



BUDGET The United States
Department of the Interior
JUSTIFICATIONS

and Performance Information
Fiscal Year 2012

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

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**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE
FOR AMERICAN INDIANS
BUDGET JUSTIFICATION FOR FISCAL YEAR 2012**

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Total 2012 Budget Request

(Dollars in Thousands)

Budget Authority	2010 Enacted	2010 Enacted /2011 CR	2012 Target Request	2012 Request vs. 2011 CR
Discretionary	176,984	176,984	152,319	-24,665
Mandatory	339,955	357,327	357,327	0
Total	516,939	534,311	509,646	-24,665
<i>FTEs</i>	<i>684</i>	<i>710</i>	<i>710</i>	<i>0</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).

GENERAL STATEMENT

In FY 2012, the Department of the Interior 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 trust by monitoring trust reform in accordance with the Comprehensive Trust Management Plan (CTM). All proposed funding supports the Department’s Indian Fiduciary Trust Responsibilities.

The Congress has designated the Secretary of the Interior as the trustee delegate with the responsibility for approximately 55 million surface acres of land, 57 million acres of subsurface mineral interests, 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, OST ensures appropriate trust administration for trust beneficiary services, ownership information, management of trust fund assets, tribal self-determination/self-governance activities, and the Department’s goal of Fulfilling Indian Fiduciary Trust Responsibilities.

OST’s overall FY 2012 discretionary budget request is \$152.3 million. This is a 14% decrease compared to the 2010 Enacted / annualized 2011 Continuing Resolution. OST participates in the Tribal Interior Budget Council (TIBC) in which a forum and a process are provided for tribal representatives to advise OST on priority needs in Indian Country. The forum provides cooperative participation in OST budget formulation, justification, and information. TIBC meetings also serve as an education forum to better inform tribes of the OST budget process and advise on the status of Indian Country initiatives throughout the Federal Government.

OST will also have an overall net savings target of \$125,000 for real property cost savings and innovation plan. In this coordinated Department-wide effort, we expect to find real property cost savings that result from doing things such as disposing of excess, inactive, underutilized and non-utilized assets; consolidating lease space; taking advantage of telecommuting and hoteling; implementing new policies that prohibit the acquisition of land that contains assets in poor condition; moving personnel into owned space from rented space; reducing space provided to contractors; and establishing department-wide space standards.

In support of the President's commitment on fiscal discipline and spending restraint, OST is participating in an aggressive Department-wide effort to curb non-essential administrative spending. In accordance with this initiative, OST's budget justification assumes -\$3.3 million in savings in FY 2012 against actual FY 2010 expenditures. A specific implementation plan will be completed in the near future; however, the activities where savings will be realized include: advisory contracts; travel and transportation of people and things; including employee relocation; printing; and supplies. There will be no programmatic impact of implementing these savings initiatives, as functions will be performed in a more efficient and more effective manner. These cost savings build upon management efficiencies that the bureau began implementing in FY 2011. These management efficiencies are in the areas of Information Resources infrastructure consolidation, travel and relocation, and strategic sourcing. Examples of FY 2012 administrative cost savings opportunities within OST include the following: travel and transportation of persons - \$267,110, transportation of things -\$25,270, printing and reproduction -\$20,940, advisory and assistance services -\$2.5 million and supplies and materials -\$147,010. Actions to address the Accountable Government Initiative and reduce these expenses build upon management efficiency efforts proposed in FY 2011 totaling -\$332,000 in travel, relocation, and strategic sourcing and bureau-specific efficiencies totaling -\$2.6 million.

Trust Management Reform

The CTM laid the ground work of the Fiduciary Trust Model (FTM). 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. With several pre-conversion projects nearing completion, most trust data within these systems has been reconciled and validated. 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 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 handbooks and desk operating procedures that document standardization and streamlining of business processes.
- 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.
- Positioning Fiduciary Trust Officers (FTO) to serve as the primary point of contact for beneficiaries 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.
- Positioning of Regional Trust Administrators (RTA).
- Implementing centralized commercial lockbox operations.
- Establishing BIA lockbox liaison positions to expedite exception processing.
- Identifying and implementing trust-related skill 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 2011 and into FY 2012, the Trust Program Management Center (TPMC) 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, and providing reasonable assurance regarding efficiency, accuracy and timeliness on post conversion processing. The staff will identify the need for further revisions to business processes, standard operating procedures, handbooks, validating metrics and desk operating manuals as Indian Affairs 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 achieve steady state operations with periodic updates.

In addition, software solutions are under development for improved oil and gas accounting and reporting to beneficiaries. Validation of title information for non-income producing land assets will continue through FY 2012.

Additionally, the TPMC 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 TPMC is always looking for new tools, new technologies, and best business practices to bring to the management of the Indian trust. This 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* (P. L. 103-412; 108 Stat. 4239; U.S.C. 4001 et seq.) and established 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. 162a).” 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 Individual Indian Money (IIM) accounts (OHTA’s responsibilities were later (2002) expanded to include the provision of historical accounting for tribal 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 critical technical expertise in areas such as accounting services, historical research, information resources, data security, statistical analysis, document search, collection, and reproduction.

On July 1, 2007, OHTA was re-aligned to report to the Special Trustee for American Indians from the Associate Deputy Secretary, Office of the Secretary.

OHTA supports resolution of 96 lawsuits filed by or on behalf of approximately 114 tribes. These cases are in Federal District Courts and/or the Court of Federal Claims.

On December 8, 2010, the President signed into law the Claims Resolution Act of 2010, which included the Cobell settlement agreement. OHTA is providing data and analysis in support of implementation of the class action claims portions of the Claims Resolution Act. Pending 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 to purchase fractionated interests in parcels of land owned by 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 over a five-year period.

FY 2012 Budget Request

OST’s FY 2012 budget request focuses on continuing efforts in trust management reform, oversight, daily operations, and historical accounting.

The FY 2012 budget request for OST totals \$152.3 million and reflects a \$24.7 million decrease from the 2010 Enacted / annualized 2011 Continuing Resolution. The budget includes \$1.2 million to fund fixed costs. The FY 2012 OST budget includes program reductions of \$22.6 million, including: \$16 million reduction for the Office of Historical Trust Accounting, \$4.5 million reduction due to the completion of certain trust reform tasks and program savings, and elimination of \$2.1 million for Reengineering activities.

As trust reform projects near completion, personnel resources will be redistributed to ensure strategic placement of personnel according to agency goals and priorities. Some positions will be eliminated and/or redefined through this process. We will reduce our budget through position management by -\$354,000 in FY 2012. The table below provides the position management reduction amount for each program and is included in the FY 2012 Budget at a Glance table as program changes.

(\$000)	Position Management Reductions
FEDERAL TRUST PROGRAMS	
EXECUTIVE DIRECTION	
Immediate Office of the Special Trustee	-7
EXECUTIVE DIRECTION TOTAL	-7
PROGRAM OPERATIONS AND SUPPORT	
Deputy Special Trustee for Information Resources	
Information Resources	-18
Trust Records	-60
INFORMATION RESOURCES TOTAL	-78
Budget, Finance & Administration	-14
External Affairs	-4
Trust Review & Audit	-18
PROGRAM OPERATIONS TOTAL	-114
TRUST ACCOUNTABILITY	
Trust Training	-4
Risk Management	-4
Product Development Initiative	-4
TRUST ACCOUNTABILITY TOTAL	-12
FIELD OPERATIONS	-116
APPRAISAL SERVICES	-28
TRUST SERVICES	-56
HISTORICAL ACCOUNTING	-21
PROGRAM OPERATIONS AND SUPPORT	-347
FEDERAL TRUST PROGRAMS	-354

Government-Wide Initiatives

In response to the requirements issued through OMB Memorandum M-10-19 regarding Government-wide initiatives, OST is participating with Departmental offices and the other bureaus of the Department in a coordinated, agency-wide approach to the planning and implementation for each initiative. The Department is coordinating the initiative efforts through organized steering committees or implementation groups that engage each bureau and office. This enables a consistent and structured response across the Department. Descriptions of the Department's strategies and accomplishments for each initiative are provided in the General Statement of the Department-Wide Programs budget justification.

Base Budget Analysis

OST's FY 2012 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, 2010, 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 3 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.

2012 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 combined 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, the DOI Strategic Plan has been reviewed and updated in compliance with the three-year update requirement. The Department, in consultation with the bureaus, reviewed the organization and constructed the Strategic Plan in light of the Administration's priorities, goals, and objectives; recent innovations and efficiencies in delivering mission objectives; and the goal to provide a more integrated and focused approach to track performance across a wide range of DOI programs. Although many of the outcome goals and performance measures remain consistent from the previous Strategic Plan, the organizing principles for those goals and measures reflect the new approach to meeting the Department's mission responsibilities. The DOI Strategic Plan for FY 2011 – FY 2016 is the foundational structure for the description of program performance measurement and planning for the FY 2012 President's Budget. Budget and program plans for FY 2012 are fully consistent with the goals, outcomes, and measures described in the new version of the DOI Strategic Plan.

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 financial information initially is processed accurately in trust beneficiaries' accounts at least 99.97% 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. Approximately 800,000 statements are expected to be printed and mailed during FY 2012.

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 as well as ensuring trust fund asset management 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 2012, OEA will achieve its response performance measure to renew and enhance, at the request of tribal governments, the number of renewed or negotiated memoranda of understanding for tribes to operate OST programs through Indian Self-Determination and Education Assistance Act (P.L. 93-638) compacts and contracts. OEA will also work with tribes that may be interested in accessing OST Information Resources (IR) trust systems to support their OST trust programs. OEA will continue to ensure that compact/contract 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.

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 2012 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 developing a series of “how to” guides for realty staff 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. OAS is completing a brochure on “Commonly Asked Real Appraisal Questions” and it will be finished in 2nd quarter of FY 2011. In FY 2012 OAS will establish an interim OAS Appraisal Policy Manual in 2nd quarter of FY 2011 and will complete a final manual in FY2012.

Offices of Information Resources 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 Resources 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) internal and external 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 2012 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 providing tribes with opportunities to operate two OST programs – the real estate appraisal services program and the beneficiary processes program (IIM accounting technician function). These programs are available for tribal assumption through P.L. 93-638 self-determination contracts (Title I of P.L. 93-638) or self-governance compacts (Title IV of PL 93-638). OEA's FY 2012 target is to renew, review, or negotiate 77 agreements or MOUs with tribes that contract or compact OST programs. 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 2012.

Also, upon tribal request, in FY 2012, OEA will assist those tribes who compact or contract OST trust programs, under P.L. 93-638, to access OST's available IR trust systems.

Another important service provided to tribes by OEA is the coordination, review and recommendation for approval of formal tribal applications to withdraw tribal trust funds out of trust status for tribal self-investment, under P.L. 103-412 (Reform Act).

Office of Trust Review and Audit

Records Management Examinations

In FY 2012, OTRA expects to continue performing trust records assessments based on a three year revolving assessment cycle beginning with the earliest reviewed agencies. In FY 2012, OTRA expects to complete a minimum of 40 records management assessments.

Indian Trust Examinations

In FY 2012, OTRA expects to perform a minimum of 38 field Indian trust examinations consisting of compacted tribes, BIA, OST, and Departmental entities performing Indian trust programs or

activities. The trust examinations are performed based on an exam schedule or review cycle, trust rating and/or risk assessment.

Corrective Action Follow-up

OTRA is working with all examinees to track and monitor progress in implementing corrective actions for all report findings and recommendations. 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 response, whether the recommendations are completed or open. Finally, OTRA tracks the open or unresolved issues. If the corrective actions have been implemented, OTRA will document the recommendations as resolved, implemented, and closed. During FY 2012, OTRA plans to follow-up and close any open recommendations. In addition, for those entities that get less than satisfactory ratings, they will be scheduled more periodically for follow up reviews.

Office of Trust Accountability

Conversion to the TAAMS Leasing 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 this module marking the near completion of several data cleanup projects. Current efforts focus on the stabilization and post conversion clean-up.

Implementing the Fiduciary Trust Model (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 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 financial material is free of material misstatement, the programs are operating efficiently and effectively and in compliance with laws and regulations. OST intends to strengthen its Risk Management program by: increasing the quantity of field locations tested; offering of risk management training to OST staff; increasing support of internal programs and internal control testing 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 Activity Based Costing Management (ABC/M) cost codes to track expenditures.

Trust Accountability offers risk management tools to compacted and/or contracted tribes. Due to the Nation-to-Nation relationship, OMB circular A-123, with Appendices, is not a mandatory implementation for tribes.

The methodology 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, are the primary point of contact for trust beneficiaries (tribes, individual Indians, and Alaska Natives) 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 including statutory or regulatory changes affecting trust asset management important for beneficiaries to know, or assistance beneficiaries may need. Field staff also has a key role in leading the Department's outreach efforts to beneficiaries. Outreach events include attendance at community meetings and pow-wows with a focus on providing information on asset management and trust reform initiatives, as well as holding financial skills training for IIM beneficiaries throughout Indian Country. 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 others are received through fax, mail, email, 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 2012 is set at 90%. This level of performance is not expected to change from FY 2011 as reflected in the goal performance table. As the Department's primary point of beneficiary contact, Field Operations is dedicated to providing beneficiaries with convenient access to trust account information and services while ensuring that responses to trust inquiries are tracked and addressed in a timely, courteous, and accurate manner. As a result of this focus on responsiveness, 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.

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 2012, 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 DOI, must conform to the current USPAP promulgated by the Appraisal Standards Board of The Appraisal Foundation—updated and published regularly—and the current edition of the UASFLA promulgated by the Interagency Land Acquisition Conference, as applicable. OAS staff consists of state certified general appraisers who provide the valuations. State appraiser certifications require compliance with USPAP appraisal standards.

In FY 2012, OAS will continue to improve and adjust the appraisal business process requirements for appraisal services, where feasible. OAS's focus in FY 2011 was 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 2012.

In addition, in FY 2012 and beyond, OAS will work with its human resources office to monitor expected vacancies due to attrition, or transfers and continue efforts to recruit and retain entry journeyman and supervisory level staff needed to perform its core function. In FY 2012, 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 performing appraisals of Indian trust property.

Office of Trust Services

In FY 2012, 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 initially processed accurately in Trust beneficiaries' accounts.* This measure is also identified as OST's Key Performance Indicator (KPI). 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 oil and gas revenue transmitted by ONRR recorded in the Trust Funds Accounting System 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) program managers annual self-assessments and OMB Circular A-123, Appendix A transaction testing, (2) Office of Trust Accountability - Risk Management internal reviews (internal performance audits) and may include (3) annual independent Office of Inspector General audits (KPMG currently) in accordance with the Reform Act and U.S. Government Accountability Office reviews and audits.

OST has implemented data Verification and Validation (V&V) procedures pursuant to the "Data Verification and Validation Assessment Matrix" guidance issued by the Assistant Secretary for Policy Management and Budget on January 16, 2003, for the performance data that is collected and submitted. 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.

**OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
GOALS PERFORMANCE TABLE**

Target Codes: SP = Strategic Plan measures
 HPG = High Performance Goal
 ARRA = Recovery Act measure
Type Codes: C = Cumulative Measure

UNK = Prior year data unavailable
 BUR = Bureau specific measure
 NA = Long-term targets are inappropriate to determine at this time
 A = Annual Measure

Mission Area 3: Advance Govt-to-Govt Relationships with Indian Nations and Other Commitments to Insular Affairs

Goal #1: Meet Our Trust, Treaty, and Other responsibilities to American Indians and Alaska Natives

Supporting Performance Measures	Type	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 President's Budget	Change from 2011 Plan to 2012	Δ Long-term Target 2016
Strategy #2: Fulfill fiduciary trust										
Beneficiary Services: Percent of financial information initially processed accurately in trust beneficiaries' accounts. (SP)	A	99.94%	99.93%	99.94%	99.97%	99.97%	99.97%	99.97%	0.00%	99.97%
		8,142,250	8,045,416	8,262,510	8,400,000	8,485,028	8,500,000	8,500,000	0	8,500,000
		8,147,061	8,050,902	8,267,407	8,402,400	8,487,311	8,502,400	8,502,400	0	8,502,400
Total Actual/Projected Cost (\$000)			\$8,679	\$8,056	\$8,322	\$6,000	\$5,710	\$6,500	\$6,500	\$0
Actual/Projected Cost per Transaction		\$1.07	\$1.00	\$1.01	\$0.71	\$0.67	\$0.76	\$0.76	\$0.00	\$0.76
Comments: The performance measure used in FY2011 includes all transactions rather than just manual transactions to better compare Trust Service's efficiency.										
Δ Contributing Program: Trust Services										
Beneficiary Services: Percent timeliness of financial account information provided to trust beneficiaries. (SP)	A	92.02%	100.00%	100.00%	99.50%	100.00%	99.50%	99.50%	0.00%	99.50%
		688,117	766,589	770,198	756,200	787,340	776,100	796,000	19,900	796,000
		747,799	766,589	770,198	760,000	787,340	780,000	800,000	20,000	800,000
Total Actual/Projected Cost (\$000)			\$341	\$415	\$782	\$800	\$834	\$1,000	\$1,195	\$195
Actual/Projected Cost per statement		\$0.50	\$0.54	\$1.02	\$1.06	\$0.37	\$1.29	\$1.50	\$0.21	\$1.50
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 FY 2009. Beginning in FY 2008, projected costs include postage (prior years included only costs to produce the statements). As a result of an increase for mailing of beneficiary statements in FY 2012, projected cost have increased.										
Δ Contributing Program: Budget, Finance and Administration and Information Resources										
Ensure Timeliness of Mineral Revenue Payments to American Indians: Percent of oil and gas revenue transmitted by ONRR recorded in the Trust Funds Accounting System within 24 hours of receipt. (SP)	A	100.0%	99.9%	99.9%	99.0%	100.0%	99.1%	99.1%	0.0%	99.1%
		158,016,229	152,817,362	102,505,538	118,800,000	154,282,290	153,650,000	153,650,000	0	153,650,000
		158,016,229	152,997,021	102,618,230	120,000,000	154,282,290	155,000,000	155,000,000	0	155,000,000
Total Actual/Projected Cost (\$000)			\$6.4	\$12.4	\$5.5	\$7.5	\$8.4	\$8.0	\$8.0	\$0
Actual/Projected Cost per day revenue recorded		\$25.60	\$49.73	\$22.23	\$30.24	\$33.59	\$32.00	\$32.00	\$0.00	\$32.00
Comments: Revenue reported reflects oil and gas collection from the Office of Natural Resources Revenue for individual Indians, Alaska Natives and tribes. 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. 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.										
Δ Contributing Program: Trust Services										

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
Target Codes: SP = Strategic Plan measures HPG = High Performance Goal ARRA = Recovery Act measure					UNK = Prior year data unavailable BUR = Bureau specific measure NA = Long-term targets are inappropriate to determine at this time					
Type Codes: C = Cumulative Measure					A = Annual Measure					
End Outcome Goal: Fulfill fiduciary trust										
End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure	Type	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 President's Budget	Change from 2011 Plan to 2012	Δ Long-term Target 2016
Bureau Measures										
Communications: Number of communication resources developed for stakeholders. (BUR)	A	N/A	N/A	76	34	35	34	34	\$0	34
Total Actual /Projected Cost (\$000)		N/A	N/A	\$207	\$258	\$339	\$258	\$339	\$81	\$339
Actual/Projected Cost per unit		N/A	N/A	\$2,724	\$7,588	\$9,688	\$7,588	\$9,688	\$2,100	\$9,688
Comments: In FY 2010 Communication resources were redefined to reflect actual product direct and indirect costs, affecting cost projections for FY 2010 and beyond. Cost increases also are due in part to the production of higher quality communication products and production of communication resources designed to reach a greater number of people in Indian Country.										
Δ Contributing Program: External Affairs										
Appraisals: Percent of appraisal reports completed within requestor business requirements. (BUR)	A	84%	68%	94%	96%	41%	96%	96%	0%	96%
		5,900	4,837	6,134	6,000	6,532	6,000	6,000	0	6,000
		7,000	7,099	6,519	6,250	16,053	6,250	6,250	0	6,250
Total Actual /Projected Cost (\$000)		\$9,735	\$8,996	\$9,923	\$10,903	\$10,903	\$10,961	\$10,961	\$0	\$10,961
Actual/Projected Cost per unit	\$1,650	\$1,860	\$1,618	\$1,817	\$1,669	\$1,827	\$1,827	\$0	\$1,827	
Comments: OAS will continue to work towards maintaining its workload to control backlogged appraisal requests. In addition, OAS continues to experience an increase in workload as result of probate cleanup and Indian Land Consolidation Office purchase at probate transactions. OAS will be required to provide a high volume of USPAP compliant appraisals to potentially support the Indian Land Consolidation Offices as a result of the implementation of the Cobell settlement. These efforts are in addition to carrying out OAS' regular appraisal and appraisal review work. This high volume of appraisal work is expected to prevent OAS from achieving the FY 2011 and FY 2012 performance targets of 96%.										
Δ Contributing Program: Appraisal Services										

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Target Codes: SP = Strategic Plan measures HPG = High Performance Goal ARRA = Recovery Act measure					UNK = Prior year data unavailable BUR = Bureau specific measure NA = Long-term targets are inappropriate to determine at this time					
Type Codes: C = Cumulative Measure					A = Annual Measure					
End Outcome Goal: Fulfill fiduciary trust										
End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure	Type	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 President's Budget	Change from 2011 Plan to 2012	Δ Long-term Target 2016
Bureau Measures										
Self-Governance/Self-Determination: Number of agreements and Memoranda of Understanding (MOU) negotiated, renewed or reviewed with P.L. 93-638 tribes for operating the beneficiary processes program or real estate appraisal programs. (BUR)	A	100%	100%	95%	100%	100%	100%	100%	0%	0%
		81	145	37	40	77	77	77	0	77
		81	145	39	40	77	77	77	0	77
		Total Actual /Projected Cost (\$000)	\$164	\$286	\$251	\$251	\$227	\$227	\$227	\$0
Actual/Projected Cost per unit		\$2,025	\$1,972	\$6,784	\$6,275	\$2,948	\$4,571	\$2,948	\$0	\$2,948
Comments: Execution of OEA's Self-Governance/Self-Determination Program can require negotiation, review or renewal actions by OEA employees on a specific tribe's Self-Governance/Self-Determination contract/compact documents. To give proper credit to the goal of expertly managing OEA's Self-Governance/Self-Determination Program in FY 2010 and beyond, OEA will count as "one," each time it negotiates, reviews or renews a specific tribe's compact or contract documents, not to exceed "three" for each tribe. For example: If OST and a tribe negotiate a new MOU, and the tribe has a new Annual Funding Agreement and a new Reprogramming Request, all either reviewed or negotiated by OEA employees, this will count as "three" on the Goal Performance Table.										
Δ Contributing Program: External Affairs										
Responsiveness: Responsiveness of OST to tribal and individual trust concerns and needs. (BUR)	A	90.3%	91.9%	95.5%	90.0%	94.0%	90.0%	90%	0.0%	90.0%
		167,164	205,182	232,326	207,000	240,921	216,000	247,500	31,500	270,000
		185,116	223,248	243,355	230,000	256,422	240,000	275,000	35,000	300,000
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.										
Δ Contributing Program: Field Operations										

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Type Codes: C = Cumulative Measure										
End Outcome Goal: Fulfill fiduciary trust										
End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure	Type	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 President's Budget	Change from 2010 Plan to 2011	Δ Long-term Target 2016
Bureau Measures										
SDA Dollars (\$000)	A	\$2,431	\$3,262	\$2,169	\$2,000	\$3,521	\$1,250	\$1,250	\$0	\$1,000
Total Actual /Projected Cost (\$000)		\$6,608	\$3,934	\$5,227	\$5,160	\$4,038	\$4,000	\$4,000	\$0	\$4,000
Actual/Projected Cost per unit		\$2.7	\$1.2	\$2.41	\$2.58	\$1.15	\$3.20	\$3.20	\$0	\$4.00
<i>Comments:</i>										
Δ Contributing Program: Historical Trust Accounting										
IIM Transactions – Data Completeness Validation	A	3,098,671	7,630,533	5,697,811	1,000,000	2,418,085	0	0	0	0
Total Actual /Projected Cost (\$000)		\$4,487	\$8,119	\$11,123	\$2,500	\$4,920	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit		\$1.45	\$1.06	\$1.95	\$2.50	\$2.03	\$0.00	\$0	\$0	\$0
<i>Comments: Project has ended.</i>										
Δ Contributing Program: Historical Trust Accounting										
IIM Transactions – Interest Re-Calculation Project	A	1,158	80,814	61,346	15,000	20,420	0	0	0	0
Total Actual /Projected Cost (\$000)		\$1,827	\$4,135	\$3,140	\$1,000	\$701	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit		\$1,578	\$51	\$51	\$67	\$34	\$0	\$0	\$0	\$0
<i>Comments: Project has ended.</i>										
Δ Contributing Program: Historical Trust Accounting										
IIM Digitized Paper Transactions	A	13,368	37,733	37,859	12,500	1,733	0	0	0	0
Total Actual /Projected Cost (\$000)		\$85	\$314	\$130	\$50	\$13	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit		\$6.36	\$8.32	\$3.43	\$4.00	\$7.50	\$0.00	\$0	\$0	\$0
<i>Comments: Project has ended.</i>										
Δ Contributing Programs: Historical Trust Accounting										

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
Target Codes: SP = Strategic Plan measures HPG = High Performance Goal ARRA = Recovery Act measure					UNK = Prior year data unavailable BUR = Bureau specific measure NA = Long-term targets are inappropriate to determine at this time					
Type Codes: C = Cumulative Measure					A = Annual Measure					
End Outcome Goal: Fulfill fiduciary trust										
End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure	Type	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 President's Budget	Change from 2010 Plan to 2011	Δ Long-term Target 2016
Bureau Measures										
Tribal Disbursement Transactions Reconciled	A	N/A	N/A	N/A	800	279	0	0	0	0
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	\$7,336	\$6,677	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit		N/A	N/A	N/A	\$9,170	\$23,932	\$0	\$0	\$0	\$0
<i>Comments: Project has ended.</i>										
Δ Contributing Program: Historical Trust Accounting										
Support Tribal Settlement Negotiations	A	N/A	N/A	N/A	20	19	0	40	40	0
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	\$7,773	\$8,845	\$0	\$6,000	\$6,000	\$0
Actual/Projected Cost per unit		N/A	N/A	N/A	\$389	\$466	\$0	\$150	\$150	\$0
<i>Comments: OHTA changed the Tribal measurements.</i>										
Δ Contributing Program: Historical Trust Accounting										
Tribal Litigation Support	A	N/A	N/A	N/A	18	11	0	5	5	0
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	\$7,352	\$4,236	\$0	\$1,000	\$1,000	\$0
Actual/Projected Cost per unit		N/A	N/A	N/A	\$408	\$385	\$0	\$200	\$200	\$0
<i>Comments: OHTA changed the Tribal measurements.</i>										
Δ Contributing Program: Historical Trust Accounting										
Tribal Boxes Searched	A	N/A	N/A	N/A	N/A	N/A	12,500	5,000	-7,500	0
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	N/A	N/A	\$3,750	\$1,500	-\$2,250	\$0
Actual/Projected Cost per unit		N/A	N/A	N/A	N/A	N/A	\$300	\$300	\$0	\$0
<i>Comments: OHTA changed the Tribal measurements.</i>										
Δ Contributing Program: Historical Trust Accounting										
Tribal Investment Profiles	A	N/A	N/A	N/A	N/A	N/A	90	50	-40	0
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	N/A	N/A	\$2,000	\$2,500	\$500	\$0
Actual/Projected Cost per unit		N/A	N/A	N/A	N/A	N/A	\$22	\$50	\$28	\$0
<i>Comments: OHTA changed the Tribal measurements. Project to be completed in FY 2011.</i>										
Δ Contributing Program: Historical Trust Accounting										

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS GOALS PERFORMANCE TABLE										
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Type Codes: C = Cumulative Measure										
End Outcome Goal: Fulfill fiduciary trust										
End Outcome Measure / Intermediate Measure / Efficiency or other Outcome Measure	Type	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 President's Budget	Change from 2010 Plan to 2011	Δ Long-term Target 2016
Bureau Measures										
Δ Contributing Program: Historical Trust Accounting										
Revenue Summaries - Tribal IIM Extension	A	N/A	N/A	N/A	N/A	N/A	10	5	-5	0
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	N/A	N/A	\$4,460	\$1,000	-\$3,460	\$0
Actual/Projected Cost per unit		N/A	N/A	N/A	N/A	N/A	\$446	\$200	-\$246	\$0
<i>Comments:</i>										
Δ Contributing Program: Historical Trust Accounting										
Security & management compliance reports	A	N/A	N/A	N/A	N/A	N/A	104	104	0	104
Total Actual /Projected Cost (\$000)		N/A	N/A	N/A	N/A	N/A	\$765	\$765	\$0	\$765
Actual/Projected Cost per unit(\$000)		N/A	N/A	N/A	N/A	N/A	\$7	\$7	\$0	\$7
<i>Comments:</i>										
Δ Contributing Program: Historical Trust Accounting										

2012 Budget at a Glance

(\$000)	FTE	2010 Actual	2010 Enacted /2011 CR	Fixed Costs and Related Changes	Δ Internal Transfers	Administrative Cost Savings	Program Changes	2012 Request
FEDERAL TRUST PROGRAMS								
EXECUTIVE DIRECTION								
Immediate Office of the Special Trustee	14	2,256	2,256	23	0	-56	-7	2,216
EXECUTIVE DIRECTION TOTAL	14	2,256	2,256	23	0	-56	-7	2,216
PROGRAM OPERATIONS AND SUPPORT								
PROGRAM OPERATIONS								
Deputy Special Trustee for Information Resources								
Information Resources	35	23,048	23,048	61	-16,025	-343	-353	6,388
Trust Records	74	15,018	15,018	129	0	-285	-1,899	12,963
INFORMATION RESOURCES TOTAL	109	38,066	38,066	190	-16,025	-628	-2,252	19,351
Budget, Finance & Administration	30	14,132	14,132	73	99	-203	62	14,163
External Affairs	7	1,259	1,259	13	-4	-28	-4	1,236
Trust Review & Audit	24	4,757	4,757	42	0	-97	-18	4,684
PROGRAM OPERATIONS TOTAL	170	58,214	58,214	318	-15,930	-956	-2,212	39,434
TRUST ACCOUNTABILITY								
Trust Training	7	1,810	1,810	9	0	-28	-4	1,787
National Indian Program Training Center		1,250	1,250	1	0	-23	-500	728
Trust Regulations, Policies, and Procedures <i>Trust Program Management Center</i>	8	1,432	1,432	16	-99	-33	0	1,316
Risk Management	5	625	625	8	25	-16	-4	638
Reengineering		2,082	2,082	13	0	-3	-2,092	0
Probate Clean Up		9,906	9,906	3	0	-180	0	9,729
Product Development Initiative	12	1,155	1,155	16	0	-30	-54	1,087
Data Quality and Integrity	2	3,352	3,352	4	0	-27	-1,000	2,329
TPMC Total	19	17,120	17,120	44	25	-256	-3,150	13,783
TRUST ACCOUNTABILITY TOTAL	34	21,612	21,612	70	-74	-340	-3,654	17,614
FIELD OPERATIONS	250	24,126	24,126	431	4	-774	-316	23,471
APPRAISAL SERVICES	63	10,903	10,903	110	0	-277	-28	10,708
TRUST SERVICES	144	12,337	12,337	248	16,000	-564	-316	27,705
HISTORICAL ACCOUNTING	35	47,536	47,536	8	0	-352	-16,021	31,171
PROGRAM OPERATIONS AND SUPPORT	696	174,728	174,728	1,185	0	-3,263	-22,547	150,103
FEDERAL TRUST PROGRAMS	710	176,984	176,984	1,208	0	-3,319	-22,554	152,319

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Summary of Requirements

(\$000)	2010 Actual	2010 Enacted /2011 CR	Fixed Cost & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	2012 Budget Request	Inc (+) Dec (-) From 2011
Executive Direction	2,256	2,256	23	-56	-7	2,216	-40
Program Operations and Support	174,728	174,728	1,185	-3,263	-22,547	150,103	-24,625
Federal Trust Programs	176,984	176,984	1,208	-3,319	-22,554	152,319	-24,665
Office of the Special Trustee for American Indians	176,984	176,984	1,208	-3,319	-22,554	152,319	-24,665
<i>Total FTE</i>	<i>684</i>	<i>710</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>710</i>	<i>0</i>

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Justification of Fixed Costs and Related Changes

	2010 Budget	2010 Enacted /2011 CR	2012 Fixed Costs Change
<u>Additional Operational Costs from 2011 and 2012 January Pay Raises</u>			
1. 2010 Pay Raise, 3 Quarters in 2010 Budget (2.0%) <i>Amount of pay raise absorbed</i>	+\$945 [0]	N/A	N/A
2. 2009 Pay Raise, 1 Quarter (3.9%) <i>Amount of pay raise absorbed</i>	+\$614 [0]	N/A	N/A
3. 2010 Pay Raise, 1 Quarter (2.0%) <i>Amount of pay raise absorbed</i>	N/A	N/A [+\$32]	+\$285 [0]
4. 2011 Pay Raise, 3 Quarters in 2011 Budget (0%) <i>Amount of pay raise absorbed</i>	N/A	\$0	N/A
5. 2011 Pay Raise, 1 Quarter (0%) <i>Amount of pay raise absorbed</i>	N/A	N/A	\$0
6. 2012 Pay Raise (0 %) <i>Amount of pay raise absorbed</i>	N/A	N/A	\$0
7. Non-Foreign Area COLA Adjustment to Locality Pay <i>Amount of pay raise absorbed</i>	N/A	\$0	+\$21
<p>These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees. Lines 1 and 2, 2010 pay raise estimates provided as a point of reference. Line 3 is the amount needed in 2012 to fund the enacted 2.0% January 2010 pay raise from October through December 2010. Lines 4 and 5, 2011 pay raise is shown as “0” to reflect the first year of the Administration-directed 2-year pay freeze at the 2010 level. Line 6 is shown as “0” to reflect the second year of the Administration-directed 2-year pay freeze at the 2010 level.</p>			

	2010 Budget	2010 Enacted /2011 CR	2012 Fixed Costs Change
<u>Other Fixed Cost Changes</u>			
One Less Pay Day <i>This adjustment reflects the decreased costs resulting from the fact that there is one less pay day in 2012 than in 2011.</i>	N/A	N/A	-\$290
Employer Share of Federal Health Benefit Plans <i>Amount of health benefits absorbed</i> The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. For FY 2012, the increase is 6.8%.	+\$231 [0]	+\$233 [+\$26]	+\$515 [0]
Worker's Compensation Payments <i>Amount of workers compensation absorbed</i> The adjustment is for actual charges through June 2010 in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2012 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.	+\$13 [0]	N/A [+25]	+\$60 [0]
Unemployment Compensation Payments <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.	\$0 [0]	\$0 [0]	\$0 [0]

	2010 Budget	2010 Enacted /2011 CR	2012 Fixed Costs Change
Rental Payments	+\$147	N/A	+\$602
<i>Amount of rental payments absorbed</i>	<i>[0]</i>	<i>[\$254]</i>	<i>[0]</i>
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.			
Increased Staff in 2010	N/A	N/A	N/A
<i>Amount of health benefits absorbed</i>	<i>[0]</i>	<i>[0]</i>	<i>[0]</i>
Departmental Working Capital Fund	+\$386	N/A	+\$15
<i>Amount of WCF payments absorbed</i>	<i>[0]</i>	<i>[-\$5]</i>	<i>[0]</i>
The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.			
Related Changes - Internal Transfers and Other Changes			
<u>Travel Savings</u>			-35
OST will save \$35,000 by reducing travel and relocation expenditures through adoption of new technologies and efficiency improvements.			
<u>Information Resources Savings</u>			-190
OST will save \$190,000 through improved effectiveness and efficiencies in information resources.			
<u>Acquisition Savings</u>			-107
OST will save \$107,000 as a result of the expansion of strategic sourcing for enterprise acquisitions.			
Internal transfer from Information Resources to Trust Services			+/- 16,000
Internal transfer from Information Resources to Trust Accountability			+/- 25
Internal transfer from Trust Accountability to Budget, Finance and Administration			+/- 99
Internal transfer from External Affairs to Field Operations			+/- 4

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

Federal Trust Programs

(Including Transfer of Funds)

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$152,319,000, to remain available until expended, of which not to exceed \$31,171,000, 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 2012, 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. Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111–242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

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. 4041 (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. 4041 (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

\$000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Executive Direction	2,256	2,256	23	-56	-7	2,216	-40
Total	2,256	2,256	23	-56	-7	2,216	-40
<i>FTE</i>	<i>14</i>	<i>14</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>14</i>	<i>0</i>

Summary of 2012 Program Changes for Executive Direction

Request Component	\$000	FTE
<u>Program Changes:</u>		
Executive Direction	-7	0
TOTAL Program Changes	-7	0

The FY 2012 request for Executive Direction is \$2,216,000 and 14 FTE, a program change of -\$7,000 and 0 FTE changes from the 2010 Enacted / annualized 2011 Continuing Resolution.

Executive Direction (-\$7,000/0 FTE)

In FY 2012, a program change of -\$7,000 is proposed for the Executive Direction as a result of position management.

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. 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 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.

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.

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 now and in the future, and properly account for financial resources.

2012 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	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Information Resources	23,048	23,048	-15,964	-343	-353	6,388	-16,660
Office of Trust Records	15,018	15,018	129	-285	-1,899	12,963	-2,055
Budget, Finance and Administration	14,132	14,132	172	-203	62	14,163	+31
Office of External Affairs	1,259	1,259	9	-28	-4	1,236	-23
Office of Trust Review and Audit	4,757	4,757	42	-97	-18	4,684	-73
Program Operations	58,214	58,214	-15,612	-956	-2,212	39,434	-18,780
<i>FTE</i>	<i>169</i>	<i>169</i>	<i>0</i>	<i>0</i>	<i>+1</i>	<i>170</i>	<i>+1</i>

Summary of 2012 Program Changes for Program Operations

Request Component	\$000	FTE
<u>Program Changes:</u>		
Information Resources	-353	0
Office of Trust Records	-1,899	0
Budget, Finance and Administration	62	+1
Office of External Affairs	-4	0
Office of Trust Review and Audit	-18	0
TOTAL Program Changes	-2,212	+1

Justification of 2012 Program Changes

The FY 2012 budget request for Program Operations is \$39,434,000 and 170 FTE, a net program change of -\$2,212,000 and +1 FTE from the 2010 Enacted / annualized 2011 Continuing Resolution.

The Office of Information Resources will have an internal transfer of -\$16,000,000 to Trust Services for the management of the Trust Funds Management System (TFAS) and -\$25,000 to Trust Accountability for Risk Management Plus maintenance. Budget, Finance, and Administration (BF&A) will receive a transfer +\$99,000 and +1 FTE from Trust Accountability. 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.

Information Resources **(-\$353,000/0 FTE)**

In FY 2012, a program change of -\$353,000 is proposed for the Information Resources (IR) program. This reduction will be taken from offices under the control of the Deputy Special Trustee for Information Resources (DST/IR). Between the DST/IR and IR, a total of \$353,000 will be taken from planned equipment purchases. The impact will be a longer life cycle for existing equipment.

Office of Trust Records **(-\$1,899,000/0 FTE)**

In FY 2012, a program change of -\$1,899,000 is proposed for the Office of Trust Records. This reduction will be taken from training, supplies, and travel, where the expanded use of Live Meeting and Office Communicator software will reduce the need for travel dollars. Savings will be achieved by reducing contract support. In FY 2009, OTR in-sourced the records indexing project and 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.

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.

Budget, Finance and Administration **(+\$62,000/+1FTE)**

In FY 2012, a program change of +\$62,000 is proposed for the Office of Budget, Finance and Administration. This increase will be applied to chargeback estimates found under the BF&A Budget by Category table.

Office of External Affairs **(-\$4,000/0 FTE)**

In FY 2012, a program change of -\$4,000 is proposed for the Office of External Affairs. This reduction will be taken from training, supplies, and travel, where the expanded use of Live Meeting and Office Communicator software will reduce the need for travel dollars.

Office of Trust Review and Audit **(-\$18,000/0 FTE)**

In FY 2012, a program change of -\$18,000 is proposed for the Office of Trust Review and Audit. This reduction will be taken from training, supplies, and travel, where the expanded use of Live Meeting and Office Communicator software will reduce the need for travel dollars.

Program Overview

Program Operations provides organization-wide administration and information resources 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 Resources (IR), 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 Resources

(\$19,351,000/109 FTE)

Deputy Special Trustee for Information Resources (DST/IR) The Office of Information Resources (IR) through the DST/IR provides organization-wide information resources 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 DST/IR oversees and directs IR support services including technical support, capital planning and procurement of IR 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 DST/IR 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.

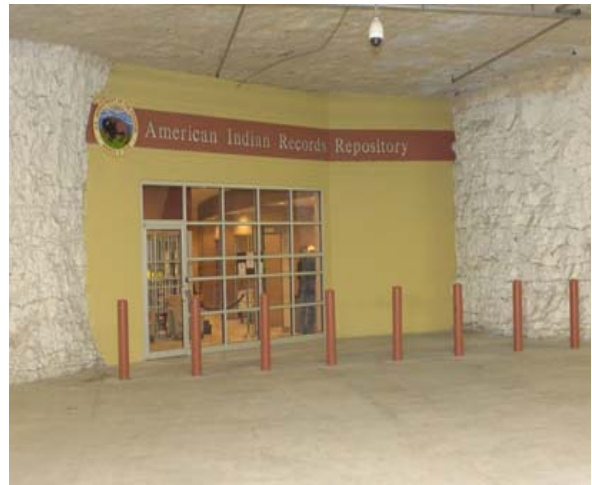
The DST/IR interfaces with the other Departmental CIO offices and develops strategic plans to support OST business processes, and manages OST's IR services which provides the daily OST data systems' support, testing and implementation of automated trust funds financial and other support systems, and ensures necessary interfaces with other trust systems in the BIA, Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), 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.

2012 Program Performance

The performance target in FY 2012 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 be produced. The 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.”

The DST/IR, through the Office of Trust Records (OTR), is responsible for the management of BIA, BIE, AS/IA, and OST records programs by providing guidance and support on records management. 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; disposition and safeguarding of inactive records; retrieval of records for authorized users; and supporting the implementation of a Departmental Electronic Records Management System.



Entrance to the American Indian Records Repository

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.

DST/IR 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.

Records Management Performance Data	2010 Actual	2011 Estimate	2012 Estimate
Number of Personnel Trained	920	500	500
Number of Boxes Indexed	13,249	7,200	7,200

Note: FY 2011 and FY 2012 number of boxes indexed are estimates based on an average of prior years.

The DST/IR 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. At the end of FY 2010, AIRR

had 202,970 boxes. In FY 2012, an estimate of 217,370 boxes will collectively contain about 543 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, DST/IR 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 programs and employees.

DST/IR developed and utilizes BISS, an electronic index of all Indian records in AIRR. The electronic database is searchable. 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 DST/IR also funds ongoing costs for tribal trust litigation activities. These costs include funding of \$4.0 million 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 tribal plaintiffs.

2012 Program Performance

- Index, store, and safeguard approximately 7,200 boxes of inactive records retired from BIA and OST offices, any other Department agencies or tribes with 638 agreements that create Indian fiduciary trust records, at AIRR.
- Provide records management training for approximately 500 federal and tribal employees.
- Continue to provide records management operations and research and litigation document production at AIRR. AIRR staff responds to approximately 2,500 research requests per year, providing over 184,000 pages of documents.
- Continue to maintain the BISS that allows for record retrieval on an as needed basis for an estimate of 217,370 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.
- Continue to support the records management curriculum at Haskell Indian Nations University by providing instructors for the trust records management certificate and by working with HINU to provide student internships at AIRR.
- Continue to provide records management technical support and training for at least 10 tribes with contracted/compacted programs.

- At a Tribe's request, transfer and store inactive Indian fiduciary records created and maintained by tribes, pursuant to contracted/compacted trust programs, at AIRR.
- Review, update, and establish records schedules for any newly identified documents and/or business process records that do not fit into an established record series and submit for approval to the Archivist of the United States. Upon receipt of approval, implement the records schedules.
- Support Departmental production requirements in tribal trust litigation cases.
- Continue to provide records management support and technical guidance through OTR regional records liaisons

OTR will continue to provide records management guidance and technical assistance to other federal agencies that create and maintain Indian fiduciary trust records.

Budget, Finance and Administration

(\$14,163,000/30 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, 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 the conversion to charge cards, GovTrip travel system, and QuickTime for electronic time and attendance.

The BF&A program include 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
(in Thousands)

	2010 Actual	2011 Estimate	2012 Estimate	Change 2012 from 2011
HR Support	\$1,518	\$1,685	\$1,852	\$167
EEO Support	\$98	\$102	\$106	\$4
Acquisition Support	\$1,232	\$1,453	\$1,674	\$221
Accounting Support	\$534	\$531	\$528	-\$3
Security	\$569	\$583	\$597	\$14
Space Rental	\$7,129	\$7,308	\$7,487	\$179
Working Capital Fund (Cent.)	\$2,130	\$2,149	\$2,168	\$19
Workers Compensation	\$67	\$70	\$73	\$3
BFA Offices	\$5,244	\$5,315	\$5,386	\$71
Obligations	\$18,521	\$19,196	\$19,871	\$675
Chargeback Estimate	-\$4,389	-\$4,693	-\$4,997	\$304
Total	\$14,132	\$14,503	\$14,874	\$371

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.

2012 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 beneficiary checks timely and accurately.
- 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							
	2008 Actual	2009 Actual	2010 Actual	2011 Plan	2012 President's Budget	Program Change Accruing in 2012	Program Change Accruing in Out-years
	A				B=A+C	C	D
<i>Beneficiary Services: Percent timeliness of financial account information provided to trust beneficiaries. (SP)</i>	100.00%	100.00%	100.00%	99.50%	99.50%	0.00%	0.00%
	766,589	770,198	787,340	776,100	796,000	19,900	0
	766,589	770,198	787,340	780,000	800,000	20,000	0
Total Actual /Projected Cost (\$000)	\$415	\$782	\$834	\$1,000	\$1,195	\$195	\$0
Actual/Projected Cost per statement	\$0.54	\$1.02	\$0.37	\$1.29	\$1.50	\$0.21	\$0.00
<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 FY 2009. Beginning in FY 2008, projected costs include postage (prior years included only costs to produce the statements).</i>							
Δ Contributing Program: Budget, Finance and Administration and Information Resources							

Office of External Affairs**(\$1,236,000/7 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 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 tribal self-investment and management outside of the Federal government pursuant to the Reform Act and coordinates OST's activities in response to tribal requests to withdraw funds out of trust status.

The Reform Act authorizes tribes to withdraw tribal funds held in trust status for tribal self-investment and management and thereby eliminate federal management of those tribal funds. To withdraw these tribal funds, a tribe must submit an application that includes data and information about how the tribe intends to invest and manage the funds once withdrawn from trust status.

OEA has developed a brochure for tribes which 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 subject matter experts determine that the application is complete, the regulations provide that OST has 90 days to review and approve or decline the application. The regulations allow additional time for information or clarifications to be received during the review process.

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:

- **Provide Self-Governance Compact and Self Determination Contract Opportunities to tribes:** Foster the use of self-governance compacts and self-determination contracts for OST programs 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 to tribal self-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 IR-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 Title I and Title IV of Public Law 93-638. In FY 2010, 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 tribes had program standards for the performance of OST functions in place. OEA continues to assist tribes in support of self-determination and self-governance and to provide opportunities for new tribes interested in operating OST trust programs or for those tribes seeking authority to access OST IR-based trust systems. OEA will utilize its resources to meet 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.

2012 Program Performance

In FY 2012, OEA will enhance interest in OST's contractable/compactable programs with self-determination and self-governance tribes in an effort to seek better participation in tribal operation of OST programs. OEA will provide helpful information to tribes currently operating OST trust programs to access OST's IR-based trust systems, at their tribal facility, provided that such IR-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 and services 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 IR-based trust systems.
- Determining costs to tribes for access to OST IR-based trust systems.
- Securing approval by the required Departmental boards for any tribal requests to access OST IR-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 OST’s national debit card and direct deposit programs 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, for tribal self-investment and management and encouraging enhanced tribal involvement in this program whenever possible.

Office of Trust Review and Audit

(\$4,684,000/24 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.

OTRA provides independent reviews of Indian fiduciary trust programs administered by the Department of the Interior and Indian tribes to ensure that the Secretary of the 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 Reform Act OST has implemented an Indian trust examination process to assist the Department and participating tribes in the management of Indian trust operations and programs. The results of these examinations are provided to the managers of Indian trust programs and Indian fiduciary activities at the tribal and federal levels to address deficiencies and improve overall trust operations and management. Due to the comprehensive nature of the Indian trust examinations and the increasing number of trust programs that must be evaluated, these examinations are prioritized by trust rating, risk factors, or exam cycle. Rising salaries, fuel, transportation, travel and fixed costs contribute to the overall increase in cost to perform the Indian trust examinations.

In FY 2012, OTRA anticipates increasing its current exam workload to include some reviews of the Office’s of Appraisal Services programs at each Region and potentially the Indian Land Consolidation Offices as a result of the implementation of the Cobell settlement. A conservative estimate of ten (10) additional examinations has been added to the OTRA workload for the FY 2012 Trust Examination goal.

	2010 Actual	2011 Estimate	2012 Request
Records Management Assessments (180 sites)			
Number of sites reviewed	40	40	40
Trust Examinations (180 sites)			
Number of sites reviewed	38	38	48

2012 Program Performance

- Apply the comprehensive Indian Trust Rating System to all entities evaluated.
- Perform 40 records management assessments or follow-up reviews on corrective action plans for records management assessments.
- Track and report on examination findings, recommendations and corrective action plans for all examinees.
- Perform quarterly follow-up on corrective action plans for records management assessments.
- Continue to advise senior managers when 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 2012, employees will complete approximately 40 hours of continuing professional education.

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Activity: Program Operations and Support
Subactivity: Trust Accountability

\$000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Trust Training	1,810	1,810	9	-28	-4	1,787	-23
National Indian Program Training Center	1,250	1,250	1	-23	-500	728	-522
Trust Regulations Policies and Procedures	1,432	1,432	-83	-33	0	1,316	-116
Trust Program Management Center	17,120	17,120	69	-256	-3,150	13,783	-3,337
Trust Accountability	21,612	21,612	-4	-340	-3,654	17,614	-3,998
<i>FTE</i>	<i>37</i>	<i>37</i>	<i>0</i>	<i>0</i>	<i>-3</i>	<i>34</i>	<i>-3</i>

Summary of 2012 Program Changes for Trust Accountability

Request Component	\$000	FTE
<u>Program Changes:</u>		
Trust Training	-4	+2
National Indian Program Training Center	-500	0
Trust Regulations Policies and Procedures	0	-1
Trust Program Management Center	-3,150	-4
TOTAL Program Changes	-3,654	-3

Justification of 2012 Program Changes

The FY 2012 budget request for Trust Accountability is \$17,614,000 and 34 FTE, a program change of -\$3,654,000 and -3 FTE from the 2010 Enacted / annualized 2011 Continuing Resolution. Trust Accountability will transfer -\$99,000 and -1 FTE to Budget, Finance, and Administration. Trust Accountability will also transfer -2 FTE to Trust Services. The Office of Information Resources will transfer +\$25,000 to Trust Accountability for Risk Management Plus maintenance.

Trust Accountability (NIPTC) (-\$500,000/0 FTE)

In FY 2012, OST’s annual contribution to the National Indian Program Training Center (NIPTC) will decrease by -\$500,000. OST will work with NIPTC to negotiate an agreed upon amount for FY 2012 that better reflects OST’s use of NIPTC’s services.

Trust Program Management Center (TPMC)**Trust Accountability (Reengineering)****(-\$2,092,000/-8 FTE)**

The Office of Reengineering was established pursuant to recommendations resulting from studies and in an effort to fulfill the various oversight and reform duties outlined in the Reform Act. The Office of Reengineering worked to consolidate prior fiduciary trust reform plans and the results of prior efforts to complete the CTM and FTM, the roadmaps for fiduciary trust reform still today. A milestone accomplishment of the office leading to the CTM and FTM was to document the fiduciary trust processes in their current state, recommend an operating framework for a more effective, efficient fiduciary trust operation that fully leverages state of the art technology, risk management, and industry best practices. Another office milestone was to document the future fiduciary trust operating framework and support implementation of the new operating environment to the extent possible.

The bulk of the trust reform projects that the Reengineering staff impacted are in production. Therefore, Reengineering's operations are now deemed a lower priority. The program will be eliminated through attrition or staff will be reassigned to vacant positions in other programs in OST pursuant to their skills and abilities.

Product Development Initiative**(-\$54,000/+3 FTE)**

In FY 2012, a program change of -\$54,000 is proposed for Product Development Initiative. This reduction will be taken from training, supplies, and travel, where the expanded use of Live Meeting and Office Communicator software will reduce the need for travel dollars.

Trust Accountability (DQ&I)**(-\$1,000,000/0 FTE)**

The program funds the DQ&I 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 concentrated its efforts on remaining post-conversion clean up, conveyance and encumbrance document encoding backlogs, and Post-QA review of TAAMS entries.

TAAMS Leasing module post-conversion cleanup efforts are projected to be completed by FY 2011. In FY 2012, DQ&I in collaboration with BIA will (1) assist with trust document encoding backlogs; (2) assist with land title research and correction tasks (3) lead trust data clean-up tasks that may arise as a result of risk assessments; and (4) continue performing Post-QA review of TAAMS entries.

Program Overview

The CTM laid the groundwork for the development of the 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 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 Secretary of the Interior, on February 19, 1999, directed that land title to all trust allotment interests previously escheated or held in abeyance pursuant to the Indian Land Consolidation Act (ILCA) be reverted to the lawful heirs. The escheatment provisions within ILCA were ruled unconstitutional. While awaiting the final outcome of the ILCA provision, the funds derived from the lands held in abeyance were held in IIM accounts. In April 2009, OST's Office of Product Development Initiatives (PDI) began the multi-year effort to identify the source of the funds in the IIM accounts and distribute the funds to the lawful heirs. To date, PDI has leveraged information technology to automate as much of the distribution process as lends itself to automation, and plans to have 50% of the transactions identified and distributed by Fiscal Year 2012.

The implementation of the TAAMS Leasing module was paramount to the successful implementation of the TAAMS Accounts Receivable (A/R) module. The implementation of the TAAMS A/R module has enabled DOI to automatically: (1) issue trust remittance payment invoices; (2) distribute trust funds to beneficiary accounts once the funds are received; and (3) 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.

Trust Accountability functions in the universal support function mode as described in the FTM. The term "universal support functions" encompasses continuous business process improvement in; Regulations, Policies and Procedures through the annual update and availability of the electronic fiduciary library; aggressive Risk Management; fiduciary certification and required DOI Training; and Product Development Initiative. When the processes have been modeled and are ready, the Product Development Initiative staff will lead the implementation of the modeled concept.

OST's Risk Management program ensures that among the program manager self-assessments, the reviews conducted by OTRA and independent external auditors, OST management can provide reasonable assurance that the financial reports are reliable, their programs are operating efficiently and effectively, and their programs are 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 **(\$1,787,000/7 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 meets the needs of trust programs within DOI. In FY 2011, OTT will update existing trust function courses and develop additional courses with the assistance of a contractor. OTT 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. OTT provides the Certified Indian Fiduciary Trust Specialist (CIFTS) certification program. In FY 2011 and FY 2012, the CIFTS review and exam sessions will be offered at least once each year.

Trust Training - Performance Data	2010 Actual	2011 Estimate	2012 Estimate
Number of certification classes offered for the Certified Indian Fiduciary Trust Specialists	27	20	20

National Indian Program Training Center (NIPTC) **(\$728,000/0 FTE)**

The National Indian Program Training Center (NIPTC) is a state-of-the-art training center which provides a broad range of mission critical, leadership, and career development courses to individuals who are committed to fulfilling the government’s responsibilities to Indian Country.

Trust Regulations, Policies and Procedures **(\$1,316,000/8 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.

In FY 2010, OTP implemented a comprehensive electronic fiduciary library that includes the trust policies, procedures and other directives that other bureaus and offices follow. 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 2010, the focus of the Trust Liaison Group in FY 2011 and FY 2012 will be on tribal consultation.

Office of Policy and Procedures Performance Data	2010 Actual	2011 Estimate	2012 Estimate
Number of policies/directives developed/revised	26	26	26
Number of procedures developed/revised	27	27	27
Number of delegations of authority developed/revised	23	23	23
Number of work tickets and forms revised	13	13	13
Number of handbook bulletins developed/revised	23	23	23

Trust Program Management Center

(\$13,783,000/19 FTE)

		2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
				Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Risk Management	(\$000)	625	625	33	-16	-4	638	+13
	FTE	4	4	0	0	+1	5	+1
Reengineering	(\$000)	2,082	2,082	13	-3	-2,092	0	-2,082
	FTE	8	8	0	0	-8	0	-8
Probate Clean Up	(\$000)	9,906	9,906	3	-180	0	9,729	-177
	FTE	0	0	0	0	0	0	0
Product Development Initiative	(\$000)	1,155	1,155	16	-30	-54	1,087	-68
	FTE	9	9	0	0	+3	12	+3
Data Quality and Integrity	(\$000)	3,352	3,352	4	-27	-1,000	2,329	-1,023
	FTE	2	2	0	0	0	2	0
Trust Program Management Center	(\$000)	17,120	17,120	69	-256	-3,150	13,783	-3,337
	FTE	23	23	0	0	-4	19	-4

Trust Program Management Center (TPMC): TPMC provides project development, implementation, 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 FTM 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 a DOI trust organization with the structure, policies, and procedures that fulfill Interior’s trust responsibilities, all with a beneficiary focus.

Risk Management

(\$638,000/5 FTE)

Implementing the FTM directly relates to the OST Risk Management program performance measure. TPMC’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 financial reporting is free of material misstatement, programs are operating efficiently and effectively and in compliance with laws and regulations. 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 to OST staff; increasing support of internal programs and internal control testing 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, 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.

Risk Management - Performance Data	2010 Actual	2011 Estimate	2012 Estimate
Number of Program Self-Assessments Performed in Automated Tool (RM-Plus)	49	56	56
Number of Programs Tested	32	38	46

Probate Cleanup **(\$9,729,000/0 FTE)**

In FY 2012, \$9,729,000 will be transferred to the Office of Hearings and Appeals.

Although the responsibility for directing overall probate cleanup efforts rests with BIA, OST oversees caseload management 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 to case processing bottlenecks. 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 that probates are completed and assets are distributed in a timely manner.

In FY 2010, OHA received over 1,000 more cases from BIA than anticipated; however, BIA does not expect to refer that many cases to OHA in FY 2011 and 2012. OHA expects its productivity to be a bit higher in FY 2011, as its three newest judges continue to gain experience. OHA anticipates that it will not replace one of its judges who is set to retire, which may or may not lead to a modest decline in cases decided that year given the 3 new judges will have enough experience to be able to fill the void.

OHA Probate Performance Data 2010-2012				
	# of cases pending beginning of year	# of new cases received	# of cases decided	# of cases pending end of year
FY 2010	3,969	8,036	7,164	4,841
FY 2011	4,841	7,000	7,200	4,641
FY 2012	4,641	7,000	7,070	4,571

Product Development Initiative **(\$1,087,000/12 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 continue to 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 FY 2009, PDI began the Youpee Escheat Funds Distribution project. The purpose of this project is to research the allotment and escheated interests within the undistributed funds deposited into Youpee Escheat Accounts. Once this is accomplished, the funds are distributed to the current

heirs of the decedent whose land interests were escheated. PDI led the development of a TAAMS-based program that is used to determine the current heirs of the decedent and the amount of Youpee Escheat funds each heir is to receive. The development and use of this program made the distribution of escheat funds approximately 75% more efficient compared to determining the distribution manually. Beginning in FY 2012, OST anticipates that 50% of the Youpee Escheat fund receipts will remain to be distributed.

PDI is responsible for the on-going SDA reconciliation that is in place to ensure that the high-dollar and extremely aged build-up of funds in SDA does not occur again. The SDA team also reports monthly throughout the Department on the funds not yet distributed at the centralized commercial lockboxes. Also performed monthly in PDI is the only estate account reconciliation between TFAS, TAAMS, and ProTrac. The purpose of the reconciliation is to keep the three systems in balance in terms of the number of estate accounts. It is anticipated that this reconciliation will eventually lead to the actual number of outstanding individual Indian estates (vs. accounts).

PDI is in charge of the team that is continuously monitoring the data in TFAS, identifying and correcting discrepancies as well as the data in TAAMS.

PDI contains SWAT teams that can be sent out on location to help correct data discrepancies or distribute funds from SDA when the local staff at the agencies are not sufficient to get the work done in a timely manner.

The project manager for the DQ&I multi-year project which is discussed in detail below is part of the PDI group.

PDI is also in the process of working several multi-year initiatives such as: Pay.Gov (ability for BIA lessees to remit funds electronically), internet access for IIM account holders, broadcast notification for IIM account holders with direct deposit or debit cards, transmitting direct deposits directing through the automated clearing house vs. having to reformat all the files to go through a Treasury system, placing Kiosks at the agencies for lessees and IIM account holder utilization.

Trust Accountability tracks projects with PMI certified project managers that work closely with the staff in PDI to accomplish all of the above as well as the additional projects and assignments given to PDI as they are uncovered and/or funded.

Data Quality and Integrity (DQ&I)

(\$2,329,000/2 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. From FY 2007 through FY 2010, the DQ&I project supported the BIA's effort to convert to the TAAMS Leasing module and to guide and assist with the BIA's TAAMS document encoding backlog efforts. This was accomplished by: (1) assisting the BIA with their encumbrance and conveyance document encoding into TAAMS; (2) correcting multiple landowner identification (ID) numbers; and (3) analyzing landowner ID numbers and ownership interests in the TAAMS Title module to determine their

accuracy. DQ&I also continued to perform Post-QA reviews of document encoding entries made into TAAMS. It is anticipated that the Post-QA review process will be ongoing indefinitely to help ensure that TAAMS CDE remain accurate.

TAAMS Leasing module post-conversion clean-up efforts are projected to be completed by the end of FY 2011. In FY 2012, DQ&I in collaboration with BIA will: (1) assist with trust document encoding backlogs; (2) assist with land title research and correction, and (3) lead trust data clean-up tasks that may arise as a result of risk assessments, and (4) continue performing Post-QA review of TAAMS entries.

2012 Program Performance

Trust Accountability provides the following services:

- Ensuring risks are identified and mitigated, whenever possible, in the management of the Indian trust across bureaus and offices.
- Improving the accuracy and timeliness of updating Indian trust data maintained in the trust systems on a continual basis through: 1) monitoring of activity and transactions; 2) utilizing evaluations of system efficiency and effectiveness; and 3) implementing corrections on a timely basis.
- Ensuring Indian trust policies and procedures are standardized, current and available to the users electronically.
- Planning a fiduciary trust curriculum based on OST annual priorities and the DOI Strategic Plan.
- Completing DOI's trust reform improvements as outlined in the FTM by leveraging the Internet, fully utilizing information resources, and implementing refined and streamlined business processes.
- Completing the full integration of the Indian trust systems through automated interfaces.
- Encouraging participation by lessees in electronic processing of payments for the use of trust resources.
- Maintaining the Indian trust management professional certification program.

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Activity: Program Operations and Support
Sub-activity: Field Operations

\$000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Field Operations	24,126	24,126	435	-774	-316	23,471	-655
Total	24,126	24,126	435	-774	-316	23,471	-655
<i>FTE</i>	250	250	0	0	0	250	0

Summary of 2012 Program Changes for Field Operations

Request Component	\$000	FTE
<u>Program Changes:</u>		
Field Operations	-316	0
TOTAL Program Changes	-316	0

Justification of 2012 Program Changes

The FY 2012 budget request for Field Operations is \$23,471,000 and 250 FTE, a program change of -\$316,000 and 0 FTE from the 2010 Enacted / annualized 2011 Continuing Resolution.

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.

Field Operations **(-\$316,000/0 FTE)**

The FY 2012 budget request for the Field Operations Program will include a reduction of -\$316,000. This reduction will be absorbed through limiting external training, along with decreases in outsourcing costs for contractor assistance.

Field Operations **(\$23,471,000/250 FTE)**

Field Operations is the primary point of contact for trust beneficiaries (tribes, individual Indians and Alaska Natives) 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 including statutory or regulatory changes affecting trust asset management important for beneficiaries to know, or assistance beneficiaries may need. Field Operations also has a key role in leading the Department’s outreach efforts to beneficiaries. Outreach events include attendance at community meetings and pow-wows with a focus on providing information on asset management and trust reform initiatives, as

well as holding financial skills training for IIM beneficiaries throughout Indian Country. As a result of the implementation of the Cobell settlement, Field Operations will also potentially provide outreach support to the Indian Land Consolidation Offices in its efforts to acquire fractional interests in trust or restricted lands. 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.



Fiduciary Trust Officer and staff conducting beneficiary outreach.

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, 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. 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. Beneficiaries can easily access information and assistance regarding their account statements, account balances, other account attributes, receipts, disbursements, leases 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. In an effort to reduce the population of accountholders due to a lack of a current address, the TBCC also handles and processes all OST mailings to accountholders that are returned. Contract personnel trained in various trust beneficiary issues and with access to all trust systems make up the majority of TBCC staff. Field Operations monitors the contractors' work and provides technical direction and guidance and managerial direction as needed.

After six years of operation, the call center has received over 714,397 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 that the TBCC will receive approximately 180,000 inquiries annually by FY 2012. 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 2012, the TBCC tracking system will continue to be used to automate beneficiary transactions, eliminating manual verifications and streamlining the disbursement process.

In FY 2010, Field Operations located approximately 33,697 WAU accountholders with balances in excess of \$28.0 million. At the end of FY2010, there were 104,309 WAU beneficiaries representing \$67.2 million. As of January 31, 2011, there were 93,665 WAU accounts with balances totaling approximately \$63.9 million. WAUs are beneficiaries whose current addresses are not known by OST and therefore are unable to receive disbursements or statements from their trust accounts.

In FY 2012, 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 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.

2012 Program Performance

In FY 2012, 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 the Department's bureaus and offices with Indian trust responsibilities. These partnerships enhance communication with beneficiaries and promote a beneficiary focus throughout the Department.
- Continue interaction with Tribal and individual Indian, and Alaska Native beneficiaries through local community outreach programs focused on 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 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, 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 financial stability. The training will help elders with the special challenge of managing resources they may consider leaving to their heirs.
- Respond to 90% of beneficiary inquiries within two business days and respond to the balance of these inquiries within 30 days.
- Actively engage Tribal and individual Indian beneficiaries in management of their trust assets.
- Continue to advocate establishing direct deposit or debit card capabilities for individual Indian and Alaska Native beneficiaries and electronic fund transfers for tribal governments. Direct deposit and debit cards provide faster disbursement while reducing the risk of lost or stolen funds.
- Continue to work with tribal leadership to stress the importance of proper estate planning and continue partnerships with local bar associations, legal services organizations, and law schools to advocate the importance of estate planning for individual Indian beneficiaries. These working relationships are at no or minimal cost to the beneficiary in response to the Department's policy of no longer providing will drafting assistance to owners of trust interests. Proper estate planning can reduce fractionation and enhance the use and value of trust lands for beneficiaries while reducing long term administrative costs to the Department. The relationships established by Field Operations result in the provision of a valuable service to beneficiaries at no cost to the government.
- 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 level, reducing rework.

Program Performance Change							
	2008 Actual	2009 Actual	2010 Actual	2011 Plan	2012 President's Budget	Program Change Accruing in 2012	Program Change Accruing in Out-years
				A	B=A+C	C	D
Responsiveness: Responsiveness of OST to tribal and individual trust concerns and needs. (BUR)	92%	95%	94%	90%	90%	0%	0%
	205,182	232,326	240,921	216,000	247,500	31,500	0
	223,248	243,355	256,422	240,000	275,000	35,000	0
<i>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.							
Δ Contributing Program: Field Operations							

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

\$000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Appraisal Services	10,903	10,903	110	-277	-28	10,708	-195
Total	10,903	10,903	110	-277	-28	10,708	-195
<i>FTE</i>	<i>63</i>	<i>63</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>63</i>	<i>0</i>

Summary of 2012 Program Changes for Appraisal Services

Request Component	\$000	FTE
<u>Program Changes:</u>		
Appraisal Services	-28	0
TOTAL Program Changes	-28	0

Justification of 2012 Program Changes

The FY 2012 budget request for the Appraisal Services program is \$10,708,000 and 63 FTE, a program change of -\$28,000 and 0 FTE from the 2010 Enacted / annualized 2011 Continuing Resolution.

Office of Appraisal Services **(-\$28,000/0 FTE)**

In FY 2012, a program change of -\$28,000 is proposed for the Appraisal Services as a result of position management.

Appraisal Services **(\$10,708,000/63 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 6,532 appraisals in FY 2010 (excluding appraisals completed using the Undivided Fractionated Appraisal System (U/FAS), which is an automated valuation system) and anticipates completing approximately 6,000 appraisals in FY 2012 (again, excluding any appraisals completed using U/FAS). 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 and continued deployment of U/FAS will improve productivity and provide more efficiencies within the appraisal program.

2012 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.

Activity: Program Operations and Support
Sub-activity: Trust Services

S000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Trust Services	12,337	12,337	16,248	-564	-316	27,705	15,368
Total	12,337	12,337	16,248	-564	-316	27,705	15,368
<i>FTE</i>	<i>121</i>	<i>142</i>	<i>0</i>	<i>0</i>	<i>+2</i>	<i>144</i>	<i>0</i>

Summary of 2012 Program Changes for Trust Services

Request Component	S000	FTE
<u>Program Changes:</u>		
Trust Services	-316	+2
TOTAL Program Changes	-316	0

Justification of 2012 Program Changes

The FY 2012 budget request for Trust Services is \$27,705,000 and 144 FTE, a net program change of -\$316,000 and +2 FTE from the 2010 Enacted / annualized 2011 Continuing Resolution.

Trust Services **(-\$316,000/+2 FTE)**

In FY 2012, Trust Services is reduced by -\$316,000. TFAS is funded through a base contract with additional costs for each account managed by the system, a net reduction of 100,000 accounts (from a current volume of 412,000 accounts) is necessary. It is anticipated that this reduction will be facilitated by: 1) ILCP portion of the Cobell Settlement, which is projected to decrease land fractionation and subsequently the number of accounts in TFAS, and 2) keeping non-active accounts (which have land based assets but no monetary balances or financial transactions) in TAAMS only, from which land asset statements will be generated.

Program Overview

Trust Services

(\$27,705,000/144 FTE)

The 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 Reform Act, Congressional action, and other applicable laws.

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

- 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.
- Establishing and monitoring workload and processing timeframes.

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 2,800 tribal accounts and other trust funds, including the Alaska Native Escrow Fund. Approximately \$470 million is held on behalf of individual Indians in over 380,000 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.



Check processing machine.

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 the Office of Natural Resources Revenue (ONRR) and BIA receipt of funds and source documents.

Trust Funds Accounting System (TFAS) – In order to comply with the provisions of the Reform Act, (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 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 380,000 open and over 40,000 closed accounts. Of the 380,000 open accounts approximately 100,000 were non-income accounts. These non-income accounts allow TFAS to produce a Statement of Performance for these accounts which include real property assets. 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, security custody and investment settlement services.

Estimated TFAS Total Accounts			
Status	2010 Actual	2011 Estimate	2012 Estimate
Open \$\$\$ and Land	248,808	295,000	225,000
Land only	131,904	110,000	80,000
Closed	44,302	20,000	20,000
TOTAL	425,014	425,000	325,000

** 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.*

2012 Program Performance

The FY 2012 funding allows Trust Services to:

- Attain at least 99% accuracy for financial information initially processed in trust beneficiary accounts.
- Record at least 99% of ONRR royalty revenue within 24 hours of receipt.
- Maintain necessary Tribal trust litigation support.
- Continue to process 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.

Program Performance Change							
	2008 Actual	2009 Actual	2010 Actual	2011 Plan	2012 President's Budget	Program Change Accruing in 2012	Program Change Accruing in Out-years
				A	B=A+C	C	D
Beneficiary Services: Percent of financial information initially processed accurately in trust beneficiaries' accounts. (SP)	99.93%	99.94%	99.97%	99.97%	99.97%	0.00%	0.00%
	8,045,416	8,262,510	8,487,311	8,500,000	8,500,000	0	0
	8,050,902	8,267,407	8,487,311	8,502,400	8,502,400	0	0
Total Actual /Projected Cost (\$000)	\$8,056	\$8,322	\$5,710	\$6,500	\$6,500	\$0	\$0
Actual/Projected Cost per Transaction	\$1.00	\$1.01	\$0.67	\$0.76	\$0.76	\$0.00	\$0.00
Comments: The performance measure used in FY2011 includes all transactions rather than just manual transactions to better compare Trust Service's efficiency.							
Δ Contributing Program: Trust Services							
Ensure Timeliness of Mineral Revenue Payments to American Indians: Percent of oil and gas revenue transmitted by ONRR recorded in the Trust Funds Accounting System within 24 hours of receipt. (SP)	99.9%	99.9%	100.0%	99.1%	99.1%	0%	0%
	152,817,362	102,505,538	154,282,290	153,650,000	153,650,000	0	0
	152,997,021	102,618,230	154,282,290	155,000,000	155,000,000	0	0
Total Actual /Projected Cost	\$12.4	\$5.5	\$8.4	\$8.0	\$8.0	\$0	\$0
Actual/Projected Cost per day revenue recorded	\$49.73	\$22.23	\$33.59	\$32.00	\$32.00	\$0.00	\$0.00
Comments: Revenue reported reflects oil and gas collection from the Office of Natural Resources Revenue. 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. 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.							
Δ Contributing Program: Trust Services							

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Activity: Program Operations and Support
Subactivity: Historical Trust Accounting

\$000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Historical Trust Accounting	47,536	47,536	8	-352	-16,021	31,171	-16,365
Total	47,536	47,536	8	-352	-16,021	31,171	-16,365
<i>FTE</i>	35	35	0	0	0	35	0

Summary of 2012 Program Changes for Historical Trust Accounting

Request Component	\$000	FTE
<u>Program Changes:</u>		
Historical Trust Accounting	-16,021	0
TOTAL Program Changes	-16,021	0

Justification of 2012 Program Changes

The FY 2012 budget request for the Office of Historical Trust Accounting is \$31,171,000 and 35 FTE, a program change of -\$16,021,000 and 0 FTE from the 2010 Enacted / annualized 2011 Continuing Resolution.

Office of Historical Trust Accounting **(-\$16,021,000/0 FTE)**

In FY 2012, a program change of -\$16,021,000 is proposed for OHTA. Due to passage of the Cobell settlement, OHTA has largely eliminated its IIM Historical Accounting program.

Office of Historical Trust Accounting **(\$31,171,000/35 FTE)**

Program Overview

In 1994, Congress passed Reform Act. This Act requires the Secretary of the Interior to “account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a).” 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 Individual Indian Money (IIM) accounts (OHTA’s responsibilities were later expanded to include the provision of historical accounting for tribal 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 critical technical expertise in areas such as accounting services, historical research, information resources, data security, statistical analysis, document search, collection, and reproduction.

The Department and OHTA are involved 96 lawsuits filed by or on behalf of approximately 114 tribes. These cases are in various Federal District Courts and the Court of Federal Claims.

OHTA is providing data and analysis in support of implementation of the Cobell class action claims portion of the Claims Resolution Act.

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, 96 cases pending, and 28 different judges presiding in various District Courts and the Court of Federal Claims. 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.



Imagers at work.

2012 Program Performance

Tribal Historical Accounting

Funding for OHTA's Tribal Division will be \$26.2 million. OHTA 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 in order to settle or defend the tribal litigation.

OHTA's Tribal Division will primarily support settlement negotiations that are active with a substantial number of the 114 litigating tribes. OHTA also will continue to provide information about the Government's historical trust fund investment practice and performance. Moreover, OHTA also expects to perform calculations that will help justify or assess potential settlement amounts. For example, OHTA will continue to calculate actual investment performance and compare that performance with potential, relevant investment benchmarks. Also, OHTA expects to perform work that will enable the parties to more precisely quantify claims related to disbursement transactions.

Special Deposit Accounts

In FY 2012, the funding for OHTA's Special Deposit Accounts will be \$4.0 million. OHTA will continue to research the rightful owners of residual balances in special deposit accounts and distribute \$1.6 million to individual Indians, tribes, and third parties.

IIM Historical Accounting

In FY 2012, the funding for OHTA’s IIM Historical Accounting will be \$1.0 million. Due to the passage of the settlement agreement between the Cobell plaintiffs and the U.S. Government defendants there will be costs associated with implementing the settlement that OHTA has been requested to cover.

Program Performance Change							
	2008 Actual	2009 Actual	2010 Actual	2011 Plan	2012 President's Budget	Program Change Accruing in 2012	Program Change Accruing in Out- years
				A	B=A+C	C	D
SDA Dollars (\$000)	\$3,262	\$2,169	\$3,521	\$1,250	\$1,250	\$0	\$1,000
Total Actual /Projected Cost (\$000)	\$3,934	\$5,227	\$4,038	\$4,000	\$4,000	\$0	\$4,000
Actual/Projected Cost per unit	\$1.21	\$2.41	\$1.15	\$3.20	\$3.20	\$0	\$4.00
<i>Comments:</i>							
Δ Contributing Program: Historical Trust Accounting							
IIM Transactions – Data Completeness Validation	7,630,533	5,697,811	2,418,085	0	0	0	0
Total Actual /Projected Cost (\$000)	\$8,119	\$11,123	\$4,920	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit	\$1.1	\$1.95	\$2.03	\$0.00	\$0.00	\$0	\$0.00
<i>Comments: Project has ended.</i>							
Δ Contributing Program: Historical Trust Accounting							
IIM Transactions – Interest Re-Calculation Project	80,814	61,346	20,420	0	0	0	0
Total Actual /Projected Cost (\$000)	\$4,135	\$3,140	\$701	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit	\$51.2	\$51.19	\$34.33	\$0.00	\$0.00	\$0	\$0.00
<i>Comments: Project has ended.</i>							
Δ Contributing Program: Historical Trust Accounting							
IIM Digitized Paper Transactions	37,733	37,859	1,733	0	0	0	0
Total Actual /Projected Cost (\$000)	\$314	\$130	\$13	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit	\$8.32	\$3.43	\$7.50	\$0.00	\$0.00	\$0	\$0.00
<i>Comments: Project has ended.</i>							
Δ Contributing Programs: Historical Trust Accounting							
Tribal Disbursement Transactions Reconciled	N/A	N/A	279	0	0	0	0
Total Actual /Projected Cost (\$000)	N/A	N/A	\$6,677	\$0	\$0	\$0	\$0
Actual/Projected Cost per unit	N/A	N/A	\$23,932	\$0.00	\$0.00	\$0	\$0.00
<i>Comments: Project has ended.</i>							
Δ Contributing Program: Historical Trust Accounting							
Support Tribal Settlement Negotiations	N/A	N/A	19	0	40	40	0
Total Actual /Projected Cost (\$000)	N/A	N/A	\$8,845	\$0	\$6,000	\$6,000	\$0
Actual/Projected Cost per unit (\$000)	N/A	N/A	\$465.53	\$0.00	\$150.00	\$150	\$0.00
<i>Comments: OHTA changed the Tribal measurements.</i>							
Δ Contributing Program: Historical Trust Accounting							

Program Performance Change							
	2008 Actual	2009 Actual	2010 Actual	2011 Plan	2012 President's Budget	Program Change Accruing in 2012	Program Change Accruing in Out- years
				A	B=A+C	C	D
Tribal Litigation Support	N/A	N/A	11	0	5	5	0
Total Actual /Projected Cost (\$000)	N/A	N/A	\$4,236	\$0	\$1,000	\$1,000	\$0
Actual/Projected Cost per unit (\$000)	N/A	N/A	\$385.09	\$0.00	\$200.00	\$200	\$0.00
<i>Comments: OHTA changed the Tribal measurements.</i>							
Δ Contributing Program: Historical Trust Accounting							
Tribal Boxes Searched	N/A	N/A	N/A	12,500	5,000	-7,500	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$3,750	\$1,500	-2,250	0
Actual/Projected Cost per unit	N/A	N/A	N/A	\$300.00	\$300.00	0	0
<i>Comments:</i>							
Δ Contributing Program: Historical Trust Accounting							
Tribal Investment Profiles	N/A	N/A	N/A	90	50	-40	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$2,000	\$2,500	\$500	\$0
Actual/Projected Cost per unit	N/A	N/A	N/A	\$22.22	\$50.00	\$28	\$0
<i>Comments: Project is more costly than first anticipated.</i>							
Δ Contributing Program: Historical Trust Accounting							
Revenue Summaries – Tribal IIM Extension	N/A	N/A	N/A	10	5	-5	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$4,460	\$1,000	-\$3,460	\$0
Actual/Projected Cost per unit	N/A	N/A	N/A	\$446.00	\$200.00	-\$246	\$0.00
<i>Comments:</i>							
Δ Contributing Program: Historical Trust Accounting							
Security & management compliance reports	N/A	N/A	N/A	104	104	0	0
Total Actual /Projected Cost (\$000)	N/A	N/A	N/A	\$765	\$765	\$0	\$0
Actual/Projected Cost per unit (\$000)	N/A	N/A	N/A	\$7	\$7	\$0	\$0
<i>Comments:</i>							
Δ Contributing Program: Historical Trust Accounting							

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

	Treasury Account ID: 14 – 0120 – 0	2010 Actual	2011 Estimate	2012 Estimate
	Obligations by program activity			
0001	Program operations, support, and improvements	185	175	154
0002	Executive direction	2	2	2
0900	Total new obligations	187	177	156
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	15	11	13
1011	Unobligated balance transferred from other accounts [14-2100]	1	0	0
1021	Recoveries of prior year unpaid obligations	4	2	2
1050	Unobligated balance (total)	20	13	15
	Budget authority:			
	Appropriations, discretionary:			
1100	Appropriation	177	177	152
1160	Appropriation, discretionary (total)	177	177	152
1700	Spending authority from offsetting collections, discretionary:			
1750	Spending authority from offsetting collections, disc (total)	1	0	0
1900	Budget authority (total)	178	177	152
1930	Total budgetary resources available	198	190	167
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of, end of year	11	13	11
	Change in obligated balance:			
	Obligated balance, start of year (net):			
3000	Unpaid obligations, brought forward, Oct 1 (gross)	25	35	31
3010	Uncollected pymts, Fed sources, brought forward, Oct 1	-1	-1	-1
3020	Obligated balance, start of year (net)	24	34	30
	Changes in obligated balance during the year			
3030	Obligations incurred, unexpired accounts	187	177	156
3040	Outlays (gross)	-173	-179	-158
3080	Recoveries of prior year unpaid obligations, unexpired	-4	-2	-2
3090	Unpaid obligations, end of year (gross)	35	31	27
3091	Uncollected pymts, Fed sources, end of year	-1	-1	-1
3100	Obligated balance, end of year (net)	34	30	26
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	178	177	152
	Outlays, gross:			
4010	Outlays from new discretionary authority	15	138	119
4011	Outlays from discretionary balances	158	41	39
4020	Outlays, gross (total)	173	179	158
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4030	Federal sources	-1	0	0
4070	Budget authority, net (discretionary)	177	177	152
	Budget authority and outlays, net (total)			
4180	Budget authority, net (total)	177	177	152
4190	Outlays, net (total)	172	179	158

Note: Table may not add due to rounding.

Object Classification

(Dollars in millions)

	Treasury Account ID: 14 – 0120 – 0	2010 Actual	2011 Estimate	2012 Estimate
	Object Classification			
	Direct obligations			
	Personnel compensation			
1111	Full time permanent	47	48	48
1113	Other than full-time permanent	1	1	1
1115	Other personnel compensation	2	2	2
1119	Total personnel compensation	50	51	51
1121	Civilian personnel benefits	14	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, and miscellaneous charges	2	2	2
1251	Advisory and assistance services	21	21	19
1252	Other services from non-federal sources	16	16	10
1253	Other goods and services from federal sources	52	41	30
1260	Supplies and Materials	1	1	1
1310	Equipment	4	4	2
1990	Subtotal, obligations, Direct obligations	171	161	140
2990	Reimbursable obligations	3	3	3
	Allocation Account - direct:			
	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 from non-federal sources	2	2	2
3990	Subtotal, obligations, Allocation Account - direct	13	13	13
9999	Total new obligations	187	177	156

Note: Table may not add due to rounding.

Office of the Special Trustee for American Indians

	2010 Actual	2011 Estimate	2012 Estimate
Personnel Summary			
Direct			
Civilian full-time equivalent employment	684	710	710

**Employee Count by Grade
(Total Employment)**

	2010 Actual	2011 Estimate	2012 Estimate
Executive Level II.....	0	1	1
SES.....	13	15	15
Subtotal.....	13	16	16
SL - 00.....	0	0	0
ST - 00.....	0	0	0
Subtotal.....	0	0	0
GS/GM -15.....	33	37	37
GS/GM -14.....	102	108	108
GS/GM -13.....	95	94	94
GS -12.....	44	55	55
GS -11.....	31	26	26
GS -10.....	0	0	0
GS - 9.....	33	30	30
GS - 8.....	19	22	22
GS - 7.....	149	168	168
GS - 6.....	44	31	31
GS - 5.....	80	73	73
GS - 4.....	35	25	25
GS - 3.....	2	31	31
GS - 2.....	0	0	0
GS - 1.....	0	0	0
Subtotal.....	667	700	700
Other Pay Schedule Systems.....	1	1	1
Total employment (actual/estimate)	681	717	717

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

\$000	2010 Actual	2010 Enacted /2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings	Program Changes (+/-)	Budget Request	
Tribal Special Fund	358,979	279,558	0	0	0	279,558	0
Tribal Trust Fund	123,021	77,769	0	0	0	77,769	0
Total	482,000	357,327	0	0	0	357,327	0

Summary of 2012 Program Changes for Trust Funds

Request Component	\$000	FTE
<u>Program Changes:</u>		
Tribal Special Fund	0	0
Tribal Trust Fund	0	0
TOTAL Program Changes	0	0

Justification of 2012 Program Changes

The 2012 budget request for the Tribal Special Fund and Tribal Trust Fund totals \$357,327,000, a program increase of \$0 from the 2010 Enacted / annualized 2011 Continuing Resolution estimated receipts and outlays.

The budget authority for the Tribal Special Fund and Tribal Trust Fund is equal to receipts of settlements and/or judgments from the Judgment Funds for on-budget trust funds as well as transaction activity from buying and selling investments outside of Treasury for on-budget trust funds; including investment income and proceeds from investment in government sponsored entity securities. Most of the assets of these funds are in investments held outside Treasury.

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 the Special Trustee were reclassified as non-budgetary. Ownership of these funds did not change, nor did the federal government's management responsibilities; changes were made for presentation purposes only. Some tribal trust funds remain budgetary, in the Tribal Special or Tribal Trust Funds accounts.

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* (P.L. 103-374). 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.

Office of the Special Trustee for American Indians

(Dollars in millions)

		2010 Actual	2011 Estimate	2012 Estimate
	Treasury Account ID: 14 – 5265 – 0			
	Obligations by program activity			
0001	Direct program activity	344	360	280
0900	Total new obligations	344	360	280
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	65	80	0
	Budget authority:			
	Appropriations, mandatory:			
1201	Appropriations, mandatory: [-5265]	359	280	280
	Baseline Outlays:			
1930	Total budgetary resources available	424	360	280
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	80	0	0
	Change in obligated balance:			
3030	Obligations incurred, unexpired accounts	344	360	280
3040	Outlays (gross)	-344	-360	-280
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	359	280	280
	Outlays, gross:			
4100	Outlays from new mandatory authority	0	280	280
4101	Outlays from mandatory balances	344	80	0
4180	Budget authority, net (total)	359	280	280
4190	Outlays, net (total)	344	360	280
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	65	80	70
5001	Total investments, EOY: Federal securities: Par value	80	70	70
5010	Total investments, SOY: non-Fed securities: Market value	463	447	448
5011	Total investments, EOY: non-Fed securities: Market value	447	448	448

Note: Table may not add due to rounding.

Office of the Special Trustee for American Indians

(Dollars in millions)

		2010 Actual	2011 Estimate	2012 Estimate
	Treasury Account ID: 14 – 8030 – 0			
	Obligations by program activity			
0001	Direct program activity	112	128	78
0900	Total new obligations	112	128	78
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	39	50	0
	Budget authority:			
	Appropriations, mandatory:			
1202	Appropriations, mandatory: [-8030]	123	78	78
	Baseline Outlays:			
1930	Total budgetary resources available	162	128	78
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	50	0	0
	Change in obligated balance:			
3030	Obligations incurred, unexpired accounts	112	128	78
3040	Outlays (gross)	-112	-128	-78
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	123	78	78
	Outlays, gross:			
4100	Outlays from new mandatory authority	0	78	78
4101	Outlays from mandatory balances	112	50	0
4180	Budget authority, net (total)	123	78	78
4190	Outlays, net (total)	112	128	78
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	39	50	42
5001	Total investments, EOY: Federal securities: Par value	50	42	42
5010	Total investments, SOY: non-Fed securities: Market value	132	117	103
5011	Total investments, EOY: non-Fed securities: Market value	117	103	103

Note: Table may not add due to rounding.