further divided and subdivided among heirs, each of whom holds a smaller and smaller interest in the land. The ownership of many disparate, uneconomic, small interests benefits no one in Indian Country and creates an administrative burden that drains resources away from other Indian programs.

As a result of the Administration's PART review conducted in 2002, Interior created the Indian Land Consolidation Office, to focus efforts to reduce fractionation. Future results and cost savings include the purchase of over 1 million interests and 5 million acres of allotted lands on 17 reservations.

Managing all these fractionated individual interests is expensive. Individual owners often see little benefit because their interests are so small. Most often it is difficult, if not impossible to put the land to its best economic use because there are so many ownership interests involved.

As this number of ownership interests grows, the cost to the Federal government for accounting and managing these interests also grows. In many cases, the cost to manage highly fractionated tracts far exceeds either the owners' receipts or the value of the underlying property. In FY 2004, BIA and the OST will spend an estimated \$220 million on leasing, probate, and accounting activities related to fractionated land interests.

The Indian Land Consolidation program, which acquires small ownership shares in allotted lands, is a key component in trust reform and management. BIA is currently purchasing fractionated interests on a willing seller basis. Purchase of fractional interests increases the likelihood of more productive economic use of the land, reduces record keeping and large numbers of small dollar financial transactions, and decreases the number of interests subject to probate.

The DOI has the responsibility to reduce the rate of fractionation on trust and restricted land. The program is funded in the OST budget and OST provides oversight, as part of trust reform. The

BIA is responsible for operation of the land consolidation program. Approximately 156 “allotted” reservations are impacted by fractionation of ownership interests. The BIA established a pilot program in FY 1999 on three reservations in Wisconsin. Currently there are seven reservations located in Wisconsin, Minnesota, Michigan and South Dakota that are participating in the Indian land consolidation program – 1) Rosebud, 2) Lac du Flambeau, 3) La Courte Oreilles, 4) Bad River, 5) Red Cliff, 6) Keweenaw Bay, and 7) Fond du Lac. As of December 31, 2003, 68,938 individual interests representing 42,075 acres have been acquired.

A revision of the Departmental Manual (130 DM 3) effective April 21, 2003, created the Indian Land Consolidation Office (ILCO) in BIA. The BIA will utilize ILCO to manage and oversee all aspects of the land consolidation program. The program will expand to additional reservation sites with significant fractionated land ownership in FY 2004 and FY 2005. Expansion into these reservations will be phased-in based on the establishment of organization, logistic, and contract support. The program plans also to acquire selected interests, including *Youpee* interests, from willing sellers, even those interests not located within the program reservations. ILCO will coordinate research efforts with the Probate Project to identify owners. In addition, BIA plans to make selected land interest owners an offer to buy at probate hearings. Overall, the program will target tracts nationwide within reservations beginning with those that are the most highly fractionated. This will reduce the cost of conducting appraisals for the entire reservation and will focus on those tracts that, by their highly fractionated nature, create the greatest administrative burden for DOI. Private contractors will be utilized to assist the program with outreach, marketing, land valuations and acquisition. The decision to utilize contractors is based upon the fact DOI lacks personnel with the necessary real estate industry experience to efficiently and effectively process the land acquisition volume of this program.

In order to obtain the maximum number of the fractionated interests, legislative changes are needed, such as, broadening the Secretary’s authority to acquire land, establishing an Unclaimed Property Act and implementing a Federal Probate code to limit future fractionation. The Department will continue to work with Congress to address these and other legislative issues related to land consolidation and probate reform. The program also plans to develop and implement a consultation and communication plan to engage tribes and individuals. In addition, a performance management system will be developed for ILCO to monitor the efficiency and effectiveness of operations. The Indian Land Consolidation Act authorizes the Secretary of the Interior to enter into cooperative agreements to allow a participating tribe to perform functions that assists the Secretary with land consolidation activities.

In response to the Administration’s PART review in 2002, BIA has developed a draft strategic plan and standardized business processes to guide program expansion to other tribal reservations. BIA plans to finalize the document by the end of FY 2004. The plan addresses completing the consolidation of allotted lands within tribal jurisdiction by FY 2015. The intent is to reduce the rate of fractionation. Additional benefits include reduction of DOI’s administrative burden and enhancing tribal economic, social and cultural opportunities.



FY 2003 Program Performance Accomplishments

- Acquired 16,292 additional interests representing an additional 7,575 acres. The major reason for the increase has been the ability to streamline acquisition processes, expansion of the program to the Rosebud Agency, increased staffing combined with more experienced staffing at both locations.
- Two of the original three Reservations in Wisconsin, Lac du Flambeau has majority ownership in 208 out of 245 tracts and La Courte Oreilles has majority ownership in 176 out of 326 tracts, thereby achieving at least 51 percent ownership in the allotted tracks within their Reservation boundaries.
- A third Tribe, Bad River has majority ownership in 287 out of 652 tracts (44 percent). Reaching tribal majority ownership is important because it allows a tribe to control the decisions relative to the use of the land to prevent further fractionation of that portion of the tract and gives a tribe the authority to obtain the remainder of the ownership interests at fair market value.

FY 2004 Planned Performance

- Coordinate with the Bad River Tribe to achieve 51% ownership of all allotted tracks within the reservation boundaries.
- Reconcile ownership data on 500 tracks on the Rosebud Reservation.
- Continue to coordinate with the Rosebud Sioux Tribe’s land acquisition program to leverage federal funds with tribal acquisition funds. Leverage \$50,000/month in tribal funds, allowing the tribe to reach majority ownership sooner.
- Continue to purchase selected interests from willing sellers, including *Youpee* interests.
- Acquire approximately 5,000 *Youpee* interests and continue acquisition at reservations in the ILCP program.
- Distribute funds for all revested interests.

**Indian Land Consolidation Justification of Program Change:**

*(Dollars in Thousands)*

	<b>2005 Budget Request</b>	<b>Program Changes (+/-)</b>
Indian Land Consolidation Program	75,000	+53,291

The FY 2005 budget request for Indian Land Consolidation program is \$75 million, an increase of \$53.3 million from the FY 2004 enacted level.

The increase is needed for Indian Land Consolidation to allow the continuation of efforts initiated in FY 2004 to expand the acquisition of small fractionated interests in trust and restricted lands owned by individual Indians and consolidate these interests among individuals or the Indian tribes on whose reservation the interests are situated. This supports the Secretary’s

goal to improve the management of land and natural resource assets by increasing land use capabilities and reduce fractionation of land interests. Achievement of this goal supports the Secretary's priority to fulfill Indian fiduciary trust responsibilities.

The proposed increase would target acquiring a minimum of 60,000 fractionated interests representing at least 42,000 acres and expand the capability of the program. These are preliminary target numbers that could change based on experience with the program and variances in appraised values. Funds will be expended to continue support for ILCO and the expansion plan. There will be some additional administrative costs associated with the expansion and varied costs to purchase interests at additional reservations. However, with various program improvements, it may be possible to exceed estimated purchases. The increase of funds will be utilized to support the specific expansion strategies contained within the plan. The current expansion plan includes four key strategies:

- Target the most fractionated reservations to realize significant impact. Over 1 million of the current 1.6 million on-reservation interests can be eliminated by FY 2015 by continuing purchasing selected interests on the ten most highly fractionated reservations. The total land acquisition costs are estimated at \$1.26 billion (inflated dollars).
- ILCO's primary responsibilities include budget formulation and execution, providing oversight, direction, monitoring and evaluation of existing pilot programs and adding new reservations; staffing and management of all contractors; incorporating lessons learned into new projects; reporting to stakeholders including DOI, OMB, Congress and tribes.
- Develop changes to existing legislation. In order to have the greatest benefit to tribes, individual Indians and the Federal Government, legislative changes would be helpful. These include broadening the Secretary's authority to acquire land, establishing an Unclaimed Property Act and limiting the number of heirs who can inherit highly fractionated interests.
- Engage affected tribal representatives. Develop and implement a consultation and communication plan to engage tribes and individuals.

Additional funds will be used to begin reconciliation of ownership records on new reservation locations to ensure agreement of ownership information and provide contractor support for outreach/marketing/sales at these locations. The funding will also be used to acquire 40,000 or more Youpee interests, a +35,000 increase over FY 2004. The acquisition of the Youpee interests eliminates the need for BIA to revest the ownership title. The funds will increase the pace of purchasing interests through targeted identification and verification of present ownership. With accurate ownership information DOI can acquire interests prior to probate eliminating further fractionation.

In addition, funding will be used to finalize the development and implement a case management system (CMS) to more efficiently process and complete sales. The CMS will also be used to track land acquisition cases and generate necessary reports for the Department, OMB and

Congress. In FY 2004 the Contractor will conduct on site reviews of the land acquisition process to develop the CMS system requirements. Funds will also be used to maintain an automated land valuation (AVM) model to decrease the cycle times associated with the acquisition process. Currently, the identification of interest owners and determining a fair market value for the land interests requires a significant amount of existing resources that could otherwise be used for the acquisition of fractionated interests. The AVM will reduce the time required to determine value and acquire land from willing sellers so that the land can be put to beneficial use.

A \$75 million program would provide for the following program estimates in FY 2005:

- \$25.0 million to purchase approximately 36,000 fractionated interests associated with the seven reservations in the initial pilot program locations.
- \$20.0 million to purchase approximately 40,000 Youpee interests on a nation wide basis.
- \$25.0 million to purchase approximately 24,000 of the most highly fractioned interests on additional reservations nation wide.
- \$5.0 million for program administration, contract management, contractors to assist in acquisition activities, systems development and operations costs for a case management system, and land valuation model, and other administrative costs.

These estimates are preliminary, and will be adjusted based on program performance and the availability of willing sellers in each of the targeted acquisition programs.

As the program expands, the costs per owner interests could likely be higher, as compared to interest purchased at the initial program reservation locations, due to the varied prices per acre of land in a nation wide program. In addition, as ILCO purchases more highly fractioned parcels, administrative costs could increase as well. For example, the costs of title, dead, and associated costs to purchase one acre with 25 owners will be less than the associated administrative cost to purchase one acre with 250 owners. The more interest owners of an acre, the more it will cost to process the necessary documentation required to acquire the land. The goal of the program expansion is to purchase as many of the most highly fractioned interest on a nation wide basis as possible. A decrease in the number of these highly fractionated interests will result in the decrease of accounts that receive little if any income yearly.

The reduction of fractionated trust and restricted Indian lands is a high priority within the Department. The Department will develop a report concerning the obstacles that are preventing the full implementation of the pilot projects, lessons learned and accomplishments of these projects, recommendations for the long-term future of the land acquisition program and continue to identify legislative recommendations for the full implementation of the ILCA as amended.

**Indian Land Consolidation Program Performance Summary**

	2002 Actual	2003 Actual	2004 Plan/ Budget	2004 Revised Final Plan	2005 Plan	Change in Performance 2004 to Planned 2005	Long- Term Target (2008)
<b>Intermediate Outcome: Improve Indian Trust Ownership and Other Information</b>							
Number and acreage of land acquisitions to increase land use capabilities and reduce fractionation of land interests	12,437 interests	16,292 interests	23,500 interests	Target Approx. 23,500 interests	Target Approx. 60,000 interests	+36,500 interests	TBD
interests	6,834 acres	7,575 acres	18,500 acres	18,500 acres	42,000 acres	+23,500 acres	TBD
<b>Bureau Measure:</b>							
Number of cooperative agreements with tribes to acquire fractionated interests.	3	7	11	12	13	+1	TBD

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

	Indian Land Consolidation (14-2103)	2003 Actual	2004 Estimate	2005 Estimate
	Obligations by program activity			
0001	Direct Program Activity	9	32	75
1000	Total new obligations	9	32	75
	Budgetary resources available for obligation			
2140	Unobligated balance available, start of year	12	11	0
2200	New budget authority (gross)	8	22	75
2390	Total budgetary resources available for obligation	20	33	75
2395	New obligations	-9	-32	-75
2440	Unobligated balance available, end of year	11	0	0
	New budget authority (gross), detail			
	Discretionary			
4000	Appropriation	8	22	75
7240	Unpaid Obligations, start of year	0	1	0
7310	Total new obligations	9	32	75
7320	Total outlays (gross)	-9	-31	-70
7440	Unpaid Obligations, end of year	1	0	5
	Outlays (gross), detail			
8690	Outlays from new discretionary authority	7	20	68
8693	Outlays from discretionary balances	2	11	2
8700	Total outlays (gross)	9	31	70
	Net budget authority and outlays			
8900	Budget authority	8	22	75
9000	Outlays	9	31	70

Note: Table may not add due to rounding.

	Indian Land Consolidation (14-2103)	2003 Actual	2004 Estimate	2005 Estimate
	<b>Object Classification</b>			
	Direct obligations			
1252	Other services	1	1	15
1320	Land and structures	8	31	60
9999	Total obligations	9	32	75

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## Office of the Special Trustee for American Indians

### Tribal Special and Tribal Trust Funds

Appropriations		2003 Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes from 2004 (+/-)
Tribal Special Fund	\$(000)	238,090	252,307	0	+15,138	267,445	+15,138
	<i>FTE</i>	0	0	0	0	0	0
Tribal Trust Fund	\$(000)	119,145	126,293	0	+7,578	133,871	+7,578
	<i>FTE</i>	0	0	0	0	0	0
Total	\$(000)	357,235	378,600	0	+22,716	401,316	+22,716
	<i>FTE</i>	0	0	0	0	0	0

Note: May not add due to rounding.

Budget authority for the Tribal Trust and Special Funds is equal to the receipts of such funds. Receipts generally include appropriations from the general fund, investment income, and proceeds (i.e., maturities, sales) from investments in non-Treasury securities. Investments in non-Treasury and non-Federal 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 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 either the Tribal Special Fund or the Tribal Trust Fund. Funds in the Tribal Special Fund are those not designated in the law as a trust, and generally are funds held and invested to carry out obligations of the Secretary of the Interior. The majority of the assets are in investments held outside Treasury.

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 Trust Fund**

This fund includes activities associated with the following accounts:

- *Cochiti Wetfields Solution.* In 1994, the Army Corps of Engineers transferred \$4 million pursuant to P.L. 102-358 to fund the Interior's responsibilities under the settlement agreement between Cochiti Tribe, the Corps, and Interior. The Secretary of the Interior is responsible for maintenance, repair, and replacement of a drainage system constructed by the Corps for the Cochiti Pueblo.
- *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.
- *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 Special Fund**

This fund includes activities associated with the following accounts:

- *Funds Contributed for the Advancement of the Indian Race.* This program 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 program 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).
  - *Northern Cheyenne Indian Reserved Water Rights Settlement Trust Fund.* Funds transferred provide for the establishment of 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.* The Crow Creek Sioux Tribe Infrastructure Development Trust Fund of 1996 (P.L. 104-223, 110 Stat 3026) establishes a Crow Creek Sioux Tribe Infrastructure Development Trust Fund. In
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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**  
(in millions of dollars)

	Treasury Account ID: 14 – 5265 – 0	<b>2003 Actual</b>	<b>2004 Estimate</b>	<b>2005 Estimate</b>
	Unavailable collections (N)			
0199	Balance, start of year	0	476	980
	Receipts			
0220	Proprietary receipts from the public, Tribal special fund	21	23	24
0221	Return of principal from private sector investments, Tribal spec	215	227	241
0240	Earnings on investment, Tribal special fund	2	2	2
0299	Total receipts and collections	238	252	267
0400	Total: Balances and collections	238	728	1,247
	Appropriations			
0500	Tribal special fund	238	252	267
0799	Balance, end of year	476	980	1,514
	Program and Financing (P)			
	Obligations by program activity			
0001	Direct Program Activity	328	252	267
1000	Total new obligations (object class 41.0)	328	252	267
	Budgetary resources available for obligation			
2140	Unobligated balance carried forward, start of year	154	64	64
2200	New budget authority (gross)	238	252	267
2390	Total budgetary resources available for obligation	392	316	331
2395	Total new obligations	-328	-252	-267
2440	Unobligated balances carried forward, end of year	64	64	64
	New budget authority (gross), detail			
	Mandatory			
6020	Appropriation (special fund, indefinite)	238	252	267
	Change in obligated balances			
7310	Total new obligations	328	252	267
7320	Total outlays (gross)	-328	-252	-267
	Outlays (gross), detail			
8697	Outlays from new mandatory authority	238	252	267
8698	Outlays from mandatory balances	90	0	0
8700	Total outlays (gross)	328	252	267
	Net budget authority and outlays			
8900	Budget authority	238	252	267
9000	Outlays	328	252	267
	Memorandum (non-add) entries			
9201	Total Investments, start of year: Federal securities: Par Value	155	64	154
9202	Total Investments, end of year: Federal securities: Par Value	64	154	154

Note: Table may not add due to rounding.

**Tribal Trust Fund**

(in millions of dollars)

	Treasury Account ID: 14 – 8030 – 0	2003 Actual	2004 Estimate	2005 Estimate
	Unavailable Collections (N)			
0199	Balance, start of year	0	236	492
	Receipts			
0220	Interest on investments in GSEs, Tribal trust fund	4	5	5
0221	Return of principal from private sector investments, Tribal trust	82	87	92
0222	Miscellaneous sales of assets, Tribal trust	3	3	3
0240	Federal fund payments, Tribal trust fund	29	31	32
0241	Earnings on investments, Tribal trust fund	1	1	1
0299	Total receipts and collections	119	127	133
0400	Total: Balances and collections	119	365	625
	Appropriations			
0500	Tribal trust fund	119	127	133
0799	Balance, end of year	238	492	758
	Program and Financing (P)			
	Obligations by program activity			
0001	Direct Program Activity	119	127	133
1000	Total new obligations (object class 41.0)	119	127	133
	Budgetary resources available for obligation			
2140	Unobligated balance carried forward, start of year	29	30	30
2200	New budget authority (gross)	119	127	133
2390	Total budgetary resources available for obligation	148	157	163
2395	Total new obligations	-119	-127	-133
2440	Unobligated balances carried forward, end of year	30	30	30
	New budget authority (gross), detail			
	Mandatory			
6026	Appropriation (trust fund, indefinite)	119	127	133
	Change in obligated balances			
7310	Total new obligations	119	127	133
7320	Total outlays (gross)	-119	-127	-133
	Outlays (gross), detail			
8697	Outlays from new mandatory authority	115	127	133
8698	Outlays from mandatory balances	4	0	0
8700	Total outlays (gross)	119	127	133
	Net budget authority and outlays			
8900	Budget authority	119	127	133
9000	Outlays	119	127	133
	Memorandum (non-add) entries			
9201	Total Investments, start of year: Federal securities: Par Value	29	30	29
9202	Total Investments, end of year: Federal securities: Par Value	30	29	29

Note: Table may not add due to rounding.