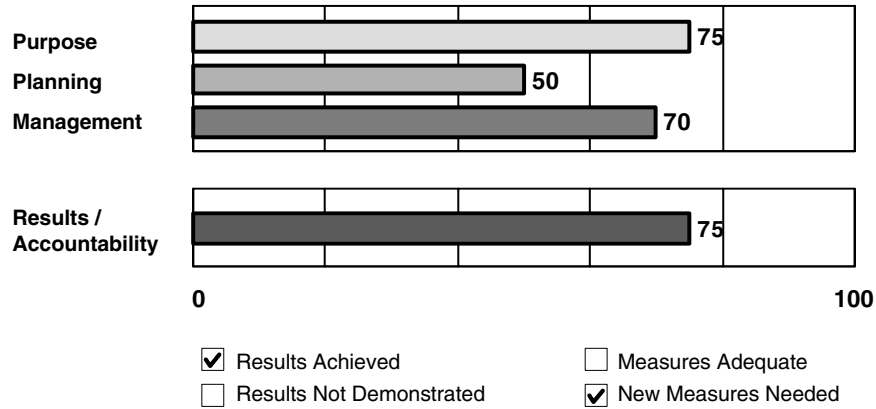


Program: Tribal Land Consolidation

Agency: Department of the Interior

Bureau: Bureau of Indian Affairs



Key Performance Measures

Year Target Actual

Long-term Measure: Number of ownership interests acquired	1999		8,178
	2000		17,523
	2001		10,788
	2002		10,699
Annual Measure: Number of Individual Indian Money accounts inactivated/closed (Targets under development)	2001		310
	2002		479
Effectiveness Measure: Average purchase price of ownership interests acquired	1999		\$231
	2000		\$215
	2001		\$283
	2002		\$632

Rating: Moderately Effective

Program Type: Capital Assets

Program Summary:

The Tribal Land Consolidation pilot program purchases small ownership interests (2% or less) in Indian land allotments. There are 4 million ownership interests in 10 million acres of Indian lands that were originally transferred to individual tribal members in the 1800s. The federal program is intended to prevent further fractionation among individual owners, enable tribal economic development, and reduce future federal trust administration expenses.

The assessment concluded the pilot projects need to be better targeted to statutory purposes and objectives, such as reducing federal trust management operations and coordinating federal purchases with tribal development plans, before the program is made permanent. Additional findings include:

1. There is a high level of interest and voluntary participation by willing sellers.
2. The rate of fractionation has been reduced, but the total number of ownership interests remained about the same due to additional inheritance transfers during 1999-2002.
3. The federal purchase cost averages \$328 per interest acquired. Federal acquisition costs could be recovered sooner if targeted on landowners with Individual Indian Money (IIM) trust accounts. Closing IIM accounts would save about \$143 per account annually.
4. Significant federal probate costs can be avoided in the future by acquiring all ownership interests from willing sellers. Probate administration costs about \$3,200 per decedent.

In response to these findings, the Administration will:

1. Propose additional funding in the 2004 Budget to improve program management, standardize business processes, and develop a strategic plan to guide program expansion to other tribal reservations.
2. Target federal acquisitions to reduce future costs in trust management functions, such as managing land title records, administering land leases, distributing lease payments to IIM accounts, and processing probate actions.
3. Quantify federal program impacts, including new measures on net reductions in target ownership interests and federal benefit-cost ratios, for Report to Congress.
4. Develop legislative amendments to consolidate revenue accounts and guidelines for waiving full/partial repayment of purchase costs.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
11	8	21