



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

and Performance Information  
Fiscal Year 2011

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

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.

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**DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS  
BUDGET JUSTIFICATION FOR FISCAL YEAR 2011**

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**Total 2011 Budget Request**  
*(Dollars in Thousands)*

<b>Budget Authority</b>	<b>2009 Actual</b>	<b>2010 Enacted</b>	<b>2011 Request</b>	<b>2011 Request Change from 2010</b>
<b>Discretionary</b>	<b>181,648</b>	<b>185,984</b>	<b>160,215</b>	<b>-25,769</b>
<b>Mandatory</b>	<b>383,786</b>	<b>339,955</b>	<b>358,109</b>	<b>+18,154</b>
<b>Total</b>	<b>565,434</b>	<b>525,939</b>	<b>518,324</b>	<b>-7,615</b>
<i>FTEs</i>	<i>651</i>	<i>689</i>	<i>710</i>	<i>+21</i>

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

**GENERAL STATEMENT**

In FY 2011, the Department will maintain its emphasis on providing services to the beneficiaries of the Indian trust. The Office of the Special Trustee for American Indians (OST) will continue its role in the oversight and operations of the fiduciary responsibility by daily monitoring trust reform in accordance with the Comprehensive Trust Management Plan (CTM). All proposed funding supports the Department’s Indian Fiduciary Trust Responsibilities.

The United States Congress has designated the Secretary as the trustee delegate with the responsibility for approximately 55 million surface acres of land, 57 million acres of subsurface minerals estate of land and \$3.6 billion that is held in trust by the Federal Government on behalf of American Indians, Alaska Natives and federally recognized Indian Tribes. Trust Management of these assets includes conserving, maintaining, accounting, investing, disbursing, and reporting to individual Indians and federally recognized tribes on asset transactions generated from sales, leasing and other commercial activities on these lands. Through implementation of the CTM, appropriate trust administration for trust beneficiary services, ownership information, management of trust fund assets, and tribal self-determination/self-governance activities, the Department’s goal of Fulfilling Indian Fiduciary Trust Responsibilities, will be realized.

## Trust Management Reform

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

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

Implementing the FTM thus far includes:

- Developing interim handbooks and desk operating procedures that document standardization and streamlining of business processes.
- Hiring twelve Bureau of Land Management (BLM) Indian Land Surveyors, one located in each BIA regional office.
- Initiating the Certified Federal Surveyor program to certify licensed private surveyors to perform federal surveying activity with oversight by BLM.
- Establishing the division of Indian Probate Hearings within the Office of Hearings and Appeals (OHA) to provide a single point of adjudication for Indian probates.
- Hiring Fiduciary Trust Officers (FTO) to serve as the primary point of contact for beneficiaries and hiring of support staff for FTOs, enhancing/refocusing outreach initiatives and Whereabouts Unknown (WAU) activities, providing for direct deposits, developing a debit card alternative, and formal Trust training and training certification programs.
- Enhancing beneficiary performance statements with land asset and encumbrance information.
- Opening the Trust Beneficiary Call Center.
- Hiring of Regional Trust Administrators (RTA)
- Implementing centralized commercial lockbox operations.
- Establishing BIA lockbox liaison positions to expedite exception processing.
- Identifying and implementing trust-related skills models for hiring and training fiduciary trust professionals.
- Developing teams for updating federal regulations in support of the FTM.
- Adding a minerals valuation unit to the Appraisal Services office.
- Creating a state of the art record management program including the American Indian Records Repository (AIRR) that now contains approximately 500 million pages of records.

Throughout FY 2010 and into FY 2011, the Trust Program Management Center staff will concentrate on the remaining conversion cleanup projects, title plant backlogs impacting current title, developing a process for daily operations to ensure that tract ownership is accurate at a level to distribute income, issuing Statements of Performance, and providing reasonable assurance regarding efficiency, accuracy and timeliness on post conversion processing. The teams will identify the need for further revisions to business processes, standard operating procedures, handbooks, validating metrics and desk operating manuals as the nation is now on a standard system, notwithstanding that certain processing modules are under development. Position skill models and training will need a final overhaul in order to reach the steady state of just working with updates.

In addition, software solutions are under development for improved oil and gas accounting and reporting to beneficiaries, and validation of title information for non-income producing land assets will continue through FY 2011.

Additionally, the Trust Program Management Center will continue to work with BIA to control deposits to Special Deposit Accounts and to distribute the funds held in the Youpee Escheat Account.

The Trust Program Management Center is always looking for new tools, new technologies, and better/best business practices to bring to the management of the Indian trust. This continual process is essential to keeping processes streamlined and utilizing the most cost effective technology.

### **Historical Accounting**

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

OHTA is now involved not only in the *Cobell v. Salazar* class action litigation, but also 95 lawsuits filed by or on behalf of approximately 114 Tribes. These cases are in Federal District Courts and the Court of Federal Claims.

On December 7, 2009, the Administration announced a \$3.4 billion settlement agreement with the plaintiffs in the Cobell case, which is pending Congressional action and approval by the Court.

Also on that date, the Secretary signed an order to establish a commission on Individual Indian Trust Management (Order No. 3292).

Pending Congressional action and final approval by the Court, the Cobell v. Salazar settlement agreement establishes a new trust land consolidation fund for the buy-back and consolidation of fractionated land interests. The fund will be used for purchases of fractionated interests in parcels of land from individual Indian landowners. The fund covers administrative costs to undertake the process of acquiring fractionated interests and associated trust reform activities. The acquisition of fractionated interests is authorized under the Indian Land Consolidation Act Amendments of 2000 (P.L. 106-462), and the American Indian Probate Reform Act of 2004 (P.L. 108-374). The proposed settlement provides additional authority for the acquisition of interests held by persons who cannot be located after engaging in extensive efforts to notify them and locate them for a five-year period.



## **FY 2011 Budget Request**

OST's FY 2011 budget request focuses on continuing efforts in trust management reform, oversight of the trust and daily operations, and historical accounting.

The FY 2011 budget request for OST totals \$160,215,000 and reflects a \$25,769,000 program decrease from the FY 2010 President's budget as a result of the Cobell settlement, Department-wide management efficiencies, contract reductions and eliminations as well as program efficiencies. The Office of Trust Records has a reduction of \$1,589,000 as a result of in-sourcing records indexing. Budget, Finance & Administration proposes an increase of \$72,000 for the Electronic Official Personnel Folder (eOPF) initiative. The Office of Trust Accountability, Product Development Initiative has a reduction of \$50,000 resulting from cost savings in disbursements to trust beneficiaries enrolled in OST's Debit Card program and the Data Quality and Integrity program has a reduction of \$1,000,000 as a result of realty post-conversion clean up expected to be completed in FY 2011. The Office of Trust Services has a reduction of \$60,000 resulting from the automation of one-time disbursements transactions and an \$800,000 increase for increased probate processing workload.

The FY 2011 request includes \$1,058,000 for Fixed Costs and Related Changes, discussed in more detail under the Fixed Costs and Related Changes section.

## **Base Budget Analysis**

OST's FY 2011 base budget was developed using analysis of historical execution, determination of changing requirements, projection of operating costs, emphasis on current initiatives and priorities, and the anticipated completion of certain trust reform efforts.

As part of this analysis, OST utilizes Activity-Based Cost Management (ABC/M) data to make organizational assessments and align work efforts with Government Performance and Results Act of 1993 (GPRA) goals. ABC/M is being used to assist managers in cost estimating, cost forecasting and improving programs by identifying future cost avoidance and efficiency savings.

## **Section 405 Compliance**

OST adheres to the requirements of Section 405 contained in the Department of the Interior, Environment and Related Agencies Appropriations Act, 2009, requiring agencies to present in their annual budget justification any external and internal administrative costs, overhead charges, deductions, reserves, or holdbacks from programs, projects, and activities to support government-wide, Departmental and OST administrative functions or headquarters, regional or central office operations.

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

OST plans to charge back approximately 2.8 percent of the Federal Trust Programs budget for costs associated with contracts for Human Resources, Acquisition, Finance, communications, and security. These charges are allocated based on either the number of people in each program, funds obligated, or the program's percentage of transactions.

In 2009, the President established SAVE Award program, to challenge Federal employees across the government to submit their ideas for efficiencies and savings as part of the annual budget process. The goal of the SAVE Award is to produce ideas that will yield savings and improve government operations. The Department of the Interior received thousands of submissions on a variety of topics during the SAVE Award process which are being reviewed by the Bureaus. The FY 2011 budget assumes \$62 million in savings from implementing SAVE Award proposals in three areas: travel, information technology, and strategic sourcing, which are described below.

### **Travel Reduction**

OST is participating in a Department-wide effort to reduce travel and relocation expenditures through adoption of new technologies and efficiency improvements accounting. Bureaus are implementing new teleconferencing, videoconferencing, shared web sites, and other technologies that will enable real-time communications and shared access to documents that will enable more meetings to be conducted remotely and electronically. The proposed reduction also includes a decrease in funding for permanent change of station expenses, in response to an Office of Inspector General finding that suggests a need for greater control over management of these costs. OST's share of this reduction is \$35,000.

### **IT Reduction**

OST's Chief Information Officer has been working collaboratively with the other Interior CIOs on an approach to achieve improved effectiveness and efficiencies in information technology. The Department anticipates savings from the Department-wide implementation of a common e-mail system and the consolidation of servers, data centers, and help desks. Although this is a multi-year effort, it is feasible to expect \$20 million in savings in 2011, of which, OST's share is \$190,000.

Secretary Salazar is committed to information technology reforms that will improve the effectiveness and efficiency of operations within the Department including a common email system. Detailed planning information exists from earlier efforts to deploy a common email system that provides a foundation for an accelerated effort, beginning in the current fiscal year. The Department has conducted inventories and evaluations of servers, data centers, and help desks. All of the information indicates significant potential savings from the consolidation and reduction of this infrastructure. The Department will be working throughout FY 2010 to develop plans, begin deployments, and implement changes so as to realize savings beginning in 2011.

### **Acquisition Reduction**

OST has been working collaboratively with other acquisition offices across the Department to prepare an Acquisition Improvement Plan. Although the Office of Management and Budget's (OMB) proposed acquisition savings program allows agencies to redirect savings to other mission objectives, Interior is proposing a reduction of \$30 million in real savings to help offset other program priorities in the budget request, of which, OST's share is \$107,000. One option for achieving this savings is the expanded use of strategic sourcing.

Currently, strategic sourcing is used for enterprise acquisitions for software and hardware. Expansion of strategic sourcing to other types of acquisitions has the potential to achieve additional savings for the bureaus and offices in Interior. The Office of Acquisition and Property Management, working with a team of bureau representatives, has developed a set of options for strategic sourcing, including: telecommunications, relocations, copiers/printers, heavy equipment, recycled paper, shuttle services, furniture, wireless communications, and training. Currently, participation by the bureaus is optional.

The Department has a track record with successful strategic sourcing and plans to expand its use based on the advice and guidance from the Strategic Sourcing Executive Council. During 2010, DOI would develop its plans and begin to implement expanded strategic sourcing to realize the targeted savings in 2011. To achieve this level of savings, all of the bureaus would be required to participate. The leadership in the Department is committed to participation in this initiative. The savings realized from this initiative would be included in the Department's Acquisition Improvement Plan.

### **Executive Order 13423**

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

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

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

Energy Management OST is dedicated to achieving the energy and water reduction and renewable energy consumption goals set forth in the Energy Policy Act of 2005 (EPAAct 2005) and Executive Order 13423. OST has implemented an energy management plan to guide programs toward meeting the mandated goals. OST does not own any buildings or structures. With an exception of six direct leases, all of OST spaces are GSA leased. Before GSA leases a space, the building must comply with mandated federal guidelines regarding environmental and habitation standards. The

majority of OST employees are located in office spaces in Albuquerque, New Mexico. The Heating, Ventilation and Air Conditioning (HVAC) system is centrally controlled to keep energy usage at a measurable uniform rate. Additionally, the building is equipped with sensor lights and energy saving light bulbs.

Transportation (Fleet): OST remains committed to achieving the goals of the Energy Policy Act of 2005 and Executive Order 13423 for fleet management. In support of the objectives, OST implemented a fleet management plan and developed vehicle justification criteria to assist in "right-sizing" the motor vehicle fleet. In FY 2009, OST began replacing bureau owned vehicles utilizing funding provided to the General Services Administration under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) for Federal fleet acquisition of fuel efficient vehicles.

OST has reduced its petroleum fuel consumption and has achieved the E.O. set goal of 20 percent reduction in petroleum consumption over five years (or 4% annually). Because of sizeable additions to OST's fleet in FY 2006, OST established its baseline fuel consumption that same year. Since the majority of the vehicles are leased, OST's fleet tends to consist of newer fuel efficient vehicles. Under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), vehicles which have between 80,000 and 100,000 miles will be replaced with higher fuel efficient vehicles. OST's goal is to replace 12 vehicles under the GSA Federal Vehicle Registration System with alternative fuel vehicles (hybrids and E-85).

### **Environmental Safeguards**

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

## **2011 Performance Summary**

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

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

In accordance with the Government Performance and Results Act of 1993 and with OMB policy and direction, the DOI Strategic Plan is currently undergoing the required triennial review and update. The Department is reviewing the organization and construct of the Strategic Plan in light of the Administration's priorities, goals, and objectives. Although the majority of end outcome goals and measures, intermediate measures, and other measures are expected to remain intact, the organizing principles for those goals and measures may change during this review. Therefore, this budget request does not directly reference the existing DOI Strategic Plan mission areas, but does continue to report on performance goals and accomplishments associated with the current slate of end outcome goals and related performance measures.

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

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

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

To achieve the Secretary's Indian Fiduciary Trust Responsibilities, OST ensures that account maintenance and financial transaction postings are initially processed accurately at least 99% of the time. OST has established a system of internal controls over transactions, including post-encoding reviews, to ensure that posted transactions are complete and accurate. Additionally, OST monitors processing times to provide assurance that transactions are posted within the targeted timeframes and continually evaluates and refines the system of internal controls. Performance metrics are established to identify opportunities for improvement in the efficiency of internal processing activities. OST's goal is to provide account "statements of performance," to beneficiaries with a valid address, on time, at least 99.5% of the time. Over 730,000 statements are expected to be printed and mailed during FY 2011.

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

OST supports the Administration's Indian Fiduciary Trust Responsibilities through implementation of the following strategies in the CTM:

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

**Tribal self-governance and self-determination that increase participation in managing assets:** Foster tribal expansion of self-governance compacts and self-determination contracts in a manner consistent with the Department's fiduciary responsibilities. As a continuing priority, the Office of External Affairs (OEA) dedicates the resources necessary to promote and support self-governance and self-determination opportunities for federally recognized tribes. In FY 2011, OEA will achieve its response performance measure to renew and expand the number of negotiated memoranda of understanding for tribes to manage OST programs through P.L. 93-638 compacts and contracts. OEA will also work with tribes that may be interested in accessing OST IT trust systems to support their OST trust programs. OEA will continue to ensure that information is provided to the tribes in a timely manner which will allow the tribes to make informed decisions on compacting/contracting OST programs.

**Ownership information that is accurate, timely, and reliable:** Distribute financial trust assets to heirs after the Office of Hearings and Appeals renders probate decisions; and ensure accuracy and integrity of data maintained in agency offices and trust accounting systems. The BIA conversion to the TAAMS Leasing module completed in FY 2007, allows for the automatic distribution of trust

funds to beneficiary accounts based on land title ownership information maintained in the TAAMS Title module. This marks the completion of one of the largest parts of the Data Quality and Integrity (DQ&I) project. Moving forward, Trust Accountability, through the DQ&I project, will be working on remaining post conversion clean up, title plant projects, realty projects and, through the effort to develop a standardized self-validating process for the tracts, work to standardize a Title Plant Handbook will also be completed.

**Trust fund assets management that meets fiduciary standards:** Manage and invest funds held in accounts on behalf of individual Indians and tribes; collect, disburse, and account for funds timely and accurately. Trust Services continues to maintain a high rate of collections for oil and gas revenue recorded in TFAS within 24 hours of notification. The FY 2011 goal is for 99% of funds to be recorded in TFAS within 24 hours of notification.

**Land and natural resources management that maximizes return:** Provide appraisal and evaluation information, as needed on trust and restricted lands for tribal and individual Indian owners. Determining the appropriate value of trust assets is important for effective management of land and natural resources. Ensuring the availability of appraisal and evaluation information to BIA officials and beneficiaries is critical for their decision making on natural resource activities on trust lands. The appraisal services goal is to complete appraisal reports 96% of the time within requestor business requirements.

The Office of Appraisal Services (OAS) continues to identify and implement processes and appraisal methodologies that will allow for more timely and efficient delivery of appraisal services to their clients. The Office of Appraisal Services is also looking into developing a series of “how to” guides for realty staffs that compile information needed to support an appraisal assignment and one for tribes that contract or compact the appraisal program pursuant to P.L. 93-638.

### **Offices of Information Technology and Budget, Finance and Administration**

In FY 2010, the reporting responsibilities for the performance measure *Percent timeliness of financial account information provided to trust beneficiaries* was moved from Trust Services to the Offices of Information Technology and Budget, Finance and Administration. Both offices will have a focused emphasis on charging and capturing all costs for this performance measure.

- *Percent timeliness of financial account information provided to trust beneficiaries.* The unit cost of providing timely financial account information to trust beneficiaries is derived by dividing the cost of printing and mailing the account statements by the number of statements mailed per year.

### **Office of External Affairs**

The Office of External Affairs (OEA) has three primary areas of responsibility in supporting the Special Trustee’s statutorily-required reform and oversight activities: (1) communications with a diverse group of stakeholders about the Department’s trust reform initiatives; (2) administration of OST’s P.L. 93-638 tribal self-governance and self-determination program; and (3) congressional liaison activities.



Communications: *Number of communication resources developed for stakeholders.*

OEA works to provide tribal and individual Indian trust beneficiaries, Department personnel, the media, other government agencies, the public and other interested organizations with a wide range of information on the status of trust reform priorities, current initiatives and ongoing operations, and benefits through personal contacts and printed materials. OEA's FY 2011 plan is to have 34 communication resources developed to inform, highlight events, describe current and new program trust reform developments and activities (i.e., news releases, public service announcements, newsletters, letters to tribal leaders, outreach item design, brochures, informational updates to OST's public website and Trust Portal, informative check inserts about OST programs and services, All-Employee emails, OEA clipping service, tours of OST's Albuquerque facility, factsheets, reports, articles and Congressional liaison activities).

Tribal Self-Governance/Self-Determination: *Number of agreements and Memoranda of Understanding (MOU) negotiated or renewed with P.L. 93-638 tribes for operating the beneficiary processes program or real estate appraisal programs.*

OEA is responsible for assisting tribes with the performance of two programs – the real estate appraisals program and the beneficiary processes program (IIM accounting technician functions) – that are available for tribal assumption through P.L. 93-638 self-determination contracts or self-governance compacts. OEA's FY 2011 target is to renew or negotiate 42 agreements/MOUs. Note that OEA's budget will continue to fund the cost of payments to the Confederated Salish and Kootenai Tribes to compact the beneficiary processes program in FY 2011.

Also, upon tribal request, in FY 2011, OEA will assist those tribes who compact or contract OST trust programs, under P.L. 93-638, to access OST's available IT trust systems.

OEA staff also provides the U.S. Congress a range of information on the status of trust reform priorities, current initiatives and ongoing operations and benefits, through personal contacts, tours of OST facilities/program offices, correspondence and printed materials.

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

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

In FY 2011, OTRA expects to continue performing records assessments based on a three year revolving assessment cycle beginning with the earliest reviewed agencies. In FY 2011, OTRA expects to complete a minimum of 40 records management assessments.

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

In FY 2011, OTRA expects to perform a minimum of 38 Indian trust examinations consisting of compacted Tribes, BIA, OST or Departmental entities performing Indian trust programs or

activities. These trust examinations will be performed based on a review schedule or exam cycle, rating and/or risk.

Corrective Action Follow-up – *Number of recommendations resolved, implemented, and closed.*

OTRA is working closely with all Examinees to track and monitor progress in implementing corrective actions for all report findings and recommendations. This is done in several steps. First, OTRA requests a response from the Examinee to the draft report to include corrective actions taken or planned along with completion target dates. OTRA then makes a determination, based on the Examinees response, whether the recommendations are closed or open; and finally, OTRA tracks the open or unresolved issues and contacts the Examinee semi-annually to track their progress in implementing the corrective actions. If the corrective actions have been implemented, OTRA will document the recommendations as resolved, implemented and closed. During FY 2011, OTRA hopes to track and close a minimum of 96 open recommendations.

### **Office of Trust Accountability**

Conversion of the TAAMS Realty module marked a major milestone in Trust Management Reform. This conversion resulted in a single repository of ownership for Indian Trust land data. This implementation includes processes that have been significantly reengineered. Additionally, trust data was corrected and/or validated within these systems marking the near completion of several data cleanup projects. Current efforts focus on the stabilization and post conversion clean-up.

Implementing the FTM directly relates to the OST Risk Management Program performance measure. Our trust reform efforts are grounded in a risk-based approach. The Risk Management Program has been steadily moving from a reactive approach of trying to achieve an acceptable level of risk to a proactive approach. This proactive approach is accomplished through identification of risk associated with program activities and placing proper controls to mitigate identified risk. As OST continues implementation, OST programs related to the trust reform initiatives are conducting risk assessments to provide reasonable assurance that the OST programs are operating efficiently and effectively and the financial reporting is free of material misstatement. OST intends to strengthen its risk management program by: increasing the quantity of field locations tested; improving OST staff expertise based on offering of risk management training; increasing Risk Management staff to support internal programs and Office of Financial Management led internal control efforts across bureaus more efficiently; enhancing the existing risk management tool (RM-PLUS) to facilitate more efficient assessing and reporting; and continued alignment of RM-PLUS with regulatory and legislative requirements, in particular, OMB Circular A-123, with appendices.

From a cost perspective, the Trust Accountability Risk Management program utilizes ABC/M cost codes to track expenditures. OST plans on performing market research to determine private sector benchmarks to compare with OST cost in order to evaluate value added.

Trust Accountability offers risk management tools to compacted and/or contracted tribes. Due to the government-to-government relationship, it is not a mandatory implementation for tribes.

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

### **Field Operations**

Field Operations staff including the Trust Beneficiary Call Center is the primary point of contact for Tribal, individual Indian and Alaska Native beneficiaries seeking information and services regarding their trust assets. The field staff assists beneficiaries on a daily basis at regional, agency, and urban locations regarding account statements, account balances, other account attributes, receipts, disbursements, leases and leasing, probate processing, and provides any other trust asset information or assistance beneficiaries may need. Regional Trust Administrators (RTAs) and Fiduciary Trust Officers (FTOs) in selected locations provide the managerial presence for responsive and proactive beneficiary services at the local level in cooperation and collaboration with BIA and other DOI Bureaus and Offices engaged in Indian trust matters.

### **Responsiveness**

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

Field Operations' responsiveness performance target for FY 2011 is set at 90%. This level of performance is not expected to change from FY 2010 as reflected in the goal performance table. The nationwide awareness of the TBCC and FTOs is resulting in more contacts for TBCC.

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

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

### **Ownership Information**

For FY 2011, the measure rate at which Whereabouts Unknown (WAU) accounts are resolved is expected to be 22%. The measure rate is calculated by the number of WAU accounts "resolved" during the reporting period (i.e., for which a current valid address has been obtained) divided by the total number of WAU accounts at the beginning of the measurement year.

## **Office of Appraisal Services**

The Office of Appraisal Services (OAS) provides impartial opinions of value for a variety of specific real property interests on land owned in trust or restricted status. In FY 2011, the Office of Appraisal Services will continue to utilize an automated tracking system that will allow for more efficient and effective management of appraisal requests to enhance processing, tracking, and reporting. OAS will also continue the utilization of appraisal application software, and alternative valuation methodologies that will result in uniform and efficient appraisal services that are in compliance with the Uniform Standards of Professional Appraisal Practices (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), as applicable.

It is the DOI's and OST's policy that appraisal practices, completed by OAS, must conform to the current Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of The Appraisal Foundation—updated and published regularly—and the current edition of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) promulgated by the Interagency Land Acquisition Conference, as applicable. OAS staff consists of certified general appraisers who provide the valuations.

In FY 2011, OAS will continue to improve and adjust the appraisal business process requirements for appraisal services, where feasible. In FY 2010, OAS focused on improving processes for workflow and workforce management. It is expected that these types of improvements will continue to result in increased productivity in FY 2011.

In addition, in FY 2011 and beyond, OAS will work with its human resources office to monitor expected vacancies due to attrition, transfers and continue efforts to recruit and retain entry and journeyman level staff needed to perform its core function. In FY 2011, OAS will continue its efforts with the National Indian Programs Training Center (NIPTC) to develop a comprehensive training program which can lead to certification in fiduciary leadership management.

## Office of Trust Services

In FY 2011, Trust Services will continue the implementation of re-engineered processes, including decentralization of certain data entry functions, streamlining of certain manually intensive processes, automation improvements, and decreased reliance on contract services. Funds have been allocated to the following Trust Services' measures:

- *Percent of financial information accurately processed in Trust beneficiary accounts.* This measure is also identified as OST's Representative Performance Measure (RPM). The unit cost of a transaction is derived by dividing the total cost of processing transactions by the number of transactions for the year (denominator). Increases in the total cost of processing reflect a three percent inflationary adjustment from year to year. The increases in the total number of transactions per year (denominator) are estimated based on historical trends from previous years.
- *Percent of revenue recorded in the TFAS within 24 hours of receipt.* The unit cost for recording revenue in TFAS consists of the portion of the employee's time devoted to this duty divided by 250 business days on which this function is performed.

## Data Verification and Validation

The OST risk management program utilizes a three pronged approach to ensure that data and reports produced from the OST programs are accurate, efficient and timely. The approach includes: (1) a self-assessment by program managers conducted periodically for all performance measures utilizing the Risk Management Assessment/Evaluation tool (RM-Plus) as well as transaction testing, (2) periodic internal review, and (3) assessments conducted by the Department.

To implement the Department's '*Data Validation and Verification Assessment Matrix*' guidance OST specific procedures were drafted. Primary responsibility for data quality resides with the designated senior manager for the performance measure. The responsible manager has designated a program official as the data point of contact. The data point of contact is responsible for the collection of data, reporting of data, and conducting an annual assessment based upon the Department's Data Validation and Verification assessment guidance. The senior manager has ultimate responsibility for data quality that complies with Departmental requirements.

Data for measuring program accomplishments comes primarily from TFAS (a commercial trust application), the Status Reports to the Court, and work logs maintained by program offices. Assurance that the specified procedures are being followed comes from testing and output from OST's three pronged approach to risk management.

## Unified Trust Budget

The Department of the Interior has responsibility for the largest land trust in the world. Today, the Indian trust encompasses 55 million surface acres and 57 million acres of subsurface mineral estates. On these lands, Interior manages over 100,000 leases for uses such as farming, grazing, and oil and gas production on behalf of individual Indians and Tribes.

The 2011 budget proposes \$478.6 million for Indian trust programs. This amount includes a net decrease of \$30.1 million below the 2009 budget. The 2011 Unified Trust Budget reflects new investments in energy development and natural resource development, as well as reductions to historical accounting as a result of the proposed *Cobell v. Salazar* settlement and savings from the completion of certain trust reform tasks.

## Indian Trust Management Responsibilities

From 1996 through 2010, the Department will have invested \$4.8 billion in the management, reform, and improvement of Indian trust programs. These investments have allowed Interior to better meet fiduciary trust responsibilities, provide greater accountability at every level, and operate with staff trained in the principles of fiduciary trust management.

Interior has developed a comprehensive and systematic plan to reform the management of its trust responsibilities, the Fiduciary Trust Model. The status of the implementation of FTM has been described in the reports provided to the U.S. District Court in *Cobell v. Salazar*. The FTM includes a guide to improve delivery of fiduciary trust services, effectiveness, and accountability of trust operations; and the re-engineering of Interior's fiduciary trust business processes and systems to ensure that the Department meets its fiduciary trust goals and objectives.

The primary concept of the FTM, working in partnership with the beneficiaries, is to improve the business processes for the delivery of services to tribal and individual Indian beneficiaries by standardizing, streamlining, and automating these processes and services. Progress on the FTM during FY 2009 includes:

- Operated a state-of-the-market Trust Beneficiary Call Center where beneficiaries can call toll-free with issues and questions regarding their accounts or lands. For 2009, the TBCC handled over 243,000 calls with a first line resolution rate of 95 percent.
- Recovered addresses on 31 percent of the Whereabouts Unknown accounts. This represented 26,225 accounts totaling \$27.5 million.
- Collected and moved 13,647 boxes of records to the American Indian Records Repository and also indexed 12,960 boxes. The AIRR now contains approximately 500 million pages of records.
- Distributed funds for 8,502 completed probates which closed 9,447 estate accounts.
- Provided records management training to 711 BIA and OST records contacts and 272 tribal employees.
- Processed a total of \$520.8 million through the centralized commercial lockbox and posted 77 percent to beneficiaries' accounts within two days of receipt.

- Tribal and individual trust beneficiary services are available directly from Regional Trust Administrators and Fiduciary Trust Officers who are highly-skilled and experienced in fiduciary trust matters. The RTAs and FTOs are the primary points of contact in the field for tribal and individual beneficiary inquiries and also provide proactive outreach education and training on a variety of trust and financial issues.
- Assisted the BIA with the distribution of \$232,708 in appealed range rate receipts from 168 aged special deposit accounts through the Trust Asset and Accounting Management System invoicing and distribution module.
- Continued to emphasize debit card and direct deposit options in lieu of paper checks, increasing the total number to over 26,500. In 2008, surveyed cardholders reported a 77 percent extremely or very satisfied experience using the debit cards.
- Provided remote and on-site support to the Ft. Berthold Agency by researching oil and gas development activities, producing maps identifying new well site locations and monitoring production data to track and design a field monitoring process for wells on leased land.

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

**Historical Accounting** — Within the OST request is \$31.5 million for the OHTA, which is a decrease of \$25.0 million from the 2010 enacted budget amount. The request will provide \$27.5 million for tribal accounting, and \$4.0 million for special deposit accounts.

The 2011 budget assumes enactment in 2010 of a settlement of the *Cobell v. Salazar* lawsuit, including \$1.4 billion to compensate for claims involving the management of individual Indian trust accounts related to Indian lands and \$2.0 billion for a voluntary Indian Land Consolidation program. The settlement does not address pending tribal cases.

The budget reduces \$25.0 million for historical accounting of IIM accounts resulting from the proposed settlement of the *Cobell v. Salazar* class action lawsuit. The settlement addresses all existing and potential trust-related claims that the plaintiffs may have against the United States to date.

**New Energy Frontier Initiative** — Indian Affairs works closely with Tribes to assist them with the exploration and development of 1.8 million acres of tribal lands with active and potential energy resources. These lands have the potential for both conventional and renewable energy resource development. The 2011 budget includes an increase of \$2.5 million in Indian Affairs for energy projects as part of the Department's New Energy Frontier initiative. This increase includes \$1.0 million in the Minerals and Mining program to provide grants directly to Tribes for projects to evaluate and develop renewable energy resources on tribal trust land. The budget also contains a \$1.0 million increase for conventional energy development on the Fort Berthold Reservation, which sits atop the Bakken Basin, one of the most prolific oil and gas producing geographic areas in the U.S. To further expedite energy development on the Fort Berthold Reservation, Indian Affairs, the Bureau of Land Management, the Minerals Management Service, and the Office of the Special Trustee for American Indians will create a "virtual" one-stop shop. The budget includes a \$500,000 increase to support staff onsite, as well as provide on-call access to the full range of the Department's operational and financial management services.

**Improving Trust Land Management** — The Improving Trust Land Management initiative assists Tribes in the management, development, and protection of Indian trust land and natural resource assets. Within the increase, \$1.2 million is requested to begin land development of the former Bennett Freeze area. The Bennett Freeze was the product of a long standing land dispute which severely impacted the Navajo people. More than 12,000 Navajo people living in the area were subjected to over a 40 year freeze on development. With the lifting of the freeze in 2009, the region can be developed. The budget also includes a \$659,000 increase for cadastral surveys on the Nez Perce Reservation in Idaho. These surveys must be completed as a requirement of the Nez Perce/Snake River water rights settlement.

**Probate** — The budget includes a net reduction of \$5.6 million to the BIA probate program. This includes a \$7.5 million reduction for the elimination of the probate backlog. The 18,101 backlog cases are expected to be completed by the end of fiscal year 2010. There is a corresponding \$1.9 million increase for the probate office at the central office. This funding was previously provided through the probate backlog program line item, and supports the management of the program and the distribution of assets among heirs and devisees.



**FY 2011 UNIFIED TRUST BUDGET**  
(in thousands of dollars)

<b>Program</b>	<b>2009 Enacted</b>	<b>2010 Enacted</b>	<b>Total Changes</b>	<b>2011 PB</b>
<b>Beneficiary Services &amp; Ownership Information</b>				
BIA Trust Services General (TPA)	11,082	9,672	-20	9,652
BIA Probate (TPA)	12,952	13,121	-38	13,083
BIA Probate backlog	7,382	7,452	-7,452	0
BIA Land Titles & Records	14,747	14,556	-31	14,525
BIA General Program (TPA)	33,828	34,518	775	35,293
BIA Reservation Projects	14,312	13,880	631	14,511
BIA Real Estate Services	48,140	48,398	1,406	49,804
BIA Land Records Improvement Central	13,648	13,432	-183	13,249
BIA Land Records Improvement Regional	2,011	2,022	0	2,022
BIA Land Records Improvement	15,659	15,454	-183	15,271
BIA General Program (TPA)	2,647	2,690	-12	2,678
BIA Envir. Quality Projects	8,954	12,024	1,994	14,018
BIA Environmental Quality	11,601	14,714	1,982	16,696
BIA Central Office Real Estate Services	4,048	3,585	1,668	5,253
BIA Central Office Oversight Trust & Real Estate Serv.	4,048	3,585	1,668	5,253
BIA Regional Office Real Estate Services	11,114	11,242	-56	11,186
BIA Regional Oversight Trust-Real Estate Serv.	11,114	11,242	-56	11,186
BIA Trust-Real Estate Services Oversight	15,162	14,827	1,612	16,439
Indian Land Consolidation	0	3,000	-2,000	1,000
OST TMPC- Probate Cleanup	9,906	9,906	0	9,906
<b>Total Beneficiary Services &amp; Ownership Information</b>	<b>146,631</b>	<b>151,100</b>	<b>-4,724</b>	<b>146,376</b>
<b>Land &amp; Natural Resource Assets</b>				
BIA Natural Resources (TPA)	4,454	4,641	1,100	5,741
BIA Endangered Species	1,234	1,249	0	1,249
BIA Indian Integ. Res. Info Prog	2,130	2,130	-21	2,109
BIA General Program (TPA)	23,342	25,888	-10	25,878
BIA Noxious Weed Eradication	1,021	3,024	-8	3,016
BIA Agriculture & Range	24,363	28,912	-18	28,894
BIA General Program (TPA)	25,574	26,081	-135	25,946
BIA Forestry Projects	17,629	17,773	-21	17,752
BIA Forestry	43,203	43,854	-156	43,698
BIA Water Resources General Program (TPA)	4,215	4,260	71	4,331
BIA General Program (TPA)	4,980	4,958	-70	4,888
BIA Fish Wildlife & Parks Projects	2,449	6,452	0	6,452
BIA Fish Wildlife & Parks	7,429	11,410	-70	11,340
BIA General Program (TPA)	3,174	3,265	495	3,760
BIA Mineral & Mining Projects	6,933	12,972	924	13,896
BIA Mining & Minerals Oversight	2,367	2,385	-43	2,342
BIA Mineral & Mining	12,474	18,622	1,419	19,998
BIA Central Office Oversight Resources Mgmt.	2,222	2,250	-3	2,247
BIA Regional Oversight Resources Mgmt.	4,332	4,409	-11	4,398
BIA Resources Mgmt. Program Oversight	6,554	6,659	-14	6,645
<b>Total Land &amp; Natural Resource Assets</b>	<b>106,056</b>	<b>121,737</b>	<b>2,268</b>	<b>124,005</b>

**FY 2011 UNIFIED TRUST BUDGET**  
(in thousands of dollars)

<b>Program</b>	<b>2009 Enacted</b>	<b>2010 Enacted</b>	<b>Total Changes</b>	<b>2011 PB</b>
<b>Trust Fund Assets</b>				
OST Trust Services	12,022	12,337	16,970	29,307
OST Field Operations	32,215	35,029	448	35,477
<b>Total Trust Fund Assets</b>	<b>44,237</b>	<b>47,366</b>	<b>17,418</b>	<b>64,784</b>
<b>Administrative Services</b>				
<i>DOI Trust Organization</i>				
OST Executive Direction	2,163	2,256	16	2,272
OST Budget Finance & Adm	13,161	14,132	380	14,512
OST External Affairs	1,241	1,259	6	1,265
OST Trust Review & Audit	4,695	4,757	36	4,793
NIPTC	984	1,250	0	1,250
OST Trust Accountability-Trust Regulations	1,591	1,432	14	1,446
OST Trust Accountability-TPMC Data Projects	4,478	4,507	-1,035	3,472
<b>Total DOI Trust Organization</b>	<b>28,313</b>	<b>29,593</b>	<b>-583</b>	<b>29,010</b>
<i>Historical Accounting</i>				
OHTA				
IIM	30,934	17,500	-17,500	0
Special Deposit Account	5,227	5,200	-1,200	4,000
Tribal Trust	20,284	33,836	-6,302	27,534
<b>Historical Accounting</b>	<b>56,445</b>	<b>56,536</b>	<b>-25,002</b>	<b>31,534</b>
<i>Human Resources</i>				
OST Trust Accountability-Training	2,063	1,810	7	1,817
<b>Human Resources</b>	<b>2,063</b>	<b>1,810</b>	<b>7</b>	<b>1,817</b>
<i>Information Technology</i>				
OST - CIO IT Services	20,632	23,048	-16,150	6,898
BIA Information Technology	59,735	59,766	-1,892	57,874
<b>Total Information Technology</b>	<b>80,367</b>	<b>82,814</b>	<b>-18,042</b>	<b>64,772</b>
<i>Business Practices</i>				
OST TPMC- Re-Engineering	2,411	2,082	10	2,092
OST TPMC- Risk Management	615	625	6	631
<b>Business Practices</b>	<b>3,026</b>	<b>2,707</b>	<b>16</b>	<b>2,723</b>
<i>Records Management</i>				
OST CIO -Trust Records	17,026	15,018	-1,475	13,543
Records Management	<b>17,026</b>	<b>15,018</b>	<b>-1,475</b>	<b>13,543</b>
Total Administrative Services	<b>187,240</b>	<b>188,478</b>	<b>-45,079</b>	<b>143,399</b>
<b>Unified Budget</b>	<b>484,164</b>	<b>508,681</b>	<b>-30,117</b>	<b>478,564</b>

Numbers may not add due to rounding.

<b>Unified Trust Summary</b>	<b>2009 Enacted</b>	<b>2010 Enacted</b>	<b>Total Changes</b>	<b>2011 PB</b>
BIA - OIP Programs	302,516	319,697	-2,348	317,349
Land Consolidation	0	3,000	-2,000	1,000
OST Federal Trust Programs	181,648	185,984	-25,769	160,215
<b>TOTAL</b>	<b>484,164</b>	<b>508,681</b>	<b>-30,117</b>	<b>478,564</b>

**Goal Performance Table**

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS											
<b>Target Codes:</b>		SP = Strategic Plan measures			ARRA= Recovery Act measure						
		TBD = Targets have not yet been developed			UNK = Prior year data unavailable						
<b>Type Codes:</b>		C = Cumulative Measure			A = Annual Measure			F = Future Measure			
<b>End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure</b>		<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Plan</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2011 Plan</b>	<b>Change from 2010 Plan to 2011</b>	<b>Long-term Target 2012</b>
<b>End Outcome Goal: Fulfill Indian Fiduciary Trust Responsibilities</b>											
<b>Beneficiary Services:</b> Percent of financial information accurately processed in Trust beneficiary accounts (manual transactions). (SP)		A	99.7% (1,656,841 / 1,661,781)	99.8% (2,005,251/ 2,010,103)	99.5% (1,207,184 / 1,212,763)	99% (1,188,000/ 1,200,000)	99% (1,147,036/ 1,151,933)	99% (1,217,700/ 1,230,000)	99% (1,237,500/ 1,250,000)	0% (+19,800/ +20,000)	99% (1,237,500/ 1,250,000)
<b>Total Actual /Projected Cost (\$000)</b>			\$4,071	\$5,714	\$6,391	\$5,733	\$6,908	\$7,000	\$7,200	+\$200	\$7,200
<b>Actual/Projected Cost per Transaction</b>			\$2.45	\$2.85	\$5.29	\$4.78	\$6.02	\$5.75	\$5.82	+0.07	\$5.82
<i>Comments: The numerator and denominator for this measure are manual transactions. However, the unit cost is based on all costs to process transactions. The increase in cost in 2011 reflects improved monitoring of cost through the use of ABCM. After 2011, cost should stabilize and efficiencies will be realized through in-sourcing of contract personnel.</i>											
Δ Contributing Programs: Trust Services											
<b>Beneficiary Services:</b> Percent timeliness of financial account information provided to trust beneficiaries. (SP)		A	100% (719,058 / 719,058)	92% (688,117/ 747,799)	100% (766,589 / 766,589)	99.5% (746,250/ 750,000)	100% (770,198/ 770,198)	99.5% (756,200/ 760,000)	99.5% (776,100/ 780,000)	0% (+19,900/ +20,000)	99.5% (776,100/ 780,000)
<b>Total Actual /Projected Cost (\$000)</b>			\$252	\$341	\$415	\$768	\$782	\$800	\$1,000	+\$200	\$1,000
<b>Actual/Projected Cost per Statement</b>			\$0.36	\$0.50	\$0.54	\$1.02	\$1.02	\$1.06	\$1.29	+\$.23	\$1.29
<i>Comments: The addition of asset information included in beneficiary statements increases the number of total statement pages by approximately 100%. Page count per statement is a significant cost driver for the production of statements and accounts for the increase shown in 2009. Beginning in 2008, projected costs include postage (prior years included only costs to produce the statements).</i>											
Δ Contributing Programs: Information Technology and Budget, Finance and Administration											
<b>Trust Fund Accountability:</b> Percent of risk mitigated on corrective action plans based on Federal Managers Financial Integrity Act control plans (SP)		A	100% (36/36)	97% (28/29)	100% (50/50)	97% (36/37)	100% (38/38)	97% (83/85)	97% (36/37)	0% (-47/-48)	97% (36/37)
<b>Total Actual /Projected Cost (\$000)</b>			\$1,456	\$754	\$223	\$661	\$234	\$467	\$632	+165	\$632
<b>Actual/Projected Cost per Corrective Action Plan (whole dollars)</b>			\$40,445	\$26,929	\$4,460	\$18,361	\$6,158	\$5,627	\$17,556	+\$11,929	\$17,556
<i>Comment: Costs have increased from 2008 due to increased focus on key internal controls as a result of OMB's Circular A123, Appendix A Trust effort and expansion of Risk Management staff to support increased testing and site visits. The cost increase in the 2011 plan is a result of filling vacant FTE positions.</i>											
Δ Contributing Programs: Trust Accountability											

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS											
<b>Target Codes:</b>		SP = Strategic Plan measures				ARRA= Recovery Act measure					
		TBD = Targets have not yet been developed				UNK = Prior year data unavailable					
<b>Type Codes:</b>		C = Cumulative Measure			A = Annual Measure		F = Future Measure				
<b>End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure</b>		<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Plan</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2011 Plan</b>	<b>Change from 2010 Plan to 2011</b>	<b>Long-term Target 2012</b>
<b>Strategy 1: Ownership information that is accurate, timely, and reliable</b>											
<b>Ownership Information:</b> Percent of Whereabouts Unknown accounts resolved. (SP)		A	33%	37%	34%	25%	31%	22%	22%	0%	21%
			(15,322 / 46,630)	(19,795/ 53,899)	(25,921/ 75,200)	(20,918/ 83,673)	(26,225/ 83,673)	(18,400/ 83,914)	(16,720/ 76,000)	(-1,680/ -7,914)	(14,280/ 68,000)
<b>Total Actual /Projected Cost (\$000)</b>			\$1,309	\$1,921	\$635	\$500	\$460	\$515	\$530	+\$15	\$546
<b>Actual/Projected Cost per Account resolved</b>		\$85.43	\$97.04	\$24.50	\$23.92	\$17.54	\$28.00	\$31.69	+\$3.69	\$38.23	
<i>Comments: Increases in the Total number of WAU accounts from 2008 and 2009 are the result of adding non-income producing accounts to TFAS. Increases in WAU accounts beginning in 2009 are the result of backlogged probate. The expected decrease in the WAU population at the end of 2010 will be the result of aggressive action by OST Field Operations and the incentive for accountholders to keep their addresses current, in anticipation of the Cobell settlement. The target estimates for 2011 and 2012 are reduced in anticipation of the fact that the WAU population has stabilized and the remaining accountholders are more difficult to locate.</i>											
Δ Contributing Programs: Field Operations											
<b>Strategy 2: Land and natural resources management that obtains a reasonable return</b>											
<b>Ensure Timeliness of Mineral Revenue Payments to American Indians:</b> Percent of revenue recorded in the Trust Financial Accounting System within 24 hours of receipt (SP)		A	99.8%	100%	99.9%	99%	99.9%	99%	99%	0%	99%
			(\$210,613,673/ \$211,097,665)	(\$158,016,229/ \$158,016,229)	(\$132,688,072/ \$132,874,096)	(\$242,550,000/ \$245,000,000)	(102,505,538/ 102,618,230)	(\$118,800,000/ \$120,000,000)	(\$133,650,000/ \$135,000,000)	(\$14,850,000/ \$15,000,000)	(\$133,650,000/ \$135,000,000)
<b>Total Actual /Projected Cost (\$000)</b>			\$4.5	\$6.4	\$12.1	\$6.8	\$5.5	\$6.8	\$7.0	\$0.2	\$7.0
<b>Actual/Projected Cost per day Revenue Recorded.</b>		\$18.00	\$25.60	\$49.73	\$27.20	\$22.23	\$ 27.42	\$28.00	\$0.58	\$28.00	
<i>Comments: Revenue reported reflects oil and gas collection from Minerals Management Service. In 2008 there was much cross-training that occurred this year. Additionally, cost capturing was transitioning to a new method and may have contributed to additional costs being reported under this category. The original estimate for 2009 plan was made in 2007 when previous years' data indicated rising oil and gas revenues. Oil and gas revenues have shown themselves to be quite volatile in recent years for which forecasting estimates is quite difficult and could change rapidly depending on world events and economies.</i>											
Δ Contributing Programs: Trust Services											

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS											
<b>Target Codes:</b>		SP = Strategic Plan measures			ARRA= Recovery Act measure						
		TBD = Targets have not yet been developed			UNK = Prior year data unavailable						
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<b>End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure</b>		<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Plan</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2011 Plan</b>	<b>Change from 2010 Plan to 2011</b>	<b>Long-term Target 2012</b>
Bureau Measures											
<b>Communications:</b> Number of communication resources developed for stakeholders. (BUR)		A	N/A	N/A	N/A	34	76	34	34	0	40
<b>Total Actual/Projected Cost (\$000)</b>			N/A	N/A	N/A	\$258	\$207	\$258	\$258	\$0	\$258
<b>Actual/Projected Cost per Unit</b>			N/A	N/A	N/A	\$7,588	\$2,724	\$7,588	\$7,588	\$0	\$6,450
<i>Comments: Increase in the number of communication resources completed in 2009 is due to needs driven by exterior events and/or expanded management initiatives. In 2009, OEA began to convert to higher quality communication products such as television and radio ads, designed to reach a greater number of people in Indian Country. Partial conversion was achieved in 2009 and conversion efforts will continue through 2010. OEA expects actual performance to be more in line with the targets in out years.</i>											
Δ Contributing Programs: External Affairs											
<b>Responsiveness:</b> Responsiveness of OST to tribal and individual trust concerns and needs. (BUR)		A	86.9% (144,899 / 166,714)	90.3% (167,164 / 185,116)	91.9% (205,182 / 223,248)	90% (180,000 / 200,000)	95% (232,326 / 243,355)	90% (207,000 / 230,000)	90% (216,000 / 240,000)	0% (9,000 / 10,000)	90% (216,000 / 240,000)
<i>Comments: Presently, the application of direct and indirect cost activities to this measure is not efficient or cost-effective due to the varying numbers and types of (ABC/M) activities that would be required to be allocated to any one trust inquiry and its response. OST continues to evaluate its service area/outputs relative to its ABC activity codes.</i>											
Δ Contributing Programs: Field Operations											

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS											
<b>Target Codes:</b>		SP = Strategic Plan measures			ARRA= Recovery Act measure						
		TBD = Targets have not yet been developed			UNK = Prior year data unavailable						
<b>Type Codes:</b>		C = Cumulative Measure			A = Annual Measure		F = Future Measure				
<b>End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure</b>		<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Plan</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2011 Plan</b>	<b>Change from 2010 Plan to 2011</b>	<b>Long-term Target 2012</b>
<b>BUREAU MEASURES</b>											
<u>Appraisals:</u> Percent of appraisal reports completed within requestor business requirements. (BUR)		A	89% (3,358/ 3,774)	84.3% (5,900/ 7,000)	68.14% (4,837/ 7,099)	96% (6,000/ 6,250)	94% (6,134/ 6,519)	96% (6,000/ 6,250)	96% (6,000/ 6,250)	0% (0/0)	96% (6,000/ 6,250)
<b>Total Actual /Projected Cost (\$000)</b>			\$9,679	\$9,735	\$8,996	\$8,739	\$9,923	\$10,903	\$10,939	+\$36	\$12,447
<b>Actual/Projected Cost Per unit</b>			\$2,882	\$1,650	\$1,860	\$1,457	\$1,618	\$1,817	\$1,823	+\$6	\$2,075
<i>Comments: OAS will continue to work towards maintaining its workload to control backlogged appraisal requests, OAS may be required to provide a high volume of USPAP compliant appraisals to support the BIA Indian Land Consolidation Office efforts at the same time carrying out its regular appraisal and appraisal review work. This high volume of appraisal work is expected to prevent OAS from achieving the 2011 performance target of 96%.</i>											
Δ Contributing Programs: Appraisal Services											
<u>Self-Governance/Self-Determination:</u> Number of agreements and Memoranda of Understanding (MOU) negotiated or renewed with P.L. 93-638 tribes for operating the beneficiary processes program or real estate appraisal programs. (BUR)		A	100% (67/67)	100% (81/81)	100% (145/145)	100% (40/40)	95% (37/39)	100% (40/40)	100% (42/42)	+2	100% (48/48)
<b>Total Actual /Projected Cost (\$000)</b>			\$150	\$164	\$286	\$251	\$251	\$251	\$352	+\$101	\$352
<b>Actual/Projected Cost per Unit</b>			\$2,240	\$2,025	\$1,972	\$6,275	\$6,783	\$6,275	\$8,381	+\$2,106	\$7,333
<i>Comments: Cost increase is based on proposed revisions to the Tribal Shares formulas currently being discussed in consultation with tribes. When a final Federal decision is made, it is expected that a greater number of tribes will propose to contract or compact appraisals. This increase in contract proposals and requests for compact negotiations will require a greater number of OEA staff hours to manage the program, but should result in more MOUs being signed by tribes.</i>											
Δ Contributing Programs: External Affairs											

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS											
<b>Target Codes:</b>		SP = Strategic Plan measures			ARRA= Recovery Act measure						
		TBD = Targets have not yet been developed			UNK = Prior year data unavailable						
<b>Type Codes:</b>		C = Cumulative Measure			A = Annual Measure			F = Future Measure			
<b>End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure</b>		<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Plan</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2011 Plan</b>	<b>Change from 2010 Plan to 2011</b>	<b>Long-term Target 2012</b>
<b>BUREAU MEASURES</b>											
<u>SDA Dollars</u> (\$000)		A	\$4,700	\$2,431	\$3,262	\$2,000	\$2,169	\$2,000	\$1,500	-\$500	\$1,500
Total Actual /Projected Cost (\$000)			\$6,500	\$6,608	\$3,934	\$4,500	\$5,227	\$5,160	\$4,000	-\$1,160	\$4,000
Actual/Projected Cost/Unit			\$1.4	\$2.7	\$1.2	\$2.25	\$2.61	\$2.58	\$2.67	\$0.09	\$2.69
<i>Comments: As the SDA project continues, the accounts are getting smaller. In general, the same amount of work has to occur for a \$10 account distribution as for a \$10,000 account.</i>											
Δ Contributing Programs: Historical Trust Accounting											
<u>IIM Transactions – Data Completeness Validation</u>		A	13,358,249	3,098,671	7,630,533	4,500,000	5,697,811	1,000,000	0	-1,000,000	\$0
Total Actual /Projected Cost (\$000)			\$1,894	\$4,487	\$8,119	\$9,200	\$11,123	\$2,500	\$0	-\$2,500	\$0
Actual/Projected Cost/Unit			\$0.14	\$1.45	\$1.06	\$2.04	\$1.95	\$2.50	\$0	-\$2.50	\$0
<i>Comments: OHTA will continue to work on this function until the settlement is final.</i>											
Δ Contributing Programs: Historical Trust Accounting											
<u>IIM Transactions – Interest Re-Calculation Project</u>		A	0	1,158	80,814	100,000	61,346	15,000	0	-15,000	\$0
Total Actual /Projected Cost (\$000)			\$217	\$1,827	\$4,135	\$3,415	\$3,140	\$1,000	\$0	-\$1,000	\$0
Actual/Projected Cost/Unit			N/A	\$1,577	\$51	\$34.15	\$51.19	\$67	\$0	\$67	\$0
<i>Comments: OHTA will continue to work on this function until the settlement is final.</i>											
Δ Contributing Programs: Historical Trust Accounting											
<u>IIM Digitized Paper Transactions</u>		A	80,000	13,368	5,589	45,000	37,859	12,500	0	-12,500	0
Total Actual /Projected Cost (\$000)			\$286	\$85	\$263	\$510	\$130	\$50	\$0	-\$50	\$0
Actual/Projected Cost/Unit			\$3.60	\$6.40	\$47.06	\$11.33	\$3.43	\$4	\$0	\$4	\$0
<i>Comments: OHTA will continue to work on this function until the settlement is final.</i>											
Δ Contributing Programs: Historical Trust Accounting											

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS										
<b>Target Codes:</b>		SP = Strategic Plan measures				ARRA= Recovery Act measure				
		TBD = Targets have not yet been developed				UNK = Prior year data unavailable				
<b>Type Codes:</b>		C = Cumulative Measure			A = Annual Measure		F = Future Measure			
<b>End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Plan</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2011 Plan</b>	<b>Change from 2010 Plan to 2011</b>	<b>Long-term Target 2012</b>
<b>BUREAU MEASURES</b>										
<b><u>Tribal Disbursement Transactions Reconciled</u></b>	A	N/A	N/A	N/A	N/A	N/A	800	150	-650	0
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	N/A	N/A	N/A	\$7,336	\$7,534	\$198	\$0
<i>Actual/Projected Cost/Unit</i>		N/A	N/A	N/A	N/A	N/A	\$9,170	\$50,227	\$41,057	\$0
<i>Comments: In 2010, OHTA changed the Tribal measurements. Anticipated completion of project in FY 2011.</i>										
Δ Contributing Programs: Historical Trust Accounting										
<b><u>Support Tribal Settlement Negotiations</u></b>	A	N/A	N/A	N/A	N/A	N/A	20	25	5	25
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	N/A	N/A	N/A	\$7,773	\$12,000	\$4,227	\$12,000
<i>Actual/Projected Cost/Unit (\$000)</i>		N/A	N/A	N/A	N/A	N/A	\$389	\$480	\$91	\$480
<i>Comments: OHTA changed the Tribal measurements. Anticipating additional funds allocated in FY 2011.</i>										
Δ Contributing Programs: Historical Trust Accounting										
<b><u>Tribal Litigation Support</u></b>	A	N/A	N/A	N/A	N/A	N/A	18	23	5	23
<i>Total Actual /Projected Cost (\$000)</i>		N/A	N/A	N/A	N/A	N/A	\$7,352	\$8,000	\$648	\$8,000
<i>Actual/Projected Cost/Unit (\$000)</i>		N/A	N/A	N/A	N/A	N/A	\$408	\$348	-\$61	\$348
<i>Comments: OHTA changed the Tribal measurements. Anticipating additional funds allocated in FY 2011</i>										
Δ Contributing Programs: Historical Trust Accounting										



**FY 2011 Budget at a Glance**

*(Dollars in Thousands)*

<b>\$000</b>	<b>FTE</b>	<b>2009 Actual</b>	<b>2010 Enacted</b>	<b>Fixed Costs and Related Changes</b>	<b>Δ Internal Transfers</b>	<b>Program Changes</b>	<b>2011 Request</b>
<b>FEDERAL TRUST PROGRAMS</b>							
<b>EXECUTIVE DIRECTION</b>							
Immediate Office of the Special Trustee	14	2,163	2,256	16	0	0	2,272
<b>EXECUTIVE DIRECTION TOTAL</b>	<b>14</b>	<b>2,163</b>	<b>2,256</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>2,272</b>
<b>PROGRAM OPERATIONS AND SUPPORT</b>							
<b>PROGRAM OPERATIONS</b>							
<i>Information Technology</i>							
Information Technology Services	35	20,632	23,048	-150	-16,000	0	6,898
Trust Records	74	17,026	15,018	114	0	-1,589	13,543
<b>INFORMATION TECHNOLOGY TOTAL</b>	<b>109</b>	<b>37,658</b>	<b>38,066</b>	<b>-36</b>	<b>-16,000</b>	<b>-1,589</b>	<b>20,441</b>
<i>Budget, Finance &amp; Administration</i>							
Budget, Finance & Administration	29	13,161	14,132	308	0	72	14,512
<i>External Affairs</i>							
External Affairs	7	1,241	1,259	10	-4	0	1,265
<i>Trust Review &amp; Audit</i>							
Trust Review & Audit	24	4,695	4,757	36	0	0	4,793
<b>PROGRAM OPERATIONS TOTAL</b>	<b>169</b>	<b>56,755</b>	<b>58,214</b>	<b>318</b>	<b>-16,004</b>	<b>-1,517</b>	<b>41,011</b>
<b>TRUST ACCOUNTABILITY</b>							
<i>Trust Training</i>							
Trust Training	5	2,063	1,810	7	0	0	1,817
<i>National Indian Program Training Center</i>							
National Indian Program Training Center		984	1,250	0	0	0	1,250
<i>Trust Regulations, Policies, and Procedures</i>							
Trust Regulations, Policies, and Procedures	9	1,591	1,432	14	0	0	1,446
<i>Trust Program Management Center</i>							
<i>Risk Management</i>							
Risk Management	4	615	625	6	0	0	631
<i>Reengineering</i>							
Reengineering	8	2,411	2,082	10	0	0	2,092
<i>Probate Clean Up</i>							
Probate Clean Up		9,906	9,906	0	0	0	9,906
<i>Product Development Initiative</i>							
Product Development Initiative	9	1,131	1,155	14	0	-50	1,119
<i>Data Quality and Integrity</i>							
Data Quality and Integrity	2	3,347	3,352	1	0	-1,000	2,353
<b>TPMC Total</b>	<b>23</b>	<b>17,410</b>	<b>17,120</b>	<b>31</b>	<b>0</b>	<b>-1,050</b>	<b>16,101</b>
<b>TRUST ACCOUNTABILITY TOTAL</b>	<b>37</b>	<b>22,048</b>	<b>21,612</b>	<b>52</b>	<b>0</b>	<b>-1,050</b>	<b>20,614</b>
<b>FIELD OPERATIONS</b>	<b>250</b>	<b>23,476</b>	<b>24,126</b>	<b>386</b>	<b>4</b>	<b>0</b>	<b>24,516</b>
<b>APPRAISAL SERVICES</b>	<b>63</b>	<b>8,739</b>	<b>10,903</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>10,961</b>
<b>TRUST SERVICES</b>	<b>142</b>	<b>12,022</b>	<b>12,337</b>	<b>230</b>	<b>16,000</b>	<b>740</b>	<b>29,307</b>
<b>HISTORICAL ACCOUNTING</b>	<b>35</b>	<b>56,445</b>	<b>56,536</b>	<b>-2</b>	<b>0</b>	<b>-25,000</b>	<b>31,534</b>
<b>PROGRAM OPERATIONS AND SUPPORT</b>	<b>696</b>	<b>179,485</b>	<b>183,728</b>	<b>1,042</b>	<b>0</b>	<b>-26,827</b>	<b>157,943</b>
<b>FEDERAL TRUST PROGRAMS</b>	<b>710</b>	<b>181,648</b>	<b>185,984</b>	<b>1,058</b>	<b>0</b>	<b>-26,827</b>	<b>160,215</b>

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

	<b>2009 Actual</b>	<b>2010 Enacted</b>	<b>Fixed Cost &amp; Related Changes (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2011 Budget Request</b>	<b>Inc (+) Dec (-) From 2010</b>
Executive Direction	2,163	2,256	+16	0	2,272	+16
Program Operations and Support	179,485	183,728	+1,042	-26,827	157,943	-25,785
<b>Federal Trust Programs</b>	<b>181,648</b>	<b>185,984</b>	<b>+1,058</b>	<b>-26,827</b>	<b>160,215</b>	<b>-25,769</b>
<b>Office of the Special Trustee for American Indians</b>	<b>181,648</b>	<b>185,984</b>	<b>+1,058</b>	<b>-26,827</b>	<b>160,215</b>	<b>-25,769</b>
<i>Total FTE</i>	<i>651</i>	<i>689</i>	<i>0</i>	<i>0</i>	<i>710</i>	<i>+21</i>

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**Justification of Fixed Costs and Related Changes**  
(Dollars in Thousands)

	<b>2010 Budget</b>	<b>2010 Revised</b>	<b>2011 Fixed Costs &amp; Related Changes</b>
<b><u>Additional Operational Costs from 2010 and 2011 January Pay Raises</u></b>			
<b>1. 2010 Pay Raise, 3 Quarters in 2010 Budget</b>	+1,040	+1,040	N/A
<i>Amount of pay raise absorbed</i>	[0]	[0]	N/A
<b>2. 2010 Pay Raise, 1 Quarter (Enacted 2.0%)</b>	N/A	N/A	+285
<i>Amount of pay raise absorbed</i>			[32]
<b>3. 2011 Pay Raise (Assumed 1.4%)</b>	N/A	N/A	+598
<i>Amount of pay raise absorbed</i>			[67]
These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees.			
<small>Line 1, 2010 Revised column is an update of 2010 budget estimates based upon an enacted 2.0%.                      Line 2 is the amount needed in 2011 to fund the enacted 2.0% January 2010 pay raise from October through December 2010.                      Line 3 is the amount needed in 2011 to fund the estimated 1.4% January 2011 pay raise from January through September 2011.</small>			
The estimated cost increase will be absorbed through increased efficiencies such as delayering organizations, re-examining position grades, management streamlining, and business process improvement.			

	<b>2010 Budget</b>	<b>2010 Revised</b>	<b>2011 Fixed Costs &amp; Related Changes</b>
<b><u>Other Fixed Costs Changes</u></b>			
<b>One Less Pay Day</b>	N/A	N/A	N/A
Number of paydays is constant in FY 2011.			
<b>Non-Foreign Area COLA - Locality Pay Adjustment</b>			N/A
<i>Amount of Non-Foreign Area COLA - Locality Pay Adjustment absorbed</i>			[93]
This adjustment is for changes to pay and benefits for Federal employees stationed in U.S. States, territories, and possessions outside the continental United States. Specifically, the Nonforeign Area Retirement Equity Assurance Act, as contained in subtitle B (sections 1911-1919) of title XIX of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 (P.L. 111-84) transitions the nonforeign area cost-of-living allowance (COLA) authorized under 5 U.S.C. 5941(a)(1) to locality pay authorized under 5 U.S.C. 5304 in the nonforeign areas as listed in 5 CFR 591.205. The Act also extends locality pay to American Samoa and other nonforeign territories and possessions of the United States where no COLA rate applies. The estimated cost increase will be absorbed.			
<b>Employer Share of Federal Health Benefit Plans</b>	+111	+111	+233
<i>Amount of health benefits absorbed</i>	[0]	[0]	[26]
The adjustment is for changes in the Federal Government's share of the cost of health insurance coverage for Federal employees. For 2011, the increase is estimated at 7.0%. The estimated cost increase will be absorbed.			
<b>Workers Compensation Payments</b>	+42	+67	+25
<i>Amount of workers compensation absorbed</i>	[0]	[25]	[0]
The adjustment is for actual charges through June 2009 in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2011 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273. The estimated cost increase will be absorbed.			
<b>Unemployment Compensation Payments</b>	-	-	-
<i>Amount of unemployment compensation absorbed</i>			
The adjustment is for estimated changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499. The estimated cost increase will be absorbed.			

	<b>2010 Budget</b>	<b>2010 Revised</b>	<b>2011 Fixed Costs &amp; Related Changes</b>
<b>Rental Payments</b>	+496	+496	+254
<i>Amount of rental payments absorbed</i>	[0]	[0]	[0]
<p>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. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included. The estimated cost increase will be absorbed.</p>			
<b>Departmental Working Capital Fund</b>	+386	+386	-5
<i>Amount of working capital fund absorbed</i>	[0]	[50]	[0]
<p>The Working Capital Fund budget for 2011 is being held level with 2010 Department-wide. Reallocations among bureaus reflect shifts of funding within WCF projects.</p>			
<b>Related Changes - Internal Transfers and Other Changes</b>			
<b><u>Travel Savings</u></b>			-35
<p>OST will save \$35,000 by reducing travel and relocation expenditures through adoption of new technologies and efficiency improvements.</p>			
<b><u>Information Technology Savings</u></b>			-190
<p>OST will save \$190,000 through improved effectiveness and efficiencies in information technology.</p>			
<b><u>Acquisition Savings</u></b>			-107
<p>OST will save \$107,000 as a result of the expansion of strategic sourcing for enterprise acquisitions.</p>			
Internal transfer from Information Technology Services to Trust Services			+/- 16,000
Internal transfer from External Affairs to Field Operations			+/- 4

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

## Federal Trust Programs

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, [\$185,984,000]\$160,215,000, to remain available until expended, of which not to exceed [\$56,536,000]\$31,534,000 from this or any other Act, shall be available for historical accounting: Provided, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs, "Operation of Indian Programs" account; the Office of the Solicitor, "Salaries and Expenses" account; and the Office of the Secretary, "Salaries and Expenses" account: Provided further, That funds made available through contracts or grants obligated during fiscal year [2010]2011, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: Provided further, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected Tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss: Provided further, That, notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 18 months and has a balance of \$15.00 or less: Provided further, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: Provided further, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010.*)

**Justification of Proposed Language Changes**

**None**



### Appropriation Language and Citations

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

4. That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 2007, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee:
  - **25 U.S.C. 450(I) (c)** authorizes funds obligated for tribal contracts to remain available until expended.
5. That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least eighteen months and has a balance of \$15.00 or less:
  - **25 U.S.C. 4043(b)(1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs)... and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge her/her trust responsibilities in compliance with this chapter.
  - **25 U.S.C. 404 (et seq)** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
6. That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder.
  - **25 U.S.C. 404 (et seq)** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
7. That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose.
  - Interior and Related Agencies Appropriation Act, FY 2002. Annual Appropriations Acts have continued this provision each year since FY 2002.

**Activity: Executive Direction**

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

			2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
\$000	2009 Actual	2010 Enacted				
Executive Direction	2,163	2,256	+16	0	2,272	+16
<b>TOTAL</b>	<b>2,163</b>	<b>2,256</b>	<b>+16</b>	<b>0</b>	<b>2,272</b>	<b>+16</b>
<i>FTE</i>	<i>14</i>	<i>14</i>	<i>0</i>	<i>0</i>	<i>14</i>	<i>0</i>

**Summary of 2011 Program Changes for Executive Direction**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Executive Direction	0	0
<b>TOTAL, Program Changes</b>	<b>0</b>	<b>0</b>

The 2011 request for Executive Direction is \$2,272,000 and 14 FTE a program change of \$0 and 0 FTE from the 2010 Enacted. Executive Direction will have a cost savings of -\$5,000 in Travel and -\$1,000 in acquisitions as a result of the Department-wide management efficiencies.

**Program Overview**

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

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

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

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 the Department's Indian Fiduciary Trust Responsibilities.

Executive leadership and guidance provided by the immediate office effects performance at all levels of OST, including the delivery of beneficiary services, promoting tribal self-governance and self-determination, managing financial trust assets and monitoring all efforts to reform and improve the manner in which the Department conducts its Indian fiduciary trust responsibilities. In addition, OST continues to promote better integration of budget and performance, develop a workforce plan that ensures a skilled workforce in the future, and properly account for financial resources.

## **2011 Program Performance**

- Identify, initiate, prioritize, evaluate and monitor reform activities.
- Oversee trust activities throughout the Department – program managers are expected to advise the Office on a number of complex and sensitive issues relating to organization, reengineering, ongoing litigation and other trust activities.
- Continue to strengthen a comprehensive Risk Management program based on OMB guidance, private sector improvements, and OTRA reviews throughout the Departmental bureau's having Indian Trust responsibilities.
- Support the work of the Special Trustee's Advisory Board.
- Create informed partnerships with other bureau and office directors in the Department to achieve positive trust reform outcomes.
- Implement integration of new oil and gas management software with other TAAMS and TFAS systems.
- Reduce the issuance of checks by expanding the debit card program to beneficiaries.
- Continue to enhance BIA's tract ownership validation process testing for all contingencies.
- Reduce the number of income checks at the lockbox by offering the ability to make BIA lease payments on-line utilizing a Treasury product called PayGov.

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

\$000	2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Information Technology	20,632	23,048	-16,150	0	6,898	-16,150
Office of Trust Records	17,026	15,018	+114	-1,589	13,543	-1,475
Budget, Finance and Administration	13,161	14,132	+308	+72	14,512	+380
Office of External Affairs	1,241	1,259	+6	0	1,265	+6
Office of Trust Review and Audit	4,695	4,757	+36	0	4,793	+36
<b>Program Operations</b>	<b>56,755</b>	<b>58,214</b>	<b>-15,686</b>	<b>-1,517</b>	<b>41,011</b>	<b>-17,203</b>
<i>FTE</i>	<i>148</i>	<i>169</i>	<i>0</i>	<i>0</i>	<i>169</i>	<i>0</i>

**Summary of 2011 Program Changes for Program Operations**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Information Technology	0	0
Office of Trust Records	-1,589	0
Budget, Finance and Administration	+72	0
Office of External Affairs	0	0
Office of Trust Review and Audit	0	0
<b>TOTAL, Program Changes</b>	<b>-1,517</b>	<b>0</b>

**Justification of 2011 Program Changes**

The FY 2011 budget request for Program Operations is \$41,011,000 and 169 FTE, a net program change of -\$1,517,000 and 0 FTE from the 2010 Enacted. A program decrease of -\$1,589,000 is a cost savings resulting from in-sourcing the records indexing function for the Office of Trust Records and a program increase of +\$72,000 to fund the e-OPF initiative to be funded under Budget, Finance and Administration for all of OST.

The Office of Information Technology will have an internal transfer of \$16,000,000 to Trust Service for the management of the Trust Funds Management System (TFAS). The Office of External Affairs' has an internal transfer of \$4,000 to the Office of Field Operations for Beneficiary Processes Program for the Wyandotte tribe who returned to the program. As a result of the Department-wide management efficiencies, Program Operations will have a cost savings of -\$9,488 in Travel, -\$190,000 in IT Consolidation, and -\$37,375 in acquisitions.

**Office of Trust Records – Records indexing****(-\$1,589,000/0FTE)**

The Office of Trust Records (OTR) has made significant progress in providing records management training and safeguarding Indian fiduciary trust records for the Department of the Interior employees and Tribal customers.

In FY 2009, OTR in-sourced the records indexing project. OTR terminated the contract support for this function during FY2009. In FY 2009, OTR hired 20 FTEs to continue the indexing of inactive records sent to the American Indian Records Repository. In FY 2009, OTR completed the indexing of trust records collected in previous fiscal years from BIA. Records to be indexed in future years are anticipated to be inactive records retired in compliance with approved record schedules. In future years, OTR will continue to use in-house staff to maintain and update the database as records are retired. OTR will be using less federal personnel than the base contract personnel and there should be no impact on workload and performance.

**Budget, Finance and Administration – eOPF****(+72,000/0FTE)**

The Electronic Official Personnel Folder (eOPF) initiative is an e-Gov initiative managed by the Office of Personnel Management and mandated by the Office of Management and Budget for implementation across government by FY 2012. The initiative will procure web-based software licensed from OPM and to scan paper OPF documents for on-line use.

The benefits of this initiative will include:

- A central access portal connecting employees to their official personnel records on-line for real-time access.
- Analytical tools to help managers manage human capital, with workforce planning and reporting tools.
- Elimination of paper records through a data repository for electronic employee record storage and retention.
- Data standards.
- A corporate data warehouse for queries and analysis.
- An interface and communications infrastructure for data sharing.

The system will improve manager effectiveness through access to information and statistics on the work force, will improve employee information access to their own records, and will improve delivery of human resources services to the Interior community, both employees and managers.

The funds requested for FY 2011 will provide the necessary resources to prepare and ship OST employee OPF documents to OPM contractor sites for scanning, to work with the OPM project management team to implement the software and processes in the bureau, and to train OST human resources and manager representatives to fully utilize the software's capabilities.

## Program Overview

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

## Information Technology

**(\$20,441,000/109 FTE)**

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

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

The OCIO interfaces with the other Departmental CIO offices and develops strategic plans to support OST business processes, and manages OST's IT services which provides the daily OST data systems' support, testing and implementation of automated trust funds financial and other support systems, and ensures necessary interfaces with other trust systems in the BIA, Minerals Management Service (MMS), OHA, OHTA and other related offices in the Department.

Beginning in FY 2009, OST began work with the Department to develop a plan to include aspects of imaging into the OST production environment. The work will increase the efficiency of existing workflow processes.

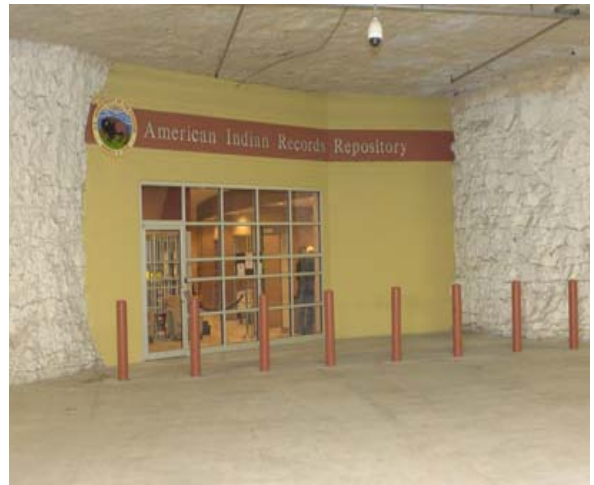
**2011 Program Performance**

The performance target in FY 2011 is to continue to provide Statements of Performance to beneficiaries with a valid address in TFAS on a timely basis 99.5% of the time. Performance statements are generally produced monthly for the tribes and quarterly for the majority of IIM account holders. Tribes generally request that annual Statements of Performance are produced. The ability to report on the real property and associated encumbrances is available for all IIM beneficiaries. This activity is in support of the Department Indian Fiduciary Trust Responsibilities and Trust Fund accountability and the CTM section Administrative Services that includes “provide modern, appropriate systems and tools to manage the fiduciary trust.”

<b>Estimated TFAS Total Accounts</b>			
<b>Status</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Request</b>
Open \$\$\$ and Land	295,000	300,000	295,000
Land only	95,000	100,000	95,000
Closed *	15,000	15,000	20,000
<b>TOTAL</b>	<b>405,000</b>	<b>415,000</b>	<b>410,000</b>

*\* Accounts that are coded as closed for more than 18 months are periodically removed from the system. There will always be some closed accounts on the system. Also, as a result of increased activity with Indian Land Consolidation Program additional accounts are anticipated to be closed in FY 2011.*

The OCIO, through the Office of Trust Records (OTR), is responsible for the management of BIA, BIE, AS/IA and OST records programs. The OCIO provides guidance and support on records management to all BIA, BIE, AS/IA and OST program offices. It is responsible for development of, and obtaining approval from the Archivist of the United States, for records schedules; supporting computer-based records management training; providing technical guidance and advice on records management at BIA, BIE, AS/IA and OST field locations; disposition and safeguarding of inactive records; retrieval of records for authorized users; and supporting the implementation of a Departmental Electronic Records Management System (ERMS) for BIA, BIE, AS/IA and OST which is anticipated to become functional in FY 2011.



Entrance to the American Indian Records Repository

OCIO support for active records includes providing: records management training to newly designated Bureau of Indian Affairs (BIA) and Office of the Special Trustee for American Indians (OST) records contacts; Manager’s records management briefings; records management field level workshops for all BIA/OST staff; and daily records management technical assistance to BIA and OST program offices. OTR will also provide records management training and technical assistance



to Tribes/Consortia requesting such services and collaborate with the Tribes/Consortia in the development of a Tribal/Consortia records management program.

OCIO support for inactive records includes: maintaining and updating retired records in the central electronic database Box Index Search System (BISS); ensuring that the necessary security safeguards remain in place at the American Indian Records Repository (AIRR); prohibiting the withdrawal of original records from AIRR; preserving and providing remediation services for inactive records received at AIRR; and providing access for research purposes to authorized users of the records.

<b>Records Management Performance Data</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Request</b>
Number of Personnel Trained	500	500	500
Number of Boxes Indexed	7,200	7,200	7,200

OCIO is responsible for funding AIRR in Lenexa, Kansas, pursuant to an agreement between the Department and the National Archives and Records Administration. This state-of-the art facility stores all inactive Indian records from BIA, OST, Tribes and other federal offices that create and maintain Indian Affairs records across the United States. The AIRR currently holds more than 200,024 boxes collectively containing about 500 million pages of records stored in accordance with the highest standards for the preservation of archival records.

Research of BIA and OST inactive records takes place in AIRR by OST staff. No original records are allowed to be taken from the facility. Research requests for document production has steadily increased as the number of inactive records retired and tribal trust litigation has increased. Under the same agreement, OCIO funds a records management certificate program at Haskell Indian Nations University and hires students, under the Student Temporary Employment Program (STEP) at AIRR. The records management program and work experience will provide a cadre of individuals trained in records management who can work for federal and tribal governments to ensure proper records management.

In order to provide services directly to the field offices of BIA, BIE, AS-IA and OST, at least one records liaison is located in each BIA region and in Washington, DC. Adherence to records management requirements is emphasized for all BIA and OST programs and employees.

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

The OCIO also funds ongoing costs for IIM and tribal trust litigation activities. These costs include funding to the Solicitor's office for staff attorneys, and funding for the Department of Justice to provide document production capabilities for thousands of pages of documents requested by both IIM and tribal plaintiffs.

### **2011 Program Performance**

OTR provides the following services:

- Transfer, index, store and safeguard approximately 7,200 boxes of inactive records retired from BIA and OST offices, and any other Department agencies that create Indian fiduciary trust records, at AIRR.
- Provide records management training for approximately 500 people/staff.
- Continue to provide records management operations and research and litigation document production at AIRR. AIRR staff responds to approximately 3,000 research requests per year, providing over 184,000 pages of documents.
- Continue to maintain the Box Index Search System (BISS) that allows for record retrieval on an as needed basis for over 200,024 boxes of inactive records.
- Continue to provide support to tribal trust litigation parties by providing access to thousands of boxes of inactive records necessary for research, document production, etc., including providing access to the database search engine.
- Continue to store Tribal inactive Indian fiduciary records created and maintained by Tribes at the Tribes request at the AIRR.
- Update program records schedules as newly identified BIA and OST documents and business processes are created to ensure that all records are captured within established records schedules.
- Support OHTA research projects for the individual tribal trust law suits.
- Continue to provide records management support and technical guidance in the BIA regions and OST field offices through OTR regional records liaisons located in the BIA regions and Central Office.
- Provide records management guidance and technical assistance to BIA and OST personnel, as well as other federal agencies that create and maintain Indian fiduciary trust records.

**Budget, Finance and Administration****(\$14,512,000/29 FTE)**

The Office of Budget, Finance and Administration (BF&A) provides direct budget, planning and administrative support and oversees the administration of contracts for personnel, acquisition, and finance. BF&A provides administrative support services (e.g., property, safety, supplies, checks, Statements of Performance mailing, and general mail services) for OST, in carrying out the fiduciary trust responsibilities to federally recognized American Indian tribes, individual Indians, and Alaska Natives efficiently and effectively. BF&A coordinates required reporting to the Department, the Office of Management and Budget, and to the United States Congress.

BF&A manages its responsibilities through four components: (1) Budget and Finance, (2) Planning and Analysis, (3) Facilities Support and (4) Trust Support. Support functions include: formulation, execution, and presentation of the OST performance budget and planning documents; development and implementation of activity-based cost management (ABC/M); facilities support; and processing and mailing of Individual Indian Money (IIM) account holder checks, oil and gas Explanation of Payments (EOP), Statements of Performance and other beneficiary related documents.

In addition, BF&A coordinates the implementation of performance improvement, human capital and transportation management. Prior year accomplishments include: implementation of quarterly budget/performance reviews, creating on-line ABC/M training module, revising the ABC/M data dictionary, and integration of the Office of Historical Trust Accounting in OST's administrative systems. Also, BF&A coordinated conversion JP Morgan Chase chargecards, GovTrip travel system and use of QuickTime for electronic time and attendance.

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

**BF&A Budget by Category***(Dollars in Thousands)*

	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>	<b>Change 2011 from 2010</b>
<b>HR Support</b>	\$1,472	\$1,518	\$1,564	+\$46
<b>EEO Support</b>	\$94	\$98	\$102	+\$4
<b>Acquisition Support</b>	\$1,022	\$1,232	\$1,430	+\$198
<b>Accounting Support</b>	\$415	\$534	\$531	-\$3
<b>Security</b>	\$555	\$569	\$583	+\$14
<b>Space Rental</b>	\$6,641	\$7,129	\$7,308	+\$179
<b>Working Capital Fund (Cent.)</b>	\$1,800	\$2,130	\$2,149	+\$19
<b>Workers Compensation</b>	\$64	\$67	\$70	+\$3
<b>BFA Offices</b>	\$5,531	\$5,244	\$5,315	+\$71
<b>Obligations</b>	<b>\$17,594</b>	<b>\$18,521</b>	<b>\$19,052</b>	<b>+\$531</b>
<b>Chargeback Estimate</b>	-\$4,433	-\$4,389	-\$4,540	+\$151
<b>Total</b>	<b>\$13,161</b>	<b>\$14,132</b>	<b>\$14,512</b>	<b>+\$380</b>

Note: The Chargeback Estimate is a negative amount and is offset since BFA charges other OST programs proportionately for centralized costs associated with contracts and Working Capital Fund agreements for Human Resources, Acquisitions, Financial Management, Building Security, etc. The Chargeback Estimate basis is discussed in the overview under Section 405 compliance. The increase in space rental from 2008 to 2009 reflects the additional costs for the Office of Historical Trust Accounting that had previously been paid through the Office of the Secretary.

**2011 Program Performance**

- Reduce the OST fuel consumption by 5% by leasing alternative fuel vehicles and reducing the number of vehicles in the OST fleet.
- Improve budget-performance integration by defining correlations between available resources and performance for OST programs.
- Conduct quarterly management meetings to discuss performance accomplishments and budget resources necessary for improvements and realignment of funds as required.
- Continue mailing EOP statements and advice notices to beneficiaries.
- Continue processing and mailing over 500,000 beneficiary checks timely and accurately.
- Evaluate methods to reduce check processing.
- Continue mailing tribal and individual Statements of Performance for accounts and tax forms.
- Continue mailing invoices and 1099s
- Maintain annual review of the budgetary status of trust accounts.
- Continue providing HR, Acquisitions and finance services through shared service providers.
- Continue providing office space and WCF services.

**Program Performance Change**

	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2011 Base Budget (2010 Plan + Fixed Costs)	2011 Plan	Program Change Accruing in 2011	Program Change Accruing in Out-years
					A	B=A+C	C	D
<b>Beneficiary Services:</b> Percent timeliness of financial account information provided to trust beneficiaries. (SP)	92% (688,117/ 747,799)	100% (766,589 / 766,589)	100% (770,198/ 770,198)	100% (756,200/ 760,000)	100% (756,200/ 760,000)	99.5% (776,100/ 780,000)	0% (+19,900/ +20,000)	0% (0/0)
Total Actual /Projected Cost (\$000)	\$341	\$415	\$782	\$800	\$800	\$1,000	+\$200	\$0
Actual/Projected Cost per Statement	\$0.50	\$0.54	\$1.02	\$1.06	\$1.06	\$1.29	+\$0.23	\$0
Comments:	<i>The addition of asset information included in beneficiary statements increases the number of total statement pages by approximately 100%. Page count per statement is a significant cost driver for the production of statements and accounts for the increase shown in 2009. Beginning in 2008, projected costs include postage (prior years included only costs to produce the statements).</i>							
Δ Contributing Programs:	Information Technology and Budget, Finance and Administration							

**Office of External Affairs****(\$1,265,000/7 FTE)**

The Office of External Affairs (OEA) has three primary areas of responsibility in supporting the Special Trustee's statutorily-required reform and oversight activities: (1) communications material with a diverse group of stakeholders about the Department's trust reform initiatives; (2) administration of OST's tribal self-governance and self-determination program; and (3) congressional liaison activities.

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

In the area of self-governance and self-determination, under P.L. 93-638, OEA staff members provide information to tribes on self-governance and self-determination opportunities, and technical assistance to encourage tribes to consider contracting or compacting OST Programs. OEA staff members actively pursue negotiating program standards with tribes who elect to contract or compact OST Programs, to ensure fulfillment of the Secretary's fiduciary trust responsibilities.

In the area of congressional liaison activities, staff provides the U.S. Congress with a range of information on the status of trust reform priorities, current initiatives and benefits through personal contacts and printed materials.

OEA staff also provides information to tribes on withdrawing trust funds for management outside of the Federal government pursuant to the *American Indian Trust Fund Management Reform Act of 1994 (Reform Act)* and coordinate OST's activities in response to tribal requests to withdraw funds out of trust status.

*The American Indian Trust Fund Management Reform Act of 1994* authorizes tribes to withdraw certain tribal funds held in trust status and to no longer have federal trust management of those tribal funds. To withdraw these tribal funds, a tribe must submit an application that includes certain data and information about how the tribe intends to manage the funds once withdrawn.

Section 201 (b) of the *American Indian Trust Fund Management Reform Act of 1994*, P.L. 103-412; 108 Stat. 4239, provides for the contents of a tribe's "plan" to withdraw funds out of trust status, as follows:

§ 202 (b) (1) Such plan has been approved by the appropriate Indian tribe and is accompanied by a resolution from the tribal governing body approving the plan.

§ 202 (b) (2) The Secretary determines such plan to be reasonable after considering all appropriate factors, including (but not limited to) the following:

- (A) The capability and experience of the individuals or institutions that will be managing the trust funds.

(B) The protection against substantial loss of principal.

Regulations in 25 CFR 1200 describe the application process and information that must be provided to OST for an application to be considered and approved. OEA coordinates OST's activities relating to the development and approval of these applications.

In FY 2009, OEA did not receive any applications for withdrawing funds. However, OEA has developed a brochure for tribes that explain the process for the withdrawal of their funds from trust status. OEA can assist tribes, if requested, to obtain technical assistance during the development of a trust withdrawal application. After OEA and appropriate OST staff determines that the application is complete, the regulations provide that OST has 90 days to consider the request. The regulations allow additional time for information or clarifications to be received during the review process. In FY 2010, OEA anticipates that it will continue to meet the regulatory 90 day requirement 100% of the time.

Since OST responds to external drivers for the performance of this activity (tribes must submit an application to trigger an action), it is difficult to determine an ongoing cost per unit. In FY 2010, OEA will continue to support tribes interested in withdrawing their funds out of trust status.

OEA helps the Department accomplish its trust mission through the development and maintenance of a comprehensive communications program to fulfill the overall trust business goals and objectives identified in the Comprehensive Trust Management CTM plan and the fiduciary Trust Model which aligns (reengineers) existing business processes with the requirements of the CTM, including:

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

OEA provides timely information on the status of trust reform activities to beneficiaries and establishes effective avenues of communication with stakeholders. Further, OEA uses technology to streamline the delivery of products and services through continued efforts with contract/compact Tribes to access, when requested, OST IT-based trust systems.

A significant portion of OEA's operating budget is used to support the administration of Indian self-governance and self-determination activities as authorized by Public Law 93-638. In FY 2009, OEA worked with over 37 tribes that performed or sought to perform OST programs and functions on behalf of their members, and worked to ensure that 75% of those tribes had program



standards for the performance of OST functions in place. OEA continues to assist tribes in support self-determination and self-governance and to increase the number of tribes interested in performing OST trust programs or seeking authority to access OST IT-based trust systems. OEA will utilize its resources to meet fixed costs and sustain the current workload, and will continue to work toward inclusion of performance standards for at least 75% of tribes contracting/compacting available OST trust programs.

### **2011 Program Performance**

In FY 2011, OEA will increase interest in OST's contractable/compactable programs with self-determination and self-governance tribes in an effort to seek greater participation in tribal operation of OST programs. OEA will assist tribes with OST trust program responsibilities to access OST's IT-based trust systems, at their tribal facility, provided that such IT-based trust systems are technically available for tribal operation.

OEA will support this self-governance and self-determination effort by:

- Continuing to administer the full range of P.L. 93-638 self-governance and self-determination activities to include: promoting opportunities; providing technical assistance; developing tribal share packages; negotiating, approving or declining P.L. 93-638 contract proposals, negotiating program standards; negotiating Funding Agreements, negotiating Reprogramming Requests and footnotes, and coordinating the allocation of OST 638 funds to BIA and the Office of Self-Governance.
- Negotiating annual funding agreements, memoranda of understanding and tribal use agreements and program standards for the compacting/contracting available OST programs.
- Traveling to meet with requesting tribes at their locations to discuss potential access to OST IT-based trust systems.
- Determining costs to tribes for access to OST IT-based trust systems.
- Securing approval by the required Departmental boards for any tribal requests to access OST IT-based trust systems.
- Coordinating activities within BIA and OST to provide OST trust systems training for tribes.

In addition, OEA will support communications to stakeholders by:

- Articulating and marketing the continued goals, objectives and benefits of the FTM.
- Continuing the proactive development of communications and media materials.
- Continuing support of the national debit card program for IIM account holders.
- Enhancing OST's relationship with national and local media.
- Continuing communications with Members of Congress and their staff to discuss trust reform initiatives and potential legislative solutions.
- Providing written updates to Congress and Tribal Leaders on the status of trust reforms.
- Coordinating and reviewing formal applications from tribes to withdraw their funds from trust status, and encouraging additional tribal involvement in this program.

**Office of Trust Review and Audit****(\$4,793,000/24 FTE)**

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

**Program Overview:**

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

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

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

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

To comply with the mandates of the *1994 Trust Reform Act* and the Court, OST has revised the evaluation process to be more thorough and more useful to the Department and the participating tribes as part of the trust reform initiative. These more intense examinations have increased oversight and provided information to managers of trust programs at the Tribal and Federal levels that should result in improved overall management of the programs. Due to the comprehensive

nature of these examinations, and the much larger universe of trust programs that must be evaluated, examinations are based on a determination of where there is the highest risk. Rising salaries, fuel costs, transportation and other travel costs, and other fixed costs are increasing the cost to perform assessments and examinations.

For 2011, OTRA anticipates adding to its current workload of trust examinations and trust management examinations review of the Indian Land Consolidation Offices. A conservative estimate of ten (10) extra examinations has been added to the OTRA workload for Trust Examinations for FY 2011.

	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Request</b>
<b>Records Management Assessments (180 sites)</b>			
<b>Number of sites reviewed</b>	40	40	40
<b>Trust Examinations (180 sites)</b>			
<b>Number of sites reviewed</b>	38	38	48

**2011 Program Performance**

- Apply the comprehensive Indian Trust Rating System to all entities evaluated.
- Perform 48 Indian Trust Examinations on Departmental and tribal entities performing trust functions or follow-up reviews for the highest risk agencies and tribes based on the Indian Trust Rating System. This estimate includes examinations or audits of the Indian Land Consolidation Offices.
- Perform 40 records management assessments or follow-up reviews on corrective action plans for records management assessments.
- Track and perform follow-up on examination findings and recommendations for all recommendations that remain open for six months beyond receipt of corrective action plan.
- Perform quarterly follow-up on corrective action plans for records management assessments.
- Continue to advise senior managers when examination and records assessment findings are not timely resolved, and follow-up until findings are addressed satisfactorily.
- Provide timely and effective responses to allegations and/or complaints regarding the management of trust assets.
- Continue efforts to improve efficiency by seeking ways to streamline the trust examination process.
- Collaborate with other Departmental offices to validate and/or leverage management control reviews outlined in the Office of Management and Budget Circular A-123.
- Ensure examinations are performed in accordance with the “Quality Standards for Inspections” issued by the President’s Council on Integrity and Efficiency.
- Ensure all OTRA employees complete, every two years, at least 80 hours of continuing professional education that enhance their professional proficiency to perform examinations. In FY 2011, employees would complete a minimum of 20 hours of continuing professional education.

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

\$000	2009 Enacted	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Trust Training	2,063	1,810	+7	0	1,817	+7
National Indian Program Training Center	984	1,250	0	0	1,250	0
Trust Regulations Policies and Procedures	1,591	1,432	+14	0	1,446	+14
Trust Program Management Center	17,410	17,120	+31	-1,050	16,101	-1,019
<b>Trust Accountability</b>	<b>22,048</b>	<b>21,612</b>	<b>+52</b>	<b>-1,050</b>	<b>20,614</b>	<b>-998</b>
<i>FTE</i>	38	37	0	0	37	0

**Summary of 2011 Program Changes for Trust Accountability**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Trust Training	0	0
Trust Regulations Policies and Procedures	0	0
Trust Program Management Center	-1,050	0
<b>TOTAL, Program Changes</b>	<b>-1,050</b>	<b>0</b>

**Justification of 2011 Program Changes**

The FY 2011 budget request for Trust Accountability is \$20,614,000 and 37 FTE, a program change of -\$1,050,000 and 0 FTE from the 2010 Enacted. The decrease of -\$1,000,000, is a result of reduced workload in the Data Quality and Integrity program and a reduction of -\$50,000 representing savings achieved by beneficiary use of the OST Debit Card Program. As a result of the Department-wide management efficiencies Trust Accountability will have a cost savings of -\$2,000 in Travel and -\$7,000 in acquisitions.

**Data Quality and Integrity (DQ&I) (-\$1,000,000/0FTE)**

The DQ&I program funds a trust data cleanup project where Critical Data Elements (CDE) are validated and/or corrected and Post Quality Assurance (Post-QA) reviews of TAAMS entries are conducted to help ensure updates to CDE are accurate. In FY 2007, the DQ&I project supported the BIA's effort to convert to the TAAMS leasing module by: (1) assisting the BIA with their encumbrance encoding; (2) encoding conveyance documents into the TAAMS title module; (3) correcting multiple landowner identification (ID) numbers, and (4) analyzing landowner ID

numbers and ownership interests in the TAAMS title module to determine their accuracy. During FY 2009 and FY 2010, the DQ&I project is concentrating on remaining post-conversion clean up, conveyance and encumbrance encoding backlogs, and Post QA review of TAAMS entries.

Realty post-conversion cleanup efforts are projected to be completed by FY 2011. In FY 2011, DQ&I in collaboration with BIA will (1) establish a process to encode backlogged conveyance and encumbrance documents at a central location; (2) assist with land title research and correction tasks (3) assist with trust data clean-up tasks which may arise as a result of risk assessments; and (4) continue performing Post-QA review of TAAMS entries.

### **Debit Card Program**

**(-\$50,000/0 FTE)**

During FY 2009, OST made 12,159 disbursements to trust beneficiaries who were enrolled in their debit card program. The average number of beneficiaries participating in the debit card program during this period was approximately 1,750. Each disbursement to a debit card saves OST approximately \$2.00 per transaction, compared to disbursing funds by U.S. Treasury check. Thus, in FY2009, OST saved \$24,000. As of September 30, 2009, the number of debit card program participants increased to 3,307.

Many of OST's beneficiaries do not have a bank account and cannot receive funds by the Automated Clearing House (ACH). OST would like to have 10,000 debit card program participants by the end of FY2010. When this goal is attained, OST estimates that it will make more than 100,000 disbursements to debit card program participants each year, and result in even greater financial savings for this office.

### **Program Overview**

The Comprehensive Trust Management Plan (CTM) laid the groundwork for the development of the Fiduciary Trust Model (FTM), which was approved by the Secretary in August 2004. In FY 2007, DOI achieved a major milestone in Trust Management Reform by converting from the BIA legacy leasing systems to the Trust Asset and Accounting Management System (TAAMS) leasing module, which interfaces with the Trust Funds Accounting System (TFAS) and the TAAMS title module. This conversion provides a single repository of ownership for DOI processed Indian Trust land conveyance and encumbrance data. TAAMS trust data encoding goes through a Post-QA review process of key data elements in order to reasonably ensure on-going trust data encoding accuracy.

The implementation of the TAAMS leasing module was paramount to the successful implementation of a Trust Funds Receivable module. With the Trust Funds Receivable module in place, BIA and OST can invoice, automatically distribute funds and track payments for surface real property assets. The implementation of TAAMS and the effort to modify the trust business processes and procedures in order to leverage the efficiency and effectiveness of the new systems continues to accomplish the trust reform improvements outlined in the FTM.

By FY 2011, Trust Accountability will be functioning in the universal support function mode as described in the FTM. The term universal support functions encompasses continuous business process improvement in Reengineering; Regulations, Policies and Procedures; Risk Management; Training; and Product Development Initiative. Reengineering will continue to review processes and identify tools available in the market that DOI can use to better manage the Indian trust. When the processes have been modeled and are ready for pilot, Product Development Initiative group will be responsible for leading the implementation of the modeled concept. The Offices of Trust Regulations, Policies and Procedures and Training will begin the process of writing detailed desk operating procedures and developing the training required when the product is deployed. Trust Accountability will work with other offices as necessary when implementing new or modified processes. After Trust Accountability has developed and piloted a business process, it will be provided to the appropriate trust operations program.

During the last quarter of FY 2007, Trust Accountability piloted a debit card program to reduce the number of checks issued. A survey conducted in FY 2008 reported high satisfaction levels among the debit card users. The pilot was implemented nationwide and OST plans to convert 10,000 beneficiaries to the debit card program by the end of FY 2010. During FY 2009, the OST debit card program won an award at the Debit Card Expo for its pilot success. OST offsets the debit card program costs through the reduction in costs realized from not mailing checks. It costs OST \$2.13 to mail a check versus \$0.13 to process a debit card load or bank direct deposit. These preliminary cost savings estimates do not include costs associated with the other offices that work to generate a check by system data entry or the staff that must work to locate lost or stolen checks. Another effort to reduce the number of checks received for trust resource payments is the implementation of PayGov, which will allow lessees to make payments by EFT or ACH.

OST’s Risk Management program ensures manager self-assessments, reviews conducted by OTRA and independent outside audits result in financial reports that are reliable and that OST is in compliance with applicable laws and regulations. Risk Management also collaborates with other bureaus and offices that provide trust services which impact OST’s trust operations and trust fund financial statements.

**Trust Training (\$1,817,000/5 FTE):** The Office of Trust Training (OTT) program provides oversight, development and coordination of training efforts for DOI and tribal staff compacting or contracting trust functions. OTT develops training as necessary to support the implementation of the FTM and meet the needs of trust programs within DOI. Training supports trust management reform by ensuring current and future personnel with trust responsibility duties have the necessary skills and knowledge to efficiently and effectively carry out their duties. In FY 2010, OTT will evaluate the cost-effectiveness of training delivery to ensure current information technology is being leveraged and utilized. OTT provides the Certified Indian Fiduciary Trust Specialist certification program. In FY 2009, FY 2010, and FY 2011 the review and exam sessions will be offered twice each year.

<b>Trust Training - Performance Data</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
Number of certification classes offered for the Certified Indian Fiduciary Trust Specialists	20	20	20

**Trust Regulations, Policies and Procedures (\$1,446,000/9 FTE):** The Office of Trust Regulations, Policies and Procedures (OTP) oversees, coordinates, and facilitates the adoption and implementation by DOI of consistent written policies and procedures governing the performance of the Secretary’s fiduciary trust responsibilities. OTP is responsible for ensuring organizational knowledge and access to applicable trust regulations, policies, procedures, and practices. In addition, OTP assists in and tracks the development of appropriate trust regulations, policies, procedures, manuals, and training materials. Finally, OTP ensures that fiduciary principles consistent with the Secretary’s fiduciary trust responsibilities and the Reform Act are integrated into the trust regulations, policies, procedures, manuals and training materials that guide DOI’s discharge of those responsibilities.

During FY 2009 and FY 2010, OTP will implement a comprehensive electronic fiduciary library that includes the trust policies, procedures and other directives that other bureaus and offices follow. With the re-connection to the Internet, OTP will be able to provide more ways to obtain maintain and make available to staff applicable trust documents. Additionally, OTP will continue to convene regular meetings of the Trust Liaison Group which consists of representatives from bureaus and offices providing trust services, to address issues of common concern. Based on the meetings conducted in FY 2009, the focus of the Trust Liaison Group in FY 2010 will be on tribal consultation.

<b>Office of Policy and Procedures Performance Data</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
Number of policies/directives developed/revised	26	26	26
Number of procedures developed/revised	17	27	27
Number of delegations of authority developed/revised	33	23	23
Number of work tickets and forms revised	22	13	13
Number of handbook bulletins developed/revised	10	23	23



**Trust Program Management Center**

**(\$16,101,000/23 FTE)**

		2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
				Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Risk Management	(\$000)	615	625	+6	0	631	+6
	FTE	4	4	0	0	4	
Reengineering	(\$000)	2,411	2,082	+10	0	2,092	+10
	FTE	8	8	0	0	8	
Probate Clean Up	(\$000)	9,906	9,906	0	0	9,906	0
	FTE	0	0	0	0	0	
Product Development Initiative	(\$000)	1,131	1,155	+14	-50	1,119	-36
	FTE	9	9	0	0	9	
Data Quality and Integrity	(\$000)	3,347	3,352	+1	-1,000	2,353	-999
	FTE	2	2	0	0	2	
<b>Trust Program Management Center Total</b>	(\$000)	<b>17,410</b>	<b>17,120</b>	<b>31</b>	<b>-1,050</b>	<b>16,101</b>	<b>-1,019</b>
	FTE	<b>23</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>0</b>

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

**Risk Management (\$631,000/4 FTE):** Implementing the FTM directly relates to the OST Risk Management Program performance measure. Trust Accountability’s Risk Management Program continues to be proactive through identification of risk associated with program activities and implementation of controls to mitigate identified risk. OST programs related to the trust reform initiatives are conducting risk assessments to provide reasonable assurance that the OST programs are operating efficiently and effectively and the financial reporting is free of material misstatement. OST intends to strengthen its risk management program by: increasing the quantity of field locations tested; improving OST staff expertise based on offering of risk management training; increasing Risk Management staff to support internal programs and Office of Financial Management led internal control efforts across bureaus more efficiently; enhancing the existing risk management tool (RM-PLUS) to facilitate more efficient assessing and reporting; and continued alignment of RM-PLUS with regulatory and legislative requirements, in particular, OMB Circular A-123 and FMFIA. In addition, OST will assist in strengthening the Intra-bureau Test Group by establishing a charter setting forth the purpose and output of the organization.

<b>Risk Management - Performance Data</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
Number of Program Self-Assessments Performed in Automated Tool (RM-Plus)	60	60	60
Number of Programs Tested	42	42	42

**Reengineering (\$2,092,000/8 FTE):** Reengineering continues to ensure that the most effective and efficient business processes are being utilized. Through periodic review of DOI’s Strategic Plan, the CTM, DOI’s business environment and other trust-related activities, Reengineering ensures that the FTM continues to align with DOI’s responsibilities for trust reform and enhance beneficiary services. Reengineering also works with the OCIO in the review of system enhancements and in building programs and processes designed to improve the efficiency of trust processes.

Reengineering continues to concentrate efforts on DOI’s Regulatory Initiatives and standardization of BIA Handbooks. This office also works with BIA and other DOI bureaus to evaluate and recommend ways to become more efficient and effective by streamlining processes in: (1) Division of Land Titles and Records (DLTR) operations, (2) Probate preparation, (3) surface leasing; and (4) Indian trust fund billing, collection, and distribution.

During FY 2010 and FY 2011, Reengineering will collaborate with the Office of Trust Training overseeing, guiding and assisting in the project implementation and planning for trust training reform initiatives. This includes instructional design development for training courses, training delivery and training project implementation. Curriculum will be designed for a select number of trust processes that have been standardized and will be piloted and deployed using multiple delivery methodologies. Reengineering is also collaborating with the Office of Trust Policies and Procedures to develop new, or update existing policies and procedures necessary to fulfill obligations of the FTM. Other Reengineering efforts over this two year period are concentrated on oil and gas conversion from legacy systems to TAAMS oil and gas module and providing technical assistance support to the BIA and other DOI bureaus.

<b>Re-engineering – Performance Table</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
Policies and Procedures (external) - # of policies and procedures updated	0	4	4
Program Metrics - # of program metrics developed	0	5	5
Training Curriculum Development and Support - develop FTM training curriculum	1	3	3
Staff Realignment - Identify potential realignment of job functions due to standardization, modernization and efficiencies within TA offices	2	2	2
Workforce Planning - Develop workforce plan that reexamines and proposes staffing levels and funding needs within TA	2	2	2

**Probate Cleanup (\$9,906,000/0 FTE):** In FY 2011, \$9,906,000 will be transferred to the Office of Hearings and Appeals.

Although the responsibility for directing overall probate cleanup efforts rests with BIA, OST oversees backlog elimination efforts; ensures coordination of policies, practices and systems; provides flow-through funding to the Office of Hearings and Appeals for probate adjudication; and provides guidance in identifying problems and potential solutions in the process of eliminating probate backlogs. The immediate goal of OST is to collaborate with BIA to identify, reconcile, and align the probate information contained in TAAMS, TFAS and the BIA’s Probate Tracking System (ProTrac). Accomplishing this goal, will result in the enhancement of DOI’s probate processing activities and help to ensure probates are completed and backlogs are reduced.

In FY 2010, OHA anticipates replacing three judge’s positions that became vacant in the last quarter of FY 2009. New judges will have a learning curve once they are on board and will not likely be as productive in FY 2010. In FY 2010 the number of cases received and decided will remain the same as in FY 2009. By FY 2011, however, productivity should be higher, and OHA expects more cases will be decided in FY 2011 than in either FY 2009 or 2010.

<b><u>OHA Probate Performance Data 2009-2011</u></b>				
	# of cases pending beginning of year	# of new cases received	# of cases decided	# of cases pending end of year
FY 2009	3,810	7,197	7,038	3,969
FY 2010	3,969	7,000	6,725	4,244
FY 2011	4,244	7,000	7,200	4,044

**Product Development Initiative (\$1,119,000/9 FTE):** The Product Development Initiative (PDI) program provides support to new and reengineered processes, supports the pilot implementation of new or revised policies, tests procedures and stabilizes processes prior to release to the program operations within any DOI bureau or office conducting Indian trust business. The program will lead both short and long term Indian trust reform projects which involve developing and implementing new business processes and procedures. Also, this program leads and monitors complex trust fund distribution activities which involve extensive research

In 2007-2008, PDI developed a program to assist in the distribution of Youpee Escheat funds, once the deposits have been indentified to the allotment and escheated interest. In FY 2009, PDI began research efforts on the Youpee-Escheat Distribution Project to identify undistributed receipts held in suspense accounts to the allotment and individual’s interest. The program is used to identify the remaining heirs of the individual whose interest was escheated and re-vested. In FY 2011, OST anticipates that 50 percent of the receipts will remain to be distributed.

**Data Quality and Integrity (DQ&I) (\$2,353,000/2 FTE):** The DQ&I program funds a trust data cleanup project where TAAMS Critical Data Elements (CDE) are validated and/or corrected and Post-QA reviews of TAAMS system entries are conducted to help ensure updates to CDE are accurate. In FY 2007, the DQ&I project supported the BIA’s effort to convert to the TAAMS leasing module by: (1) assisting the BIA with their encumbrance encoding; (2) encoding conveyance documents into the TAAMS title module; (3) correcting multiple landowner identification (ID) numbers, and (4) analyzing landowner ID numbers and ownership interests in

the TAAMS title module to determine their accuracy. During FY 2009 and FY 2010, the DQ&I project is concentrating on any remaining post-conversion clean up, title plant or realty backlogs. DQ&I also continues to perform the ownership and encumbrance data Post-QA function. DLTR Post-QA functions are expected to be fully implemented. DLTR performance metric standards should be in place to accommodate any seasonal business fluctuations.

Realty post-conversion cleanup efforts are projected to be completed by the end of FY 2011. DQ&I in collaboration with BIA will (1) establish a system to encode backlogged realty documents at a central location; (2) assist with maintenance of current and accurate title; and (3) assist with priorities that may arise as a result of risk assessments.

### **2011 Program Performance**

Trust Accountability provides the following services:

- Reengineering business processes in order to make multi-year efforts that began in FY 2009 more timely and efficient targeting OST and BIA trust business processes.
- Ensuring risks are identified and mitigated, whenever possible, in the management of the Indian trust.
- Improving the accuracy and timeliness of updating Indian trust data maintained in TAAMS on a continual basis through the continued review and evaluation of the new systems and implementing corrections.
- Ensuring Indian trust policies and procedures are standardized, uniform, and updated.
- Ensuring that DOI personnel with Indian trust responsibilities are offered training to efficiently and effectively carry out their trust duties.
- Developing plan to pilot a geospatial project for 2 tribes including a plan for the development of data to support the project.
- Leading and implementing DOI's trust reform improvements by leveraging the Internet, fully utilizing information technology, and implementing refined and streamlined business processes.
- Enhancing and integrating the ProTrac system with TAAMS and TFAS.
- Encouraging participation by lessees and lessors in electronic access for payment and distribution of trust funds.
- Partnering with BIA to improve electronic documentation in the TAAMS environment.

**Program Performance Change**

	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2011 Base Budget (2010 Plan + Fixed Costs)	2011 Plan	Program Change Accruing in 2011	Program Change Accruing in Out-years
					A	B=A+C	C	D
<i>Trust Fund Accountability:</i> Percent of risk mitigated on corrective action plans based on Federal Managers Financial Integrity Act control plans (SP)	97% (28/29)	100% (50/50)	97% (38/38)	97% (83/85)	97% (83/85)	97% (36/37)	0% (-47/-48)	0% (0/0)
<i>Total Actual /Projected Cost (\$000)</i>	\$754	\$223	\$234	\$467	\$467	\$632	+165	\$0
<i>Actual/Projected Cost per Corrective Action Plan (whole dollars)</i>	\$26,929	\$4,460	\$6,158	\$5,627	\$5,627	\$17,556	+\$11,929	\$0
Comments:	<i>Costs have increased from 2008 due to increased focus on key internal controls as a result of OMB's Circular A123, Appendix A Trust effort and expansion of Risk Management staff to support increased testing and site visits. The cost increase in the 2011 plan is a result of filling vacant FTE positions</i>							
Δ Contributing Programs:	Trust Accountability							

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

\$000	2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Field Operations	23,476	24,126	+390	0	24,516	+390
<b>TOTAL</b>	<b>23,476</b>	<b>24,126</b>	<b>+390</b>	<b>0</b>	<b>24,516</b>	<b>+390</b>
<i>FTE</i>	<i>232</i>	<i>250</i>	<i>0</i>	<i>0</i>	<i>250</i>	<i>0</i>

**Summary of 2011 Program Changes for Field Operations**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Field Operations	0	0
<b>TOTAL, Program Changes</b>	<b>0</b>	<b>0</b>

The FY 2011 budget request for Field Operations is \$24,516,000 and 250 FTE, a program change of \$0 and 0 FTE from FY 2010 Enacted.

As a result of the Department-wide management efficiencies Field Operations will have a cost savings of -\$11,000 in Travel and -\$16,000 in acquisitions. The Office of Field Operations has an increase of +\$4,000 as a result of an internal transfer from the Office of External Affairs' internal transfer for Beneficiary Payment Processing for the Wyandotte tribe.

## Program Overview

### Field Operations

**(\$24,516,000/250 FTE)**

Field Operations is the primary point of contact for Tribal, individual Indian and Alaska Native beneficiaries seeking information and services regarding their trust assets. The field staff assists beneficiaries on a daily basis at regional, agency, and urban locations regarding account statements, account balances, other account attributes, receipts, disbursements, leases and leasing, probate processing, and provides any other trust asset information or assistance beneficiaries may need. Regional Trust Administrators (RTAs) and Fiduciary Trust Officers (FTOs) in selected locations provide the managerial presence for responsive and proactive beneficiary services at the local level in cooperation and collaboration with BIA and other Departmental Agencies engaged in Indian trust matters.

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

RTAs provide technical assistance on trust matters, supporting the Department of the Interior in meeting its fiduciary obligations to individual Indians, Alaska Natives and Tribes. This assistance includes responding to complex Congressional, Tribal and individual beneficiary inquiries, monitoring statutory and regulatory developments, and providing risk management and litigation support activities. RTAs provide direct line authority and supervision to 52 agency level FTOs. In addition, they are responsible for reviewing and authorizing complex and high dollar trust transactions.

The FTOs are located across Indian Country and in select urban locations with significant trust beneficiary populations. This local presence allows beneficiaries easy, direct access to individuals dedicated to meeting their trust needs. FTOs and support staff provide beneficiaries with convenient access to trust account information and other trust products and services. FTOs, like the RTAs, are delegated with disbursement approval authority and oversight responsibility. The goal is to provide services to beneficiaries that are trusted, timely, accurate, and responsive to their needs. FTO responsibilities include coordinating trust asset management activities with the BIA and other related government agencies in their respective geographic area. FTOs provide guidance to support staff in the examination, verification, and management of accounts and accounting information. They also ensure that responses to trust beneficiary requests are tracked and addressed in a timely,



Fiduciary Trust Officer and staff conducting beneficiary outreach.



courteous, and accurate manner. The FTOs' activities and beneficiary focus significantly enhance the Department's ability to meet its trust obligations to individual Indians, Alaska Natives and Tribes.

The Trust Beneficiary Call Center (TBCC), located in Albuquerque, New Mexico, is a nationwide toll free call center (1-888-678-6836) that provides a convenient "one-stop" service for all beneficiary inquiries. Beneficiaries can now easily access information and assistance regarding their account statements, account balances, other account attributes, receipts, disbursements, leases and leasing, probate processing, and other trust activities, including reform developments and implementation (e.g., TAAMS leasing conversions, lockbox, oil and gas activity, and debit card) at their convenience by calling the toll free number. In addition, beneficiaries may request a disbursement from or an update to their IIM account. The TBCC also responds to written beneficiary requests received in the mail. In an effort to reduce the population of WAU accountholders, the TBCC also handles and processes all OST mailings to accountholders that are returned. The call center's operating hours are 7:00 AM to 6:00 PM MT Monday through Friday and 8:00 AM to Noon MT on Saturday. Contract personnel trained in various trust beneficiary issues and with access to all trust systems make up the majority of TBCC staff that operates the call center. Field Operations monitors the contractors work and provides technical direction and guidance and managerial direction as needed.

After five years of operation, the call center has received over 555,000 calls and provided a first-line resolution for calls in excess of 93% of the requests. This level of front line resolution is substantially higher than the industry average of 49% for government and non-profit organizations. Historical trend analysis suggests TBCC will receive approximately 150,000 inquiries annually by FY 2011. First-line resolution by TBCC means that the call center is able to address the beneficiary's inquiry without having to refer the call to the field for assistance. This allows BIA and OST field staff to focus on other trust service duties without interruption. Occasionally, the complexity of the beneficiary's inquiries requires that OST staff obtain information from other agencies in the Department of the Interior that may require extensive research. The TBCC's service center tracking system deployed throughout the field assures that beneficiaries receive consistent and timely responses and information and allows field staff to track requests and avoid duplication. In FY 2010 the TBCC will use the tracking system to deploy an automated process for one-time disbursements to beneficiaries from their IIM accounts. This streamlined process eliminated the need for paper forms.

There were 83,914 "Whereabouts Unknown" (WAU) beneficiaries representing \$72 million at the end of FY 2009. In FY 2009, Field Operations located approximately 26,225 WAU accountholders and disbursed in excess of \$27,000,000 to former WAU beneficiaries. WAUs are beneficiaries whose current addresses are not known by OST and therefore are unable to receive disbursements or statements from their trust accounts. It is a priority for Field Operations to locate these WAU accountholders.

In FY 2011, under the direction of Field Operations, the focus will continue to be on locating and updating current addresses for WAU accountholders. The responsibility for locating current addresses for WAU accountholders is coordinated across the entire Field Operations enterprise: FTOs and their staff, TBCC staff and contractor assistance. Comprehensive methods and tools are

employed by Field Operations to obtain accountholder addresses through the utilization of outreach activities and accessing tribal and locator service databases.

## **2011 Program Performance**

In FY 2011, Field Operations will meet its fiduciary obligations to individual Indians, Alaska Natives and Tribes by providing beneficiaries with a dedicated primary point of contact focused on providing beneficiary services in a timely, courteous, and accurate manner. Specifically, Field Operations will take the following actions:

- Maintain and enhance strategic partnerships with respective Department's bureaus and agencies with Indian trust responsibilities. These partnerships enhance communication to beneficiaries and promote a beneficiary focus throughout the Department.
- Continue interaction with Tribal, individual Indians and Alaska Native beneficiaries through local community outreach programs regarding asset management and trust reform initiatives. Community outreach informs beneficiaries of current trust initiatives and services available to them. It also provides Field Operations, as the primary point of beneficiary contact, with an additional channel of communication to reach beneficiaries who might not otherwise be in contact with the Department. These outreach events are usually in partnership with other agencies or organizations that can assist beneficiaries by providing information or services relevant to the management of individual and tribal trust assets.
- Continue to participate in the implementation and continuation of reform initiatives (involving TBCC, locating WAUs, collection via Lockbox, AIPRA, debit card, design and deploy automated/streamlined one-time disbursement processing, TAAMS post-conversion cleanup, trust program training, risk and records management) in partnership with BIA and other government entities. The participation of Field Operations in trust reform initiatives ensures that these efforts are effective at the local level.
- Proactively identify and assist in the implementation of additional reform activities as needed, i.e., in support of ever-evolving program areas such as trust program training, developing policies and procedures, streamlining business processes, risk and records management. As the primary point of beneficiary contact, Field Operations is uniquely situated to identify and respond to evolving beneficiary needs.
- Provide financial skills training to IIM beneficiaries throughout Indian Country as an integral part of its community outreach activities. This training uses culturally sensitive techniques and methods geared to Native American audiences. Topics include balancing checkbooks, applying for credit, reading a credit application, budgeting, investing and planning for the future. There will be a special effort to offer this training to minors approaching the age of majority and to elders. Minors will learn to handle income to build wealth. The training will help elders with the special challenge of managing resources they may consider leaving to their heirs.
- Provide outreach support to the Indian Land Consolidation Office in its efforts to acquire fractional interests in trust or restricted lands. An integral part of trust reform includes accelerating correction of the fractionated ownership of trust or restricted land, which makes the administration of the individual Indian trust more difficult. The Cobell v. Salazar settlement agreement which is pending Congressional action and the approval of the Court will provide substantial funding for consolidation efforts. In order for this effort to succeed, beneficiaries must be made aware of the existence and benefits of the consolidation program.

Field Operations will conduct outreach to raise awareness of the program throughout Indian Country.

- Seek and locate 22% of whereabouts unknown account holders listed as of 09/30/10. Disbursement of funds previously held in WAU accounts has a positive economic impact in Indian Country.
- Respond to 90% of beneficiary inquiries within two business days and respond to the balance of these inquiries within 30 days.
- Actively engage 10,000 selected Tribal and individual Indian beneficiaries in management of their trust assets.
- Continue to advocate establishing direct deposit or debit card capabilities for individual Indian beneficiaries and electronic fund transfers for Indian Tribal governments. Direct deposit and debit cards provide faster disbursement while reducing the risk of lost or stolen funds.
- Continue advocating the importance of estate planning for individual Indian beneficiaries. Proper planning can reduce fractionation and enhance the use and value of trust lands for beneficiaries while reducing long term administrative costs.
- Maintain Trust Officer presence in field offices.
- Address Field Operations recommendations from internal and external program reviews.
- Continue to improve the efficiencies of the lockbox operations.
- Continue to migrate trust transaction activities to the local field level.

Program Performance Overview										
End Outcome Goal: Fulfill Indian Fiduciary Trust Responsibilities										
End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2006 Actual	2007 Actual	2008 Actual	2009 Plan	2009 Actual	2010 Plan	2011 Plan	Change from 2010 Plan to 2011	Long-term Target 2012
<b>Strategy 1: Ownership information that is accurate, timely, and reliable</b>										
<b>Ownership Information:</b> Percent of Whereabouts Unknown accounts resolved. (SP)	A	33% (15,322/ 46,630)	37% (19,795/ 53,899)	34.4% (25,921/ 75,200)	25% (20,918/ 83,673)	31% (26,225/ 83,673)	22% (18,400/ 83,914)	22% (16,720/ 76,000)	0% (-1,680/ -7,914)	21% (14,280/ 68,000)
<b>Total Actual /Projected Cost (\$000)</b>		\$1,309	\$1,921	\$635	\$500	\$460	\$515	\$530	+\$15	\$546
<b>Actual/Projected Cost per Account resolved</b>		\$85.43	\$97.04	\$24.50	\$23.92	\$17.54	\$28.00	\$31.69	+\$3.69	\$38.23
Comments:		<i>Increases in the Total number of WAU accounts from 2008 and 2009 are the result of adding non-income producing accounts to TFAS. Increases in WAU accounts beginning in 2009 are the result of backlogged probate. The expected decrease in the WAU population at the end of 2010 will be the result of aggressive action by OST Field Operations and the incentive for accountholders to keep their addresses current, in anticipation of the Cobell settlement. The target estimates for 2011 and 2012 are reduced in anticipation of the fact that the WAU population has stabilized and the remaining accountholders are more difficult to locate. 2008 increases is a result of adding non-income producing accounts to TFAS.</i>								
Δ Contributing Programs:		Field Operations								
<b>Responsiveness:</b> Responsiveness of OST to tribal and individual trust concerns and needs. (BUR)	A	86.9% (144,899 / 166,714)	90.3% (167,164 / 185,116)	91.9% (205,182 / 223,248)	90% (180,00/ 200,000)	95% (232,326/ 243,355)	90% (207,000/ 230,000)	90% (216,000/ 240,000)	0% (9,000/ 10,000)	90% (216,000/ 240,000)
Comments:		<i>Presently, the application of direct and indirect cost activities to this measure is not efficient or cost-effective due to the varying numbers and types of (ABC/M) activities that would be required to be allocated to any one trust inquiry and its response. OST continues to evaluate its service area/outputs relative to its ABC activity codes.</i>								
Δ Contributing Programs:		Field Operations								

**Activity: Program Operations and Support**  
**Subactivity: Office of Appraisal Services**

\$000	2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Office of Appraisal Services	8,739	10,903	+58	0	10,961	+58
<b>TOTAL</b>	<b>8,739</b>	<b>10,903</b>	<b>+58</b>	<b>0</b>	<b>10,961</b>	<b>+58</b>
<i>FTE</i>	<i>63</i>	<i>63</i>	<i>0</i>	<i>0</i>	<i>63</i>	<i>0</i>

**Summary of 2011 Program Changes for Office of Appraisal Services**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Office of Appraisal Services	0	0
<b>TOTAL, Program Changes</b>	<b>0</b>	<b>0</b>

**Justification of 2011 Program Changes**

The FY 2011 budget request for the Appraisal Services program is \$10,961,000 and 63 FTE, a program change of \$0 and 0 FTE from the FY 2010 Enacted.

As a result of the Department-wide management efficiencies Appraisal Services will have a cost savings of -\$5,000 in Travel and -\$41,000 in acquisitions.

**Appraisal Services (\$10,961,000/63 FTE)**

The Office of Appraisal Services (OAS) is responsible for the Indian lands valuation program, which was established to provide impartial estimates of opinions of value for a specific variety of real property interests held or owned in trust or restricted status for Indian Tribes, individual Indians, and Alaska Natives. The types of land transactions include, but are not limited to, sales, leases, rights-of-way; exchanges; grazing permits and trespass settlements, as well as other types of real estate transactions.

OAS consists of state certified general appraisers who provide the valuations in accordance with nationally recognized appraisal standards and appraisal policies and procedures of OAS and DOI.

It is the DOI's policy that all appraisal practices completed by OAS must conform to the current Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of The Appraisal Foundation—updated and published regularly—and the current edition of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) promulgated by the Interagency Land Acquisition Conference, as applicable.

OAS continues to address appraisal requests on trust lands. OAS completed 6,134 appraisals in FY 2009 (excluding appraisals completed using the Agware software appraisal program) and anticipates completing approximately 6,000 appraisals in FY 2010 (again, excluding any appraisals completed using the Agware software appraisal program). OAS also anticipates being in a position to include information from compact/contract tribes in an effort to get a better handle on appraisals throughout Indian Country. It is also anticipated that further refinement and implementation of the Appraisal Request and Review Tracking System (ARRTS) and continued deployment of Agware will improve productivity and provide more efficiencies within the appraisal program.

### **2011 Program Performance**

- Attain 96% of appraisal reports within requestor business requirements.
- Continue to improve and adjust the appraisal business process, where feasible.
- Continue the deployment of an appraisal software application that generates appraisals compliant with USPAP and UASFLA, where applicable.
- Update and implement OAS appraisal program policies, procedures, and guidance.

Program Performance Overview										
End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure	Type	2006 Actual	2007 Actual	2008 Actual	2009 Plan	2009 Actual	2010 Plan	2011 Plan	Change from 2010 Plan to 2011	Long-term Target 2012
<b>Strategy 1: Ownership information that is accurate, timely, and reliable</b>										
<b>Appraisals:</b> Percent of appraisal reports completed within requestor business requirements. (BUR)	A	89%	84%	68%	96%	94%	96%	96%	0%	96%
		3,358	5,900	4,837	6,000	6,134	6,000	6,000	0	6,000
		3,774	7,000	7,099	6,250	6,519	6,250	6,250	0	6,250
<b>Total Actual /Projected Cost (\$000)</b>		\$9,679	\$9,735	\$8,996	\$8,739	\$9,923	\$10,903	\$10,961	\$58	\$12,447
<b>Actual/Projected Cost per Account resolved</b>		\$2,882	\$1,650	\$1,860	\$1,457	\$1,618	\$1,817	\$1,827	\$10	\$2,075
<i>Comments: OAS will continue to work towards maintaining its workload to control backlogged appraisal requests, OAS may be required to provide a high volume of USPAP compliant appraisals to support the BIA Indian Land Consolidation Office efforts at the same time carrying out its regular appraisal and appraisal review work. This high volume of appraisal work is expected to prevent OAS from achieving the 2011 performance target of 96%.</i>										
Δ Contributing Programs: Appraisal Services										

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

\$000	2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Trust Services	12,022	12,337	+16,230	+740	29,307	+16,970
<b>Total</b>	<b>12,022</b>	<b>12,337</b>	<b>+16,230</b>	<b>+740</b>	<b>29,307</b>	<b>+16,970</b>
<i>FTE</i>	<i>121</i>	<i>121</i>	<i>0</i>	<i>21</i>	<i>142</i>	<i>+21</i>

**Summary of 2011 Program Changes for Trust Services**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Trust Services	+740	+21
<b>TOTAL, Program Changes</b>	<b>+740</b>	<b>+21</b>

**Justification of 2011 Program Changes**

The FY 2011 budget request for Trust Services is \$29,307,000 and 142 FTE, a program change of +\$740,000 and +21 FTE from FY 2010 Enacted. As a result of the Department-wide management efficiencies Trust Services will have a cost savings of -\$1,000 in Travel and -\$4,000 in acquisitions. Trust Services will also receive an internal transfer of +\$16,000,000 from the Office of Information Technology for the management of the Trust Funds Management System (TFAS).

**Trust Services (+\$800,000/0 FTE)**

Trust Services’ program increase of +\$800,000 is a result of increase in labor expense primarily associated with workload. Probate processing is increasingly complex and labor intensive due to highly fractionated tracts of Trust land. Special projects for account clean-up require additional staff support to perform multiple interest calculations per account to accurately distribute funds to beneficiaries. Responsibility for managing and monitoring liabilities also increases as functions previously performed by field staff are shifted to Trust Services in order to improve processing efficiency.

**Automating “One-Time Disbursement” Transaction Processing (-\$60,000/0 FTE)**

In a joint effort, Field Operations and Trust Services are in the process of implementing the automation of one-time disbursements transactions. The automation is being piloted by the Trust Beneficiary Call Center staff and once implemented field-wide, additional savings could be realized when all Field Operations staff starts using the Trust Beneficiary Call Center (TBBC) software to process disbursement requests. The FY 2011 savings is estimated at \$60,000.

In FY 2011, the program change of +21 FTE will allow for the in-sourcing of functions. These functions include the financial review of probate documents and processing packages, the encoding of financial transactions into the accounting system, and the 100% post quality assurance that the data entry is accurate. Efficiencies will also be incorporated that will reduce the number of FTEs needed to replace current contract personnel (up to 40 contract personnel) thus reducing total cost that would have been necessary to fund the current workload.

## Program Overview

### Trust Services

**(\$29,307,000/142 FTE)**

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

Trust Services is currently using metric performance data to assess the efficiency and effectiveness of trust operations as exhibited by:

- Restructuring mailing processes for beneficiary statements to save costs and increase reliability and timeliness.
- Promoting use of debit cards and electronic funds transfer to reduce the cost of disbursing funds via paper check to beneficiaries.
- Renegotiating existing encoding and post quality assurance contracts to facilitate phasing out of certain personnel services by using increased automation and insourcing the remaining functions.
- Utilizing employee performance metrics to assess and validate individual and team performance. Data is used to identify performance standards and training needs.

Trust Services is responsible for the individual Indian, Alaska Native and tribal trust funds accounting, investment and reporting fiduciary responsibilities of the Department. This Office provides leadership, guidance and oversight of the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries. Trust Services supports Indian Fiduciary Trust Responsibilities through performance measures of providing timely and accurate financial account information to trust beneficiaries, the timely recording of oil and gas royalties in the trust accounting system and the accurate processing of financial information in trust beneficiary accounts.

Trust Services manages approximately \$3.6 billion of funds held in trust for federally recognized Indian tribes, individual Indian and Alaska Native beneficiaries. Approximately \$3.1 billion is held in approximately 2,700 tribal accounts and other trust funds, including the Alaska Native Escrow Fund. Approximately \$460 million is held on behalf of individual Indians in over 384,000

beneficiary accounts. The balances that have accumulated in the Tribal trust have resulted from claims and judgment awards, investment income, and revenues from approximately 56 million acres of trust lands. Revenues are derived from subsurface mineral extractions (coal, oil, gas, and uranium) timber, grazing, and other surface leases. IIM balances are generally on deposit as a result of restricted accounts (e.g., minors, estates, whereabouts unknown).

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

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



Check processing machine.

Trust Funds Accounting System (TFAS) – In order to comply with the provisions of the *American Indian Trust Fund Management Reform Act of 1994*, (Pub. L. 103-412, title IV, Sec. 401, Oct. 25, 1994, 108 Stat. 4249), OST uses the TFAS. TFAS is a commercial off-the-shelf (COTS) system owned and operated by a third party vendor. The existing contract was awarded during FY 2008. Some of the costs associated with the existing TFAS contract are based upon the number of accounts on the system (open + closed). At the time of this writing, TFAS had over 375,000 open and over 30,000 closed accounts. Of the 375,000 open accounts approximately 90,000 were non-income accounts. These non-income accounts allow TFAS to produce a Statement of Performance for accounts which includes real property assets in addition to the beneficiary's financial transactions in TFAS. Fractionation solutions will reduce the number of accounts and will result in lower operating costs. In addition to normal processing, items included in the core price are the daily pricing of securities; software licenses that allow access for tribes via the Internet using StrataWeb; software licenses for the Computer Output to Laser Disk (C.O.L.D.) report manager, StrataVision; and software licenses for the electronic work ticket product, Customer Strata Station (CSS), security custody and investment settlement services.

## **2011 Program Performance**

The FY 2011 funding allows:

- Attain 99% accuracy for financial information initially processed in trust beneficiary accounts.
- Record 99% of the Minerals Management Service royalty revenue within 24 hours of receipt.
- Continue to process complex probate orders and manual distribution of funds to beneficiaries.
- Continue reconciliation and clean-up of suspense and special deposit accounts.
- Continue daily reconciliation of all trust funds receipts/disbursements with Treasury.
- Continue to compile monthly and annual financial statements, applicable tax reports, and required regulatory financial reports.
- Confirm that approximately 780,000 beneficiary Statements of Performance are mailed per annum.

**Program Performance Change**

	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2011 Base Budget (2010 Plan + Fixed Costs)	2011 Plan	Program Change Accruing in 2011	Program Change Accruing in Out-years
					A	B=A+C	C	D
<b>Beneficiary Services:</b> Percent of financial information accurately processed in Trust beneficiary accounts (manual transactions). (SP)	99.8% (2,005,251/ 2,010,103)	99.5% (1,207,184 / 1,212,763)	99% (1,147,039/ 1,151,933)	99% (1,217,700/ 1,230,000)	99% (1,217,700/ 1,230,000)	99% (1,237,500/ 1,250,000)	0% (19,800/ 20,000)	0% (0/0)
<b>Total Actual /Projected Cost (\$000)</b>	\$5,714	\$6,391	\$6,908	\$7,000	\$7,000	\$7,200	+\$200	\$0
<b>Actual/Projected Cost per Transaction</b>	\$2.85	\$5.29	\$6.02	\$5.75	\$5.75	\$5.82	+\$07	\$0
Comments:	<i>The numerator and denominator for this measure are manual transactions. However, the unit cost is based on all costs to process transactions. The increase in cost in 2011 reflects improved monitoring of cost through the use of ABCM. After 2011, cost should stabilize and efficiencies will be realized through in-sourcing of contract personnel.</i>							
Δ Contributing Programs:	Trust Services							
<b>Ensure Timeliness of Mineral Revenue Payments to American Indians:</b> Percent of revenue recorded in the Trust Financial Accounting System within 24 hours of receipt (SP)	100% (\$158,016,229/ \$158,016,229)	99.9% (\$132,688,072/ \$132,874,096)	99.9% (102,505,538/ 102,618, 230)	99% (\$118,800,000/ \$120,000,000)	99% (\$118,800,000/ \$120,000,000)	99% (\$133,650,000/ \$135,000,000)	0% (14,850,000/ 15,000,000)	0% (0/0)
<b>Total Actual /Projected Cost (\$000)</b>	\$6.4	\$12.1	\$5.5	\$6.8	\$6.8	\$7.0	\$0.2	\$0
<b>Actual/Projected Cost per day Revenue Recorded.</b>	\$25.60	\$49.73	\$22.23	\$ 27.42	\$ 27.42	\$28.00	\$0.58	\$0
Comments:	<i>Revenue reported reflects oil and gas collection from Minerals Management Service. In 2008 there was much cross-training that occurred this year. Additionally, cost capturing was transitioning to a new method and may have contributed to additional costs being reported under this category. The original estimate for 2009 plan was made in 2007 when previous years' data indicated rising oil and gas revenues. Oil and gas revenues have shown themselves to be quite volatile in recent years for which forecasting estimates is quite difficult and could change rapidly depending on world events and economies.</i>							
Δ Contributing Programs:	Trust Services							

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

\$000	2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Historical Trust Accounting	56,445	56,536	-2	-25,000	31,534	-25,002
<b>Total</b>	<b>56,445</b>	<b>56,536</b>	<b>-2</b>	<b>-25,000</b>	<b>31,534</b>	<b>-25,002</b>
<i>FTE</i>	35	35	0	0	35	0

**Summary of 2011 Program Changes for Historical Trust Accounting**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Historical Trust Accounting	-25,000	0
<b>TOTAL, Program Changes</b>	<b>-25,000</b>	<b>0</b>

**Justification of 2011 Program Changes**

The FY 2011 budget request for the Office of Historical Trust Accounting is \$31,534,000 and 35 FTE, a program change of -\$25,000,000 and 0 FTE from the 2010 Enacted. As a result of the Department-wide management efficiencies, Historical Trust Accounting will have a cost savings of -\$2,000 in Travel.

**Office of Historical Trust Accounting**

**(\$31,534,000/35 FTE)**

**Program Overview**

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

The Department and OHTA are now involved not only in the *Cobell v. Salazar* class action litigation, but also 95 lawsuits filed by or on behalf of approximately 114 Tribes. These cases are in various Federal District Courts and the Court of Federal Claims.

On December 7, 2009, a settlement agreement between the Cobell plaintiffs and the U.S. Government defendants was signed, but still needs Congressional action and the approval of the Court.



Imagers at work.

Under the terms of the settlement, approximately \$1.4 billion would be distributed to the class members to settle trust management and accounting issues. Each class member will receive \$1,000 for their historical accounting claims and may receive additional funds related to trust management claims under a formula set forth in the settlement agreement. The settlement and legislation provide for a \$2 billion fund for the buy-back and consolidation of fractionated land interests. The fund will also contribute up to \$60 million for a scholarship fund for the benefit of educating American Indians and Alaska Natives.

At the end of calendar year 2006, many Tribes filed lawsuits because the legislation extending the statute of limitations concerning Tribal trust fund accounting and related claims expired on December 31, 2006. In part, Tribes were concerned that they would lose the right to challenge the Tribal Reconciliation Project (TRP) if they failed to file suit before that date. There are currently 114 litigating tribes, 95 cases pending, and 28 different judges presiding in various District Courts and the Court of Federal Claims. The number of Tribal cases in active litigation or in settlement discussions is increasing. To address this increase OHTA is continuing its strategy of satisfying the critical information needs of the litigating Tribes through OHTA's document production and organization, digitization, and analysis of Tribal accounts. OHTA also will continue to support active litigation and settlement negotiations working with DOJ and SOL.



## **2011 Program Performance**

### **IIM Historical Accounting**

In FY 2011, due to the anticipated passage of the settlement agreement between the Cobell plaintiffs and the U.S. Government defendants there will be no need to complete the IIM historical accounting. OHTA will continue to research the rightful owners of residual balances in special deposit accounts and distribute \$1.5 million to individual Indians, Tribes, and third parties.

### **Tribal Historical Accounting**

In FY 2011 the Tribal historical accounting funding will increase to \$27.534 million to address the need for Tribal accounting and litigation support.

Some of the Tribal cases are being vigorously litigated. The level of effort required to resolve the cases through either negotiated settlement or litigation is expanding rapidly because the 95 cases have been pending for years now (several since 2002) and, as the cases mature, the pressure and ways to resolve them become more evident.

OHTA will complete the Tribal Disbursement Transaction sample which will provide a national and individual tribe error rate that could possibly be used in settlement talks. OHTA will provide support for up to 23 litigating tribes. OHTA will continue direct support of the DOJ and Interior's SOL in settlement negotiations performing for up to 25 Tribes.

To help resolve the 95 cases currently pending in various Federal Courts across the country, OHTA's Tribal Program will continue to compile, analyze, and explain an extensive volume of documents and data concerning how the Federal Government managed various funds held in trust for Native American Tribes.

To resolve Tribal claims, OHTA is addressing four issues common to all Tribal cases: (1) delivering key trust fund information (e.g., transaction ledgers and databases and investment reports) to Tribes, (2) reporting on the completeness of Tribal receipts, (3) providing an analysis of investments to each Tribe, and (4) testing all Tribal disbursements to create a baseline for future Tribe-by-Tribe discussions.

**Performance Change Table**

	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2011 Base Budget (2010 Plan + Fixed Costs)	2011 Plan	Program Change Accruing in 2011	Program Change Accruing in Out-years
					A	B=A+C	C	D
<b>OTHER</b>								
<b>SDA Dollars (\$000)</b>	\$2,431	\$3,262	\$2,169	\$2,000	\$2,000	\$1,500	-\$500	\$0
<i>Total Actual /Projected Cost (\$000)</i>	\$6,608	\$3,934	\$5,227	\$5,160	\$5,160	\$4,000	-\$1,160	\$0
<i>Actual/Projected Cost/Unit</i>	\$2.7	\$1.2	\$2.41	\$2.58	\$2.58	\$2.67	\$0.09	\$0
Comments:	<i>As the SDA project continues, the accounts are getting smaller. In general, the same amount of work has to occur for a \$10 account distribution as for a \$10,000 account.</i>							
Δ Contributing Programs:	Historical Trust Accounting							
<b><u>IIM Transactions – Data Completeness Validation</u></b>	3,098,671	7,630,533	5,697,811	1,000,000	0	0	0	0
<i>Total Actual /Projected Cost (\$000)</i>	\$4,487	\$8,119	\$11,123	\$2,500	\$0	\$0	\$0	\$0
<i>Actual/Projected Cost/Unit</i>	\$1.45	\$1.06	\$1.95	\$2.50	\$0	\$0	\$0	\$0
Comments:	<i>OHTA will continue to work on this function until the settlement is final.</i>							
Δ Contributing Programs:	Historical Trust Accounting							
<b><u>IIM Transactions – Interest Re-Calculation Project</u></b>	1,158	80,814	61,346	15,000	0	0	0	0
<i>Total Actual /Projected Cost (\$000)</i>	\$1,827	\$4,135	\$3,140	\$1,000	\$0	\$0	0	\$0
<i>Actual/Projected Cost/Unit</i>	\$1,577	\$51	\$51.19	\$67	\$0	\$0	0	\$0
Comments:	<i>OHTA will continue to work on this function until the settlement is final.</i>							
Δ Contributing Programs:	Historical Trust Accounting							
<b><u>IIM Digitized Paper Transactions</u></b>	13,368	5,589	37,859	12,500	0	0	0	0
<i>Total Actual /Projected Cost (\$000)</i>	\$85	\$263	\$130	\$50	\$0	\$0	\$0	\$0
<i>Actual/Projected Cost/Unit</i>	\$6.40	\$47.06	\$3.43	\$4	\$0	\$0	\$0	\$0
Comments:	<i>OHTA will continue to work on this function until the settlement is final.</i>							
Δ Contributing Programs:	Historical Trust Accounting							

**Performance Change Table**

	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2011 Base Budget (2010 Plan + Fixed Costs)	2011 Plan	Program Change Accruing in 2011	Program Change Accruing in Out-years
					A	B=A+C	C	D
<b>OTHER</b>								
<b><u>Tribal Disbursement Transactions Reconciled</u></b>	N/A	N/A	N/A	800	800	150	-650	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$7,336	\$7,336	\$7,534	+\$198	\$0
Actual/Projected Cost/Unit	N/A	N/A	N/A	\$9,170	\$9,170	\$50,227	+\$41,057	\$0
Comments:	<i>In 2010, OHTA's changed the Tribal measurements. Anticipated completion of project in FY 2011.</i>							
Δ Contributing Programs:	Historical Trust Accounting							
<b><u>Support Tribal Settlement Negotiations</u></b>	N/A	N/A	N/A	20	20	25	5	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$7,773	\$7,773	\$12,000	\$4,227	\$0
Actual/Projected Cost/Unit	N/A	N/A	N/A	\$389	\$389	\$480	\$91	\$0
Comments:	<i>OHTA's changed the Tribal measurements. Anticipating additional funds allocated in FY 2011.</i>							
Δ Contributing Programs:	Historical Trust Accounting							
<b><u>Tribal Litigation Support</u></b>	N/A	N/A	N/A	18	18	23	5	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$7,352	\$7,352	\$8,000	\$648	\$0
Actual/Projected Cost/Unit	N/A	N/A	N/A	\$408	\$408	\$348	-\$61	\$0
Comments:	<i>OHTA's changed the Tribal measurements. Anticipating additional funds allocated in FY 2011.</i>							
Δ Contributing Programs:	Historical Trust Accounting							

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

	<b>Treasury Account ID: 14 – 0120 – 0</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
	Obligations by program activity			
0001	Program operations, support, and improvements	188	188	160
0002	Executive direction	2	2	2
0900	Reimbursable Program	5	5	5
1000	Total new obligations	195	195	167
	Budgetary resources available for obligation			
2140	Unobligated balance available, start of year	16	14	13
2200	New budget authority (gross)	186	191	165
2210	Resources available from recoveries of prior year obligations	4	3	2
2222	Unobligated balance transferred from other accounts [14-2100]	3	0	0
2390	Total budgetary resources available for obligation	209	208	180
2395	New obligations	-195	-195	-167
2440	Unobligated balance available, end of year	14	13	13
	New budget authority (gross), detail			
	Discretionary			
4000	Appropriation	182	186	160
4300	Appropriation (total discretionary)	182	186	160
5800	Spending Authority from Offsetting Collections	3	5	5
5810	Change in uncollected customer payments from Federal sources (unexpired)	1	0	0
5890	Spending authority from offsetting collections (total discretionary)	4	5	5
7000	Total New Budget Authority	186	191	165
	Change in obligated balances			
7240	Obligated balance, start of year	33	25	26
7310	Total new obligations	195	195	167
7320	Total outlays (gross)	-198	-191	-171
7345	Recoveries of prior year obligations	-4	-3	-2
7400	Change in uncollected customer payments from Federal sources (unexpired)	-1	0	0
7440	Obligated balance, end of year	25	26	20
	Outlays (gross), detail			
8690	Outlays from new discretionary authority	31	150	130
8693	Outlays from discretionary balances	167	40	41
8700	Total outlays (gross)	198	191	171
	Offsets			
	Against gross budget authority and outlays			
8800	Offsetting collections (cash) from Federal sources	3	5	5
	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	182	186	160
9000	Outlays	195	186	166
9502	Unpaid obligation, end of year	25	0	0

Note: Table may not add due to rounding.

**Object Classification**  
(Dollars in millions)

<b>Treasury Account ID: 14 – 0120 – 0</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>
		<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
	Object Classification			
	Direct obligations			
	Personnel compensation			
1111	Full time permanent	55	56	57
1113	Other than full-time permanent	1	1	1
1115	Other personnel compensation	2	2	2
1119	Total personnel compensation	58	59	60
1121	Civilian personnel benefits	13	14	14
1210	Travel and transportation of persons	3	3	3
1231	Rental Payments to GSA	2	2	2
1232	Rental Payments to others	6	6	6
1233	Communications, utilities	2	2	2
1251	Advisory and assistance services	15	14	14
1252	Other services	14	13	13
1253	Purchases of goods and services from government accts	61	60	31
1260	Supplies and Materials	1	1	1
1310	Equipment	1	2	2
1990	Direct obligations	176	176	148
2990	Reimbursable obligations	5	5	5
	Allocation Account			
	Personnel compensation			
3111	Full-time permanent	6	6	6
3113	Other than full-time permanent	1	1	1
3119	Total personnel compensation	7	7	7
3121	Civilian personnel benefits	2	2	2
3210	Travel and transportation of persons	1	1	1
3231	Rental payments to GSA	1	1	1
3252	Other services	3	3	3
3990	Allocation Account - direct	14	14	14
9999	Total new obligations	195	195	167

Note: Table may not add due to rounding.

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

<b>Personnel Summary</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
<b>Direct</b>			
Civilian full-time equivalent employment	651	689	710

**EMPLOYEE COUNT BY GRADE**  
(Total Employment)

	2009 Actual	2010 Estimate	2011 Estimate
Executive Level II.....	1	1	1
SES.....	14	14	15
Subtotal.....	15	15	16
SL - 00.....	0	0	0
ST - 00.....	0	0	0
Subtotal.....	0	0	0
GS/GM -15.....	36	37	37
GS/GM -14.....	104	108	108
GS/GM -13.....	104	104	94
GS -12.....	51	53	55
GS -11.....	24	26	26
GS -10.....	0	0	0
GS - 9.....	31	28	30
GS - 8.....	18	22	22
GS -7.....	157	176	168
GS - 6.....	35	34	31
GS - 5.....	83	60	73
GS - 4.....	22	23	25
GS - 3.....	7	4	31
GS - 2.....	0	0	0
GS -1.....	0	0	0
Subtotal.....	672	675	700
Other Pay Schedule Systems.....	1	1	1
Total employment (actual/estimate).....	688	691	717

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**Office of the Special Trustee for American Indians**  
**Tribal and Other Trust Funds**  
*(Dollars in Thousands)*

\$000	2009 Actual	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Tribal Special Fund	259,876	265,967	0	+14,203	280,170	+14,203
Tribal Trust Fund	123,910	73,988	0	+3,951	77,939	+3,951
<b>Total</b>	<b>383,786</b>	<b>339,955</b>	<b>0</b>	<b>+18,154</b>	<b>358,109</b>	<b>+18,154</b>

**Summary of 2011 Program Changes for Trust Funds**

Request Component	\$000	FTE
<u>Program Changes:</u>		
Tribal Special Fund	+14,203	0
Tribal Trust Fund	+3,951	0
<b>TOTAL, Program Changes</b>	<b>+18,154</b>	<b>0</b>

**Justification of 2011 Program Changes**

The 2011 budget request for the Tribal Special Fund and Tribal Trust Fund totals \$358,109,000, a program increase of +\$18,154,000 from the 2010 estimated receipts and outlays.

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

**Budgetary Classification of Tribal Trust Funds**

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

Commencing with FY 2000, most tribal trust funds, including special funds, managed by the Office of Special the Trustee were reclassified as non-budgetary. Ownership of these funds did not change, nor did the federal government's management responsibilities; changes were made

for presentation purposes only. Some tribal trust funds will remain budgetary, in the Tribal Special or Tribal Trust Funds.

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

### **Tribal Special Fund**

This fund includes activities associated with the following accounts:

- *Tribal Economic Recovery Fund*. This fund is authorized by the *Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act of 1992* (P.L. 102-575) and holds funds which have been appropriated pursuant to the Act. Beginning in 1998, interest earned on the principal of this fund is available for both Tribes for economic development, education, and social services programs.
- *Three Affiliated Fort Berthold* (P.L. 102-575). The fund is not designated by law as a trust fund. The act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of tribal lands related to the Garrison Dam and Reservoir project. The tribes are only entitled to the interest earnings, not the corpus (Sec. 3504(a) (4)).
- *Standing Rock* (P.L. 102-575, Title XXXV). The Act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of tribal lands related to the Garrison Dam and Reservoir project. The Tribes are only entitled to the interest earnings, not the corpus (Sec. 3504(a) (4)).
- *Papago Cooperative Fund* (P.L. 97-293). The fund was established for the tribe to obtain services that are financed by earnings on investment of the fund.
- *Ute Tribe* (P.L. 102-575, Title V). The fund was established for certain environmental and developmental purposes. One of the expressed purposes of this act is to put the Tribe in the same economic position it would have been had features contemplated by a September 20, 1965 agreement with the United States and others been constructed and thus, resolve tribal claims arising out of the agreement. In addition, the Act qualifies the Tribe’s reserved rights and provides for the waiver of tribal claims related to this issue. The funds provided for by Section 504, like all funds provided for by the Act, with the exception of those funds provided for under Section 505, are intended to resolve legal claims related to the Tribe’s water rights.
- *Pyramid Lake Indian Reservation* (P.L. 101-618). (Specifically, the Lahonta Valley and Pyramid Lake Fish and Wildlife Fund). The Lahonta Valley and Pyramid Lake Fish and Wildlife Fund consist of payments for the use of certain water and transfers from the Fisheries Fund. Except for the transfers, the use of the funds is subject to appropriations for fish and protection.
- *San Luis Rey Water Authority* (P.L. 100-675). This is settlement legislation that resolves pending water rights litigation between the United States, the Bands local entities. The Act established the San Luis Rey Tribal Development Fund and authorized appropriations of \$30 million to the Fund. Following execution of the proposed settlement agreement, the

Secretary of the Treasury is directed to make the funds available upon the request of the Indian Water Authority.

- *Cochiti Wetfields Solution.* In 1994, the Army Corps of Engineers transferred \$4 million pursuant to P.L. 102-358 to fund the Department's responsibilities under the settlement agreement between Cochiti Tribe, the Corps, and the Department. The Secretary of the Interior is responsible for maintenance, repair, and replacement of a drainage system constructed by the Corps for the Cochiti Pueblo.
- *Southern Arizona Water Rights Settlement Act.* This Cooperative Fund was established to provide a source of funds to carry out the obligations of the Secretary under sections 303, 304, and 305 of the Act (Title III, P.L. 97-293, 96 Stat. 1274-1285). Only interest accruing to the fund may be expended.

### **Tribal Trust Fund**

This fund includes activities associated with the following accounts:

- *Funds Contributed for the Advancement of the Indian Race.* This fund accounts for any contributions, donations, gifts, etc., which are to be used for the benefit of American Indians in accordance with the donors' wishes (82 Stat. 171).
- *Bequest of George C. Edgeter.* This fund includes a donation made by George C. Edgeter; income is available according to the terms of the bequest for the expenditure as determined by the Assistant Secretary, Indian Affairs for the relief of American Indians.
- *Ella M. Franklin Fund.* This fund consists of a bequest, the principal of which is invested in U.S. Treasury securities, and the interest is to be used for the relief of American Indians as specified by the donors' wishes (82 Stat. 171).
- *Josephine Lambert Fund.* This fund includes a donation made by Josephine Lambert, income to be used for the health or education of underprivileged Indian children.
- *Orrie Shaw Fund.* This fund includes a donation made by Dr. Orrie Shaw, income used only for the training or education of American Indians.
- *Welmas Endowment Fund.* This fund was established to receive revenue generated by land owned by the decedent for the period of ten (10) years whereby the annual interest earnings of the endowment can be distributed by the Assistant Secretary- Indian Affairs for the education of members of federally recognized tribes; provided that 20% of the annual interest serves to benefit the education of Agua Caliente Tribal members. The Tribe has the option of obtaining complete control of the land, prior to the end of the endowment period, if it elects to fund the endowment so that the principal amount reaches \$750,000.
- *Arizona Intertribal Fund* (P.L. 100-696). The fund represents an exchange agreement for privately held lands in Florida for publicly held land in Arizona. Use of the money is subject to appropriations and is available to pay for supplemental education and child welfare programs.
- *Navajo Trust Fund* (P.L. 100-696). The fund ratifies an exchange of Federal land in Arizona.
- *Crow Creek* (P.L. 104-223). The Act established a corpus that is to be invested and makes the interest earnings available without appropriation for the various activities under Section 5. However, the Act does not appear to transfer ownership of the money to the Tribe or create a legal claim to the funds, until it is paid to them.

- *So Ute Tribal Resource Fund* (P.L. 106-554). This fund was established in FY 2002. As part of the requirements under Section 18 of the Act for disbursing the tribal resource funds, the Colorado Ute are required to submit a resource acquisition and enhancement plan or an investment plan to the Secretary for approval.
- *Ute Mtn Tribal Resource Fund* (P.L. 106-554). The fund was established in FY 2002. As part of the requirements under Section 18 of the Act for disbursing the tribal resource funds, the Colorado Ute are required to submit a resource acquisition and enhancement plan or an investment plan to the Secretary for approval.
- *Chippewa Cree Tribal Compact ADM/Chippewa Cree Future Water Supply* (P.L. 106-163). The fund was established in FY 2001. The trust fund is established under Title I, Sec. 104, Chippewa Cree Indian Reserved Water Rights Settlement Trust Fund. The ownership of the trust fund does not convey to the Tribe until such time as the Tribe waives all claims and meets the underlying settlement requirements.
- *Shivwits Band of Paiute Indians* (P.L. 106-263). The fund was established in FY 2002. Ownership of the trust fund does not convey to the Tribe until such time as funds have been appropriated and deposited into the Trust fund; the St. George Water Reuse Project Agreement, the Santa Clara Project Agreement and the Settlement Agreement are approved and in effect; the State Engineer of Utah has approved all applications necessary to implement the provision of the Santa Clara Project Agreement, St. George Water Reuse Agreement and the Settlement Agreement; the Court has entered a judgment and decree confirming the Shivwits Water Rights and is final as to all parties to the Santa Clara Division and the Virgin River Adjudication.
- *Northern Cheyenne Indian Reserved Water Rights Settlement Trust Fund*. This fund established a \$21.5 million trust fund for the Northern Cheyenne Indian Tribe. These funds may be used by the Tribe to make \$11.5 million available to the State of Montana as a loan to assist in financing Tongue River Dam project costs; land and natural resources administration, planning, and development; land acquisition; and any other purpose determined by the Tribe. In addition, this fund holds \$31.5 million for the enlargement and repair of the Tongue River Dam project.
- *The Crow Creek Sioux Tribe Infrastructure Development Trust Fund of 1996* (P.L. 104-223, 110 Stat 3026). The fund establishes a Crow Creek Sioux Tribe Infrastructure Development Trust Fund. In FY 1997, \$27.5 million was deposited into the Fund. The interest earned from the invested principal is available for payment to the Tribe for tribal educational, health care, recreational, and other projects.

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

	<b>Treasury Account ID: 14 – 5265 – 0</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
	<b>Obligations by program activity</b>			
0001	Direct Program Activity	260	266	280
1000	Total new obligations	260	266	280
	<b>Budgetary resources available for obligation</b>			
2140	Unobligated balance carried forward, start of year	54	64	64
2200	New budget authority (gross)	270	266	280
2390	Total budgetary resources available for obligation	324	330	344
2395	Total new obligations	-260	-266	-280
2440	Unobligated balances carried forward, end of year	64	64	64
	<b>New budget authority (gross), detail</b>			
	Mandatory			
6020	Appropriation (special fund)	270	266	280
	<b>Change in obligated balances</b>			
7310	Total new obligations	260	266	280
7320	Total outlays (gross)	-260	-266	-280
	<b>Outlays (gross), detail</b>			
8697	Outlays from new mandatory authority	260	266	280
	<b>Net budget authority and outlays</b>			
8900	Budget authority	270	266	280
9000	Outlays	260	266	280
	<b>Memorandum (non-add) entries</b>			
9201	Total Investments, start of year: Federal securities: Par Value	55	65	67
9202	Total Investments, end of year: Federal securities: Par Value	65	67	70
9203	Total Investments, start of year: Federal securities: Market Value	473	463	473
9204	Total Investments, end of year: Federal securities: Market Value	463	473	473

Note: Table may not add due to rounding.

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

	<b>Treasury Account ID: 14 – 8030 – 0</b>	<b>2009 Actual</b>	<b>2010 Estimate</b>	<b>2011 Estimate</b>
	<b>Obligations by program activity</b>			
0001	Direct Program Activity	124	74	78
1000	Total new obligations	124	74	78
	<b>Budgetary resources available for obligation</b>			
2140	Unobligated balance carried forward, start of year	65	39	39
2200	New budget authority (gross)	98	74	78
2390	Total budgetary resources available for obligation	163	113	117
2395	Total new obligations	-124	-74	-78
2440	Unobligated balances carried forward, end of year	39	39	39
	<b>New budget authority (gross), detail</b>			
	Mandatory			
6026	Appropriation (trust fund)	98	74	78
	<b>Change in obligated balances</b>			
7310	Total new obligations	124	74	78
7320	Total outlays (gross)	-124	-74	-78
	<b>Outlays (gross), detail</b>			
8697	Outlays from new mandatory authority	98	74	78
8698	Outlays from new mandatory balances	26	0	0
8700	Total outlays (gross)	124	74	78
	<b>Net budget authority and outlays</b>			
8900	Budget authority	98	74	78
9000	Outlays	124	74	78
	<b>Memorandum (non-add) entries</b>			
9201	Total Investments, start of year: Federal securities: Par Value	65	39	40
9202	Total Investments, end of year: Federal securities: Par Value	39	40	42
9203	Total Investments, start of year: Federal securities: Market Value	103	132	103
9204	Total Investments, end of year: Federal securities: Market Value	132	103	103

Note: Table may not add due to rounding.